

Annual Report 2018





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LONG-TERM GOAL

The Company's long-term goal is to become a trusted energy company with a focus on sustainably increasing returns to shareholders through continual growth while upholding its responsibility to the society and environment under the principles of good corporate governance and business ethics.

VISION AND MISSION

VISION

A trusted company that innovates to develop premier energy across boundaries

MISSION

To integrate innovative strategy, quality resources, premier technology and culture of commitment to achieve the most reliable energy solution



A photograph of an industrial facility, likely a power plant or refinery. In the foreground, there are large blue cylindrical storage tanks and a complex network of pipes and structural steel. In the background, more industrial structures and a hazy horizon are visible under a clear sky. A white rectangular box is overlaid on the right side of the image, containing the text.

GENERATING RELIABLE POWER



UNIQUE PERSPECTIVES





A low-angle shot of a blue corrugated metal building facade against a clear sky. The building's surface is composed of vertical ridges and grooves, creating a strong rhythmic pattern. A white rectangular box is overlaid on the right side of the image, containing the text.

LEADING THE INDUSTRY





FORWARD THINKING

MESSAGE FROM THE CHAIRMAN



I would like to thank you, our investors, for the support and encouragement you have given us and provide my assurance that we will maintain this operational direction to lead the Company towards continuous, stable growth in a sustainable manner for the benefit of our investors, stakeholders and society.



DEAR ESTEEMED INVESTORS,

In 2018, the direction of energy in Thailand has continued, under the national Power Development Plan 2015, to proceed in accordance with the policy to significantly reduce the use of natural gas in power generation and increase the use of renewable energy sources instead. This is evident in the proportion of energy usage in the past year, which showed an increase in the proportion of renewable fuels and electricity imports from abroad, as well as a decrease in the proportion of natural gas and coal. In addition, Thailand continues to emphasize reducing reliance on fossil fuels in both the transportation and industrial sectors, reducing carbon emissions and energy intensity, promoting self-reliance in the local community by reducing energy usage in production through the use of alternative energy and heat generation, and generating biomass fuels for sale to the industrial sector.

Over the past year, I have seen Gulf Energy Development Public Company Limited (the "Company") take important steps towards adapting to the energy situation in Thailand and the world. In addition to moving forward with the development of the current power projects in Thailand that have achieved commercial operation and power projects that are under development, comprising 28 projects with a total installed generating capacity of 11,124 megawatts, in April 2018, Gulf expanded its investments overseas for the first time, starting in the CLMV (Cambodia, Laos, Myanmar, Vietnam) area, with investments in solar power projects and wind power projects totaling 460 megawatts in a joint venture with a large corporation in Vietnam. This also marks the Company's first step into the renewable energy business. Following this, in October 2018, the Company also invested in a 326-megawatt gas-fired power project in



MR. VISET CHOOPIBAN

Chairman of the Board of Directors



Oman, in a joint venture with a company owned by the Omani government. These additional investments have increased Gulf's renewable energy portfolio to 4% of total power project capacity and have increased the total installed generating capacity of the Company's investments to 11,910 megawatts as of the end of 2018.

Another of the Company's new business ventures which began commercial operation at the end of 2018 is its natural gas distribution (NGD) project. Gulf is the first private company not involved in the gas business to receive a gas transmission license and a license to supply and conduct wholesale trade of natural gas from the Energy Regulatory Commission (ERC) under the Onshore Natural Gas Transmission Third Party Access Code (TPA Code). While the value of the Company's investment in the NGD project may seem small compared to its main business, it can be seen as a first step into the natural gas business for Gulf and, more importantly, the Company jointly invested with a key player who demonstrates strong capability both in Thailand and Japan, thus making it possible for the Company to continue growing in this area in accordance with the government's policy to liberalize the gas business in the future.

With regards to economic conditions, the global economy has continued on the path of recovery which began in 2017, with the US Federal Reserve and other central banks of various countries successively raising interest rates in 2018 - including the Bank of Thailand raising interest rates from 1.50% to 1.75%. However, under the financial conditions of 2018, investments were still under pressure from the trade war between the United States and the European Union, due to the tariffs imposed on steel and aluminum imports, and, more significantly, from the trade war between the United States and China, in which both sides erected a number of trade barriers worth hundreds of billions of dollars. This has lowered the confidence of investors and consumers, with the resulting volatility in the financial and capital markets having far-reaching effects, including in Thailand. Moreover, the price of oil and natural gas increased as a result of the transnational conflicts in the Middle East as well as the aforementioned trade wars, causing impact to the Company's operating costs. However, because of Gulf's strength in business, the Company was still able to post good performance, with a growth in sales and profits in line with the successive commencement of commercial operation of a number of power projects throughout the year as well as its ability to increase sales to industrial users and improve operating efficiency in its power plants. Combined with the aforementioned overseas growth plan, Gulf has shown itself to be a strong company which continues to build confidence for investors.



Aside from the strong business growth, I am also confident in Gulf's business conduct, both in terms of good corporate governance and social and environmental responsibility. From its considerations and examinations of the past operations of Gulf's power plants, the Company's Board of Directors is confident that the Company has operated under the principles of good governance, with strict internal controls and risk management. In addition, the Company has placed strong emphasis on its responsibility to community and social development through the regular implementation of a number of social initiatives and activities benefitting the public. These include projects supporting education for underprivileged groups, a demonstration farm built next to a power plant which serves as an agricultural learning center for the local community and other visitors, the Wind and Water Detectives program supporting environmental education for children in schools around the Company's power plants through learning activities that encourage protection of the local environment, and the Novice Training program in Nan and Chiang Rai provinces, conducted under the Phra Pariyatidhamma Schools project which provides basic education and moral training and reduces involvement in the drug trade, for which Gulf provides supplementary leadership and public speaking training as well as science and environment classes and activities.

As a result of the drive and dedication from the Company's management and employees over the past year, I have had the pleasure of seeing the Company receive a number of awards of its efforts. These include awards reflecting the Company's business success at the national and Asian regional levels in raising funds in the stock market at the end of 2017, namely the SET Awards 2018 Best Deal of the Year from the Stock Exchange of Thailand and The Asset Triple A Country Awards Best IPO in Thailand from The Asset Magazine, as well as 57 national-level environmental and social awards. These valuable awards are a mark of pride and success for the Company's management and employees as Gulf takes its first steps as a public company. I have always been confident that the Company's business philosophy, coupled with the determination of the management and employees, will lead Gulf towards greater success as it continues to move forward.

On behalf of the Board of Directors, the management and the employees of Gulf Energy Development Public Company Limited, I would like to thank you, our shareholders, for the trust and support you have given the Company and provide assurance that Gulf will continue to uphold its philosophy of conducting business in a responsible manner, supporting energy security and contributing to the economic progress of the country, and serving as a model of environmental responsibility and social service to sustainably increase value for our shareholders.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



This past year also marks the beginning of our journey into overseas markets, supporting our objective of becoming an internationally-recognized energy company. Parallel to our strong performance as an energy provider, we have also made sustainability and Corporate Social Responsibility (CSR) a major focus for the company.



DEAR VALUED SHAREHOLDERS,

In 2018, Gulf Energy Development Public Company Limited made significant strides in expanding the business both domestically and internationally. As the Company moves forward with exploring opportunities for growth to secure greater value creation for our shareholders, we continue to uphold our commitment to successfully completing all projects in the pipeline to the highest standard. We have made it a priority to achieve these successes through sound business practices, with strict adherence to international industry standards for project financing and operations, as well as a strong commitment to social and environmental responsibility.

Domestically, Gulf continues to work towards fulfilling its role as a leading energy company, serving as a key player in strengthening the energy sector in Thailand. It is our belief that the Company's growth

should occur in conjunction with the development and advancement of the Thai economy and society. We have therefore developed business strategies with an emphasis on seeking out opportunities to invest in energy and energy infrastructure projects which support the country's growth and advancement of social progress.

This past year also marks the beginning of our journey into overseas markets, supporting our objective of becoming an internationally-recognized energy company. We have had a number of opportunities to expand both our conventional and renewable energy portfolios, in line with global trends towards decarbonization and the Company's strategy to increase investments in energy projects using state-of-the-art technology to provide safe, efficient and reliable power.

A full-page portrait of Mr. Sarath Ratnavadi, Chief Executive Officer of Gulf Energy Development Public Company Limited. He is a middle-aged man with dark hair, wearing a dark blue suit, a white shirt, and a light blue patterned tie. He is standing with his hands in his pockets, looking directly at the camera with a slight smile. The background is a large, textured mural in shades of green and blue, featuring a large, serene Buddha figure holding a glowing white flower in its right hand. The overall lighting is soft, highlighting the man's features and the texture of the background.

Sar Ratnavadi

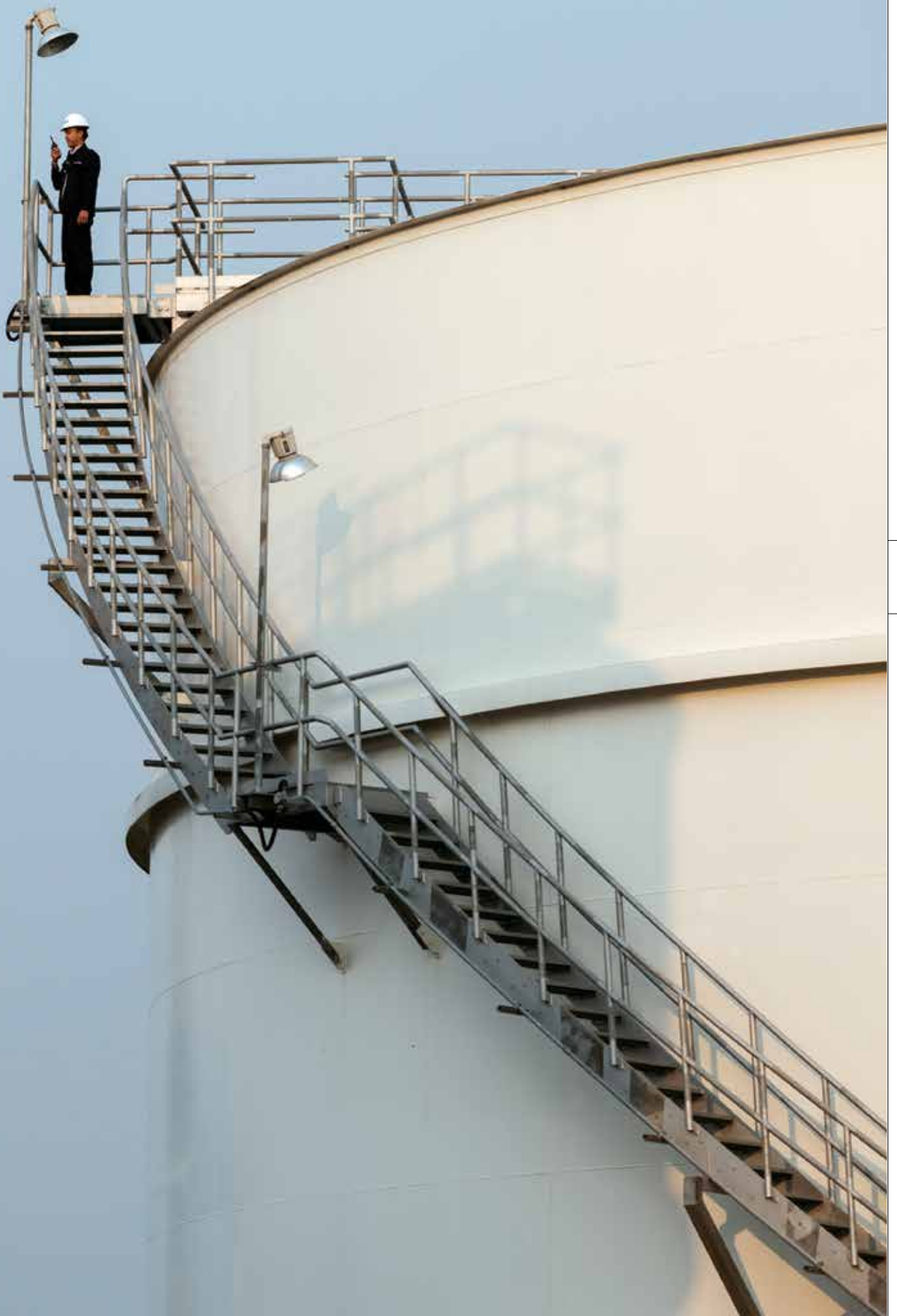
MR. SARATH RATNAVADI

Chief Executive Officer

Parallel to our strong performance as an energy provider, we have also made sustainability and Corporate Social Responsibility (CSR) a major focus for the Company. Gulf has been recognized for its efforts in a number of sustainability-related areas including financial performance, corporate governance, labor management, environmental health and safety, green industry, information technology, leadership and community participation. In addition to ensuring good operational and environmental responsibility, we have been consistently and continually involved in a number of social initiatives aimed at improving the well-being of people in Thailand, especially in the areas of education, sports and healthcare.

Over the past year, Gulf has contributed to over 100 programs and projects providing educational scholarships, funding medical equipment, renovating school and hospital buildings, supporting skills training, and sponsoring local and national sports programs. These include, for example, sponsoring the renovation and purchase of supplies for special education centers to help children with autism and other special needs, providing leadership training and supplementary science education to novice monks in rural areas, sponsoring a youth football camp for underprivileged children, and managing a demonstration farm that provides knowledge, employment, income and recreation for the local community. It is our sincere hope that these initiatives will help build a stronger, more sustainable society.

Our efforts would not be successful without the hard work and dedication of the Gulf family and the constant support and encouragement from our shareholders and investors. Thus, on behalf of the Gulf management and employees, I would like to thank you for the trust you have placed in the Company and reaffirm our commitment to deliver top-quality, reliable energy solutions for the creation of shared value for all our stakeholders.



GENERAL INFORMATION

COMPANY NAME	Gulf Energy Development Public Company Limited
TICKER SYMBOL	GULF
STOCK EXCHANGE	Stock Exchange of Thailand
INDUSTRY SECTOR	Energy and Utilities
TYPE OF BUSINESS	Holding company investing in a portfolio of electricity, steam and chilled water generating projects and other businesses
COMPANY REGISTRATION NUMBER	0107560000231
REGISTERED CAPITAL AND PAID-UP CAPITAL	10,666,500,000 baht, divided into 2,133,300,000 ordinary shares at a par value of 5.0 baht per share
HEAD OFFICE	87 M. Thai Tower, All Seasons Place, 11th Floor, Wireless Road, Lumpini Sub-District, Pathumwan District, Bangkok 10330 Telephone : 0-2080-4499 Fax : 0-2080-4455 Website : www.gulf.co.th
CORPORATE SECRETARY	Telephone : 0-2080-4070 E-mail : cs@gulf.co.th
INVESTOR RELATIONS	Telephone : 0-2080-4488 E-mail : ir@gulf.co.th
OTHER REFERENCES	
REGISTRAR	Thailand Securities Depository Co., Ltd. 93 The Stock Exchange of Thailand Building, Ratchadaphisek Road Dindaeng Sub-District, Dindaeng District, Bangkok 10400 Telephone : 0-2009-9000 Fax : 0-2009-9991 Website : www.set.or.th/tsd
AUDITOR	PricewaterhouseCoopers ABAS Ltd. 179/74-80 15th Floor, Bangkok City Tower, South Sathorn Road, Tungmahamek Sub-District, Sathorn District, Bangkok 10120 Telephone : 0-2344-1000 Fax : 0-2286-5050 Website : www.pwc.com
DEBENTUREHOLDERS' REPRESENTATIVE	Bank of Ayudhya Public Company Limited 1222 Rama 3 Road, Bang Phongphang Sub-District, Yan Nawa District, Bangkok 10120 Telephone : 0-2296-2000 Fax : 0-2683-1304 Website : www.krungsri.com

DIVIDEND POLICY

DIVIDEND POLICY OF THE COMPANY

The Company has a policy to pay dividend to the shareholders at no less than 30.00% of the Company's separate net profit, after deducting tax, legal reserve and other obligations under financing agreements. However, the Company's dividend payment may be adjusted depending on the Company's performance, cash flow, investment requirements, conditions and restrictions under relevant financing agreements and other relevant considerations in the future. In the case where it is resolved by the Company's Board of Directors to pay annual dividend, the Company's Board of Directors must propose such resolution to the Company's meeting of the shareholders for approval, unless it is an interim dividend payment which the Company's Board of Directors has the authority to authorize dividend payment to the shareholders and will report such payment in the subsequent Shareholders' Meeting.

The Company is a holding company whose income is earned from holding shares in other companies and which does not conduct any significant income-earning business of its own, with its major assets being investments in subsidiaries and associates. Therefore, the Company's ability to pay dividend mainly depends on the performance of, and payment of dividends by, the Company's subsidiaries and associates.

DIVIDEND POLICY OF THE COMPANY'S SUBSIDIARIES

The dividend policy of the Company's subsidiaries is set in accordance with the consideration of the subsidiaries' Board of Directors, subject to the approval of each company's shareholder in the meeting of shareholders each year, provided that the dividend must be paid from its net profit, after deducting tax, legal reserve and other obligations under financing agreements. The amount of dividend payment of each of the Company's subsidiaries depends on its performance, cash flows, investment requirements, conditions and restrictions under relevant financing agreements and any other considerations. The Board of Directors of each subsidiary may also by resolution has authority to authorize dividend payment to its shareholders and such interim dividend payment must be reported to the shareholders of the subsidiary in the subsequent shareholders' meeting.

DIVIDEND PAYMENT FROM THE ANNUAL OPERATING RESULTS CAN BE SUMMARIZED AS FOLLOWS:

Dividend payment for the annual operating results	Dividend payment rate (Baht/share)	Dividend payout ratio on net profit according to the separate financial statements of the Company (%)	Dividend payment date
2017	0.40	49.3	May 14, 2018
2018	1.20 *	78.9	May 21, 2019

Remark :

* The Company's Board of Directors' Meeting No. 2/2019 dated February 25, 2019 resolved to propose to the Annual General Meeting of Shareholders for the Year 2019 to be held on April 24, 2019 that the dividend payment for the Company's performance ended as of December 31, 2018 be made at the rate of Baht 1.20 per share, which amounts to Baht 2,559.96 million in total.

CAPITAL STRUCTURE

ORDINARY SHARES

As of December 31, 2018, the Company has issued 2,133,300,000 ordinary shares at the par value of 5.0 baht per share.

Ten largest shareholders whose names appear in the shareholders' registration as of December 31, 2018 are as follows:

SHAREHOLDERS	NUMBER OF SHARES	SHAREHOLDING (%)
1. Group of Mr. Sarath Ratanavadi	1,553,903,100	72.8
- Mr. Sarath Ratanavadi	755,999,994	35.4
- Mrs. Nalineee Ratanavadi ^{1/}	3,900,000	0.2
- Gulf Holdings (Thailand) Company Limited ^{2/}	100,000,002	4.7
- Gulf Capital Holdings Limited ^{3/}	476,000,002	22.3
- Gulf Investment and Trading Pte. Ltd. ^{4/}	218,003,102	10.2
2. Bangkok Bank Public Company Limited	64,000,000	3.0
3. Asian Development Bank	64,000,000	3.0
4. THAI NVDR Co., Ltd.	47,655,707	2.2
5. Sino-Thai Engineering & Construction Public Company Limited	40,000,000	1.9
6. Rojana Industrial Park Public Company Limited	19,400,000	0.9
7. Bualuang Top-Ten Fund	13,662,700	0.6
8. South East Asia UK (Type C) Nominees Limited	13,035,748	0.6
9. SCB Dividend Stock 70/30 Long Term Equity Fund	12,743,200	0.6
10. Mr. Sompob Tingthanathikul	8,000,000	0.4
Total	1,836,400,455	86.1

Remarks :

^{1/} Mrs. Nalineee Ratanavadi is the spouse of Mr. Sarath Ratanavadi

^{2/} A company limited registered under the laws of Thailand wholly owned by Mr. Sarath Ratanavadi

^{3/} A company limited registered under the laws of Hong Kong of which Mr. Sarath Ratanavadi is a beneficiary

^{4/} A company limited registered under the laws of Singapore of which Mr. Sarath Ratanavadi is a beneficiary

Shareholding percentage of minor shareholders (Free Float) is 27.0% (as of December 31, 2018).

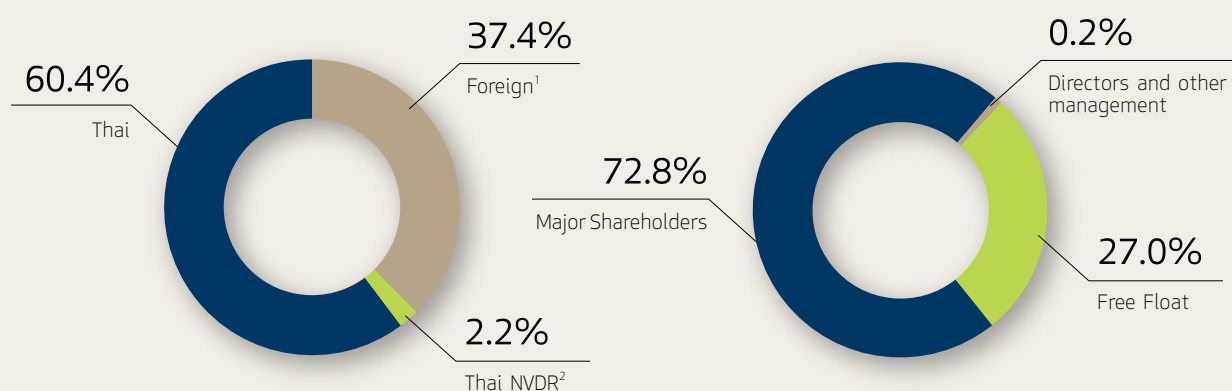
The Company's major shareholders have a connected person of the Company who participates in management of the Company's operation.

Such major shareholder is Mr. Sarath Ratanavadi, holding 755,999,994 shares or equivalent to 35.4% (as of December 31, 2018).

Shareholders Agreements that significantly impact the Company or other shareholders:

The Company does not have any shareholder agreements with the major shareholders of the Company, which could have an impact on the operation of the Company or on other shareholders.

SHAREHOLDER TYPES



Remarks :

^{1/} The Company has a foreign ownership limit of 49%

^{2/} Thai NVDR Company Limited is a company that issues non-voting depository receipts (NVDRs) to both Thai and foreign investors. NVDR shareholders are entitled to the same economic benefits as those who invest in a company's stock; however, NVDR shareholders do not have voting rights at shareholders' meetings

DEBENTURES

As of December 31, 2018, the Company has issued the debentures, which remains outstanding, in the aggregate amount of Baht 6,000 million. The details of which are as follows:

NO.	TYPE OF DEBENTURE	MATURITY DATE	TOTAL AMOUNT (MILLION BAHT) ¹	INTEREST RATE	SECURITY FOR DEBENTURE
2/2016 Tranche 2	Secured and unsubordinated debentures with bond representative	August 15, 2019	6,000	fixed rate	Guaranteed by two financial institutions ²
Total			6,000		

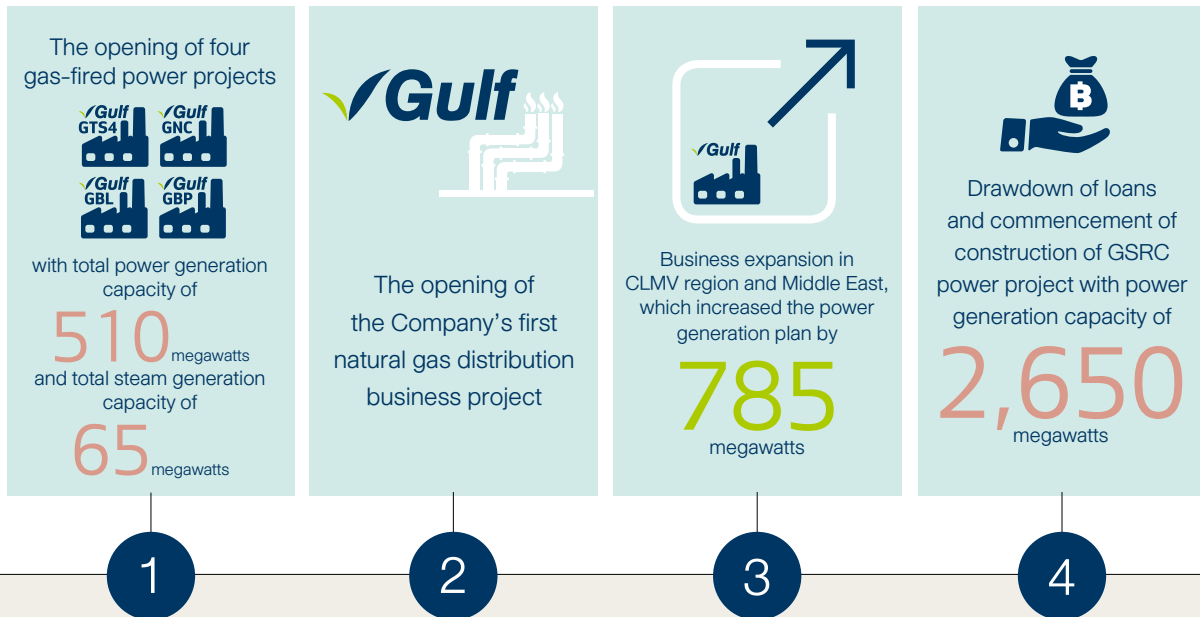
Remarks :

^{1/} The total amount of the outstanding debentures issued by the Company shown in the table above is the offering amount of such debentures, which is different from the amount set out in the Company's financial statements due to amortization.

^{2/} The security interest for the debentures is the guarantees issued by two financial institutions as the guarantor under the respective credit facilities made with such financial institutions. Each of the guarantors has an obligation to severally but not jointly be liable for payment of 50% of the principal and interest amount which is due and payable.

2018 OVERVIEW

HIGHLIGHTS OF THE COMPANY'S SUCCESS IN 2018



Remarks

- ¹ FTSE Global Equity Index Series for the following categories: FTSE All-World, FTSE AllCap (LMS) and FTSE Mid Cap and FTSE SET Large-Cap
- ² MSCI Thailand
- ³ SET Awards 2018 for Best Deal of the Year Awards from The Stock Exchange of Thailand and The Asset Triple A Country Awards 2018 for Best IPO in Thailand by The Asset Magazine
- ⁴ Awards and certificates that the Group received are divided into three types, namely 1) EHS Awards, 2) Social and 3) Technology, with details as follows:



EHS AWARDS

- Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (Public Organization) awarded to GKP1, GKP2, GTLC, GNNK, GNLL, GCRN, GNK2, GNS and GUT
- Water Footprint Certificate for products by Water Institute for Sustainability, The Federation of Thai Industries awarded to GKP1, GKP2, GTLC, GCRN and GUT
- Green Industry Award by the Ministry of Industry awarded to GKP1, GKP2, GNLL, GCRN, GNK2, GUT, GVTP, GTS1, GTS2, GTS3 and GTS4
- Thailand Labour Management Excellence Award 2018 for the category of occupational health, safety and work environment from the Ministry of Labour and Social Welfare awarded to GNNK



- Award for Zero Accident Campaign by the Ministry of Labour awarded to GKP1, GKP2, GTLC, GNNK, GCRN, GNK2 and GNS
- Zero Accident Reward project 2018 from Industrial Estate Authority of Thailand awarded to GVTP
- Eco Factory Award by Water Institute for Sustainability, The Federation of Thai Industries awarded to GKP1 and GKP2
- Green Office Award by Department of Environmental Quality Promotion awarded to GCRN and GNK2

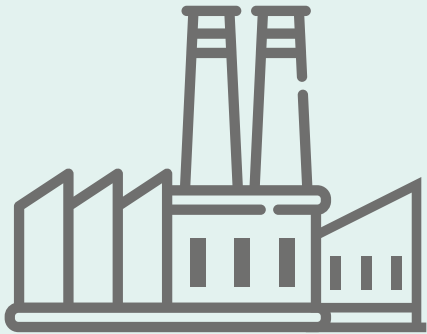
SOCIAL

- IEEE PES Thailand Chapter Women in Power Award 2018 at the IEEE PES Dinner Talk 2018 awarded to Mrs. Porntipa Chinvetkitvanit, President of Gulf Energy Development Public Company Limited
- White Factory Award by Department of Labour Protection and Welfare, Ministry of Labour, awarded to GNK2, GVTP, GTS1, GTS2, GTS3 and GTS4
- Certified under Thai Labour Standards TLS.8001-2010 (Self Declaration) by Office of Labour Standards Development, Department of Labour Protection and Welfare, certified to GTLC, GNLL, GVTP, GTS1, GTS2, GTS3 and GTS4
- Promotion of Public Participation in Factory Governance in Industrial Estates Project (Green Star Award) awarded to GKP1 and GKP2

TECHNOLOGY

- Best HR Digital Transformation Award by SAP AG awarded to GULF
- Trophy for supporting The 9th Science for Youth Day 2018 awarded to GBL and GBP

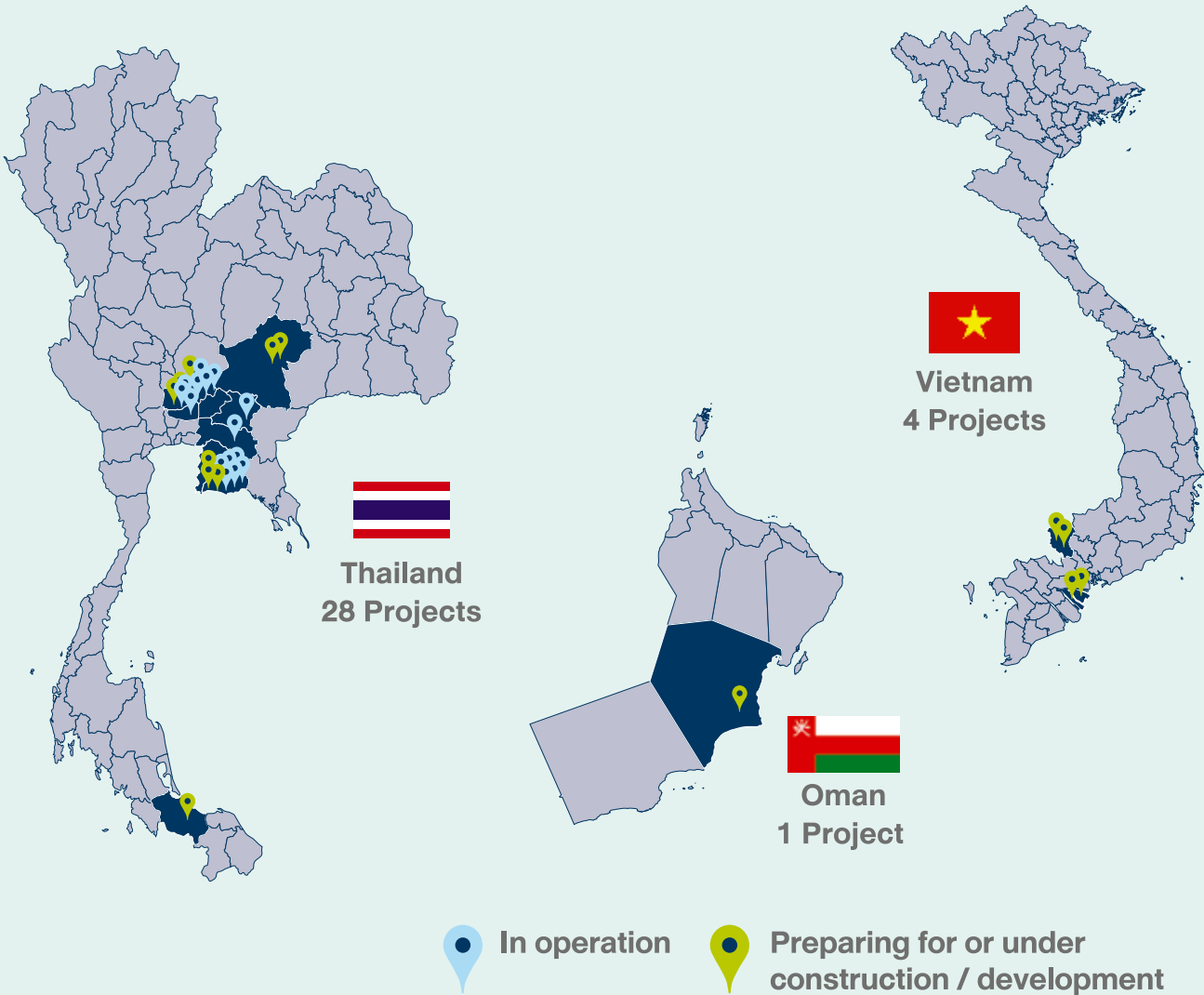




33 POWER PLANTS IN 3 COUNTRIES

All projects will fully operate by 2024

- 4 IPPs
- 19 SPPs
- 9 Renewables
- 1 Captive





IN OPERATION

Project	Category	Location	Type
GKP1	SPP	Saraburi	Gas-fired (CG)
GKP2	SPP	Saraburi	Gas-fired (CG)
GTLC	SPP	Saraburi	Gas-fired (CG)
GNNK	SPP	Chachoengsao	Gas-fired (CG)
GNLL	SPP	Rayong	Gas-fired (CG)
GCRN	SPP	Pathumthani	Gas-fired (CG)
GNK2	SPP	Saraburi	Gas-fired (CG)
GVTP	SPP	Rayong	Gas-fired (CG)
GTS1	SPP	Rayong	Gas-fired (CG)
GTS2	SPP	Rayong	Gas-fired (CG)
GTS3	SPP	Rayong	Gas-fired (CG)
GTS4	SPP	Rayong	Gas-fired (CG)
GNC	SPP	Prachinburi	Gas-fired (CG)
GBL	SPP	Ayutthaya	Gas-fired (CG)
GBP	SPP	Ayutthaya	Gas-fired (CG)
GNS	IPP	Saraburi	Gas-fired (CCGT)
GUT	IPP	Ayutthaya	Gas-fired (CCGT)
Gulf Solar BV	RE	Chonburi	Solar Rooftop
Gulf Solar TS1	RE	Rayong	Solar Rooftop
Gulf Solar KKS	RE	Chonburi	Solar Rooftop
Gulf Solar TS2	RE	Rayong	Solar Rooftop



PREPARING FOR OR UNDER CONSTRUCTION / DEVELOPMENT

Project	Category	Location	Type
GNLL2	SPP	Rayong	Gas-fired (CG)
GNPM	SPP	Saraburi	Gas-fired (CG)
GNRV1	SPP	Nakorn Ratchasima	Gas-fired (CG)
GNRV2	SPP	Nakorn Ratchasima	Gas-fired (CG)
TTCIZ-01	RE	Vietnam	Solar
TTCIZ-02	RE	Vietnam	Solar
Solar Farm	RE	Vietnam	Solar
Wind Farm	RE	Vietnam	Offshore wind
GCG	RE	Songkhla	Biomass
DIPWP	CAPTIVE	Oman	Gas-fired (CCGT)
GSRC	IPP	Chonburi	Gas-fired (CCGT)
GPD	IPP	Rayong	Gas-fired (CCGT)

SUMMARY OF KEY EVENTS 2018



January

- ▶ **The GTS4 power project**, under the Company's subsidiary, GMP, commenced commercial operations.
- ▶ **GCG**, operator of the biomass project in Songkhla province, signed the PPA with EGAT for a contracted capacity of 20.6 megawatts for a term of 25 years.
- ▶ The Company signed the Shareholders' Agreement with **WHAUP** and **MITG** to develop the natural gas distribution business to serve industrial users.

February

- ▶ **GSRC** and **GPD**, operators of the IPP power projects with a total contracted power generation capacity of 5,000 megawatts, signed the EPC contracts and LTSA.
- ▶ The Company signed the Shareholders' Agreement with **Mitsui & Co.**, **MIT-Power** and **IPD** to develop the GSRC and GPD power projects, and the Company increased the shareholding in IPD from 51.0% to 70.0% while it is entitled to receive 75.0% dividends.
- ▶ **GCG** signed the EPC contracts and financing agreements to develop the biomass project in Songkhla province.

March

- ▶ **The GNC power project**, under the Company's subsidiary, GMP, commenced commercial operations.
- ▶ The Company established **Gulf Energy International Co., Ltd.**, a subsidiary located in Thailand, to support the business expansion both domestically and internationally.



April

- ▶ The Company signed the Share Purchasing Agreement and Shareholders' Agreement with **TTC Group** to invest through 49.0% shareholding in a solar power project in Vietnam, TTCIZ-01, with an installed power generation capacity of 68.8 megawatts.
- ▶ The Annual General Meeting of Shareholders 2018 approved the dividend payment for the operating results of 2017 at 0.40 baht per share, totaling 853.3 million baht, or equivalent to 49.3% of the Company's net profit based on the separate financial statement.



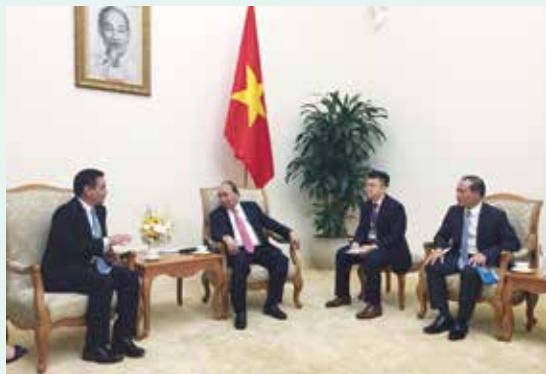
May

- ▶ The Company signed the Share Purchasing Agreement and Shareholders' Agreement with **TTC Group** to invest through 49.0% shareholding in a solar power project in Vietnam, TTCIZ-02, with an installed power generation capacity of 50.0 megawatts.



June

- ▶ The Company was selected for inclusion in the FTSE Global Equity Index Series for the following categories: FTSE All-World, FTSE AllCap (LMS) and FTSE Mid Cap Indices, and FTSE SET Mid Cap Index.



August

- ▶ The Company established a subsidiary, **Gulf Energy (Vietnam) Limited Liability Company**, in Vietnam.
- ▶ The Company signed the Share Purchasing Agreement and Shareholders' Agreement with TTC Group to invest through 49.0% in wind and solar power projects in Vietnam with total installed power generation capacity of approximately 340.0 megawatts.

September

- ▶ **The GBL power project**, under the Company's subsidiary, GMP, commenced commercial operations.
- ▶ The Company was selected to jointly invest 45.0% in the Duqm Independent Power and Water Project, located in Oman, with an installed power generating capacity of approximately 326.0 megawatts and an installed water generation capacity of approximately 1,667.0 cubic meters per hour.
- ▶ The Company established a subsidiary, **Gulf Energy Mauritius Company Limited**, in the Republic of Mauritius.



October

- ▶ The Company completed the 45.0% share purchase from **Oman Oil** to invest in the Duqm Independent Power and Water Project in Oman.

November

- ▶ **The GBP power project**, under the Company's subsidiary, GMP, commenced commercial operations.
- ▶ **GSRC** signed long-term financing agreements with an aggregate amount of approximately 38,000 million baht to develop the IPP power project with a contracted capacity of 2,500 megawatts.
- ▶ The Company was selected for inclusion in the MSCI Thailand Index.



December

- ▶ **TTCIZ-01** and **TTCIZ-02**, the operators of solar farms in Vietnam, signed the PPA with EVN for a term of 20 years.
- ▶ **The NGD2 natural gas distribution project**, under the Gulf WHA MT joint venture, commenced commercial operations.
- ▶ The Company was selected for inclusion in the FTSE SET Large-Cap Index, SET 50 Index and SET 100 Index.
- ▶ The Company increased the investment in solar power project in Vietnam, TTCIZ-02, from 49.0% to 90.0%.



FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Million Baht)

	2016	2017	2018
Total revenues from sales and management fee	241	4,350	17,181
Total cost of sales and management fee	(235)	(3,286)	(12,681)
Gain (loss) on exchange rate	(32)	995	135
Share of profit from an associate and joint ventures	1,437	3,982	2,615
Profit (loss) for the year	221	3,907	4,141
Profit (loss) attributable to owners of the parent	418	3,451	3,028

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Million Baht)

Total assets	59,816	100,652	123,669
Total liabilities	56,033	61,304	78,880
Total equity	3,782	39,348	44,788
Total equity attributable to owners of the parent	2,321	34,565	36,537

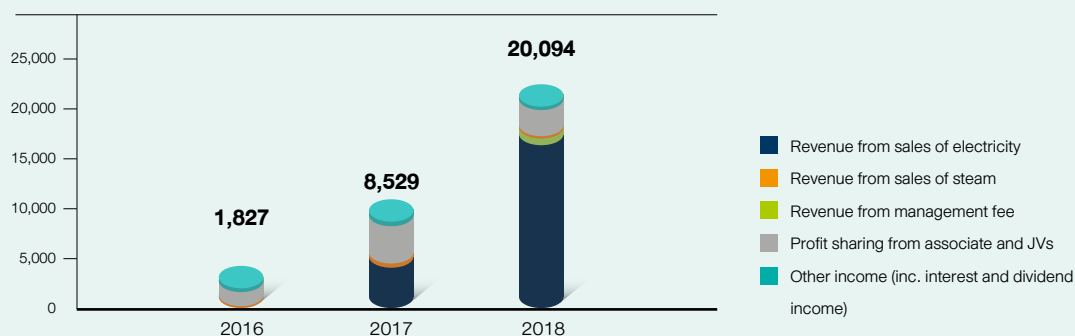
FINANCIAL RATIOS

Book value per share (Baht)	4.15	16.20	17.13
Earnings per share - weighted (Baht)	0.79	3.18	1.42
Earnings per share - diluted (Baht)	0.75	1.62	1.42
Net profit margin (%)	12.1%	45.8%	20.6%
Profit exclude gain (loss) on exchange rate to total revenues* (%)	13.8%	34.1%	19.9%
Return on equity (%)	7.0%	18.1%	9.8%
Return on assets (%)	0.5%	4.9%	3.7%
Debt to equity (times)	14.81	1.56	1.76
Net debt to equity (times)	14.08	1.04	1.34

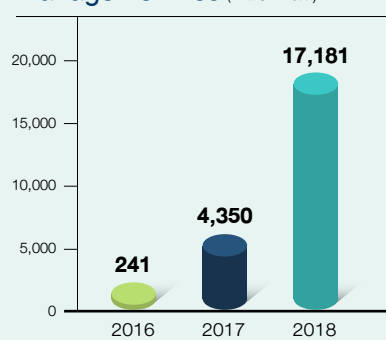
*total revenues = revenues from sales and management fee + other income + interest income + dividend income + share of profit from an associate and joint ventures

Total revenue breakdown 2016-2018

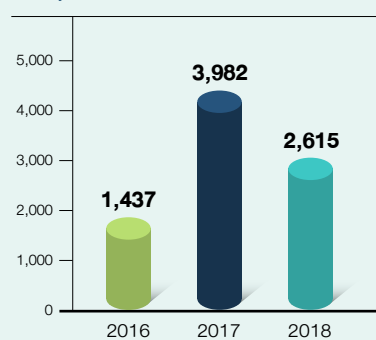
(Million Baht)



Revenue from sales and management fee (Million Baht)

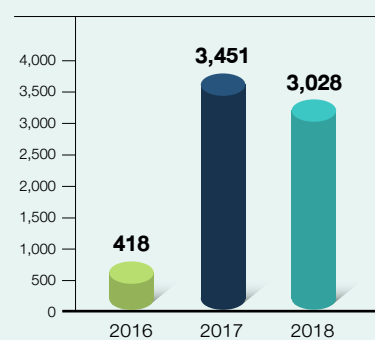


Profit sharing from associate and joint ventures (Million Baht)



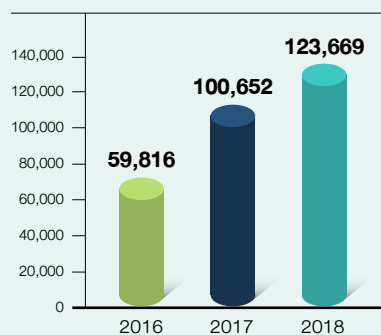
Net profit for the owner

(Million Baht)



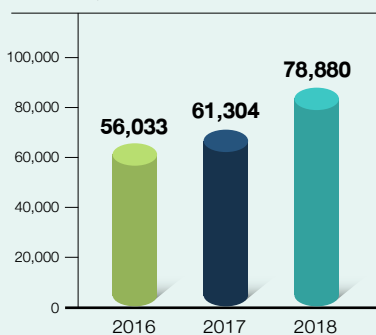
Assets

(Million Baht)



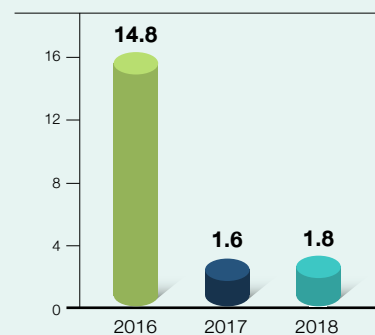
Liabilities

(Million Baht)



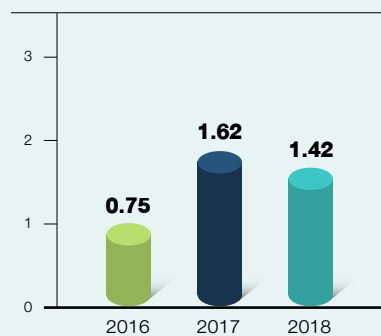
Debt to equity ratio

(Times)



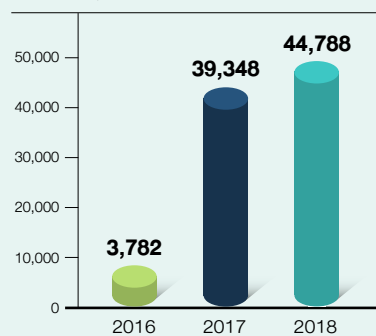
Earnings per share

(Baht/share)



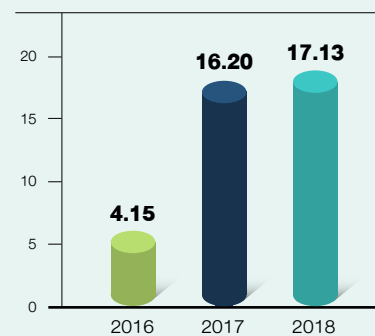
Book value

(Million Baht)



Book value per share

(Baht/share)



BACKGROUND AND KEY MILESTONES



2007

- GHC was established by Mr. Sarath Ratanavadi, as his wholly-owned company
- GJP was established by J-Power, as its wholly-owned subsidiary
- GJP was awarded 7 gas-fired SPPs and won the bid to develop 2 gas-fired IPPs

2008

- 2 gas-fired IPPs under GJP signed PPAs with EGAT

2009

- GHC acquired a 10.0% equity interest in GJP from J-Power
- 7 gas-fired SPPs under GJP signed PPAs with EGAT

2010

- GHC was awarded 12 gas-fired SPPs

2011

- The Company was established by Mr. Sarath Ratanavadi, as his wholly-owned company
- GHC transferred all of its stake in 12 gas-fired SPPs to the Company
- 12 gas-fired SPPs under GHC signed PPAs with EGAT

2012

- GHC transferred 10.0% of its stake in GJP to the Company
- IPD was established by the Company to participate in the IPP solicitation program in 2012

2013

- Mitsui & Co. acquired a 49.0% equity interest in IPD
- IPD was awarded 2 gas-fired IPPs, GSRC and GPD, which subsequently signed PPAs with EGAT
- GMP was established by the Company, and the Company transferred all of its stake in the 12 gas-fired SPPs to GMP
- Gulf Solar was established by the Company, which secured the rights to develop and operate 4 rooftop solar power projects

2014

- WHA Energy, a subsidiary of WHAUP, acquired a 25.0% equity interest in Gulf Solar
- The Company established Gulf HK, which invested 9.1% in SPCG¹
- The Company established GCG, as its wholly-owned subsidiary

2015

- The Company established Gulf WHA MT
- MIT-Power (wholly-owned by Mitsui & Co.) acquired a 30.0% equity interest in GMP
- The Company divested Pomodoro Group Co., Ltd., a non-power related subsidiary
- Gulf HK acquired 0.5% of EDL-Gen's issued and paid-up shares

2016

- The Company was awarded the GCG biomass project
- The Company acquired an additional equity interest in GJP, from 10.0% to 40.0%
- The Company divested Gulf Sport, a non-power related subsidiary
- Gulf WHA MT established WHA NGD2

2017

- Gulf WHA MT established WHA NGD4
- The Company transferred the 51.0% share capital of Gulf WHA MT to Hemaraj²
- The Company registered its conversion to a public company limited
- 4 gas-fired SPPs under GMP commenced commercial operations
- The Company's shares were listed and began first trading on the Stock Exchange of Thailand on December 6, 2017

2018

- The Company invested a 35.0% equity interest with WHAUP and MITG to jointly develop the natural gas distribution business to industrial users
- GCG signed the PPA with EGAT
- The Company acquired an additional equity interest in IPD from 51.0% to 70.0% while being entitled to receive 75.0% dividends
- The Company acquired a 49.0% equity interest in four solar and wind power projects in Vietnam³
- The Company won the bid to develop a gas-fired power project in Oman, with a 45.0% equity interest in the project
- TTCIZ-01 and TTCIZ-02 signed the PPAs with EVN
- 4 gas-fired SPPs and WHA NGD2 commenced commercial operations

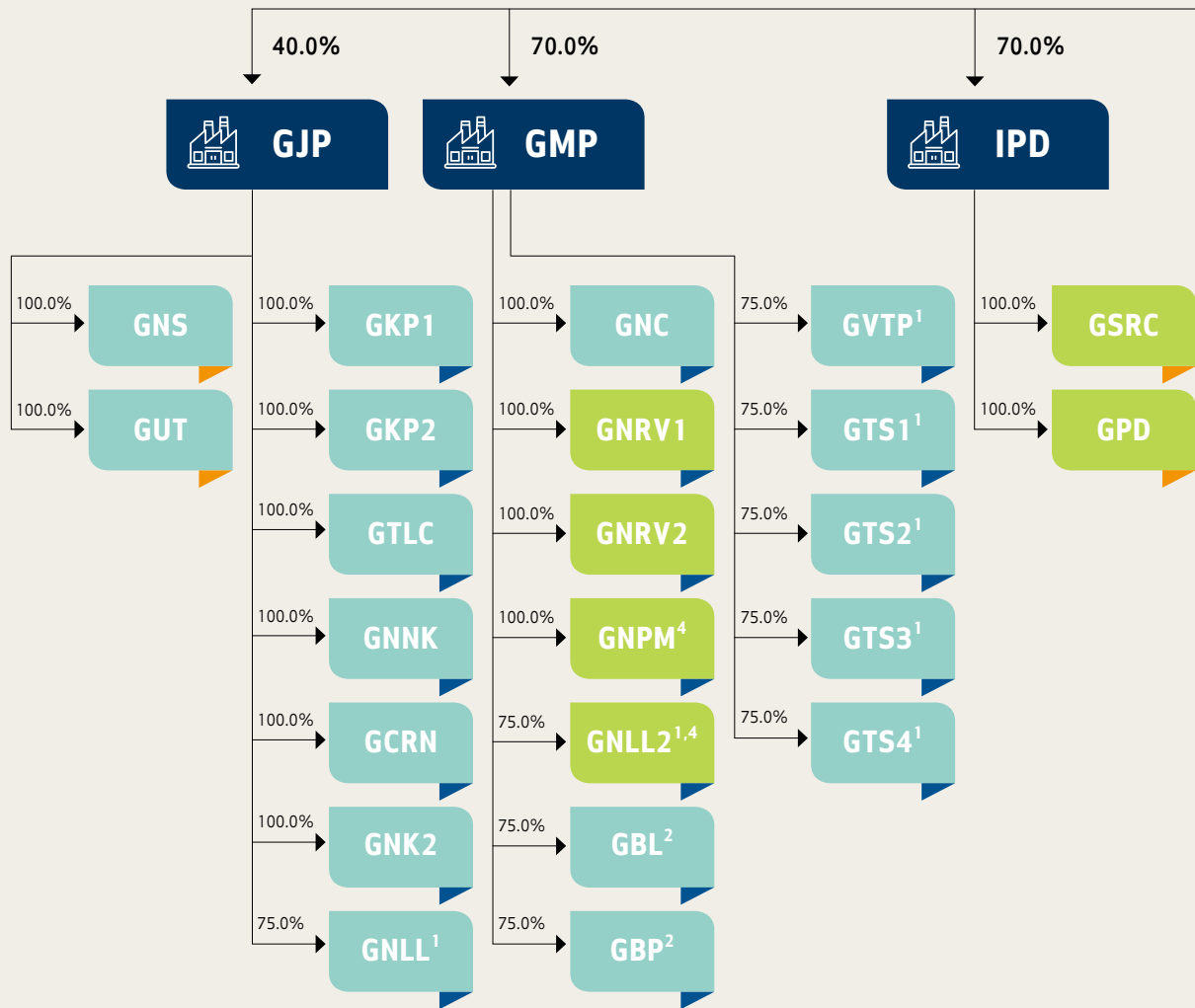
^{1/} Gulf HK currently holds 8.4% equity stake in SPCG

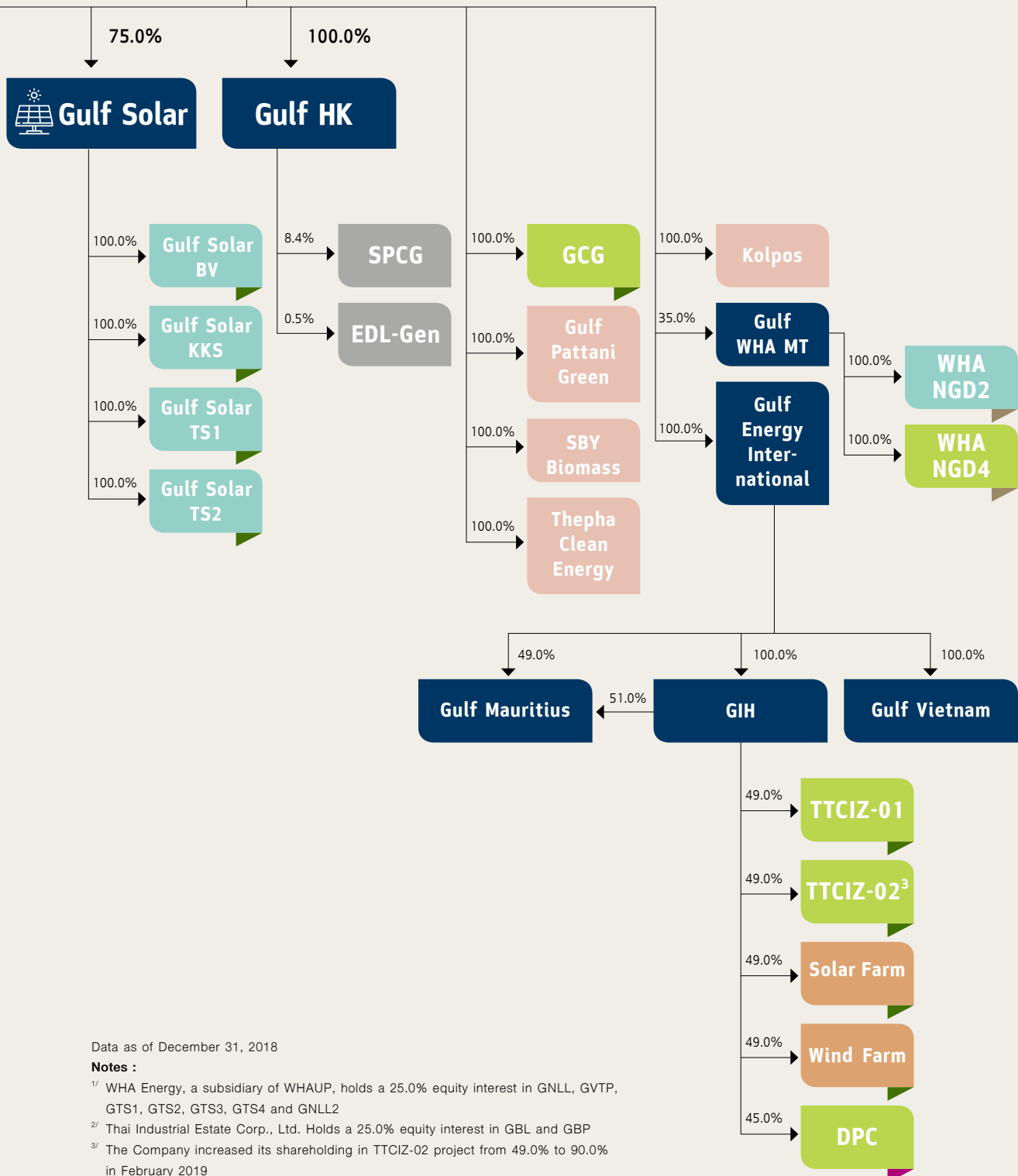
^{2/} Hemaraj subsequently transferred all of its shares to WHAUP, its subsidiary

^{3/} The Company has increased its equity interest in TTCIZ-02 project from 49.0% to 90.0% in February 2019



INVESTMENT STRUCTURE





Data as of December 31, 2018

Notes :

^{1/} WHA Energy, a subsidiary of WHAUP, holds a 25.0% equity interest in GNLL, GVTP, GTS1, GTS2, GTS3, GTS4 and GNLL2

^{2/} Thai Industrial Estate Corp., Ltd. Holds a 25.0% equity interest in GBL and GBP

^{3/} The Company increased its shareholding in TTCIZ-02 project from 49.0% to 90.0% in February 2019

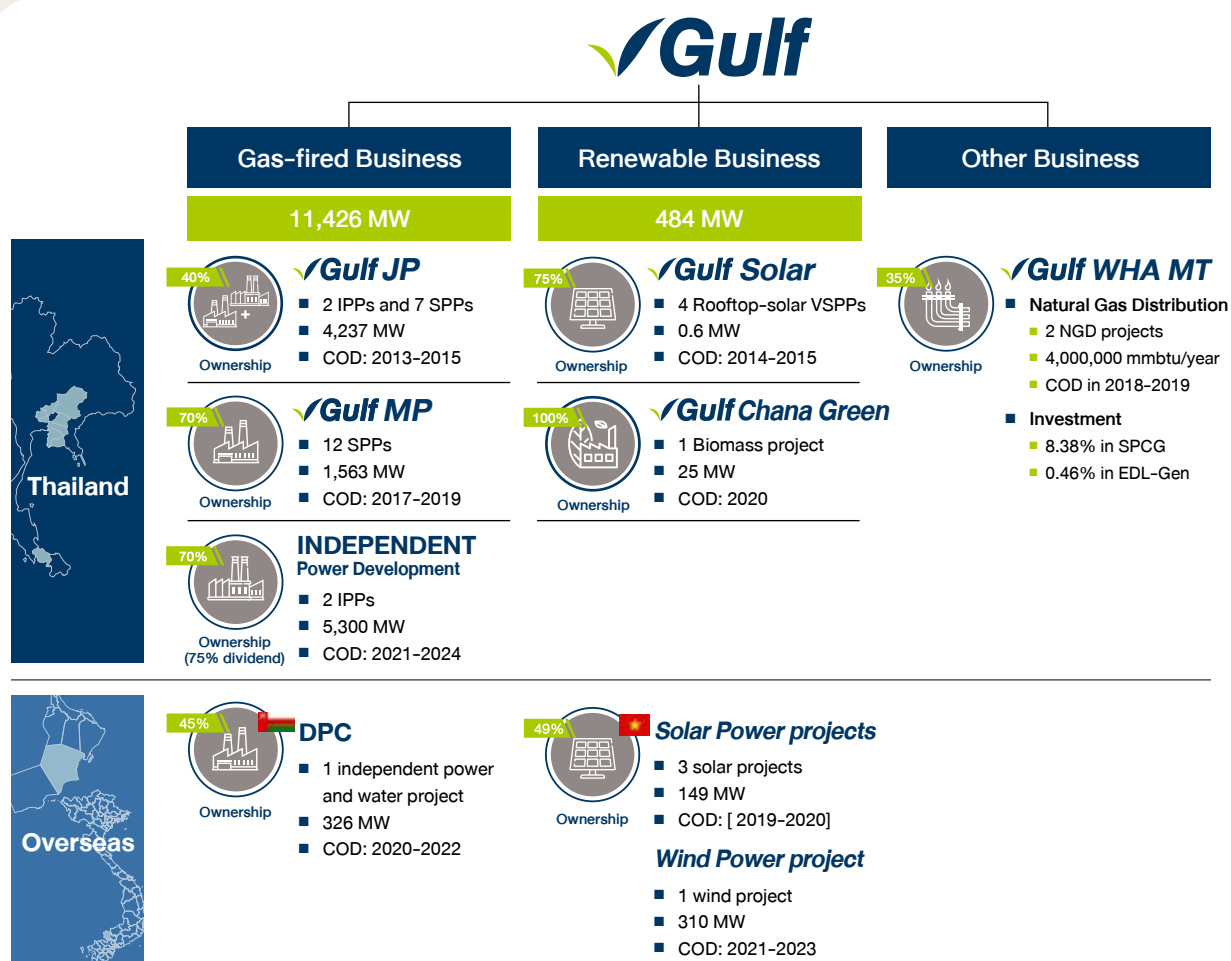
^{4/} GNLL2 and GNPM commenced commercial operations on January 1, 2019 and March 1, 2019, respectively

OUR BUSINESS

The Company is a holding company with a portfolio of electricity, steam and chilled water generating projects and other related businesses, and is one of Thailand's largest private power producers. As of December 31, 2018, the total installed capacity of the Group's power projects - including those that have achieved commercial operation and those under development scheduled for completion by 2024 - is

11,910.4 megawatts, with an equity installed capacity of 6,700.7¹ megawatts. As of December 31, 2018, the Group's power projects which have achieved commercial operation have a total installed capacity of 5,282.1 megawatts, with an equity installed capacity of 2,253.4 megawatts.

The Company's business structure can be divided into three groups: the gas-fired power business, the renewable energy business and other businesses.



¹ The Company increased its shareholding in the TTCIZ-02 solar power project in Vietnam from 49.0% to 90.0% in February 2019. As a result, equity installed power generation capacity will increase to 6,721.2 megawatts.

1. GAS-FIRED POWER BUSINESS

1.1 GAS-FIRED POWER BUSINESS IN THAILAND

The Group's gas-fired IPP power projects generate and sell electricity to EGAT under a 25-year PPA, while its gas-fired SPP power projects sell 70.0% - 80.0% of the electricity they generate to EGAT under a 25-year PPA which begins when the project achieves commercial operation. Electricity sold to EGAT is distributed through EGAT's country-wide transmission network from where it is then sold to PEA and MEA who then distribute it to consumers across the country. In addition, the gas-fired power projects also sell electricity, steam and chilled water to industrial users under PPAs with certain groups of industrial users and are in the process of negotiating contracts with additional industrial users.

The Company develops and operates its gas-fired power projects through subsidiaries and an associate which can be classified into three groups as follows:

1) GJP

The Company holds a 40.0% equity interest in the associate GJP to operate nine power projects which include two gas-fired IPPS, namely GNS power project located in Saraburi province and GUT power project located in Ayutthaya province, and seven gas-fired SPPs located in Saraburi, Ayutthaya, Chachoengsao, Rayong and Pathumthani provinces. The projects have a total installed capacity of 4,236.6 megawatts, with an equity installed capacity of 1,682.3 megawatts. All power projects under GJP achieved commercial operation between 2013 and 2015.

2) GMP

The Company holds a 70.0% equity interest in the subsidiary GMP to operate 12 gas-fired SPPS located in Rayong, Prachinburi, Ayutthaya, Saraburi and Nakorn Ratchasima provinces, with a total installed capacity of 1,563.4 megawatts of which equity installed capacity is 911.4 megawatts. As of December 31, 2018, eight gas-fired SPP projects under GMP have achieved commercial operation, with a total installed capacity of 1,044.9 megawatts, of which equity installed capacity is 570.6 megawatts. The remaining four projects are under construction, with progress having reached 91.9%-99.9%. The Company expects these projects to begin commercial operation in 2019.

3) IPD

The Company holds a 70.0% equity interest in the subsidiary IPD to operate two gas-fired IPPS, namely GSRC power project located in Chonburi province and GPD power project located in Rayong province, which have a total installed capacity of 5,300 megawatts, of which equity installed capacity is 3,710.0 megawatts. At present, both power projects have been granted all required permits and the Company expects the projects to begin commercial operation between 2021 and 2024. As of December 31, 2018, construction has commenced on the GSRC power project, with progress at 18.1%.

1.2 GAS-FIRED POWER BUSINESS OVERSEAS

The Company indirectly holds 45.0% of shares through the subsidiary GIH to operate a gas-fired captive power project, namely the DIPWP power project located in the Duqm Special Economic Zone (Duqm SEZ) in Oman. The project has a total installed power generation capacity of 326 megawatts and a total installed water generation capacity of 1,667.0 cubic meters, of which equity installed capacity is 146.7 megawatts and 750.2 cubic meters, respectively.

The DIPWP power project generates and sells electricity and water to the Duqm Refinery and Petrochemical Industrial Company L.L.C. – a large-scale refinery with a crude oil production capacity of approximately 230,000 barrels per day – under a 25-year Power and Water Purchase Agreement (PWPA) with the option to extend the contract an additional five years. As of December 31, 2018, construction has commenced on the DIPWP project, with progress at 13.5%, and the Company expects the project to achieve commercial operation between 2020 and 2022.

2. RENEWABLE ENERGY BUSINESS

2.1 RENEWABLE ENERGY BUSINESS IN THAILAND

The Company develops and operates two forms of renewable energy projects in Thailand: rooftop solar power and biomass power projects.

2.1.1 Rooftop solar power projects

The Company holds a 75.0% equity interest in the subsidiary Gulf Solar to operate four rooftop solar VSPP projects located in Chonburi and Rayong provinces. The projects have a total installed capacity of 0.6 megawatts and began commercial operation between 2014 and 2015.

2.1.2 Biomass power project

The Company wholly owns the subsidiary GCG which operates a biomass SPP located in Songkhla province with a total installed capacity of 25.0 megawatts. The power project will receive an adder of 1.0 baht per kilowatt-hour for seven years as part of a special program for projects located in the four districts of Songkhla province. As of December 31, 2018, construction has commenced on the project, with progress at 32.6%, and the Company expects the project to begin commercial operation in 2020.

2.2 RENEWABLE ENERGY BUSINESS OVERSEAS

In 2018, the Company expanded its renewable energy business to Vietnam. The projects, which have a total installed capacity of 458.8 megawatts, can be divided into two categories: solar power projects and wind power projects.

2.2.1 Solar power projects

The Company indirectly holds 49.0%¹ of shares through the subsidiary GIH to operate three solar power projects in Vietnam, namely TTCIZ-01 and TTCIZ-02 in Tay Ninh province and Solar Farm in Ben Tre province, with a total installed capacity of 148.8 megawatts. As of December 31, 2018, construction has commenced on the TTCIZ-01 and TTCIZ-02 projects, with progress at 83.0% and 39.0% respectively, and the Company expects both projects to achieve commercial operation in 2019.

2.2.2 Wind power project

The Company indirectly holds 49.0% of shares through the subsidiary GIH to operate a wind power project, Wind Farm, located in Ben Tre province with a total installed capacity of 310.0 megawatts. As of December 31, 2018, the Company has begun the EPC selection process and expects to complete the selection by Q3 of 2019, with the project completed between 2021 and 2023.

¹ The Company increased its holding in TTCIZ-02 from 49.0% of shares to 90.0% of shares in February 2019.

3. OTHER BUSINESSES

3.1 GAS DISTRIBUTION BUSINESS

The Company holds a 35.0% equity interest in the joint venture Gulf WHA MT to operate two gas distribution projects serving industrial users in industrial estates, namely WHA NGD2 and WHA NGD4, distributing natural gas to industrial users in the WHA Eastern Seaboard 2 and WHA Eastern Seaboard 4 industrial estates, respectively. At present, both projects have been granted all required permits, with WHA NGD2 having begun commercial operation in 2018 and WHA NGD4 schedule to begin commercial operation in 2019.

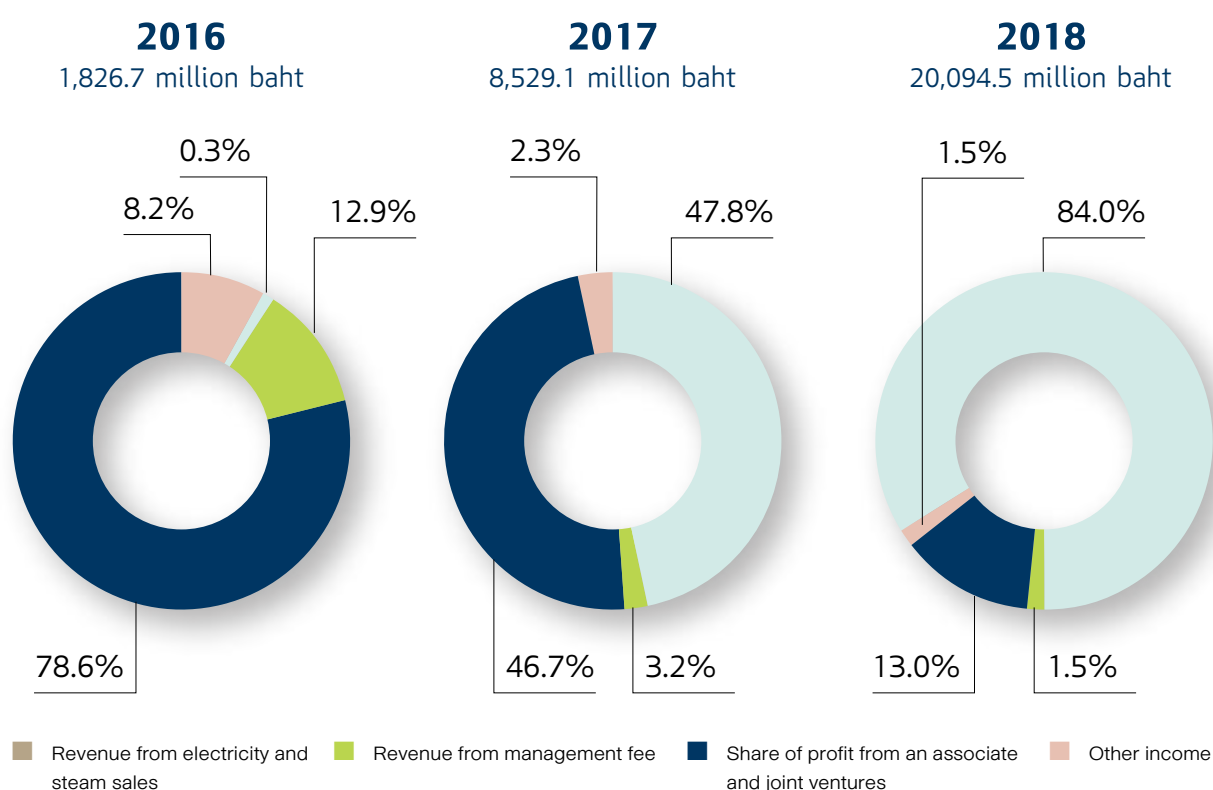
3.2 POWER PROJECT MANAGEMENT SERVICES BUSINESS

The Company provides management services to power projects within the group, from the development and construction stage to the management stage after commencement of commercial operation, including maintenance and operation planning and policy, finance and accounting, and other administrative services.

REVENUE STRUCTURE

In 2018, the majority of the Group's revenue was derived from the gas-fired power business in Thailand, in particular revenue from the sale of electricity and steam from the subsidiary GMP and share of profit from the associate GJP.

The table below shows information about the Group's power projects in Thailand and overseas categorized by the projects' operational status as projects in operation and projects under construction/preparing for construction under various groups, namely GMP, IPD, GCG, Gulf Solar and GJP for power projects in Thailand, and GIH for power projects overseas, namely Vietnam and Oman (as of December 31, 2018, except as indicated otherwise in the remarks at the end of the table).



PROJECT NAME	CATEGORY	LOCATION	TYPE OF POWER PROJECT ⁽¹⁾	INSTALLED POWER/STEAM/CHILLED WATER GENERATION CAPACITY ⁽²⁾	EQUITY PARTICIPATION ⁽³⁾	EQUITY INSTALLED POWER/STEAM/CHILLED WATER GENERATION CAPACITY ⁽²⁾	CONTRACTED POWER/STEAM/CHILLED/WATER/DESALINATED WATER GENERATION BY CONTRACT TYPE ^{(4) (5) (6) (7)}	COMMERCIAL OPERATION DATES/SCHEDULED COMMERCIAL OPERATION DATES
POWER PROJECTS IN THAILAND								
GMP Group :								
In operation :								
GVTP	SPP	Rayong	Gas-fired (CG)	EE: 137.0 MW ST: 20.0 TPH	52.49 %	EE: 71.9 MW ST: 10.5 TPH	PPA: 90.0 MW ESA: 47.0 MW SSA: 7.0 TPH	May 16, 2017
GTS1	SPP	Rayong	Gas-fired (CG)	EE: 134.0 MW ST: 30.0 TPH	52.49 %	EE: 70.3 MW ST: 15.7 TPH	PPA: 90.0 MW ESA: 40.8 MW SSA: 42.0 TPH	July 8, 2017
GTS2	SPP	Rayong	Gas-fired (CG)	EE: 134.0 MW ST: 30.0 TPH	52.49 %	EE: 70.3 MW ST: 15.7 TPH	PPA: 90.0 MW ESA: 36.0 MW SSA: 36.0 TPH	September 1, 2017
GTS3	SPP	Rayong	Gas-fired (CG)	EE: 129.9 MW ST: 25.0 TPH	52.49 %	EE: 68.2 MW ST: 13.1 TPH	PPA: 90.0 MW ESA: 38.9 MW SSA: 25.0 TPH	November 1, 2017
GTS4	SPP	Rayong	Gas-fired (CG)	EE: 129.9 MW ST: 25.0 TPH	52.49 %	EE: 68.2 MW ST: 13.1 TPH	PPA: 90.0 MW ESA: 44.4 MW SSA: 25.0 TPH	January 1, 2018
GNC	SPP	Prachinburi	Gas-fired (CG)	EE: 126.5 MW ST: 20.0 TPH	70.0 %	EE: 88.5 MW ST: 14.0 TPH	PPA: 90.0 MW ESA: 18.8 MW SSA: 24.0 TPH	March 1, 2018
GBL	SPP	Ayutthaya	Gas-fired (CG)	EE: 126.8 MW ST: 10.0 TPH	52.50 %	EE: 66.6 MW ST: 5.3 TPH	PPA: 90.0 MW ESA: 33.8 MW SSA: 8.0 TPH	September 1, 2018
GBP	SPP	Ayutthaya	Gas-fired (CG)	EE: 126.8 MW ST: 10.0 TPH	52.50 %	EE: 66.6 MW ST: 5.3 TPH	PPA: 90.0 MW ESA: 34.0 MW SSA: 4.5 TPH	November 1, 2018
Under construction:								
GNLL2	SPP	Rayong	Gas-fired (CG)	EE: 126.9 MW ST: 10.0 TPH	52.49 %	EE: 66.6 MW ST: 5.2 TPH	PPA: ST: 5.2 TPH ESA: 26.0 MW	Expected January 2019
GNPM	SPP	Saraburi	Gas-fired (CG)	EE: 135.2 MW ST: 25.0 TPH	70.00 %	EE: 94.7 MW ST: 17.5 TPH	PPA: 90.0 MW ESA: 39.2 MW SSA: 37.0 TPH	Expected March 2019
GNRV1	SPP	Nakorn Ratchasima	Gas-fired (CG)	EE: 128.2 MW ST: 10.0 TPH	70.00 %	EE: 89.8 MW ST: 7.0 TPH	PPA: 90.0 MW ESA: 28.7 MW SSA: 2.0 TPH	Expected May 2019
GNRV2	SPP	Nakorn Ratchasima	Gas-fired (CG)	EE: 128.2 MW ST: 10.0 TPH	70.00 %	EE: 89.8 MW ST: 7.0 TPH	PPA: 90.0 MW ESA: 22.2 MW	Expected July 2019
Subtotal GMP Group				EE: 1,563.4 MW ST: 225.0 TPH		EE: 911.4 MW ST: 129.5 TPH	PPA: 1,080.0 MW ESA: 409.7 MW SSA: 210.5 TPH	

PROJECT NAME	CATEGORY	LOCATION	TYPE OF POWER PROJECT ⁽¹⁾	INSTALLED POWER/STEAM/CHILLED WATER GENERATION CAPACITY ⁽²⁾	EQUITY PARTICIPATION ⁽³⁾	EQUITY INSTALLED POWER/STEAM/CHILLED WATER GENERATION CAPACITY ⁽²⁾	CONTRACTED POWER/STEAM/CHILLED/WATER/DESALINATED WATER GENERATION BY CONTRACT TYPE ^{(4) (5) (6) (7)}	COMMERCIAL OPERATION DATES/SCHEDULED COMMERCIAL OPERATION DATES
IPD Group: Preparing for under construction								
GSRC	IPP	Chonburi	Gas-fired (CCGT)	EE: 2,650.0 MW	70.00 %	EE: 1,855.0 MW	PPA: 2,500.0 MW	Units 1 and 2: Expected 2021 Units 3 and 4: Expected 2022
GPD	IPP	Rayong	Gas-fired (CCGT)	EE: 2,650.0 MW	70.00 %	EE: 1,855.0 MW	PPA: 2,500.0 MW	Units 1 and 2: Expected 2023 Units 3 and 4: Expected 2024
Subtotal IPD Group				EE: 5,300.0 MW		EE: 3,710.0 MW	PPA: 5,000.0 MW	
Gulf Solar Roof Group: In operation								
Gulf Solar BV ⁽⁸⁾	VSP	Chonburi	Solar	EE: 0.13 MW	74.99 %	EE: 0.10 MW	PPA: 0.13 MW (132.8 kW)	June 23, 2014
Gulf Solar TS1	VSP	Rayong	Solar	EE: 0.13 MW	74.99 %	EE: 0.09 MW	PPA: 0.13 MW (127.4 kW)	August 27, 2014
Gulf Solar KKS	VSP	Chonburi	Solar	EE: 0.25 MW	74.99 %	EE: 0.19 MW	PPA: 0.25 MW (249.6 kW)	December 26, 2014
Gulf Solar TS2 ⁽⁸⁾	VSP	Rayong	Solar	EE: 0.09 MW	74.99 %	EE: 0.07 MW	PPA: 0.10 MW (95.6 kW)	January 8, 2015
Subtotal Gulf Solar Roof Group				EE: 0.60 MW		EE: 0.45 MW	PPA: 0.60 MW	
GCG: Preparing for under construction								
GCG	SPP	Songkhla	Biomass	EE: 25.0 MW	100.00 %	EE: 25.0 MW	PPA: 20.6 MW	March 2020
GCG				EE: 25.0 MW		EE: 25.0 MW	PPA: 20.6 MW	
GJP Group (associate): In operation								
GNS	IPP	Saraburi	Gas-fired (CCGT)	EE: 1,653.2 MW	40.00 %	EE: 661.3 MW	PPA: 1,600.0 MW	Unit 1: June 1, 2014 Unit 2: December 1, 2014
GUT	IPP	Ayutthaya	Gas-fired (CCGT)	EE: 1,752.4 MW	40.00 %	EE: 701.0 MW	PPA: 1,600.0 MW	Unit 1: June 1, 2015 Unit 2: December 1, 2015
GKP1	SPP	Saraburi	Gas-fired (CG)	EE: 114.0 MW ST: 22.0 TPH	40.00 %	EE: 45.6 MW ST: 8.8 TPH	PPA: 90.0 MW ESA: 23.2 MW SSA: 18.0 TPH	January 5, 2013
GKP2	SPP	Saraburi	Gas-fired (CG)	EE: 114.0 MW ST: 22.0 TPH	40.00 %	EE: 45.6 MW ST: 8.8 TPH	PPA: 90.0 MW ESA: 24.1 MW SSA: 14.0 TPH	February 1, 2013
GTLC	SPP	Saraburi	Gas-fired (CG)	EE: 114.0 MW ST: 15.0 TPH	40.00 %	EE: 45.6 MW ST: 6.0 TPH	PPA: 90.0 MW ESA: 31.0 MW SSA: 15.0 TPH	March 1, 2013

PROJECT NAME	CATEGORY	LOCATION	TYPE OF POWER PROJECT ⁽¹⁾	INSTALLED POWER/STEAM/CHILLED WATER GENERATION CAPACITY ⁽²⁾	EQUITY PARTICIPATION ⁽³⁾	EQUITY INSTALLED POWER/STEAM/CHILLED WATER GENERATION CAPACITY ⁽²⁾	CONTRACTED POWER/STEAM/CHILLED WATER/DESALINATED WATER GENERATION BY CONTRACT TYPE ^{(4) (5) (6) (7)}	COMMERCIAL OPERATION DATES/SCHEDULED COMMERCIAL OPERATION DATES
GNNK	SPP	Chachoengsao	Gas-fired (CG)	EE: 114.0 MW CW: 3,200.0 RT	40.00 %	EE: 45.6 MW CW: 1,280.0 RT	PPA: 90.0 MW ESA: 29.4 MW CWSA: 1,675.0 RT	April 1, 2013
GNLL	SPP	Rayong	Gas-fired (CG)	EE: 123.0 MW ST: 8.0 TPH CW: 4,600.0 RT	30.00 %	EE: 36.9 MW ST: 2.4 TPH CW: 1,379.8 RT	PPA: 90.0 MW ESA: 29.4 MW SSA: 3.0 TPH CWSA: 3,200.0 RT	May 1, 2013
GCRN	SPP	Pathumthani	Gas-fired (CG)	EE: 119.0 MW ST: 15.0 TPH	40.00 %	EE: 47.6 MW ST: 6.0 TPH	PPA: 90.0 MW ESA: 27.5 MW SSA: 10.0 TPH	July 1, 2013
GNK2	SPP	Saraburi	Gas-fired (CG)	EE: 133.0 MW ST: 10.0 TPH	40.00 %	EE: 53.2 MW ST: 4.0 TPH	PPA: 90.0 MW ESA: 43.1 MW SSA: 7.6 TPH	October 1, 2013
Subtotal GJP Group				EE: 4,236.6 MW ST: 92.0 TPH CW: 7,800.0 RT		EE: 1,682.3 MW ST: 36.0 TPH CW: 2,659.8 RT	PPA: 3,830.0 MW ESA: 207.7 MW SSA: 67.6 TPH CWSA: 4,875.0 RT	

POWER PROJECTS OVERSEAS

GIH: Group Preparing for or under construction:

TTCIZ-01	-	Vietnam	Solar	EE: 68.8 MW	49.00 %	EE: 33.7 MW	PPA: 48.0 MW	March 2019
TTCIZ-02	-	Vietnam	Solar	EE: 50.0 MW	49.00 % ⁽⁹⁾	EE: 24.5 MW	PPA: 40.8 MW	May 2019
Duqm Independent Power & Water Project (DIPWP) ⁽¹⁰⁾	-	Oman	Captive	EE: 326.0 MW WT: 1,667.0 m ³ /hr	45.00 %	EE: 146.7 MW WT: 750.2 m ³ /hr	PWPA ⁽¹¹⁾ : 208.0 MW / 1,250.0 m ³ /hr	2020 - 2023
GIH: Preparing for or under construction:								
Offshore Wind Farm ⁽¹²⁾ -		Vietnam	Wind power	EE: 310.0 MW	49.00 %	EE: 151.9 MW		2021 onwards
Solar Farm ⁽¹³⁾	-	Vietnam	Solar	EE: 30.0 MW	49.00 %	EE: 14.7 MW		
Subtotal GIH Group				EE: 784.8 MW WT: 1,667.0 m ³ /hr		EE: 371.5 MW WT: 750.2 m ³ /hr	PWPA: 296.8 MW / 1,250 m ³ /hr	

PROJECT NAME	INSTALLED POWER/STEAM/ CHILLED WATER GENERATION CAPACITY ⁽²⁾	EQUITY INSTALLED POWER/ STEAM/ CHILLED WATER GENERATION CAPACITY ⁽²⁾	CONTRACTED POWER/STEAM/ CHILLED/WATER/DESALINATED WATER GENERATION BY CONTRACT TYPE ^{(4) (5) (6) (7)}
Total in operation	EE: 5,282.1 MW ST: 262.0 TPH CW: 7,800.0 RT	EE: 2,253.4 MW ST: 128.7 TPH CW: 2,659.8 RT	PPA: 4,550.6 MW ESA: 501.4 MW SSA: 239.1 TPH CWSA: 4,875.0 RT
Total preparing for or under construction	EE: 6,288.4 MW WT: 1,667 m ³ /hr ST: 55.0 TPH	EE: 4,280.7 MW WT: 750.2 m ³ /hr ST: 36.7 TPH	PPA/PWPA: 5,677.4 MW / 1,250.0 m ³ /hr ESA: 116.1 MW SSA: 39.0 TPH
Total under development	EE: 340.0 MW	EE: 166.6 MW	
Total	EE: 11,910.4 MW WT: 1,667.0 m ³ /hr ST: 317.0 TPH CW: 7,800.0 RT	EE: 6,700.7 MW WT: 750.2 m ³ /hr ST: 165.5 TPH CW: 2,659.8 RT	PPA/PWPA: 10,228.0 MW / 1,250 m ³ /hr ESA: 617.5 MW SSA: 278.1 TPH CWSA: 4,875.0 RT

Remarks

- (1) CCGT refers to combined-cycle gas turbine system, CG refers to cogeneration system and Captive refers to power generation system that is sold directly to clients.
- (2) EE refers to power generation capacity in megawatts (MW) or kilowatts (kW); ST refers to steam generation capacity in tons per hour (TPH); CW refers to chilled water generation capacity in refrigeration tons (RT); and WT refers to desalinated water generation capacity in cubic meter per hour (m³/hr). The installed capacities of each power project preparing for or under construction or under development are expected numbers. When any of these power projects becomes operational, the actual installed capacity may differ slightly from the expected numbers.
- (3) Equity participation refers to the effective equity stake directly or indirectly held by the Company.
- (4) PPA refers to the contracted power generation capacity under PPAs between the power projects and EGAT or PEA or EVN; ESA refers to the contracted power generation capacity under ESAs between the power projects and industrial users; SSA refers to the contracted steam generation capacity under SSAs between the power projects and industrial users; CWSA refers to the contracted chilled water generation capacity under CWSAs between the power projects and industrial users; and PWPA refers to the contracted power and water generation capacity under PWPAs between the power projects Duqm Refinery and Petrochemical Industries Company L.L.C.
- (5) With respect to industrial users, the Company conducts a survey to assess prospective industrial users' demand for electricity, steam and chilled water from the project feasibility phase of the SPPs. During the development phase, the Company endeavors to enter into agreements with industrial users to secure the total contracted capacity set forth in its business plan in a timely manner in order to manage risks associated with power project development as well as to generate revenue from its investment. In general, the process of negotiating and entering into agreements with industrial users will continue prior to the commercial operation date of a power project; therefore, as of the date of this document, some gas-fired SPPs preparing for or under construction are still in the process of securing new industrial users as offtakers pursuant to their business plans.
- (6) The contracted capacities of electricity, steam and chilled water are presented as of December 31, 2018, which represent the capacities under the agreements into which the Group's power projects had entered with EGAT, PEA and industrial users in each case as of December 31, 2018. However, some of the power projects have not actually delivered electricity, steam or chilled water to industrial users yet because some of the industrial users have not yet begun their operations.
- (7) Before each of the Group's gas-fired SPPs commences commercial operations, its industrial users must reconfirm the capacities to be delivered to them. Therefore, the contracted capacities indicated for the gas-fired SPPs under implementation may be different from the actual contracted capacities when each gas-fired SPPs commences commercial operations.
- (8) Each of Gulf Solar BV and Gulf Solar TS2 owns two power projects and has entered into two PPAs. The selected data is presented on a consolidated basis.
- (9) GIH increased its investment in TTC Energy Development Investment Joint Stock Company, the operator of TTCIZ-02 solar power project in Vietnam, from 49.0% to 90.0% in February 2019.
- (10) Duqm Independent Power and Water is a captive power plant located in Duqm Special Economic Zone (Duqm SEZ) in Oman. The scheduled commercial operation dates are divided into three phases from 2020 - 2022.
- (11) Duqm Independent Power and Water has entered into a Power and Water Purchase Agreement (PWPA) with Duqm Refinery and Petrochemical Industries Company L.L.C. for a term of 25 years from the date of commercial operations commencement.
- (12) Offshore Wind Farm, located in Binh Dai district, Ben Tre province, Vietnam, is under development with total installed capacity of up to 310.0 megawatts, divided into several phases. which are expected to gradually commence commercial operations between 2021-2023.
- (13) Solar Farm, located in Binh Dai district, Ben Tre province, Vietnam, is awaiting approval from relevant agencies on the appropriate feed-in tariff (FIT), which will be announced by relevant government agencies.

BUSINESS STRATEGIES

The Company has developed a number of business strategies as follows:

1) Increasing investment in power projects as well as energy and energy infrastructure-related businesses in Thailand and overseas, including in the Asia-Pacific region, the Middle East, and other potential markets.

The Company places great importance on increasing investments in both gas-fired power plants and renewable power projects such as solar power projects, wind power projects, biomass power plants, and hydro (water) power projects, both in Thailand and other countries in the Asia-Pacific and Middle East regions, as well as other potential markets. The company is currently focused especially on developing projects in Vietnam, Laos, Oman, Myanmar and Cambodia. As these countries are in the process of opening up their energy sector to more private investment, the support from governmental policies has resulted in a rapid increase in demand for electricity, thus creating a good business opportunity for the Company to boost its future investment portfolio. In addition, the Company is also interested in expanding its business into other energy, natural gas, and related infrastructure areas as part of its risk diversification strategy. At present, the Company has invested in a natural gas distribution (NGD) pipeline project, located in an industrial estate, through Gulf WHA MT, in which the Company holds 35.00% shares, with plans to expand its NGD projects, along with other infrastructure projects, to other industrial estates in the future. This will support economic expansion as outlined by governmental policy and strategic plans for national development and propel the Company towards its objective of sustainable business growth and value creation for shareholders.

2) Managing projects in the pipeline to ensure construction and development are conducted within the set budget and timeframe.

The Company places great importance on management of projects under construction and development. Currently, these comprise 12 projects, categorized as follows: (i) 7 domestic projects comprising two gas-fired IPP projects, four gas-fired SPP projects and one biomass project, and (ii) 5 overseas projects comprising one gas-fired power project in Oman and four solar and wind power projects in Vietnam. The Company expects that development and construction of the projects will be completed on time and within budget, ensuring that the projects can contribute to meeting the energy demand which is likely to increase in line with economic growth. The Company estimates that the total installed power generation capacity of its projects will increase from the current 5,282.1 megawatts to 11,910.4 megawatts by 2024 when all projects under the Group have achieved commercial operation.

3) Utilizing modern, state-of-the-art technology to generate power efficiently, safely and responsibly.

The Company is aware of the importance of technology and therefore chooses to use modern, highly efficient, state-of-the-art technology from leading international suppliers of power plant machinery and equipment who have a good reputation for reliability within the industry. This increases the efficiency of power plant operations, resulting in higher availability, lower use of fuel and more positive impacts to the environment and society. In addition, it also reduces maintenance and repair costs. Thus, the use of top quality technology supports the Group's ability to reduce operating costs and increase its profitability.

4) Increasing the Company's ability to generate profits by improving efficiency of power projects in operation and increasing its industrial user customer base.

The Company places great importance on improving the efficiency of the 21 power plants under the Group which have already achieved commercial operation in Thailand. These comprise two gas-fired IPP projects, 15 gas-fired SPP projects, and four solar rooftop projects. In particular, SPP projects which are located close to each other operate under a tie line system which reduces the heat rate and increases the plants' efficiency, resulting in a higher gross profit. In addition, the Company has developed plans to expand its industrial user customer base for electricity, steam and chilled water to full capacity to increase, to the fullest extent possible, the Company's business opportunities and ability to generate acceptable returns for its shareholders.

5) Utilizing the experience and expertise of the executive management along with building strong partnerships to achieve the Company's objectives.

The Company's executive management and workforce have a long history of experience and expertise in developing and managing power projects. In addition, the Company places great importance on selecting employees who have good experience, ability, innovative thinking, and collaborative work skills, as these key factors will enable employees to effectively work together to apply their knowledge and utilize various technologies towards the achievement of the Company's goals. Furthermore, the Company has a policy to seek cooperation with domestic and international business allies who demonstrate strong expertise and capability in the fields of energy, infrastructure, or other related businesses for the purpose of developing the Company's ability to make investments and reduce operating risks to the fullest extent possible.

6) Conducting business under the principles of good corporate governance to increase transparency and effectiveness while taking into consideration the Company's responsibility to the environment and society to build confidence among shareholders and other stakeholders.

The Company recognizes and places great importance on the need for good corporate governance to ensure compliance with laws governing listed companies. The Company's Board of Directors is responsible for policy development, oversight and governance to ensure ethical conduct, and social and environmental responsibility to build confidence among shareholders and other stakeholders. In addition, the Company actively participates in the development of the community and society around its power plants through various programs and activities designed to develop and strengthen the local economy, society and culture, as well as improve the quality of life and general health of the surrounding community.

INDUSTRY OVERVIEW

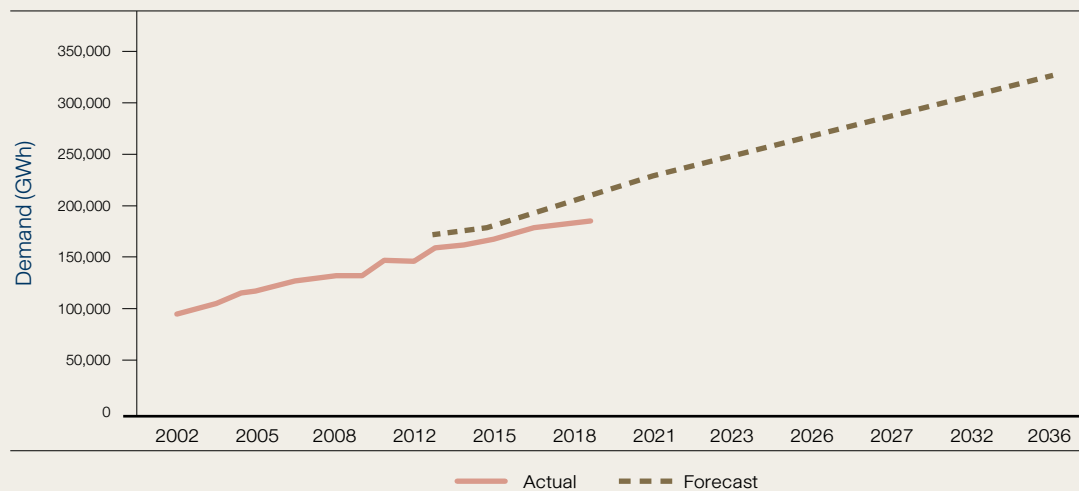
INDUSTRY OVERVIEW - THAILAND

DEMAND

Electricity demand in Thailand is expected to grow in tandem with economic growth, based on the database from Energy Policy and Planning Office (“EPPO”), Ministry of Energy. In the last two decades, electricity demand has grown at a CAGR of 3.8%, from 100,091 gigawatt-hours in 2002 to 188,443 gigawatt-hours in 2018. Estimates published in the Thailand Power Development Plan

2015 - 2036 (“PDP2015”) indicate that electricity consumption in Thailand will grow in the next five years (2019 - 2023) at a CAGR of 2.4%, from 220,503 gigawatt-hours in 2019 to 247,671 gigawatt-hours in 2023. In addition, long-term electricity consumption is expected to grow at a CAGR of 2.3% from 2019 to 326,119 gigawatt-hours in 2036.

Total Electricity Consumption in Thailand, 2002-2036F

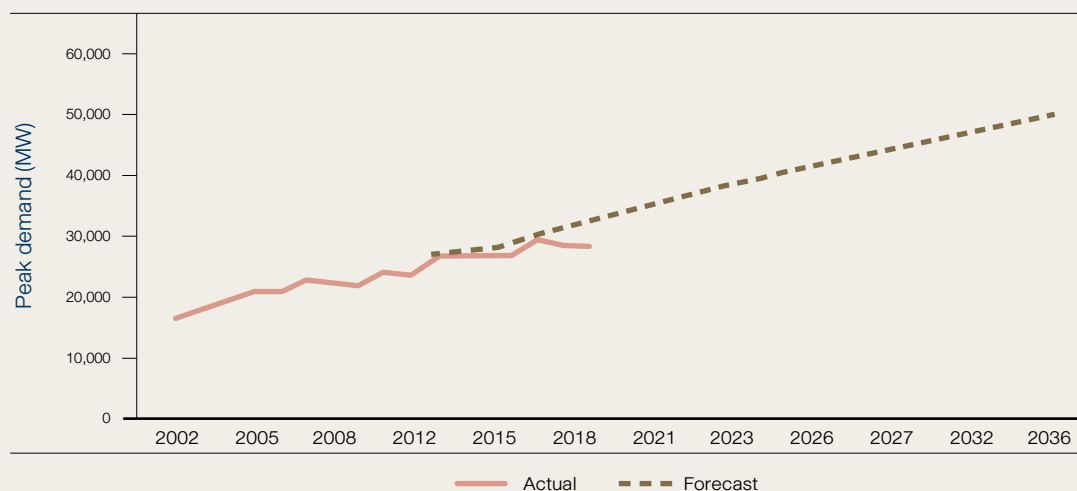


Note : Forecasted data are estimates from PDP2015
Sources : EPPO and PDP2015

In 2002 - 2018, peak power demand increased at a CAGR of 3.2%, from 16,681 megawatts in 2002 to 28,338 megawatts in 2018. Estimates in PDP2015 indicate that peak power demand is forecasted to grow at a CAGR of 2.3%, from 33,635 megawatts in 2019 to 49,655 megawatts in 2036. Generally, peak power demand increases with

the rising temperatures in April or May due to the hot weather, drought and increased air conditioner use among consumers. Typically, increased peak power demand occurred after the Songkran festival where higher consumption of electricity is experienced in the industrial, services and household sectors.

Peak Power Demand in Thailand, 2002-2036F



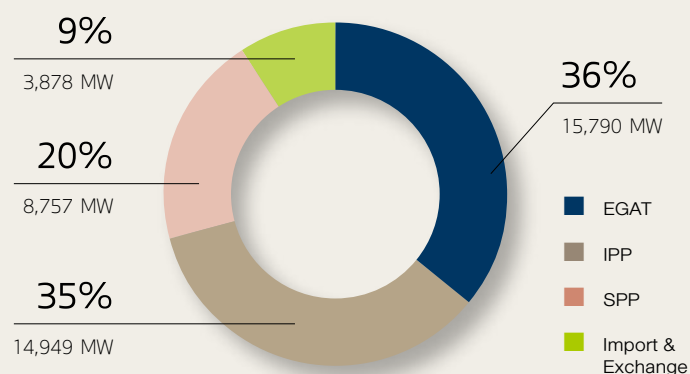
Note : Forecasted data are estimates from PDP2015
Sources : EPPO and PDP2015

SUPPLY

According to EPPO Energy Statistics, in December 2018, total contracted power generation capacity in Thailand was 43,372 megawatts, of which 15,790 megawatts or 36.0% of total power generation capacity was generated by EGAT and 14,949 megawatts or 35.0% and

8,757 megawatts or 20.0% was generated by IPPs and SPPs, respectively. In addition, Thailand also imported 3,878 megawatts or 9.0% of its total contracted power generation capacity from Lao PDR and Malaysia.

Total Contracted Power Generation Capacity in Thailand, by Types of Power Operators, 2018



Note : The information presented includes contracted power generation capacity on EGAT's transmission system and direct supply to the industrial sector, but excludes VSPPs.

Source : Energy statistics, EPPO

Contracted power generation capacity in Thailand between 2002 and 2018 was dominated by EGAT and IPPs. EGAT accounted for the largest share of capacity at 61.0%, or 15,000 megawatts, in 2002 and 36.0%, or 15,784 megawatts, in 2018 at a CAGR of 0.3%. IPPs accounted for the second largest share of contracted capacity at 29.0%, or 7,071 megawatts, in 2002 and 35.0%, or 14,949 megawatts, in 2018 at a CAGR of 4.5%. Contracted power generation capacity of SPPs and imported sources increased between 2002 and 2018, with contracted power generation capacity of SPPs growing at a CAGR of 9.7% from 1,768 megawatts in 2002 to 8,665 megawatts in

2018. The growth of SPPs is mainly supported by the PDP that promotes SPPs to ensure power system reliability in Thailand. During the same period, contracted power generation capacity from imported sources (Lao PDR and Malaysia) grew at a CAGR of 11.2% from 640 megawatts in 2002 to 3,878 megawatts in 2018.

From 2019, Thailand will see increased contracted power generation capacity from new power plants including 6 power projects belonging to the Group with a total contracted power generation capacity of 5,380 megawatts, with details as set out below:

SCOD	PROJECT NAME	OWNERSHIP	LOCATION	CATEGORY	SOURCE OF FUEL	CONTRACTED POWER GENERATION CAPACITY (MEGAWATTS)
2019	GNPM	70.0%	Saraburi	SPP	Natural gas	129.2
2019	GNRV1	70.0%	Nakorn Ratchasima	SPP	Natural gas	118.7
2019	GNRV2	70.0%	Nakorn Ratchasima	SPP	Natural gas	112.2
2019	GNLL2	52.5%	Rayong	SPP	Natural gas	116.0
2020	GCG	100.0%	Songkhla	SPP	Biomass	20.6
2021	GSRC (units 1&2)	70.0%	Chonburi	IPP	Natural gas	1,250.0
2022	GSRC (units 3&4)	70.0%	Chonburi	IPP	Natural gas	1,250.0
2023	GPD (units 1&2)	70.0%	Rayong	IPP	Natural gas	1,250.0
2024	GPD (units 3&4)	70.0%	Rayong	IPP	Natural gas	1,250.0

INDUSTRY OVERVIEW - OVERSEAS

The Company has made investments in Thailand as well as overseas based on the vision to be a trusted company with a goal to expand the business of gas-fired power projects, renewable energy or other types of energy, and energy-related businesses. The Group currently invests in power projects overseas, comprised of the gas-fired power project in Oman and renewable

energy projects in Vietnam. The Company is also conducting project feasibility studies in the Asia Pacific region, especially in neighboring countries such as Lao PDR, Myanmar and Cambodia. The market conditions and competitive landscape of each country is set out as follows:

1. OMAN

Continued growth in Oman's economy and industry have led to a rapid increase in electricity demand from both household and industrial sectors. Oman's electricity sector is divided into three segments, namely 2) Main Interconnected System (MIS), 2) Rural System of the Rural Areas Electricity Company (RAEC) and 3) Dhofar Power System (DPS). Based on the Oman Power and Water Procurement's 7-year Statement (2018 - 2024), Oman currently has maximum power generation capacity of 9,797 megawatts while the electricity demand in the MIS (where Muscat, Oman's capital city, is located) and Dhofar are expected to grow at 6.0% per annum. Peak power demand in 2018 was approximately 6,668 megawatts and this is expected to rise to 11,460 megawatts by 2024, equivalent to a CAGR of 8.0%. Furthermore, electricity demand in RAEC is likely to increase and as a result, the power generation capacity in RAEC is insufficient to serve the demand in the area. As such, the Government of Oman has plans to connect the MIS to RAEC in order to improve the efficiency in electricity transmission to meet the electricity demands in all areas. The source of fuel for electricity generation will primarily come from fuel and natural gas. At the same time, the government has issued a policy to increase the use of clean coal technology and renewable energy such as solar power and wind power to generate electricity.

2. VIETNAM

Vietnam's economy has been expanding from higher population and industrial growth rates, with GDP growth of 7.0% per annum. In this regard, the economic development and population increase has led to higher electricity demand. As such, the government has issued a policy to increase the country's electricity generation capability as well as support industrial development and growth. In 2018, Vietnam had power generation capacity of 48,000 megawatts. Based on The Revised National Power Development Master Plan from 2011 – 2020 period

with the visions extended to 2030 (The Revised PDP VII), the Vietnam Government has plans to increase the power generation capacity to support the population growth and economic development. It is anticipated that total power generation capacity will reach 60,000 megawatts in 2020 and increase to 97,500 megawatts in 2025, and reach 129,000 megawatts by 2030, which is equivalent to a CAGR of 7.2%. In addition, the government has a policy to develop renewable energy power plants such as solar power, wind power and hydroelectricity, and power generation capacity from renewable energy is expected to account for 38.0% of the total power generation capacity, or equivalent to 49,000 megawatts by 2030.

3. LAO PDR

According to The World Bank's database, Lao PDR had GDP growth of 6.9% from the previous year, with electricity exports as an important factor in driving the country's economy. Based on electricity du Laos (EDL)'s strategic plan 2020, the Laos government has set a target to build additional power plants throughout the country to serve domestic electricity demand, which has been growing at 13.2% per annum, and to export electricity in order to become the Battery of ASEAN. The Laos government is currently expediting the development and construction of various power plant projects, such as hydroelectric dams, thermal power plants, solar power plants and wind power plants to be completed within 2020. Consequently, Lao PDR will have a total power generation capacity of 25,000 megawatts.

4. MYANMAR

According to The World Bank's database, Myanmar had GDP growth of 6.4% from the previous year. Myanmar currently has a total power generation capacity of 3,000 megawatts and it is in the process of constructing gas-fired power plants, hydroelectric dams and solar power plants with a total power generation capacity of 3,600 megawatts, which are expected to be completed

within 2022. Consequently, Myanmar will have a total power generation capacity of 6,600 megawatts. Nonetheless, this amount is still insufficient to serve the electricity demands within the country, which is expected to grow at 15.0% per annum. Furthermore, as most of the population is still not connected to the national electricity grid, the Myanmar government drew up a policy to jointly invest in the construction of power plants with the private sector from other countries in order to improve power generating capacities to serve domestic electricity demands. Furthermore, the Myanmar government has received support from international organizations such as the Asian Development Bank in drafting the power development plans and other related regulations.

5. CAMBODIA

According to The World Bank's database, Cambodia had GDP growth of 6.8% from the previous year. In 2018, electricity demand was approximately 1,370 megawatts, while domestic power generation capacity was approximately 1,069 megawatts, or equivalent to 78.0% of the total domestic electricity demand. As such, electricity had to be imported from Vietnam, Thailand and Lao PDR,

respectively. Presently, the Cambodia government has proceeded to connect the population to the national electricity grid and are accelerating the construction of power plants in order to increase the power generation capacity to serve the electricity demands of the household and industrial sectors. Furthermore, policies to support renewable energy have been put in place, and construction of renewable energy power plants have commenced in several provinces across the country such as the solar power plant in Svay Rieng province, Stung Num hydropower dam and biomass power plants.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Company is a holding company with a portfolio of electricity, steam and chilled water generating projects and other related businesses. It is currently one of Thailand's largest private power producers. At present, the Company invests in key subsidiaries, associate and joint ventures as follows:

The Company holds 70.0% in GMP, a subsidiary, which invests in 12 gas-fired SPPs with a total installed power generation capacity of 1,563.4 megawatts and a total installed steam generation capacity of 225.0 tons per hour, or equivalent to a total equity installed capacity of 991.4 megawatts and 129.5 tons per hour, respectively. At the end of 2018, 8 power projects under GMP have commenced commercial operations, namely the GVTP, GTS1, GTS2, GTS3, GTS4, GNC, GBL and GBP power projects, with a total installed power generation capacity of 1,044.9 megawatts and a total installed steam generation capacity of 170.0 tons per hour. The 4 power projects under construction will gradually commence commercial operations in 2019 with a total installed power and steam generation capacity of 518.6 megawatts and 55.0 tons per hour, respectively.

The Company holds 70.0% in IPD, a subsidiary, after the Company increased its shareholding in IPD from 51.0% to 70.0% on November 13, 2017 through a capital increase at par value. IPD invests in 2 gas-fired IPPs with a total installed power generation capacity of 5,300.0 megawatts, or 3,710.0 megawatts on an equity basis. At present, the GSRC power project has completed negotiations for financing agreements with financial institutions in December 2018 and has commenced construction in the same month while the GPD power project is negotiating with financial institutions and is preparing for construction.

In addition to gas-fired power projects, the Company has 4 solar rooftop VSPPs operating under Gulf Solar, a subsidiary in which the Company holds 74.99% equity interest. The projects have a total installed power generating capacity of 598.3 kilowatts, or a total equity installed capacity of 448.6 kilowatts. It also has a wholly-owned biomass project, GCG, with an installed power generation capacity of 25.0 megawatts and is currently under construction. Negotiations for financial agreements with the financial institutions have been completed since early 2018 and this project is expected to commence commercial operation in March 2020.

Furthermore, the Company holds 40.0% in GJP, an associate, after the Company increased its shareholding in GJP from 10.0% to 40.0% on August 15, 2016 through acquiring the stake from JPHT, a subsidiary of J-Power, for 14,398.6 million baht. The Company recorded the investment in GJP using equity method and recognized share of profit (loss) from an associate proportionately in the Company's consolidated financial statements of comprehensive income. The share of profit from GJP had a significant impact on the Company's performance in the previous 2 years. GJP invests in 2 gas-fired IPPs with a total installed power generation capacity of 3,405.6 megawatts and 7 gas-fired SPPs with a total installed power generation capacity of 831.0 megawatts, a total installed steam generation capacity of 92.0 tons per hour and a total installed chilled water generation capacity of 7,800 refrigeration tons, or equivalent to 1,682.3 megawatts, 36.0 tons per hour and 2,659.8 refrigeration tons, respectively, on an equity basis. All 9 projects have commenced commercial operations.

Apart from the investments mentioned above, the Company invests in other power generating companies through a wholly-owned subsidiary, Gulf HK. Gulf HK holds 8.38% in SPCG, one of the largest generators and distributors of solar power in Thailand, and holds 0.46% in EDL-Gen, a generator and distributor of electric power in Laos.

In 2018, the Company began investing overseas through shareholding in GIH, an indirect subsidiary in Singapore. GIH invested in 3 projects in Vietnam, with details as follows:

1) In April 2018, the Company began investing in power projects in Vietnam for the first time through an investment of 49.0% in the solar power project, TTCIZ-01, located in Tay Ninh province, Vietnam, with an installed power generation capacity of 68.8 megawatts, with TTC Group, a leading conglomerate in Vietnam.

2) In May 2018, the Company entered into an investment of 49.0% in a second solar power project, namely TTCIZ-02, with a capacity of 50.0 megawatts, located in the same province. In December 2018, the Company entered into a share purchase agreement to increase its investment in TTCIZ-02 from 49.0% to 90.0%.

3) In August 2018, the Company entered into an investment of 49.0% with the same joint venture partner, TTC Group, in power projects of Mekong Wind Power JSC, comprising an offshore wind farm project with a total installed capacity not exceeding 310.0 megawatts and a solar power project with a total installed capacity not exceeding 30.0 megawatts, both of which are located in adjacent areas in Ben Tre province.

As a result, in 2018, the Company's investment in the power plant business in Vietnam expanded to include a total installed capacity not exceeding 458.8 megawatts and a total project cost of approximately USD 766.0 million, with a total equity installed capacity of 224.8 megawatts. The details of each project are summarized in the table below.

PROJECT	PROVINCE	FUEL TYPE	INSTALLED CAPACITY, NOT EXCEEDING (MEGAWATTS)	EQUITY STAKE	EQUITY INSTALLED CAPACITY (MEGAWATTS)	PROJECT COST (M. US DOLLAR)	COMMERCIAL OPERATION DATE
TTCIZ-01	Tay Ninh	Solar	68.8	49.0	33.7	65.0	March 2019
TTCIZ-02	Tay Ninh	Solar	50.0	49.0 ¹	24.5	50.0	May 2019
Solar Farm	Ben Tre	Solar	30.0	49.0	14.7	33.0	[2019 - 2020]
Wind Farm	Ben Tre	Offshore Wind	310.0	49.0	151.9	618.0	2021 - 2023
Total		458.8		224.8	766.0		

^{1/} The Company has increased its shareholding in TTCIZ-02 project from 49.0% to 90.0% in February 2019.

In addition to Vietnam, the Company also expanded to Oman. On September 6, 2018, the Company entered into a joint venture with Oman Oil to invest in DPC in which the Company purchased 45.0% of shares from Oman Oil to jointly develop a gas-fired power project with an installed power generation capacity of 326.0 megawatts and an installed water generation capacity of 1,667.0 cubic meters per hour ("Duqm Independent Power and Water Project (DIPWP)" or "Duqm Power Plant"). The project, located in the Duqm Special Economic Zone in Oman, will generate and sell power and water under a 25-year PPA to the Duqm Refinery and Petrochemical Industrial Company L.L.C., a large-scale refinery with a crude oil production capacity of approximately 230,000 barrels per day. This refinery is owned by the Omani government through the Oman Oil group and by the Kuwaiti government through Q8, with each party holding 50.0% shares. On October 28, 2018, the Company completed the payment of USD 8.8 million to the Oman Oil group for the purchase of 45.0% of shares in DPC. The Duqm Power Plant is scheduled to begin commercial operation in stages from 2020 to 2022.

Furthermore, the Company invested a 35.0% equity interest in Gulf WHA MT with WHAUP and MITG, with shareholding of 35.0% and 30.0%, respectively, to jointly develop the natural gas distribution business to industrial users in 2 of WHA's industrial estates. Currently, the NGD2 natural gas distribution project has commenced commercial operations in December 2018 and the NGD4 natural gas distribution project is under construction and expected to commence commercial operations in April 2019.

Upon commencing commercial operations of all domestic and overseas projects mentioned above, the Group will have a total installed power generation capacity of 11,910.4 megawatts, or 6,721.2 megawatts on an equity basis.

With respect to the source of funds, on November 27, 2018, the Extraordinary General Meeting of Shareholders passed a resolution to approve the issuances and offerings of debentures not exceeding 10,000 million baht to fund normal operations which includes repurchasing the existing debenture and financing the Group's working capital. The Company appointed Bangkok Bank Public Company Limited, Kasikornbank Public Company Limited and Siam Commercial Bank Public Company Limited as Joint Lead Underwriters and Standard Chartered Bank (Thai) Public Company Limited as Co-underwriter. The Company was assigned the company rating "A" and the debentures were assigned the rating "A-" by TRIS Rating Company Limited. The Company offered the aforementioned debentures, valued 7,500 million baht, to institutional investors and high net worth investors on January 23-24, 2019 and successfully allocated the debentures on January 25, 2019. A considerable number of institutional and high net worth investors expressed interest in the debentures and indicated their intention to subscribe in the offerings, resulting in approximately 4 times oversubscription of the debentures. The debentures were allotted in a series of four tranches with 3, 5, 7 and 10-year terms with an average interest rate of 3.3% per annum and an average term of 5.7 years.

With regards to the Company's critical accounting policies, the Company has been in compliance with Thai Financial Reporting Standards and selected to apply hedge accounting only for its currency forward contracts, which mitigate cash flow risk. The financial derivatives will be recognized at fair value on the contract date and subsequently recognize any changes in fair value as gain (loss) from derivative instruments in profit or loss. The profit or loss from an effective hedge will be recognized as change in value of cash flow hedges, a separate item under other comprehensive income (expenses). In the event of an ineffective hedge, the profit or loss will be recognized immediately. Moreover, the Company has applied TFRIC 4 "Determining whether an arrangement contains a lease", which affects 2 IPPs under GJP. Key changes in the accounting recording include (1) change in revenue recognition from availability payment received from EGAT to income from financial lease and amortization of financial lease receivables and (2) change in asset recording from property, plant and equipment to financial

lease receivables without recording depreciation as an expense; however, fuel cost and other operating expenses, including depreciation of assets incurred subsequently, will be recorded using the conventional method. In 2018, the Company began to invest overseas and have applied TRFS 11 "Joint arrangements" and TAS 28 "Investments in associates and joint ventures" to the overseas investments. The Company, together with the independent auditor, have assessed the nature of the joint arrangements and determined them to be joint ventures. In 2018, the investments in Vietnam, namely TTCIZ-01, TTCIZ-02 and Mekong Wind Power JSC, and the investment in Oman, namely the Duqm Power Plant, were recognized as share of profit (loss) in the Company's statements of comprehensive income. From 2019 onwards, the Company has determined the TTCIZ-02 project to be a subsidiary and will consolidate the aforementioned project's financial statements in the Company's consolidated financial statements.

SUMMARY OF THE PERFORMANCE FOR 2018 COMPARED TO 2017

KEY FINANCIAL INFORMATION	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Total operating revenues	8,529.1	20,094.5	135.6%
Revenue from sales and management fee	4,350.4	17,181.1	294.9%
Share of profit from an associate and joint ventures	3,981.7	2,615.5	-34.3%
Profit for the period	3,906.9	4,141.2	6.0%
Profit attributable to owners of the parent	3,451.4	3,028.1	-12.3%
Less: gain (loss) on exchange rate from subsidiary	547.8	81.6	-85.1%
Less: gain (loss) on exchange rate from share of profit (loss) from an associate and a joint venture	1,344.3	120.2	-91.1%
Profit attributable to owners of the parent before gain (loss) on exchange rate (Core profit)	1,559.3	2,826.4	81.3%
Share of profit (loss) from an associate – GJP exclude gain (loss) on exchange rate	2,640.4	2,508.9	-5.0%

- The Company had revenue from operations in 2018 of 20,094.5 million baht, an increase of 135.6% YoY primarily due to the significant increase in revenue from sales and services from 4,350.4 million baht in 2017 to 17,181.1 million baht in 2018, an increase of 294.9% YoY from the full-year revenue recognition of SPP power projects under GMP which began commercial operations in 2017 (GVTP, GTS1, GTS2 and GTS3) and the successive commencement of commercial operations of another four SPP power projects in 2018, namely GTS4, GNC, GBL and GBP. Furthermore, the four power projects which had begun operations in 2017 also had an increase in electricity sales to EGAT and industrial users from the previous year, particularly to industrial users. In 2018, the revenue from electricity sales by GMP to industrial users increased by 293.3% and the revenue from steam sales increased by 449.3%.

The Company recognized a share of profit from its associate, GJP, before gain (loss) on exchange rate in 2018 of 2,508.9 million baht, a decrease of 5.0% from the share of profit of 2,640.4 million baht in 2017. The main reason was from the GNS power project, which had lower availability payment rate as set out in the PPA compared to the year before. The GUT power project had a slight improvement in profits of 2.8% (excluding the impact from exchange rate) compared to 2017 as it received approximately 0.7% higher availability payment rate from 2017. For the seven SPP power projects, the performance was similar to that of 2017 despite having higher profits from new industrial users of 16 megawatts, equivalent to a 20.0% increase in the volume of electricity sold during the year. This was attributable to the longer planned maintenance days (A Inspection) compared to the previous year, as well as the significant increase in natural gas prices in 2018 from 239.56 baht per million BTU in January 2018 to 278.64 baht

per MMBTU in December 2018 while Ft rates in 2018 remained unchanged at (0.1590) baht throughout the year.

- Core profit in 2018 was 2,826.4 million baht, an increase of 81.3% from the previous year resulting from the significant improvement in performance of the GMP group. In 2018, the Company recognized full-year performance of the four SPP power projects that began commercial operation in 2017, as well as the performance of the other four SPP power projects that began commercial operation during 2018, compared to performance from only four SPP power projects recognized in 2017. The profit margin of the GMP group in 2018 was also higher than the previous year due to the significantly higher volume of electricity and steam sold to industrial users by the power projects, resulting in higher efficiency of the power plant operations and lower heat rate. Nonetheless, share of profit from GJP decreased 5.0% YoY for the aforementioned reasons.
- Net profit attributable to the owners of the parent decreased 12.3% YoY primarily due to the recognition of gain (loss) on exchange rate from the unrealized gain/ (loss) in 2018 which decreased significantly from 2017. At the end of 2017, the Company recorded a gain on exchange rate of 1,892.1 million baht compared to the end of 2018 in which the Company recorded a gain on exchange rate of 201.8 million baht due to the appreciation of the Thai baht against the US dollar (the exchange rates at the end of 2016, 2017 and 2018 were 36.0025 baht/USD, 32.8472 baht/USD and 32.6148 baht/USD, respectively). Profit (loss) from exchange rate results from the translation of USD denominated loans to Thai baht using the exchange rate at the end of the respective accounting period.

ANALYSIS OF THE GROUP'S RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2018

REVENUE STRUCTURE

REVENUE STRUCTURE	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Revenue from sales	4,078.5	16,881.1	313.9%
Revenue from electricity sold to EGAT and PEA	3,050.0	12,684.6	315.9%
Revenue from electricity sold to industrial users	931.0	3,661.1	293.3%
Revenue from steam sold to industrial users	97.5	535.4	449.3%
Revenue from management fee	272.0	300.0	10.3%
Share of profit from an associate and joint ventures	3,981.7	2,615.5	-34.3%
Dividend income	109.4	107.2	-2.0%
Interest income	44.7	181.2	305.3%
Other income	42.8	9.4	-78.0%
Total revenues	8,529.1	20,094.5	135.6%

REVENUE FROM SALES

Revenue from sales in 2018 was 16,881.1 million baht, an increase of 12,802.7 million baht or 313.9% YoY as the Group recognized revenue from full-year operations of the four SPPs under GMP which began commercial operations in 2017 (GVTP, GTS1, GTS2 and GTS3) and recognized revenue from the successive commencement of commercial operations of another four SPPs in 2018, namely GTS4, GNC, GBL and GBP. In addition, the first four SPPs which commenced operations in 2017 were able to sell more electricity to EGAT and industrial users than in the previous year, particularly to industrial users. Consequently, the SPPs under GMP had an increase in sales of electricity to EGAT and industrial users of 293.3% and 449.3%, respectively.

THE TABLE SHOWS THE VOLUME OF ELECTRICITY AND STEAM SOLD BY THE POWER PROJECTS UNDER GMP

THE VOLUME OF ELECTRICITY AND STEAM SOLD	2017	2018	CHANGE
			% YoY
8 SPPs			
Volume of electricity sold to EGAT (gigawatt-hour)	1,048.3	4,088.8	290.0%
Volume of electricity sold to industrial users (gigawatt-hour)	269.2	1,152.4	328.1%
Volume of steam sold (tons per hour)	120,278.8	563,096.4	368.2%

REVENUE FROM MANAGEMENT FEE

Revenue from management fee is revenue received from the Company providing management services to its associate GJP. In 2018, the Company had a revenue from management fee of 300.0 million baht, an increase of 28.0 million baht or 10.3% YoY as the Company and GJP agreed to amend the structure of their Secondment Agreement by entering into another agreement, the Major Maintenance Service Agreement, for the power projects under GJP at the end of 2017.

OTHER INCOME

Other income in 2018 was 9.4 million baht, a decrease of 33.4 million baht or 78.0% YoY as in 3Q'17, the Company experienced a gain on disposal of available-for-sale investments of 19.0 million baht and received compensation from an EPC amounting to 16.1 million baht, which was a non-recurring item.

COST AND EXPENSE STRUCTURE

COST OF SALES STRUCTURE	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Cost of sales	(3,096.9)	(12,515.8)	304.1%
Fuel cost	(2,363.5)	(10,303.2)	335.9%
Operations and Maintenance	(119.9)	(233.0)	94.3%
Depreciation	(363.3)	(1,374.2)	278.3%
Other costs	(250.3)	(605.5)	141.9%
Cost of service	(189.3)	(165.0)	-12.9%
Total cost of sales and service	(3,286.2)	(12,680.8)	285.9%
Selling and administrative expenses	(957.4)	(1,489.6)	55.6%
Total operating costs and administrative expenses	(4,243.6)	(14,170.4)	233.9%

COST OF SALES

Cost of sales in 2018 was 12,515.8 million baht, an increase of 9,418.9 million baht or 304.1% YoY as overall the Company had an increase in volume of electricity and steam sold in 2018 and average gas cost also increased significantly by approximately 10.0% YoY. However, in 2018, the SPPs under GMP were able to operate more efficiently due to the higher volume of electricity and steam sold than in 2017, causing an improvement in the heat rate from the previous year, which resulted in an improving ratio of cost of sales to revenue from sales by merely 2.4% from 2017, despite the significant increase in gas cost while Ft rate remained flat at (0.1590) baht throughout 2018. Compared to 2017, the increase in operation and maintenance costs, which included personnel expenses for employees working at power projects, depreciation and other costs, was primarily a result of recognizing costs from the 4 SPPs under GMP, which successively commenced operations in 2018.

COST OF SERVICE

Cost of service is a cost incurred from the Company providing management services to its associate GJP. In 2018, cost of service was 165.0 million baht, a slight decrease of 24.4 million baht or 12.9% YoY. The decrease was caused by the Company's ability to allocate personnel providing management services to GJP more efficiently, resulting in a lower cost of management services.

ADMINISTRATIVE EXPENSES

Administrative expenses in 2018 was 1,489.6 million baht, an increase from 957.4 million baht in 2017, or 55.6% YoY as a result of the increased activity of both power projects in operation and under construction during the year. The increase was also a result of additional advertising and marketing expenses, which were non-recurring expenses.

FINANCE COSTS

Finance costs in 2018 was 1,938.3 million baht, an increase of 510.7 million baht or 35.8% YoY, because the Group had an increase in interest expense of 75% YoY, from 980.9 million baht in 2017 to 1,719.8 million baht in 2018, caused by an increase in loans from financial institutions for the construction of power projects under GMP, GCG and IPD. The commencement of commercial operations of the SPPs under GMP also resulted in higher recognition of interest expenses, despite the Company having partially paid off loans in January 2018.

Nonetheless, an increase in loan drawdowns for construction of power projects reduced commitment fees from 83.9 million baht in 2017 to 54.9 million baht in 2018, a decrease of 34.5%. The guarantee fee in 2018 was 103.3 million baht, a significant decrease from 323.2 million baht in 2017, as the Group was able to negotiate for a lower guarantee fee rate.

FINANCE COSTS	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Interest expense	980.9	1,719.8	75.3%
Guarantee fee	323.2	103.3	-68.0%
Commitment fee	83.9	54.9	-34.5%
Others	39.7	60.3	51.8%
Total finance costs	1,427.7	1,938.3	35.8%

NET PROFIT AND NET PROFIT BEFORE GAIN ON EXCHANGE RATE ("CORE PROFIT")

PROFIT FOR THE PERIOD	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Gross profit	1,064.2	4,500.4	322.9%
Profit for the period	3,906.9	4,141.2	6.0%
Profit attributable to owners of the parent	3,451.4	3,028.1	-12.3%
Less: gain on exchange rate from subsidiaries	547.8	81.6	-85.1%
Less: gain on exchange rate from share of profit from the associate GJP	1,344.3	120.2	-91.1%
Profit attributable to owners of the parent before gain on exchange rate ("Core profit")	1,559.3	2,826.4	81.3%
Gross profit margin (Sales)	24.1%	25.9%	7.1%
Gross profit margin (Service)	30.4%	45.0%	48.0%

GROSS PROFIT

The Group's gross profit in 2018 was 4,500.4 million baht, an increase of 3,436.2 million baht or 322.9% YoY. The increase was caused primarily by an increase of gross profit from the electricity and steam sales business of 3,383.8 million baht. Gross profit margin from sales increased from 24.1% in 2017 to 25.9% in 2018. In addition, the Company was able to manage cost of services more efficiently, resulting in an increase in gross profit from services of 52.4 million baht and an increase in gross profit margin from 30.4% in 2017 to 45.0% in 2018.

SHARE OF PROFIT FROM AN ASSOCIATE AND JOINT VENTURES

SHARE OF PROFIT FROM AN ASSOCIATE AND JOINT VENTURES	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Share of profit from the associate GJP	3,984.7	2,629.1	-34.0%
Share of profit from the joint venture Gulf WHA MT	(3.0)	(1.0)	N.A.
Share of profit from the joint venture for projects in Vietnam	-	2.0	N.A.
Share of profit from the joint venture for a project in Oman	-	(14.6)	N.A.
Total share of profit from an associate and joint ventures	3,981.7	2,615.5	-34.0%
Total share of profit from an associate and joint ventures	1,344.3	120.2	-91.1%
Share of profit from an associate and joint ventures before gain on exchange rate	2,640.4	2,508.9	-5.0%

The Group recorded a share of profit from an associate and joint ventures in 2018 of 2,615.5 million baht, a decrease of 34.0% from 3,981.7 million baht in 2017, because at the end of 2018, the Company incurred investment costs in joint ventures, including Gulf WHA MT and power projects in Vietnam and Oman. Regardless, the major share of profit continues to be from the contribution from GJP, of which, before effects from exchange rate, the Group's share of profit in 2018 was 2,508.9 million baht, a slight decrease of merely 131.5 million baht or 5.0% YoY.

From the table showing GJP's volume of electricity, steam and chilled water sold, it appears that the IPPs had a decrease in volume of electricity sold to EGAT of approximately 48.5% YoY, while the SPPs had a slight decrease in volume of electricity sold to EGAT. Its electricity sales to industrial users increased by 20.0% from an additional contracted capacity of new customers of 16 megawatts. Nonetheless, the volume of steam and chilled water sold to industrial users declined by 6.0% YoY as the seven SPPs had more planned maintenance days in the maintenance plan in 2018 than in 2017. During the maintenance, the SPPs cannot sell steam to the industrial users.

THE FOLLOWING TABLE SHOWS VOLUME OF ELECTRICITY, STEAM AND CHILLED WATER SOLD BY POWER PROJECTS UNDER GJP

VOLUME OF ELECTRICITY, STEAM AND CHILLED WATER SOLD	2017	2018	CHANGE
			% YoY
IPP			
Volume of electricity sold (gigawatt-hour)	10,348.0	5,332.2	-48.5%
SPP			
Volume of electricity sold to EGAT (gigawatt-hour)	4,521.7	4,464.4	-1.3%
Volume of electricity sold to industrial users (gigawatt-hour)	937.7	1,124.9	20.0%
Volume of steam sold (tons per hour)	285,849.8	268,802.6	-6.0%
Volume of chilled water (refrigeration tons per hour)	29,039,291.0	29,013,443.0	-0.1%

GAIN (LOSS) ON EXCHANGE RATE

Gain (loss) on exchange rate primarily results from loans for the power projects under the GMP group that were denominated in a foreign currency (USD), in which the Group is required to record unrealized gain (loss) on exchange rate incurred from translating long-term debts denominated in USD to Thai Baht using the exchange rate at the end of the accounting period. In cases where the Thai Baht appreciates against USD, the Group will record a gain on exchange rate, as the Group's amount of outstanding debts converted to Thai Baht is lower. The reverse will occur if the Thai Baht depreciates against USD. However, since the long-term debts have not reached the due dates yet, such gain (loss) on exchange rate is only recognized as unrealized gain (loss).

Because the Thai Baht has appreciated against USD since 2016, with exchange rates at the end of 2016, 2017 and 2018 equal to 36.0025, 32.8472 and 32.6148 BAHT/USD, respectively, (the Thai Baht in 2017 appreciated significantly compared to 2016, and in 2018 only appreciated slightly compared to 2017), the Group recognized a gain on exchange rate in 2018 of 134.8 million baht, a fairly significant decline from the gain on exchange rate of 994.9 million baht in 2017 or a decrease of 86.5% YoY.

Nonetheless, in this report, the Group separates effects from unrealized exchange rate of the associate (mainly the associate GJP, which has similar effects from exchange rate as GMP) and of subsidiaries (mainly GMP) attributable to the owners of the parent. This will explain the Group's performance accurately and appropriately. Details of which are set forth below:

GAIN (LOSS) ON EXCHANGE RATE	2017	2018	CHANGE
	Mil Baht	Mil Baht	% YoY
Gain (loss) on exchange rate	994.9	134.8	-86.5%
Less: Gain (loss) on exchange rate attributable to non-controlling interests	447.1	53.2	-88.1%
Gain (loss) on exchange rate attributable to the owners of the parent	547.8	81.6	-85.1%
Add: Gain (loss) on exchange rate attributable to share of profit from an associate	1,344.3	120.2	-91.1%
Total gain (loss) from exchange rate attributable to owners of the parent	1,892.1	201.8	-89.3%

ANALYSIS OF THE GROUP'S FINANCIAL POSITION AS OF DECEMBER 31, 2018

THE FOLLOWING TABLE SHOWS THE GROUP'S FINANCIAL POSITION IN RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL POSITION	AS OF DECEMBER 31, 2017	AS OF DECEMBER 31, 2018	CHANGE
	Mil Baht	Mil Baht	%
Cash, cash equivalents and short-term investment	20,399.1	18,793.5	-7.9%
Trade accounts receivable	1,659.5	3,512.1	111.6%
Investments in an associate and joint ventures	20,438.6	21,658.9	6.0%
Advance payments for land and power plant construction	1,817.8	5,417.5	198.0%
Property, plant and equipment, net	50,547.1	67,664.2	33.9%
Other assets	5,789.8	6,622.4	14.4%
Total assets	100,651.9	123,668.7	22.9%
Accounts payable for power plant construction	2,206.7	5,504.0	149.4%
Short-term interest-bearing debts due in 1 year	3,032.2	9,649.2	218.2%
Long-term interest-bearing debts due over 1 year	53,897.6	59,882.5	11.1%
Other liabilities	2,167.2	3,844.7	77.4%
Total liabilities	61,303.7	78,880.4	28.7%
Issued and paid-up capital	10,666.5	10,666.5	0.0%
Share premium	20,889.3	20,889.3	0.0%
Unappropriated retained earnings	1,935.0	3,923.9	102.8%
Other equity	1,074.0	1,057.2	-1.6%
Total equity attributable to owners	34,564.8	36,536.9	5.7%
Non-controlling interests	4,783.4	8,251.3	72.5%
Total equity	39,348.3	44,788.2	13.8%
Total liabilities and equity	100,651.9	123,668.7	22.9%

TOTAL ASSETS

Total assets as of December 31, 2018 was 123,668.7 million baht, an increase of 23,016.7 million baht or 22.9% from the end of the period in 2017. The increase was attributable to the following factors:

- An increase in property, plant and equipment, net of 17,117.1 million baht, mainly from the construction of gas-fired SPP power projects under the GMP group.
- An increase in advance payment for land and power plant construction of 3,599.7 million baht from the GSRC power project under the IPD group in which advance payment was made for starting construction work.
- An increase in trade accounts receivables of 1,852.5 million baht from the SPP power projects under the GMP group in which four power plants began commercial operations in 2018.

TOTAL LIABILITIES

Total liabilities as of December 31, 2018 was 78,880.4 million baht, an increase of 17,576.7 million baht or 28.7% from the end of the period in 2017. This increase was mainly due to the increase in long-term loan drawdowns for the construction of power projects under the GMP group and the GSRC power project under the IPD group.

TOTAL EQUITY

Total equity as of December 31, 2018 was 44,788.2 million baht, an increase of 5,440.0 million baht or 13.8% from the end of the period in 2017 due to two main factors:

- An increase in non-controlling interests of Mitsui, WHA and HITEC groups from the increase in paid-up capital of GMP and IPD groups in proportion to the shareholding as well as an increase in net profit of the power projects under the GMP group, resulting in an increase of 3,467.9 million baht in non-controlling interests.
- Equity attributable to owners of the parent increased by 1,972.1 million baht from the previous period mainly as the Group recorded an increase in net profit for the year of 3,028.1 million baht but paid out an interim dividend of 853.3 million baht.

CAPITAL STRUCTURE

As of December 31, 2018, the Group had a debt to equity ratio of 1.76 times, an increase from 1.56 times as of December 31, 2017 primarily as the Company is in the construction phase of its SPP power projects under the GMP group and the GSRC power project, which has gradually made the loan drawdowns while the Company has not recognized revenue and profit from such projects. Nonetheless, most of the Company's loans are under project finance agreements with the terms of over 20 years.

SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

It is one of Gulf's core beliefs that the environment and society must be developed in conjunction with the growth of the business. While the Company has focused on expanding its business in conventional and renewable power generation as well as other energy-related businesses both domestically and abroad, it recognizes that these successes must be achieved in a sustainable manner to create shared value for all stakeholders. All three dimensions of sustainable development hold significance for the Company.

ECONOMIC GROWTH AND GOOD CORPORATE GOVERNANCE

One of the Company's main priorities is to generate greater value for its shareholders and continue expanding the business. Such growth must occur under the principles of good corporate governance to ensure transparency and accountability. The Company's success depends not only on its ability to predict and adapt to change, but also on the stability of the national and global economy.

ENVIRONMENTAL PROTECTION AND PROMOTION








Like most companies, Gulf relies on natural resources to operate. It is therefore vital to ensure that these resources, when they have to be used, are used efficiently and any impacts on the local environment in which the Company operates are minimized to the fullest extent possible.

SOCIAL INCLUSION AND DEVELOPMENT


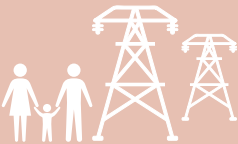
People are the heart of the Company. Gulf cannot operate effectively if it doesn't take care of its employees, its local communities and its shareholders. Its success should translate into happiness for the society, and that must begin with the happiness of its own people.

POLICIES

In 2018, the Company developed a policy to steer its operations and activities towards greater sustainability. The Gulf Sustainability Policy is guided by the United Nations Sustainable Development Goals and covers several important areas including:

FOCUS AREA	DETAILS
SUSTAINABILITY IN OPERATIONS 	Achieve sustainability in economic, environmental and social dimensions and promote sustainable practices among Gulf's employees and community members
LEGAL COMPLIANCE 	Uphold commitments to mandatory and voluntary agreements, respect international standards of human rights and labor rights, act within the confine of the law
CORPORATE GOVERNANCE 	Adopt good corporate governance practices, ensure transparency, avoid corruption, encourage fair and ethical behavior
RISK MANAGEMENT 	Assess and manage risks in a systematic manner, conduct regular performance monitoring and evaluation, conduct internal and external audits, maintain strong internal controls
STAKEHOLDER ENGAGEMENT 	Establish clear communication channels, provide accurate and reliable information, manage complaints and requests for consults, encourage dialogue and participation with all stakeholders
EMPLOYEE ENGAGEMENT 	Provide a safe and healthy work environment, promote non-discrimination and gender equality, support personal development and well-being
ENVIRONMENTAL PROTECTION 	Adopt technologies and practices which reduce negative impacts on the environment, commit to environmental protection in all stages of project development, promote environmental awareness and conservation

The Company recognizes that achieving sustainability requires its operations and activities be conducted on a foundation of good corporate social responsibility. As such, the Company has developed a Corporate Social Responsibility (CSR) framework to guide its operational activities and philanthropic initiatives to reflect its commitment to sustainability.

<p>OPERATIONS</p> 	<p>Ensure financial value is generated without causing environmental and social destruction, guided by the concept of the Triple Bottom Line.</p>
<p>PHILANTHROPY</p> 	<p>Provide aid to the society and disadvantaged groups, especially in the local communities where the company operates, under the theme of “Powering the Country, Empowering the People”.</p>

OPERATIONS AND ACTIVITIES

ECONOMIC/GOVERNANCE

BUSINESS STRATEGY

The Company has developed several strategies to ensure sustainable business growth aimed at generating greater value for its shareholders and investors. These strategies include:

1. Increasing investment in power projects as well as energy and energy infrastructure-related businesses in Thailand and overseas, including in the Asia-Pacific region, the Middle East, and other potential markets
2. Managing projects in the pipeline to ensure construction and development are conducted within the set budget and timeframe
3. Utilizing modern, state-of-the-art technology to generate power efficiently, safely and responsibly
4. Increasing the Company’s ability to generate profits by improving efficiency of power projects in operation and increasing its industrial user customer base
5. Utilizing the experience and expertise of the executive management along with building strong partnerships to achieve the Company’s objectives
6. Conducting business under the principles of good corporate governance to increase transparency and effectiveness while taking into consideration the Company’s responsibility to the environment and society to build confidence among shareholders and other stakeholders

ECONOMIC IMPACTS

The Company is aware that its operations and activities will create both direct and indirect economic impacts on the local communities in which it operates as well as on society in general. As such, the Company ensures the impacts it creates will be positive impacts resulting from responsible business practices.



Gulf's business contributes directly to strengthening the Thai economy, providing the power necessary to support all activities requiring electricity. As the Company's power projects continue to achieve commercial operation over the next few years, Gulf will become the single largest contributor to Thailand's energy demand. In fact, two of the Company's largest power projects are under development in the Eastern Economic Corridor (EEC), which will support industrial expansion in Thailand's eastern seaboard and is expected to contribute an additional 2% to the country's GDP.

Gulf also works to ensure that benefits are brought to the local community wherever the Company's operations are located. Throughout the project development process, from planning to construction to commercial operation, the Company undertakes community development projects such as building and repairing roads, renovating schools and hospitals, and installing lights and water pumps. In addition, the Company also makes regular contributions to

the Thailand Power Development Fund, a community development fund set up by the Office of the Energy Regulatory Commission. In 2018, the Company contributed over 175 million baht to the fund.

ENVIRONMENTAL CSR IN OPERATIONS

The Company works to ensure it minimizes negative impacts to the environment which may be caused by its operations, with a special focus on four areas:

1. Emissions

Gulf uses the best turbine technology available to increase the efficiency of its power plants. In doing so, the Company is able to minimize the amount of energy wasted, and, therefore, minimize its carbon emissions. The Company has also implemented a Carbon Footprint for Organizations (CFO) program, with all its power plants currently in operation having received a CFO certificate from or in the process of registering for certification with the Thailand Greenhouse Gas Management Organization (Public Organization). Gulf's carbon footprint assessments show the Company's power plants' emissions are far below the national average level of emissions from the power generation industry.

2. Water

Gulf works closely with the local community around its power plants to develop a water-sharing scheme, ensuring that the Company's water usage does not negatively impact the community's ability to meet its own needs. To support its aim of using water more efficiently, the Company has also conducted a Water Footprint assessment on all its power plants which have achieved commercial operation, becoming one of the first companies in Thailand to be certified by the Federation of Thai Industries. In addition, the Company's water treatment and monitoring process ensures that the quality of the water discharged from its power plants not only meets environmental standards but is in fact better than the quality of the water in the rivers where the water is discharged.

3. Waste

Gulf has implemented a Zero Waste to Landfill program at all its power plants with the aim of eliminating the disposal of operational waste in landfills. The Company is working to achieve this target through several ways including developing sediment filtered out of water used in the plant into useful products such as fertilizer and bricks, hiring specialized waste disposal companies to remove materials like oil and converting them into alternative fuels or building materials, and recycling objects such as light bulbs and chemical containers. In addition, the Company has also implemented a number of awareness programs such as plastic waste reduction campaigns and community environmental promotion activities.

4. Biodiversity

As part of its Environmental Impact Assessment process, Gulf conducts a biodiversity survey of the local ecosystem in the areas where it plans to develop its power projects. Because the Company's power projects are located on industrial land, it can be sure that its operations will not impact vulnerable or threatened plant and animal species. In any case, the Company continues to conduct biodiversity surveys at all its power plants every two to three years and, in 2018, began implementing an initiative to develop a Biodiversity Action Plan for potential projects in the future.

ENVIRONMENTAL PROMOTION

Gulf recognizes the importance of encouraging environmental protection and conservation among the general public. The Company has a number of initiatives aimed at increasing environmental awareness and education including:

1. The Nong Saeng Demonstration Farm and New Agricultural Theories Learning Center

The Company's demonstration farm, initially developed in 2015 to study the power plant's potential impacts on local agriculture, has expanded into an environmental project with numerous benefits to the local community. The area serves as a demonstration farm where

rice, fruit, vegetable and herbs are grown throughout the year. It also hosts a fish pond and fertilizer production area. Staff are on hand to provide recommendations on growing techniques and farming practices. In 2018, a raised walkway was added so visitors can easily access all areas of the farm, turning the area into a peaceful natural recreation area for local residents.

2. The Wind and Water Detectives and Novice Training youth education programs

Gulf has developed programs to teach local youth about environmental issues and develop them into role models who will take on the task of leading the community towards sustainability. These include the Wind and Water Detectives program, which teaches children about environmental issues and how to monitor air and water quality through observation of the environment, and the Novice Training program, a supplement to the Phra Pariyathidhamma Schools under the auspices of Her Royal



Highness Princess Sirindhorn, which provides underprivileged boys with public speaking and leadership training as well as environmental education through simple experiments and study trips to science and environment learning centers.

SOCIAL

GULF FAMILY

Gulf places great importance on the physical, mental and emotional well-being of its employees. The Company works to continually improve its human resources management across multiple areas including providing competitive compensation and benefits, encouraging learning and development among employees of all levels, facilitating fair and transparent assessments and evaluations, creating a positive work environment, and ensuring a safe and healthy workplace. In 2018, the Company received a Zero Accident Award, having achieved its target of zero workplace accidents in the past five years.

GULF COMMUNITY

Gulf has a dedicated Community Relations department tasked with engaging with the local community and other stakeholders to develop a common understanding of the company's business and to provide financial support for community development initiatives. The Company supports local community participation in two ways: 1) through the Environmental Impact Committee, comprising Company representatives, local community leaders and relevant state agencies who monitor the Company's operations and develop plans for cooperative action to minimize impacts to the local community that may result from Company operations, and 2) through community activities, focusing especially on religious and cultural activities, environmental protection, educational funding, support for local businesses and community health promotion.

GULF SOCIETY

Gulf works to be both a provider of electricity and a driver of social progress. This is reflected in the Company's philanthropy theme, "Powering the Country, Empowering the People". The Company engages in a number of philanthropic initiatives under the focus areas of its HELPS framework.

H: Health

Gulf encourages and supports the promotion of good health and well-being at the individual, community and population level through initiatives supporting the construction and renovation of healthcare facilities and the purchase of medical equipment as well as health promoting activities such as a Youth Football Clinic.

E: Enterprise

Gulf supports the development of initiatives that increase individual, local and national wealth and economic competitiveness through career advising and internship programs, financial support for equipment and supplies for local enterprises, and skills training such as its Novice Training program.





L: Learning

Gulf encourages and supports education and lifelong learning both in and out of the classroom through multiple initiatives including funding for educational equipment and the construction and renovation of school buildings, merit- and need-based scholarships for school and university students, and educational programs for the general public such as its Demonstration Farm and its Travelling Power Plants and Power Plant Schools program.

P: Planet

Gulf protects and conserves natural resources and promotes greater positive impacts on the environment through a number of programs including environmental education programs such as the Wind and Water Detectives program and the Saku Forest field trip for school children, sponsorship of environmental awareness events, and community engagement activities such as beach clean-up and tree-planting days.

S: Sponsorship

Gulf provides funding for projects that benefit the general population and improve the overall happiness and well-being of the Thai people. In 2018, this included sponsoring the free broadcast in Thailand of the FIFA World Cup 2018, sponsoring the construction of a rest pavilion at the Suvarnabhumi Skyline for cyclists and other visitors, and sponsoring close to a dozen Thai League and lower division football teams.

In total, in 2018 the Company engaged in over 100 community development and philanthropy initiatives.



BOARD OF DIRECTORS



MR. VISET CHOOPIBAN

Independent Director
and Chairman of the Board of Directors



MR. KASEM SNIDVONGS

Independent Director
and Chairman of the Audit Committee



MR. SOMMAI PHASEE

Independent Director
and Member of the Audit Committee



DR. RAWEPORN KUHIRUN

Independent Director
and Member of the Audit Committee



MR. VINIT TANGNOI

Independent Director
and Member of the Audit Committee



MR. SANTI BOONPRAKUB
Independent Director



MR. SARATH RATANA VADI
Director
and Chief Executive Officer



MRS. PORNTIPA CHINVETKITVANIT
Director, President
and Deputy Chief Executive Officer



MR. BOONCHAI THIRATI
Director and Executive Director



MS. YUPAPIN WANGVIWAT
Director and Executive Director

MANAGEMENT TEAM



1. MR. SARATH RATANAVADI

Director and Chief Executive Officer

2. MRS. PORNTIPA CHINVETKITVANIT

Director, President and Deputy Chief Executive Officer

3. MR. RATTHAPHOL CHEUNSOMCHIT

Deputy Chief Executive Officer

4. MR. SMITH BANOMYONG

Chief Financial Officer

5. MS. BUNG-ON SUTTIPATTANAKIT

Chief Planning Officer

6. MR. RAVI KURMAROHITA

Chief Business Development Officer



7. MR. WORAPONG VIVATANAVANICH
Chief Operating Officer

8. MR. TANON TANTISUNTHORN
Chief Corporate Affairs Officer

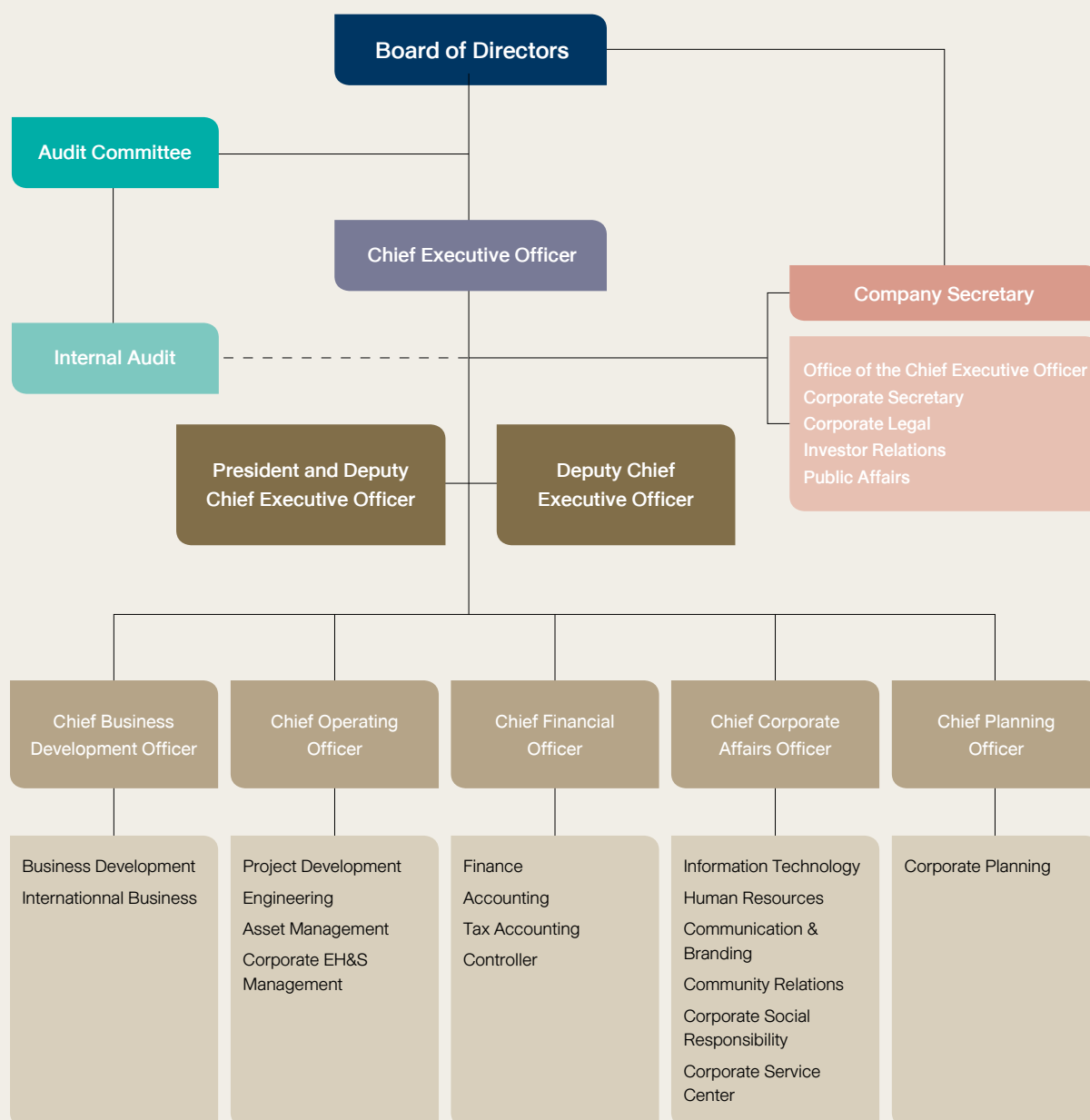
9. MR. OLARN SRIVALATTHA
Vice President - Accounting

10. MR. BOONCHAI THIRATI
Director and Executive Director

11. MS. YUPAPIN WANGVIWAT
Director and Executive Director

MANAGEMENT STRUCTURE

As of February 15, 2019, the Company's management structure consists of the Board of Directors, the Audit Committee and the executives. The details of which are as follows:



1. BOARD OF DIRECTORS AND SUB-COMMITTEE

1.1 BOARD OF DIRECTORS

As of December 31, 2018, the Board of Directors of the Company comprises of 10 directors as follows:

Director	Position
1. Mr. Viset Choopiban	Independent Director / Chairman of the Board of Directors
2. Mr. Kasem Snidvongs	Independent Director / Chairman of the Audit Committee
3. Mr. Sommai Phasee ⁽¹⁾	Independent Director / Audit Committee Member
4. Dr. Raweporn Kuhirun ⁽¹⁾	Independent Director / Audit Committee Member
5. Mr. Vinit Tangnoi	Independent Director / Audit Committee Member
6. Mr. Santi Boonprakub	Independent Director
7. Mr. Sarath Ratanavadi	Director
8. Mrs. Porntipa Chinvetkitvanit ⁽²⁾	Director
9. Mr. Boonchai Thirati ⁽²⁾	Director
10. Ms. Yupapin Wangviwat ^{(2) and (3)}	Director

- Note :**
- ⁽¹⁾ The director who has requisite experience and knowledge to review the reliability of the financial statements of the Company.
- ⁽²⁾ The director and/or executive holds office as director and/or executive of Gulf Electric Public Company Limited ("GEC") and/or subsidiaries of GEC which operate the business having the same nature as the business of the Company, and some of which may be considered as operating the business deemed to be in competition with the business of the Company. Nonetheless, the Audit Committee Meeting No. 5/2017 dated August 11, 2017 and the Board of Directors' Meeting No. 6/2017 dated August 11, 2017 had acknowledged the details related to such holding of directorships of such person and had resolved to require that he/she shall perform duties in accordance with the laws, the objectives and the Articles of Association with integrity and accountability as required by the relevant laws as well as his/her duty in compliance with the policy on conflict of interest of group companies. However, in case that, in the future, there is any conflict of interest under the Management Services Agreement with GEC, the Company will inform GEC and will discuss with GEC's shareholders on appropriate approach to manage such conflict of interest.
- ⁽³⁾ Ms. Yupapin Wangviwat, Senior Executive Vice President, was appointed by the Board of Directors' Meeting No. 12/2018 dated October 24, 2018 as the Director in replacement of Mrs. Chotikul Sookpiromkasem who resigned with the effect on October 24, 2018.

Members of the Board of Directors

As of December 31, 2018, the Company's Board of Directors comprises of 10 sophisticated individuals who possess various qualifications, including skills, experience and specialized expertise, which are beneficial to the Company's operation. The Board of Directors of the Company is formed of six non-executive directors and four executive directors.

The Company has six Independent Directors, namely Mr. Viset Choopiban, Mr. Kasem Snidvongs, Mr. Sommai Phasee, Dr. Raweporn Kuhirun, Mr. Vinit Tangnoi and Mr. Santi Boonprakub, in the Board of Directors amounting to more than half of the total number of directors in

the Company. All of the Independent Directors have all qualifications as required by the Company's rule on qualifications of Independent Director in accordance with the requirements of the Capital Market Supervisory Board.

Authorized Directors

Authorized directors of the Company are Mr. Sarath Ratanavadi or Mrs. Pornnipa Chinvetkitvanit or Mr. Boonchai Thirati or Ms. Yupapin Wangviwat, any two directors of these four directors sign together with the Company's seal affixed.

1.2 AUDIT COMMITTEE

As of December 31, 2018, the Audit Committee of the Company comprises of 4 members as follows:

Director	Position
1. Mr. Kasem Snidvongs	Chairman of the Audit Committee
2. Mr. Sommai Phasee ⁽¹⁾	Audit Committee Member
3. Dr. Raweporn Kuhirun ⁽¹⁾	Audit Committee Member
4. Mr. Vinit Tangnoi	Audit Committee Member

Note : ⁽¹⁾ The director who has adequate expertise and experience to review the reliability of the financial statements of the Company.

The Audit Committee appointed Ms. Chotiros Likitcharoenpanich, Senior Vice President - Internal Audit, as the secretary of the Audit Committee.

Board of Directors' Meetings and Audit Committee Meetings

The Company determined to hold the Board of Directors' Meeting on a monthly basis, the schedules of which are arranged in advance every year and submitted to each director within January of every year so that all the directors can arrange their schedule for the meetings.

In 2018, the Company held 14 Board of Directors' Meetings and 7 Audit Committee Meetings, of which 1 meeting was the meeting between the Audit Committee and the auditor without the Management present on January 19, 2018 in order to consider the audit plan of the auditor and be an opportunity for the Audit Committee to make enquiries or discuss any problem or obstacle pertaining to the audit and to receive any suggestion from the auditor (if any), and express their opinion independently.

In 2018, each director had attended the Board of Directors' Meetings and the Audit Committee Meetings not less than 80% of the total meetings as per details below:

Director	Position	Number of Attendance / Total Meetings (During January 1, - December 31, 2018)		
		Board of Directors	Audit Committee	AGM & EGM
1. Mr. Viset Choopiban	Independent Director / Chairman of the Board of Directors	14/14	-	2/2
2. Mr. Kasem Snidvongs	Independent Director / Chairman of the Audit Committee	13/14	6/7	2/2
3. Mr. Sommai Phasee	Independent Director / Audit Committee Member	13/14	7/7	1/2
4. Dr. Raweporn Kuhirun	Independent Director / Audit Committee Member	14/14	6/7	2/2
5. Mr. Vinit Tangnoi	Independent Director / Audit Committee Member	12/14	6/7	2/2
6. Mr. Santi Boonprakub	Independent Director	13/14	-	1/2
7. Mr. Sarath Ratanavadi	Director	13/14	-	2/2
8. Mrs. Porntipa Chinvetkitvanit	Director	14/14	-	2/2
9. Mr. Boonchai Thirati	Director	13/14	-	2/2
10. Mrs. Chotikul Sookpiromkasem	Director	10/11	-	1/1
11. Ms. Yupapin Wangviwat	Director	2/2	-	1/1

- Note :**
- ⁽¹⁾ Directors No. 2, 3, 4, 5, 6, 7, 9 and 10 were absent from the meeting(s) due to prior scheduled commitment.
 - ⁽²⁾ Directors No. 3 and 4 are the directors who have adequate expertise and experience to review the reliability of the financial statements of the Company.
 - ⁽³⁾ Director No. 10 resigned from the directorship of the Company with the effect on October 24, 2018.
 - ⁽⁴⁾ Director No. 11 was appointed by the Board of Directors' Meeting No. 12/2018 dated October 24, 2018 as the Director in replacement of Mrs. Chotikul Sookpiromkasem.
 - ⁽⁵⁾ The Annual General Meeting of Shareholders (AGM) for the Year 2018 was held on April 23, 2018 and the Extraordinary General Meeting of Shareholders (EGM) No. 1/2018 was held on November 27, 2018

2. EXECUTIVES

As of March 6, 2019, the executives of the Company are as follows:

Executive	Position
1. Mr. Sarath Ratanavadi	Chief Executive Officer
2. Mrs. Porntipa Chinvetkitvanit	President and Deputy Chief Executive Officer
3. Mr. Ratthaphol Cheunsomchit	Deputy Chief Executive Officer
4. Mr. Smith Banomyong	Chief Financial Officer
5. Ms. Bung-on Suttipattanakit	Chief Planning Officer
6. Mr. Ravi Kurmarohita	Chief Business Development Officer
7. Mr. Worapong Vivatanavanich	Chief Operating Officer
8. Mr. Tanon Tantisunthorn	Chief Corporate Affairs Officer
9. Mr. Olarn Srivalattha	Vice President - Accounting

3. COMPANY SECRETARY

Ms. Chattawan Jaijakul was appointed by the resolution of the Board of Directors as the Company Secretary whose duties and responsibilities are to prepare and keep documents of the Company as required under the applicable laws; to keep reports on the interests reported by the directors and executives; to provide advices in relation to rules and regulations that the Board of Directors and the executives should be aware of; to prepare and organize orientation to the newly appointed director; to monitor and coordinate in order for the Company to comply with the laws, the Company's Articles of Association and rules, and the resolutions of the Board of Directors and shareholders' meetings, including the Corporate Governance Policy and Code of Conduct; and to perform other acts as prescribed by the Securities and Exchange Act and the Capital Market Supervisory Board.

4. REMUNERATION OF THE DIRECTORS AND THE EXECUTIVES

4.1 REMUNERATION OF THE DIRECTORS

The Company has policies to pay remuneration to its directors at appropriate rates in accordance with their duties, responsibilities and results of operation of the Company. Such rates are considered based on those of the companies in the same industry, size of business, revenue level, value of securities according to market value during the same period. For the performance bonus, it will be based on results of the Company's operation in each year and will be allocated to each director in accordance with the service period of each director.

(1) Monetary Remuneration

The Company's Annual General Meeting of Shareholders for the Year 2018 dated April 23, 2018 resolved to approve the fixing of remuneration of the directors and the Audit Committee members for the year 2018 in form of monthly salary without meeting allowance and the performance bonus for the year 2017 as follows:

Composition of Remuneration	Chairman	Director
A. Monthly Remuneration		
• Board of Directors (Baht/Month)	100,000	65,000
• Audit Committee (Baht/Month)	30,000	20,000
B. Performance Bonus for the year 2017 (Baht/year)	1,500,000	1,200,000
C. Other Benefits	- None -	

Remark * The Company pays remuneration only to non-executive directors.

The following table sets forth monetary remuneration of the directors and the audit committee members for the fiscal year ended December 31, 2018.

Director	Monthly Remuneration from January 1 - December 31, 2018			
	Monthly Remuneration (Baht)		Bonus (Baht/Year)	Total
	Director	Audit Committee Member		
1. Mr. Viset Choopiban	1,200,000	-	1,500,000	2,700,000
2. Mr. Kasem Snidvongs	780,000	360,000	1,200,000	2,340,000
3. Mr. Sommai Phasee	780,000	240,000	356,667	1,376,667
4. Dr. Raweporn Kuhirun	780,000	240,000	1,200,000	2,220,000
5. Mr. Vinit Tangnoi	780,000	240,000	1,200,000	2,220,000
6. Mr. Santi Boonprakub	780,000	-	1,200,000	1,980,000
7. Mr. Sarath Ratanavadi	-	-	-	-
8. Mrs. Porntipa Chinvetkitvanit	-	-	-	-
9. Mr. Boonchai Thirati	-	-	-	-
10. Mrs. Chotikul Sookpiromkasem*	-	-	-	-
11. Ms. Yupapin Wangviwat*	-	-	-	-

Note : * Mrs. Chotikul Sookpiromkasem resigned from the Company's directorship with the effect on October 24, 2018 and the Board of Directors' Meeting No. 12/2018 dated October 24, 2018 resolved to appoint Ms. Yupapin Wangviwat as the Company's director in replacement of Mrs. Chotikul Sookpiromkasem.

(2) Other Benefits

- None -

4.2 REMUNERATION OF THE EXECUTIVES

The Company has a policy in determining the remuneration of the executives by regularly benchmarking with leading companies in the same industry to ensure the competitive remuneration with other companies. Remuneration will also be based on results of the Company's operation in each year to encourage work performance.

(1) Monetary Remuneration

As of December 31, 2018, the Company paid remuneration to its executives, exclusive of finance and accounting manager, in the form of monthly salary, annual bonus and provident fund in total of Baht 114.6 million.

(2) Other Remuneration

The Company provides health insurance, life insurance, accident insurance, annual medical check-up and financial aids in accordance with the Company's policy.

5. SUBSIDIARIES ENGAGING IN CORE BUSINESS

As of December 31, 2018, directors and executives of subsidiaries that engage in core business appointed by the Company are as follows:

Director/Executive Company	Abbreviation of the Company	Mrs. Pornnipa Chinvetkitvanit	Mr. Boonchai Thirati	Ms. Yupapin Wangviwat	Mr. Ratthaphol Cheunsomchit	Ms. Bung-on Suttipattanakit	Mr. Ravi Kurmarohita	Mr. Kochai Likitanusit	Mr. Jirapat Archalaka	Ms. Theerathiphisa Tawichpasoot	Mr. Tanon Tantisunthorn	Mr. Worapong Vivatanavanich
Independent Power Development Group												
Independent Power Development Company Limited ⁽¹⁾	IPD	O	/			/		/				/
Gulf SRC Company Limited ⁽²⁾	GSRC	O	/									
Gulf PD Company Limited ⁽²⁾	GPD	O	/									
Gulf MP Group												
Gulf MP Company Limited ⁽¹⁾	GMP	/	/	/	/		/					
Gulf VTP Company Limited	GVTP	O,Δ	/,+	/,+	+			/,+	/	/		
Gulf TS1 Company Limited	GTS1	O,Δ	/,+	/,+	+			/,+	/	/		
Gulf TS2 Company Limited	GTS2	O,Δ	/,+	/,+	+			/,+	/	/		
Gulf TS3 Company Limited	GTS3	O,Δ	/,+	/,+	+			/,+	/	/		
Gulf TS4 Company Limited	GTS4	O,Δ	/,+	/,+	+			/,+	/	/		
Gulf NC Company Limited	GNC	O,Δ	/,+	/,+	+			+				
Gulf BL Company Limited	GBL	O,Δ	/,+	/,+	+			/,+	/	/		

Director/Executive Company	Abbreviation of the Company	Mrs. Pomtipa Chinvektivanit	Mr. Boonchai Thirati	Ms. Yupapin Wangiwat	Mr. Ratthaphol Cheunsomchit	Ms. Bung-on Suttipattanakit	Mr. Ravi Kurmarohita	Mr. Kochai Likitanusit	Mr. Jirapat Archalaka	Ms. Theerathiphisa Tawichpasoot	Mr. Tanon Tantisunthorn	Mr. Worapong Vivatanavanich
Gulf MP Group (Continued)												
Gulf BP Company Limited	GBP	O,Δ	/,+	/,+	+			/,+	/	/		
Gulf NLL2 Company Limited ⁽²⁾	GNLL2	O	/	/				/	/	/		
Gulf NPM Company Limited ⁽²⁾	GNPM	O	/	/								
Gulf NRV1 Company Limited ⁽²⁾	GNRV1	O	/	/								
Gulf NRV2 Company Limited ⁽²⁾	GNRV2	O	/	/								
Gulf Solar Group												
Gulf Solar Company Limited ⁽¹⁾	Gulf Solar	O		/	/		/	/			/	
Gulf Solar BV Company Limited	Gulf Solar BV	O,Δ	+	/,+	/,+		/	/,+			/	
Gulf Solar KKS Company Limited	Gulf Solar KKS	O,Δ	+	/,+	/,+		/	/,+			/	
Gulf Solar TS1 Company Limited	Gulf Solar TS1	O,Δ	+	/,+	/,+		/	/,+			/	
Gulf Solar TS2 Company Limited	Gulf Solar TS2	O,Δ	+	/,+	/,+		/	/,+			/	
Other Subsidiaries												
Gulf Chana Green Company Limited ⁽²⁾	GCG	O			/		/					

Note : Symbol O = Chairman / = Director Δ = Managing Director + = Executive

⁽¹⁾ A holding company that holds shares in other companies and does not operate its own power plant thus there is no organizational structure.

⁽²⁾ A company that is under construction/ preparation for construction hence there is no organizational structure.

6. EMPLOYEES OF THE COMPANY AND SUBSIDIARIES ENGAGING IN CORE BUSINESS

6.1 NUMBER OF EMPLOYEES

As of December 31, 2018, total number of employees of the Company and subsidiaries engaging in core business were 737 employees, of which employees of subsidiaries were included in Asset Management Department. The details of employees are as follows:

Department	Number of Employees for the Period Ended December 31, 2017	Number of Employees for the Period Ended December 31, 2018
Management and secretary	30	39
Business Development & Project Development	52	68
Finance and Accounting	59	69
Asset Management	308	429
Human Resources	18	19
Information Technology	15	17
Corporate Legal	6	9
Corporate Affairs	82	87
Total	570	737

6.2 REMUNERATION OF EMPLOYEES

The Company has a policy in determining the remuneration of the employees that remuneration shall be commensurate with their responsibilities, capabilities, performance and fairness. The Company regularly reviews that the employee remuneration structure to be in consistent with the economy and business competition and benchmarks the Company against other leading companies in the same industry in order to ensure competitive remuneration. The Company also have a composition of remuneration which is in conformity with the short-term and long-term operating results of the Company and is attractive enough to retain the employees with the Company.

For the period ended December 31, 2018, the Company and subsidiaries, which engage in core business, paid remuneration to employees (exclusive of executives) totalling 1,088.8 million in the form of monthly salary, annual bonus and other remuneration, i.e. overtime, shift allowance, risk allowance, on call allowance, provident fund and other fixed incomes.

In addition, the Company provides other benefits such as health insurance, life insurance, accident insurance, annual medical check-up and financial aids in accordance with the Company's policy.

6.3 EMPLOYEE DEVELOPMENT POLICY

The Company places high importance on developing the directors, executives and employees and to that end, has set out guidelines based on the Good Corporate Governance Standards for Listed Companies which can be summarized as follows:

(a) Development Guidelines for Directors

- (1) The Company will arrange for directors to attend professional development training programs to develop, support and promote the work of the Board of Directors.
- (2) The Company will disclose information regarding the participation in training and development programs of directors over the past year.
- (3) The Company encourages all directors to attend training programs and broaden their knowledge on a regular basis in terms of performance of their duties as directors for the purposes of enabling them to make a successful adaptation to potential changes in the business.
- (4) The Company encourages all directors to broaden their knowledge in terms of operation of the Company as directors for the purposes of enhancing their efficiency in discharging duties as directors.
- (5) The Company will provide an orientation course for a new director and provide documents which aim for assisting the director in discharging his/her duties as well as an induction into the Company's businesses.

In 2018, the Company's directors who have attended training programs are as follows:

Director	Position	Training
Mr. Viset Choopiban	Independent Director / Chairman of the Board of Directors	<ul style="list-style-type: none"> Study visit at the terminal port and gasification station
Mr. Kasem Snidvongs	Independent Director / Chairman of the Audit Committee	<ul style="list-style-type: none"> Study visit at the terminal port and gasification station
Mr. Sommai Phasee	Independent Director / Audit Committee Member	<ul style="list-style-type: none"> Director Certification Program (DCP), Class 268/2018, Thai Institute of Directors Study visit at the terminal port and gasification station
Dr. Raweporn Kuhirun	Independent Director / Audit Committee Member	<ul style="list-style-type: none"> Board Matters and Trends (BMT), Class 6/2018, Thai Institute of Directors Study visit at the terminal port and gasification station
Mr. Vinit Tangnoi	Independent Director / Audit Committee Member	<ul style="list-style-type: none"> Study visit at the terminal port and gasification station
Mr. Santi Boonprakub	Independent Director	<ul style="list-style-type: none"> Director Certification Program (DCP), Class 268/2018, Thai Institute of Directors
Mr. Sarath Ratanavadi	Director	<ul style="list-style-type: none"> Rule of Law for Democracy, Class 6, College of the Constitutional Court Study visit at the terminal port and gasification station

Director	Position	Training
Mrs. Porntipa Chinvetkitvanit	Director	<ul style="list-style-type: none"> Study visit at the terminal port and gasification station
Mr. Boonchai Thirati	Director	<ul style="list-style-type: none"> Study visit at the terminal port and gasification station In-House Seminar on Business Operations under the Principles of the Corporate Governance by Guest Speaker from the Office of the National Anti-Corruption Commission
Ms. Yupapin Wangviwat	Director	<ul style="list-style-type: none"> Study visit at the terminal port and gasification station

(b) Development Guidelines for Executives

- (1) The Company has set out the Managerial Competency as a basis for developing the Company's executives with an aim to equip them with skills, knowledge and capabilities to deliver successful work.
- (2) The Company will provide training programs and other development courses as deemed appropriate and in line with competency of each executive.
- (3) The Company will provide an orientation course for new executives to enable them to successfully adapt to new roles, responsibilities and expectations of the new position.
- (4) The Company will encourage the executives in sharing work experiences among executives and employees to create an environment of learning and development within the organization.

(c) Development Guidelines for Employees

- (1) The Company has set out the Functional Competency as a basis for developing the Company's employees in each relevant department with an aim to equip them with skills, knowledge and capabilities to deliver successful work.
- (2) The Company will provide development courses as deemed appropriate and in line with the Functional Competency indicator.
- (3) The Company will provide an orientation course for new employees to enable them to realize the visions, values, Code of Conduct, policies and directions which the Company's businesses will take.
- (4) The Company requires every employee to prepare an annual Individual Development Plan (IDP) and has established a process for consistent tracking of the employee's development according to each IDP.

Besides providing development courses on the functional skills, the Company realized the importance of conducting business under the Principles of the Corporate Governance and with transparency and fairness. In 2018, the Company therefore held an in-house seminar pertaining to the anti-corruption policy and practices for the executives and employees under the topic of "Business Operations under the Principles of the Corporate Governance" by having a guest speaker from the Office of the National Anti-Corruption Commission in order to ensure that the participants in the seminar are aware of the importance of corporate governance and code of conduct as well as the gift and hospitality policy and the prevention of conflict of interest. Moreover, in order to enhance the knowledge and understanding throughout the organization, the Company provided the employees at all levels with the access to the Company's policies through the Company's website including enforcing all employees to train 2018 Code of Conduct through e-Learning.

For the year ended December 31, 2018, an average training time of the executives and employees of the Company and its subsidiaries which engage in core businesses is 31.80 hours/person/year.

7. POLICY ON PREVENTION OF CONFLICT OF INTEREST

The Company is aware of potential conflict of interest which may arise from conflicts between (a) interest of the Company's personnel, i.e. Board of Directors, executives, permanent employees, temporary employees, outsourced employees, and their related person(s) and (b) interest of the group companies, customers or trading partners. To effectively prevent potential conflict of interest, the Company has thus devised the policy on prevention of conflict of interest to serve as a compliance guideline for the Company's personnel which can be summarized as follows:

- (1) In making any business decision, each of the Company's personnel must take the best interest of the Company into consideration rather than his/her personal interest.
- (2) In a meeting, if any of the Company's personnel has interest in any agenda item, he/she must abstain from casting a vote or refrain from attending the meeting while such agenda item is being discussed, and must neither exploit nor utilize any information derived from such agenda item for his/her personal interest.
- (3) The Company's personnel must prepare a written report disclosing his/her direct or indirect interest, and present the report in accordance with the criteria set out by the law.
- (4) The Company's directors are forbidden to operate a business of the same nature as and in competition with that of the Company, or to enter to be a partner in an ordinary partnership or a partner of unlimited liability in a limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the Company, unless the meeting of shareholders had been notified prior to the appointment.
- (5) The Company's personnel must not take advantage of any inside information which he/she has obtained in capacity of his/her position and responsibility.
- (6) The Company's personnel must not take up any position outside organization or non-for-profit organization, unless he/she has notified or has been permitted by an authorized person in accordance with the criteria set out by the Company.
- (7) The Company's personnel must not take any decision-making roles in recruiting new staff who appears to be his/her related person, such that to allow transparency in the Company's staff recruitment process as well as fair treatment to all candidates with similar calibres.

- (8) In entering into a connected transaction, the Company will apply the similar criteria used with other regular customers to such connection transactions in terms of price and commercial conditions, and a connected transaction classified as a financial assistance must also be made on fair terms and conditions to provide the best benefits for the Company.
- (9) In case that a transaction is considered a connected transaction pursuant to the relevant notifications of the Stock Exchange of Thailand, the Capital Market Supervisory Board and the Securities and Exchange Commission, the Company's personnel must strictly comply with rules set out by such regulations.



CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE POLICY

The Board of Directors adheres to and places importance on compliance with the corporate governance principle, which forms part of the fundamental management of the Company. In this light, the Board of Directors, the management team, and employees all take into account their roles and responsibility to deliver systematic management with transparency and efficiency so as to enhance the competitive edge and build confidence for shareholders, investors, and all related parties.

In the year 2018 which is the first year after the Company listed on the Stock Exchange of Thailand on December 6, 2017, the Company achieved score of “4 stars” or “very good” from the Corporate Governance Report of Thai Listed Companies 2018 conducted by Thai Institute of Directors (IOD) and achieved 96 scores from the Annual General Shareholders’ Meeting Assessment Project conducted by Thai Investors Association.

For the year 2018, the Company adhered to the corporate governance principle which adopted from the Principle of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand and the Corporate Governance Code 2017 of the Office of the Securities and Exchange Commission, of which could be described into 5 categories as follows:

1.1 SHAREHOLDERS’ RIGHTS

The Board of Directors is obligated to support, promote, and facilitate all shareholders whom will be provided with their basic legal rights by means and standards, which are generally acceptable, transparent, and fair. They are entitled to equitable treatment such as the right to purchase, sell, or transfer shares, the right to participate in meetings of shareholders as well as to receive profits and sufficient information of the Company. The shareholders are entitled to freely express their opinions in Shareholders’ Meetings and take part in decision-making on significant matters, appointment or removal of directors, appointment of auditors, and issues which impact the Company such as dividend allocation, amendments to the Articles of Association, capital increase or decrease, and approval of extraordinary items. All shareholders are entitled to exercise their right to vote according to their number of shares held on a one share one vote basis.

Apart from abovementioned rights, the Company or the Board of Directors acting on behalf of the Company shall recognize and place significance on the right of shareholders and shall refrain from taking any actions which would violate or deprive the shareholders of their right. The Company determines the policy to encourage and facilitate shareholders in the following aspects.

(a) Shareholders’ Meeting

- (1) The Company shall disclose the policy to encourage all groups of shareholders to attend the meeting of shareholders.
- (2) The Company shall arrange to provide information on date, time, venue and agenda in a form of invitation letter or attachments containing clarification and rationale for each agenda and proposed resolution; and it shall refrain from taking any actions, which would restrain the opportunity of shareholders to study the information of the Company.
- (3) The Company shall encourage shareholders to exercise their right to attend the meeting and cast their vote. In case where any shareholders could not attend the meeting in person, the Company provides an opportunity for such shareholder to appoint the Company’s independent directors or any person by proxy to attend the meeting on his/her behalf.

- (4) The Company shall provide an opportunity for shareholders to submit queries regarding each meeting or other information via the email address: cs@gulf.co.th or at the Company address in line with the criteria of stipulated by the Company.
- (5) The Company shall encourage shareholders to use the proxy form in a manner that each shareholder can steer the voting direction and shall nominate at least one Independent Director's name as alternative proxy of shareholder.

(b) Arrangements on the date of Shareholders' Meeting

- (1) The Company shall support and promote the use of technology such as barcode system, ballot casting, or other technology in the Shareholders' Meeting, including shareholder registration, vote counting, and result announcement in order to ensure that the meeting can proceed in a fast, correct, accurate, transparent, and auditable manner. The voting result will be disclosed in the minutes of Shareholders' Meeting, with details of approval, non-approval, and abstention votes for each agenda where voting is required. In case where an agenda requires voting of various items, the Company shall arrange for voting of each of such items to ensure transparency.

In this regard, at the Annual General Meeting of Shareholders for the Year 2018, there was neither change in the sequence nor addition of the meeting agenda. Also, there was no other matter proposed to the Meeting for consideration other than specified in the notice of the meeting.

- (2) The Company shall encourage all directors to attend the Shareholders' Meeting where shareholders can ask questions directly to the Chairman of sub-committees and all directors in related matters as deemed appropriate.
- (3) The Company shall provide an independent person as witness for vote counting or to be the counting officer or inspector in the meeting; for example, the auditor of the Company or legal advisor; and shall disclose the result to the meeting for acknowledgement as well as recording the result in the minutes of meeting.
- (4) The Company shall arrange the meeting in an appropriate manner and provide shareholders an opportunity to express opinions and make queries relating to the Company in the meeting.

(c) Preparation of the minutes of the meeting and disclosure of the resolutions of Shareholders' Meeting

- (1) The minutes of Shareholders' Meeting shall record the process of vote casting and result announcement to the meeting prior to proceeding with the meeting, including provision of an opportunity for query session where significant questions and answers thereof will be recorded as well as the voting result of each agenda and the names of Directors who attend and being absent from the meeting.
- (2) The Company shall disclose to the public about the voting result of each agenda of the meeting within the next business day through the SET Portal.
- (3) The Company shall prepare the minutes of Shareholders' Meeting within 14 days of the meeting date and submit to SET and/or relevant agencies within the timeframe stipulated by the law and then publish them on the website of the Company.

1.2 EQUITABLE TREATMENT TO SHAREHOLDERS

The Company is determined to treat shareholders on an equitable basis, both for major and minor shareholders, institutional shareholders, including foreign shareholders in order to ensure transparency and fairness.

(a) Provision of information prior to the Shareholders' Meeting

- (1) The Company shall notify the meeting program as well as the agenda and opinion of the Board of Directors to SET and publish such details on the Company's website at least 28 days prior to the date of Shareholders' Meeting.
- (2) The Company shall notify shareholders about rules of engagement in the Meeting, the voting process, and the voting right of each type of share.
- (3) The Company shall prepare the Thai and English versions of the invitation letter to Shareholders' Meeting.

(b) Minority shareholders protection

- (1) The Company provides opportunity to one or several shareholders holding in aggregate at least 5% of total issued shares of the Company to propose agenda to the annual general meeting of shareholders. The opportunity for agenda proposal will be opened at least 3 months prior to the end of the fiscal year before presenting them to the Board of Directors for consideration. In case it is deemed appropriate to include the proposed agenda item into the meeting, the Company will specify in the notice of meeting that the agenda item was proposed by a shareholder. However, in the event the proposed agenda item is rejected, the Company will inform shareholders of the reasons at the annual general meeting of shareholders.
- (2) The Company sets up criteria for minority shareholders to nominate any qualified candidates for directorship. The nomination proposal including the information on candidate(s)'s qualifications and consent should be made through the Nomination Committee (if any) or the Board of Directors within 3 months prior to the end of the fiscal year.

However, in the past year, the Company provided an opportunity for shareholders to propose agenda item(s) and nominate qualified candidate(s) for directorship before the Annual General Meeting of Shareholders for the Year 2019 during October 1, 2018 - December 31, 2018. The Company also disclosed the criteria and procedures on the Company's website and informed the shareholders via SET Portal. However, during the said period, there was no shareholder proposed any agenda item or nominated any qualified candidate for directorship.

- (3) The Company provides opportunity for minority shareholders to elect directors by person according to the criteria determined by the Company.
- (4) The minority shareholders are entitled to express comments, opinions, or file complaint with the Independent Directors at the email address: id@gulf.co.th. The Independent Directors will consider and take actions as deemed appropriate.

(c) Insider trading prevention

- (1) The Company determines the guideline in writing to keep and protect the inside information and communicate such guideline to all relevant parties to ensure adherence thereto.
- (2) The Company determines that all Directors and executives have a duty to report the securities holding in the Company in accordance with the securities and exchange law. Such information will be disclosed in the annual report and reported to the Board of Directors for acknowledgement on a quarterly basis.

- (3) The Company determines that Directors, executives as well as Head of Accounting/Finance, whom are informed of significant inside information that has impact towards the Company's share price, shall refrain from trading the Company's stock for a period of 30 days prior to the disclosure of the quarterly and annual financial statements to the public, and should wait at least 24 hours after such disclosure.

The Corporate Secretary will notify the Board of Directors and executives as well as Head of Accounting/Finance about the blackout period in advance by verbal and email. In 2018, all directors and executives including Head of Accounting/Finance strictly adhered to the policy and there was no director, executive, or Head of Accounting/Finance exploited the inside information for securities trading.

(d) Conflict of interest by directors

- (1) The Company shall disclose the shareholding structure of the Company and subsidiaries in the annual report.
- (2) The Company determines that the Directors and executives report their conflict of interest and that of related persons by reporting such information to the Corporate Secretary, who is obligated to submit a copy of the said conflict of interest to the Chairman of the Board and the Chairman of the Audit Committee within 7 days of the date the report is received.
- (3) The Company determines that Directors are to declare the conflict of interest prior to the agenda consideration and the information shall be recorded in the minutes of the Board of Directors' Meeting.
- (4) The Company determines that any Directors with significant conflict of interest in a nature that may hinder him/her to provide independent opinion shall abstain from voting or refrain from attending the meeting in the agenda involved with such conflict of interest and shall not use any information which cause conflict of interest.

In addition, in case of entering into any related-party transactions, the Company will ensure that the transaction is made in compliance with the Securities and Exchange Act, Notification of the Capital Market Supervisory Board, Notification of the Securities and Exchange Commission Thailand and Notification of the Stock Exchange of Thailand. If any related-party transaction requires approval from the Board of Directors, it will be proposed to the Audit Committee for their opinion on the transaction before proposing to the Board of Directors. Any director who has conflict of interest on the transaction will abstain from consideration and voting. The Company will notify the resolution of the Board of Directors' Meeting via SET Portal and the Company's website to ensure that the matter is widely acknowledged by the shareholders.

1.3 ROLES TOWARDS STAKEHOLDERS

The Company adheres to business engagement with transparency and fairness, taking into account all stakeholders, while promoting social and environmental development so as to achieve business growth and sustainability.

(a) Determination of policy relating to stakeholders

- (1) The Company shall treat shareholders with fairness and equitability, taking into account the basic rights of shareholders. Benefit shall be allocated fairly and consistently with transparency while management shall be transparent and auditable with determination to deliver sound performance and continuous and sustainable growth.
- (2) The Company shall treat customers in its willingness, to the best of its ability, and with justness; and shall adhere to the expected ethics without revealing the information or confidentiality of customers while remaining dedicated to build sustainable relationship with the customers.

- (3) The Company shall treat trade partners strictly in alignment with fair trade competition, honor all contracts on its end, and behave in accordance to the Code of Conduct. In addition, the Company shall promote the network of cooperation and build the supply chain as well as value chain to deliver optimal, mutual benefits.

The Company puts emphasis on the selection of trade partners. The Company has a process on selecting and treating all trade partners in a fair and equitable manner. The trade partners will have to participate in eBidding and there are selection criteria as follows:

- ▶ Own a verifiable business operation
 - ▶ Produce or sell quality products or services
 - ▶ Have experience in providing services to industrial clients such as power plant, petrochemical industry, large-scale factory, or experience providing services to at least 4 clients with a contract of at least one year and a documented performance guarantee
 - ▶ Have reliable management system such as ISO certification or other acceptable standards
 - ▶ Have business branch or service center located in the same province as the Company and/or power plant or in any nearby province but not over 50-kilometer distance from the Company's and/or power plant's locations
 - ▶ Have creditable financial records or be able to submit bank guarantee with the limit of 2 times of the monthly service fee
- (4) The Company shall treat competitors strictly in alignment with fair trade competition by adhering to fair business engagement under the laws and Code of Conduct of the Company.
- (5) The Company shall care for communities surrounding the area of its operations with accountability and focus on promoting activities to uplift the quality of life of the community members in respect of education, occupation, art, and technology, including provision of relief in time of any disaster.
- (6) The Company shall treat creditors with ethics by honoring the agreement or contract on its end and ensure just treatment for both parties. In case of failure to comply with the conditions, the creditors shall be informed in advance in order to mutually consider remedy. Also, the Company shall not demand for, or accept any fraudulent benefits.
- (7) The Company shall treat public agencies and government authorities with political objectivity as stated in the Company's Code of Conduct as well as the anti-corruption policy.
- (8) The Company shall treat employees with fairness and provide training to develop their knowledge and potential. Furthermore, the Company shall provide sound working environment and determine a standard of safety in compliance with the laws.

The Company also determined a policy and practical guideline about environmental, health and safety as follows:

1. Safety in workplace is the first responsibility of all employees.
2. The Company and group companies shall promote a safety workplace including any other activity in order to embrace the attitude and consciousness of safety at work.
3. Supervisors at all levels shall constantly lead, supervise, and support employees to work safely.
4. During work, employees must always be aware of their own safety as well as the safety of colleagues and assets of the Company and group companies.

5. Every employee should participate in the Company's safety & health projects and provide recommendation for improving the working environment and safe working process.

6. Employees aim to achieve the targets of the zero-accident project.

In 2018, there was no accident, absence or sickness caused by working.

- (9) The Company shall care for the environment in accordance with its corporate social responsibility policy, contribute in environmental conservation, and promote as well as support environmental conservation programs.

Moreover, in order to create true understanding and cultivate consciousness for environmental and natural resources conservation, the Company provides employees with trainings and knowledge on the environment as follows:

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| ▶ Environmental Manager | ▶ Energy conservative potential evaluation |
| ▶ Air pollution treatment system controller | ▶ Energy management technic |
| ▶ Air pollution treatment system operator | ▶ High energy efficiency technology |
| ▶ Solid waste treatment system operator | ▶ Energy conservation mind |
| ▶ Water pollution treatment system controller | ▶ Internal auditor for energy conservation |
| ▶ Water pollution treatment system operator | ▶ Carbon footprint for organization |
| ▶ Senior energy responsibility personnel | ▶ Energy conservation |
| ▶ Energy responsibility personnel | ▶ Environment and Social Management System (ESMS) |
| ▶ Training Course for Person Responsible for Energy (Brush up PRE) | ▶ Environmental Management System (ISO14001:2015) |

(b) Disclosure of activities in compliance with the policy as well as preparation of corporate social responsibility report

- (1) The Company shall disclose activities reflecting compliance with the corporate social responsibility policy and its mechanism to encourage employees to comply with the corporate social responsibility policy.
- (2) The Company arranges for preparation of the corporate social responsibility report of the Company, which may form part of the annual report, or a separate report.

1.4 INFORMATION DISCLOSURE AND TRANSPARENCY

The Company shall disclose material information via appropriate channels in a correct, adequate, accountable, and timely manner, both in Thai and English versions to ensure equitable treatment to all shareholders.

(a) Information disclosure

- (1) The Company shall arrange for the mechanism to ensure the correctness of information disclosure, which is sufficient for the investors' decision making, and to prevent any misunderstanding in the essence of information.
- (2) In this sense, material information of the Company is defined as the information relating to its business operations that requires proper disclosure method due to its impact towards the share price or the investment decision of investors.
- (3) The Company delegates that only authorized persons have the right to disclose the information yet to be revealed to the public.
- (4) The Company prohibits disclosure of information in the period of 2 weeks prior to the date of significant information announcement.

- (5) The Company shall disclose the corporate governance policy, Code of Conduct, risk management policy, corporate social responsibility policy and result of compliance thereof via various channels such as the annual report, the Company's website, and so on.
- (6) The Board of Directors shall encourage the Company to prepare the Management Discussion and Analysis or MD&A together with disclosure of the financial statements of each quarter. This is to provide investors with information and better understanding about the changes of financial position and performance of the Company in each quarter in addition to figures stated in the financial statements.
- (7) The Company shall determine the disclosure of audit fee and other service fees related to the auditors' services.
- (8) The Company shall disclose the roles and responsibilities of the Board of Directors and sub-committees, the number of meetings held and the number of attendance of each Director in the past year, their opinions, and the training sessions and professional development of the Board of Directors in the annual report.
- (9) The Company shall disclose the remuneration policy to Directors and executives as required by the law. Such policy shall reflect the duties, obligations, and responsibility of each person, including the form or nature of remuneration. In this regard, the remuneration to be disclosed shall include that provided to each Director who also assume directorship of subsidiaries.
- (10) The Company shall disclose the information in line with the requirements of the Securities and Exchange Commission (SEC), SET and related laws, including the disclosure of information to shareholders and/or the public in an equitable manner.

(b) Minimum disclosure on the Company's website

- (1) The Company discloses activities which reflect compliance with its policy whereby employee participation is encouraged.
- (2) The Company discloses the information as per requirements of SET, SEC, and related laws. Such disclosure will be made via SET's channel and the Company's website both in Thai and English versions on a continuous basis. The information shall be the most current version and contain, at the minimum, of the following information.
 - 2.1 Vision and mission of the Company
 - 2.2 Nature of business
 - 2.3 List of Directors and executives
 - 2.4 Financial statements and report on financial position and performance of the current and previous year
 - 2.5 The Annual Registration Statement (Form 56-1) and the annual report in downloadable versions
 - 2.6 Direct and indirect shareholding structure
 - 2.7 Group company structure, including subsidiaries
 - 2.8 Direct and indirect shareholding of Directors, major shareholders, and executives as required by the law
 - 2.9 Invitation letter to annual general meeting and extraordinary meeting of shareholders
 - 2.10 Articles of Association and Memorandum of Association
 - 2.11 Corporate governance policy of the Company
 - 2.12 Risk management policy
 - 2.13 Charter or responsibilities, qualifications, and term of office of the Company's Board of Directors
 - 2.14 Charter or responsibilities, qualifications, and term of office of the Company's sub-committees
 - 2.15 Company Code of Conduct

2.16 Contact information of department or persons responsible for investor relations function

2.17 Information or other documents that the Company presented to analysts, fund managers or press

In 2018, the Company published the Annual Report in both Thai and English versions within 120 days of the fiscal year end and sent to the shareholders together with the notice of the Annual General Meeting of Shareholders. Such Annual Reports and notice of the Annual General Meeting of Shareholders can also be downloaded from the Company's website.

Moreover, in the past year, the Company presented the operating results in terms of finance and non-finance information to the shareholders, retail investors, institutional investors, and analysts through various channels such as 4 times of Quarterly Analysts' Meetings, 2 times of Opportunity Day events on March 6, 2018 and May 18, 2018 to provide information and exchange opinion with the analysts and domestic and foreign institutional investors, 4 times of Management Discussion and Analysis (MD&A) and disclosed through SET Portal and the Company's website and replied to the enquiries from shareholders, investors and analysts via e-mail and telephone on a regular and equitable basis.

1.5 DIRECTORS' RESPONSIBILITIES

(a) The Board of Directors structure

- (1) Composition of the Board of Directors of the Company shall accord with the Board of Directors Charter, details are as summarized in the clause 3.1 "Board of Directors".
- (2) Qualifications of the Board of Directors of the Company shall accord with the Board of Directors Charter, details are as summarized in the clause 3.1 "Board of Directors".
- (3) The qualifications of the Independent Directors shall accord with the Board of Directors Charter, details are as summarized in the clause 3.2 "Independent Directors".
- (4) The appointment, term of office, and retirement from office shall be made in accordance with the Board of Directors Charter, details are as summarized in the clause 3.1 "Board of Directors".
- (5) Appointment of the Corporate Secretary and determination of responsibilities as well as the conditions for discharge and the appointment of the new Corporate Secretary shall be in compliance with the Board of Directors Charter and the Corporate Secretary Charter, the essence of which are as follows:

5.1 The Corporate Secretary was appointed by the Board of Directors to act on behalf of the Company or the Board of Directors.

- ▶ Prepare and maintain the Directors' register, invitation letters for the Board of Directors' meetings, the invitation letters for the Shareholders' Meetings, the minutes of the Board of Directors' meetings, the minutes of the Shareholders' Meetings and the annual report of the Company
- ▶ To maintain records of conflict of interest reported by Directors or executives
- ▶ To arrange the Board of Directors meetings and Shareholders' Meeting
- ▶ To provide recommendations about the rules and regulations to be aware by Directors and executives
- ▶ To arrange for training and orientation as well as provide information necessary for current or newly appointed Directors in performing their duties
- ▶ To oversee and coordinate in order to ensure that the Company complies with the laws, rules, regulations, and resolutions of the Board of Directors' and the Shareholders' Meetings including the good corporate governance policy and the Code of Conduct
- ▶ To partake in other engagements as required by the Securities and Exchange Act as well as the Notifications of the Capital Market Supervisory Board

- 5.2 The Corporate Secretary shall perform duty with accountability, prudence, and honesty as well as ensure compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors as well as those of the Shareholders' Meeting.
- 5.3 The Board of Directors may pass a resolution to dismiss the Corporate Secretary.
- 5.4 In a case where the Corporate Secretary is dismissed from duty or could not assume the office, the Board of Directors shall appoint the new Corporate Secretary within 90 days of the date the existing Corporate Secretary is relieved from duty or could not perform duty. The Board of Directors is authorized to delegate any Director to perform the duty in lieu of the Corporate Secretary during the vacuum period. The Chairman of the Board of Directors shall inform the name of the Corporate Secretary to SEC within 14 days of the date where the position is assumed.

(b) The sub-committees

- (1) The Board of Directors appoints the Audit Committee and/or other committees as deemed appropriate.
- (2) The Board of Directors shall ensure that performance of the sub-committees is carried out with independence and objectivity.
- (3) The Board of Directors has put in place the charter of each sub-committee to ensure that each committee perform duty effectively and deliver the objectives of their duties and responsibilities.

(c) Roles and responsibilities of the Board of Directors

- (1) The Board of Directors has responsibilities as stated in the Board of Directors Charter in various aspects, details are as summarized in the clause 2.1 "Scope of authority and responsibility of the Board of Directors".
 - 1.1 Policy and Governance
 - 1.2 Finance
 - 1.3 Internal Control and Audit and Risk Management
 - 1.4 Human Resources
 - 1.5 Conflict of Interest Management
 - 1.6 Communication with Shareholders
 - 1.7 Other aspects as specified in the Board of Directors Charter

(d) The Board of Directors' Meeting

- (1) The Board of Directors' Meeting shall be held at least every 3 months.
- (2) The Board of Directors shall elect a Director as the Chairman of the Board. In case where it is deemed appropriate, the Board of Directors may elect one or more Directors to be Vice Chairman of the Board.
- (3) The Chairman of the Board shall call for the Board of Directors' Meeting. In this regard, two or more Directors are entitled to request for an extraordinary meeting. In this regard, the Chairman of the Board or delegated persons shall determine the date of meeting within 14 days of the requesting date.
- (4) The Chairman of the Board or delegated person shall dispatch the invitation letter to Directors at not less than 7 days prior to the meeting, except in case of emergency to protect the right or benefit of the Company where the Company is allowed to make appointment for the meeting by other means and the meeting date could be determined sooner.
- (5) The Corporate Secretary shall prepare the minutes of meeting within 14 days of the meeting date.

(e) Meeting quorum

- (1) The meeting of the Board of Directors requires a minimum of not less than half of the total members of the Board to constitute a quorum. In this regard, the Chairman of the Board shall act as the Chairman of the meeting. In a case where the Chairman of the Board is not present in the meeting or could not carry out his/her duty, the Vice Chairman, if available, shall convene the meeting as the Chairman of the meeting. In a case where the Vice Chairman of the Board is not available or could not carry out his/her duty, the members of the Board present in the meeting shall elect a member to be the Chairman of the meeting.
- (2) The absolute discretion of the Board of Directors is made by the majority whereby one Director has one vote. If the vote is even, the Chairman of the meeting shall have an extra vote as the casting vote. In this regard, a Director with conflict of interest in any agenda shall have no right to vote in that particular agenda.

(f) Self-assessment of the Board of Directors

- (1) The self-assessment of the Board of Directors and sub-committees are made both as a whole and individually on an annual basis for the Board to collaborate in considering its performance and any issues that required solution and improvement.
- (2) The Company may engage third-party advisor to assist in determining the guidelines and propose issues for performance assessment of the Board every 3 years and disclose the result in the annual report.

(g) Remuneration

- (1) The remuneration of the Board of Directors, executives, and employees of the Company shall comply with the directors' nomination and remuneration policy and the executives' and employees' compensation policy as determined by the Company.

(h) Self-development of the Board of Directors and executives

- (1) Self-development of the Board of Directors and executives shall accord with the policy on development of Directors and those of executives and employees as determined by the Company.

2. BOARD STRUCTURE

The Company's board structure consists of the Board of Directors and the Audit Committee with the scope of authority and responsibility as follows:

2.1 SCOPE OF AUTHORITY AND RESPONSIBILITY OF THE BOARD OF DIRECTORS**(a) Policy and corporate governance**

- (1) To carry out duties in compliance with the laws, objectives, Articles of Association, and resolution of the Shareholders' Meeting with honesty and integrity while being prudent in securing the benefit of the Company
- (2) To determine the policy and endorse matters relating to the overall operations of the Company such as vision, mission, business direction, strategies as well as to approve the business plan, annual budget, investment plan, financial decisions, and so on
- (3) To monitor the performance of the Company to ensure that the operation accords with the goal and business plan
- (4) To put in place a written policy on corporate governance that suits the nature of the Company and disclose such policy in the annual report for shareholders' acknowledgement. In this regard, the Board should review the policy on a regular basis of at least on an annual basis
- (5) To put in place the Code of Conduct in writing to serve as standards for performance of Directors, executives, and employees of the Company. In this regard, the Board should monitor to ensure compliance with the Code of Conduct on a determined basis

- (6) To encourage Directors, executives, and employees of the Company to comply with the policy on corporate governance and Code of Conduct of the Company
- (7) To put in place the filing system of documents and evidence containing information, including ensuring that the documents or evidence are maintained in a complete and correct manner as well as auditable within a period of not less than 5 years of the date such documents or information are prepared. In this regard, the maintenance of documents and evidence, including maintenance using the computer system or other systems which make them retrievable without changes of texts
- (8) To appoint the sub-committees to provide recommendations, to consider matters and perform duty as determined and deemed appropriate by the Board of Directors
- (9) In case where the Board of Directors assigns executives or employees of the Company to perform a duty on its behalf, the assignment shall be clearly made in writing or recorded as the resolution of the Board of Directors.

In this regard, the Board of Directors has considered and approved the Company's vision, mission and strategic plan for the year 2018 in order to ensure that the executives and employees are on the same direction. The Board of Directors shall follow-up and the management shall update on the implementation of the business and strategic plan on an annual basis.

(b) Finance

- (1) To arrange for preparation and maintenance of the account as well as arrange for the audit thereof in compliance with the related laws
- (2) To arrange for preparation of Balance Sheet and Profit and Loss Statements at least once for every calendar year, which is the Company's annual accounting period
- (3) To arrange for preparation of the Balance Sheet and Profit and Loss Statements at least once every calendar year, which is the accounting period of the Company, and propose them to the annual general meeting of shareholders for consideration and approval. In this regard, the Board shall arrange for the audit of such statements to be completed prior to proposing them to the meeting of shareholders

(c) Internal control, internal audit and risk management

- (1) To establish the Audit Committee consisting of at least three members, which shall comply with the following criteria:
 - 1.1 To be appointed by the Board of Directors or the Shareholders' Meeting of the Company as the Audit Committee member
 - 1.2 To be Independent Director with qualifications and without prohibited characteristics; and not to be Director assigned by the Board to make decisions on the Company's operations, parent company, subsidiaries, associated companies, same-level subsidiaries, major shareholder or shareholders with controlling person of the Company; and not to be the Director of the parent company, subsidiaries, or same-level subsidiaries solely for listed companies
 - 1.3 To perform duty in the same nature as determined by the Notification of the Stock Exchange of Thailand Re: Qualifications and Scope of Work of the Audit Committee
 - 1.4 To have adequate knowledge and experience to perform duty as the member of Audit Committee. In this regard, at least 1 member of the Audit Committee with adequate knowledge and experience to perform duty in reviewing the reliability of the financial statements
- (2) To put in place the risk management policy, as well as risk management and control throughout the organization

- (3) To review the system or assess the efficiency of the internal control system and risk management at least once a year

(d) Human resources

- (1) To arrange for recruiting and screening of appropriate persons and to ensure that the persons, who shall assume directorship or executives of significant positions, have suitable knowledge, ability, and experience
- (2) To arrange for appropriate remuneration of Directors and executives of key positions in order to ensure that they are appropriate for the authority, duty, scope of responsibility, and reflect the ability to perform such duties
- (3) To endorse the succession plan for key positions

(e) Conflict of interest

- (1) A Director with conflict of interest in any agenda shall refrain from voting in that agenda.
- (2) A Director is prohibited from engaging in the business of the same nature as that of the Company and competing against the Company; or hold partnership of ordinary partnership or unlimited liability partner of limited partnership or to be a Director of a private company or other company engaging in the business of the same nature and competing against the Company's business, whether for personal or others' gains unless such engagements were notified to the Shareholders' Meeting prior to the resolution was passed to approve such appointment.
- (3) The Company is prohibited from lending, guarantee, or agree to purchase or purchase the discounted bills and provide guarantees for loans to Directors, their spouse, or minor offspring, except in line with the employee and staff welfare regulations.
- (4) The Company is prohibited from paying fund or providing other assets to Directors, except remuneration as per the Articles of Association of the Company. In case such matter is not included in the regulations of the Company, remuneration shall be made in accordance with the resolution of the Shareholders' Meeting, which consist of not less than two-third votes of the shareholders attending the meeting.
- (5) Any Director purchasing the assets of the Company or sell theirs to the Company or make any transactions with the Company, whether in their name or others, is required to obtain prior consent from the Board of Directors; otherwise such trading or transactions shall not be binding to the Company.
- (6) Directors are to notify the following matters to the Board without delay.
 - 6.1 Any conflict of interest, whether directly or indirectly, in any agreements entered into by the Company during the accounting year by specifying the facts of agreement, name of counterparts, and the conflict of interest of such Director in the agreement (if any)
 - 6.2 Any shares or debentures of the Company and group companies held whereby the total volumes, which may increase or decrease during the accounting period (if any)

(f) Communications with shareholders

- (1) To arrange for organizing the annual general meeting of shareholders within 4 months of the ending date of the accounting year of the Company. Other meetings shall be called an extraordinary general meeting of shareholders
- (2) To arrange for disclosure of significant information for shareholders in the financial statements and reports prepared for shareholders. Such information should first and foremost be disseminated through SET Portal prior to publishing on the company website. Also, the Investor Relations function shall be established to provide information to investors

(g) Others

- (1) To appoint a corporate secretary as required by the Securities and Exchange Act
- (2) To establish the Board of Directors Charter and sub-committees Charter and approve any amendments to the Charters in order to ensure that they are up-to-date and suitable with the applicable rules, regulations and changing environment
- (3) To perform other duties as stated in the notifications, rules, acts or other laws governing the Company

2.2 SCOPE OF AUTHORITY AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

- (1) The Audit Committee can seek for report or recommendations from independent professionals for matters within its scope of authority as necessary. Any related fee incurred shall be borne by the Company
- (2) The Audit Committee may invite Directors or employees of the Company to attend the meeting in order to consult with or clarify about the business operations of the Company and projects of subsidiaries, joint venture, and trade partner, which fall within the scope of duty and responsibility of the Audit Committee
- (3) The Audit Committee is entitled to consider and perform audit on any matter necessary for business operations of the Company
- (4) To consider and review correctness and adequacy of disclosure of annual or interim financial reporting of the Company to ensure appropriateness and compliance with the accounting standards by coordinating with the external auditors and executives responsible for preparation of the annual and quarterly financial reports. In this regard, the Audit Committee may arrange for the external auditors to perform review or audit of any transactions deemed necessary and significant during the preparation of the Company's financial statements
- (5) To consider and review to ensure the efficiency of the internal control system of the Company, including the IT security control system
- (6) To study and understand the scope of review of the internal control system of the Company relating to financial reporting conducted by the internal and external auditors; and arrange for the audit report on significant issues, opinions, or recommendations, including comments of executives
- (7) To consider and review the efficiency of the system to monitor compliance with the laws, rules and regulations
- (8) To review and monitor the risk management system of the Company
- (9) To prepare the annual Audit Committee Report, which shall be signed off by the Chairman of the Audit Committee
- (10) To endorse and provide recommendation to the Board of Directors on the appointment and dismiss of the external auditors which include the audit scope and audit fee by taking into account credibility, the adequacy of resources and experiences of the assigned auditors to perform the audit work
- (11) To consider and approve the internal audit charter, annual internal audit plan, and revision thereof
- (12) To take actions related to the Audit Committee Charter as requested by the Company
- (13) To consider and arrange for assessment of the adequacy of the Audit Committee Charter on an annual basis; and to propose any revision thereof to the Board of Directors for approval
- (14) To oversee the Company in order to ensure compliance with the public limited company law, the securities and exchange law, SET rules and regulations and those of SEC relating to listed companies, including other regulations relating to the business operations of the Company

2.3 SCOPE OF AUTHORITY AND DUTY OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer (CEO) is appointed by the Board of Directors and authorized with the authority and responsibility to manage company affairs as assigned by the Board. In this regard, CEO shall strictly run the Company following the business plan or the budget approved by the Board in an honest and prudent nature so as to protect the interest of the Company and shareholders. The scope of authority and duty of CEO shall include the following aspects and affairs.

- (1) Daily operations of the Company
- (2) Formulation of business policy, strategic plan, and annual budget as proposed by the management team and Executive Committee for further proposal for consideration to the Board of Directors
- (3) Appointment and removal of Executive Committee Members and Executive Committee to take actions in different aspects of the Company management, both of which report directly to the CEO
- (4) Determination of scope of duty of the Executive Committee Members and the Executive Committee
- (5) Taking actions in line with the business plan and budget approved by the Board of Directors
- (6) Preparation of financial reporting and financial statements of the Company, which are proposed to the Board of Directors on a quarterly basis
- (7) Formulation of policy and entering into or termination of agreements or obligations related to engagements on behalf of the Company in the present and future within the scope of authority determined and approved by the Board of Directors
- (8) Entering into or termination of agreements or obligations other than stated in Clause (5) within the scope of authority determined and approved by the Board of Directors
- (9) Hiring, appointment, removal, transfer, promotion, demotion, salary or pay cut, take disciplinary action, or employment termination on behalf of the Company, including appointment and determination of remuneration of any other officers in the management team and all subordinates assuming positions lower than the CEO as well as delegation of authority and duties assigned to such officers as deemed appropriate
- (10) Performing other duties as assigned by the Board of Directors on a periodical basis

In addition, the Board of Directors authorizes the CEO with management authority in accordance with the following principles and scope of authority.

- (a) The authority to manage the operations of the Company as per the objectives, Articles of Association, policy, regulations, requirements, directives, and resolutions of the Board of Directors Meeting and/or the meeting of shareholders of the Company in all aspects
- (b) The authority to take command, contact, order, take actions, and signing off on legal transactions, agreements, directives, notifications, or any letters utilized to contact the government agencies, state enterprises, and other parties, including the authority to take actions deemed appropriate and necessary to accomplish any of the aforementioned activities
- (c) The authority to delegate his authority and/or assign any or several persons to carry out certain tasks on his behalf under supervision of the CEO. Such delegation and/or assignment shall be within the scope of delegation as per the Power of Attorney form and/or the Articles of Association, regulations, requirements, or directives of the Board of Directors and/or as determined by the Company

3. NOMINATION AND APPOINTMENT OF DIRECTORS, COMMITTEES AND CEO

3.1 THE BOARD OF DIRECTORS

The Board of Directors determines that the Board of Directors should be composed of directors with diverse qualifications (Board Diversity) including gender, age, educational background, professional skills, expertise, knowledge and experiences which beneficial to the Company's operations.

Director Nomination Criteria and Procedure

Criteria	At present, there is no Nomination Committee appointed by the Company. However, the Board of Directors, excluding directors with conflict of interest, has jointly considered qualifications of candidates to be nominated as the Company's directors in accordance with the Board of Directors Charter whereby capability, knowledge, expertise, experience and necessary skills which conform with the Company's business strategy are being taken into consideration.
Selection	<ul style="list-style-type: none"> ▶ Recommendation from the directors ▶ External Consultant ▶ Qualified candidates nominated by the shareholders prior to the annual general meeting of shareholders pursuant to the criteria set out by the Company ▶ Director Pool of Thai Institute of Directors
Appointment	The Board of Directors, excluding directors with conflict of interest, will jointly consider the qualifications of candidates pursuant to the criteria set out by the Company and review the Board Skill Matrix to identify skills which are necessary and conform with the Company's business strategy and propose to the shareholders' meeting.
Re-Appointment	Various factors will be taken into consideration such as performance in the past, meeting attendance and contribution in the meetings, etc.

The composition and qualifications of the Board of Directors are determined in the Board of Directors Charter, the essence of which can be summarized as follows:

(1) Composition

- (a) Directors of the Company shall be elected by the meeting of shareholders and in compliance with the methods prescribed in the Articles of Association of the Company as well as other related laws.
- (b) The Board of Directors shall consist of a minimum of 5 Directors and not less than half of the Board must reside in the Kingdom of Thailand.
- (c) The Independent Directors must account for at least one-third of the Board of Directors, and there must be at least 3 of them.
- (d) The Board of Directors shall elect a Director to serve as the Chairman of the Board; and may elect Vice Chairman of the Board as well as other positions as deemed appropriate

(2) Qualifications of Directors

- (a) A natural person and of maturity age
- (b) Not being bankrupted, incompetent, or quasi-incompetent

- (c) Never being imprisoned due to a final judgement for an offence committed through assets acquired by fraud and never be dismissed or discharged from the civil service or public agencies on the charge of fraud
- (d) Duly qualified and having no prohibited characteristics in accordance with the Public Limited Company Act, and shall not possess any inappropriate nature that restrains him from being entrusted to manage a business whose shares are held by the public as stipulated by SEC
- (e) Being an expert with knowledge, capability, experience and diversity of skills that are beneficial to the Company's operation and can fully dedicate his time for the responsibility
- (f) Do not engage in the business of the same nature as that of the Company and competing against the Company; or hold partnership of ordinary partnership or unlimited liability partner of limited partnership or to be a Director of a private company or other company engaging in the business of the same nature and competing against the Company's business, whether for personal or others' gains unless such engagements were notified to the Shareholders' Meeting prior to the resolution was passed to approve such appointment

(3) Appointment, term of office, and removal from office

- (a) The meeting of shareholders shall appoint Directors whereby the persons receiving the highest votes and the following ranks shall be elected as Directors until all the seats are occupied. In a case where persons elected receiving equal votes, but the number of elected persons exceed the number of Directors required, a lot drawing method shall be applied until all the seats are occupied.
- (b) In each annual general meeting of shareholders, one-thirds of Directors shall retire by rotation. If the one-third proportion could not be made, the closest numbers shall apply. Directors who shall retire by rotation shall be the ones with the longest serving period. However, the retired Directors may be re-elected for another term.
- (c) The meeting of shareholders may pass the resolution to remove any Director prior to his/her end of office term by the votes representing not less than three-fourths of number of shareholders attending the meeting with the right to vote; and total shares shall not be less than half of number of shares held by shareholders attending the meeting with the right to vote.
- (d) Directors shall vacate the office upon:
 - Death
 - Resignation
 - Being disqualified or having prohibited characteristics as stipulated by the laws
 - Being dismissed by the resolution of shareholders
 - Being dismissed by the court order
- (e) To resign, Director shall tender the resignation letter to the Company and resignation would become effective on the date the resignation letter is delivered to the Company.

3.2 INDEPENDENT DIRECTORS

The Board of Directors shall mutually consider the qualifications of candidates to serve as the Independent Directors with reference to qualifications and prohibited characteristics as per the Public Company Limited Act, the Securities and Exchange Act, Notifications of the Capital Market Supervisory Board, including related announcements and/or regulations. In addition, the Board of Directors shall select Independent Directors based on experience and suitability in other aspects. Then, the candidates shall be nominated to the meeting of shareholders for further consideration and nomination. The Company has policy to appoint Independent Directors which accounts for at least one-third of total Directors and to have a

minimum of 3 Independent Directors. In this regard, the Board of Directors has determined the qualifications of the Independent Directors in accordance with the Notifications of the Capital Market Supervisory Board as follows:

- (1) Hold no more than 1% of all shares with voting right of the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority. This is inclusive of shares held by anyone who is related to such Independent Director.
- (2) Do not involve in the management, employees, staff, consultant with monthly salary or entities with controlling authority over the Company, the parent company, a subsidiary, an associated company, a same-level subsidiary, a major shareholder or an entity with controlling authority, unless he/she is free from such condition not less than two years prior to his/her appointment as an Independent Director. In this regard, the said prohibited characteristics do not include cases where the Independent Director who served as civil servant or advisor to public agencies, who is major shareholder or entities with controlling authority over the Company.
- (3) Have no connection by blood or legal registration as father, mother, spouse, sibling, son/daughter or spouse of son/daughter of another Director, executive, a major shareholder, and an entity with controlling authority or an individual who will be nominated as Director, executive or entity with controlling authority over the Company or the subsidiary.
- (4) Have no business relationship with the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority in such a manner that may obstruct their exercise of independent discretion. Further, an Independent Director is not or was a significant shareholder or an entity with controlling authority over a party with business relationship with the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority, unless he/she is free from such condition at not less than two years prior to his/her appointment as Independent Director.
- (5) Such business relationship is inclusive of a trading transaction occurring on a conventional basis for the conduct of business; a rent or lease of property; a transaction involving assets or services; a provision or an acceptance of financial assistance through means of a loan, a guarantee, a use of an asset as collateral against debt; and, other similar actions which result in the Company or the party to the contract having a debt to be repaid to another party for the amount from 3% of net tangible assets (NTA) of the Company or from 20 Million Baht, whichever is lower. This amount is determined by the calculation of Related Transaction value as per the Notification of the Capital Market Supervisory Board. It is inclusive of debt(s) arising within one year prior to the day of business relationship with the same party.
- (6) Never serve nor was an auditor of the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority, and, not a significant shareholder, an entity with controlling authority or a partner to the audit office with which the auditors of the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority are associated, unless he/she is free from such condition at not less than two years prior to his/her appointment as Independent Director.

Never serve as nor was not a person rendering any professional service or a legal or financial consultant who is paid more than Two Million Baht in service fee per year by the Company, the parent company, a subsidiary, an associated company, a major shareholder or an entity with controlling authority, and, not a significant shareholder or an entity with controlling authority over the partner to such professional service provider, unless he/she is free from such condition at not less than two years prior to his/her appointment as Independent Director.

- (7) Not being a Director who is appointed to be a nominee of a Director of the Company, a major shareholder or a shareholder who is connected to a major shareholder
- (8) Do not engage in a business of the same nature as and which is significantly competitive to that of the Company or a subsidiary. An Independent Director is not a significant partner to a partnership or a Director with involvement in the management, employees, staff, consultant with monthly salary, or, who holds more than 1% of all shares with voting rights of another company which is engaged in a business of the same nature as and which is significantly competitive to that of the Company or a subsidiary.
- (9) Do not have any other characteristic which prevents him/her from opining freely on the operation of the Company.

3.3 THE AUDIT COMMITTEE

The composition and qualifications of the Audit Committee of the Company are determined in the Audit Committee Charter, the essence of which can be summarized below.

- (1) The Board of Directors of the Company appoints the Audit Committee, which includes the Chairman of the Audit Committee and members, and comprises not less than 3 Independent Directors with qualifications in compliance with public limited laws, the securities and exchange law, rules and regulations related to listed companies of SET and SEC as well as the Articles of Association of the Company.
- (2) The Head of Internal Audit function of the Company shall serve as the Secretary of the Audit Committee.
- (3) Each member of the Audit Committee has a 3-year term of office. In this regard, the retired members of the Audit Committee may be re-elected for another term. However, the re-election shall not be on automatic basis.
- (4) The term of office of the Audit Committee members shall end immediately when such member of the Audit Committee retires from the directorship of the Company.

3.4 CHIEF EXECUTIVE OFFICER

The nomination process for the Chief Executive Officer is determined in the Chief Executive Officer Charter, i.e. the Board of Directors appoints the Chief Executive Officer and authorizes him with the authority and duty related to management of company affairs as assigned by the Board as stated in the clause 9.2.3 "Scope of authority and duty of Chief Executive Officer".

4. OVERSEEING OF OPERATIONS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company has adopted a policy on corporate governance for the purpose of overseeing and managing the operations of its subsidiaries and associated companies which operate core businesses of the group (the "**Policy**"). The purpose of the Policy is to prescribe a direct and indirect mechanism to ensure that the Company is able to oversee

and manage the operations of its subsidiaries and associated companies (as the case may be) and to monitor that the subsidiaries and associated companies (as the case may be) of the Company are in compliance with the Company's measures, procedures and policies, including the Public Limited Company Act, the Civil and Commercial Code of Thailand, the Securities law and any other relevant laws, notifications, regulations and rules of the Capital Market Supervisory Board, SEC, the Office of the SEC and SET. In addition, in order to protect the Company's interest in the investment in the subsidiaries and associated companies, the Company has adopted the Policy, and prescribed that all of the directors, executives and/or employees appointed by the Company to be director and/or executive of the subsidiaries and associated companies are required to acknowledge the content of the Policy by signing the acknowledgement of the Policy.

5. PERFORMANCE ASSESSMENT

PERFORMANCE ASSESSMENT OF THE BOARD OF DIRECTORS

The Board of Directors arranges for the annual assessment of overall performance of the Board of Directors and the sub-committees as a whole and on individual bases. This is for the Board to mutually consider its performance and problem for further improvement and efficiency.

The self-assessment process of the Board of Directors and the sub-committees is made whereby the Corporate Secretary and the Secretary of the Audit Committee submit the assessment form to all Directors to perform the assessment. Such form shall be returned to the Corporate Secretary and the Secretary of the Audit Committee to process the result and summarize the score, which will be reported to the meeting of the Audit Committee and the Board of Directors for acknowledgement.

The key performance assessment topics are as follows:

	Assessment as a whole		Individual assessment	
	Board of Directors	Audit Committee	Board of Directors	Audit Committee
(1) Structure and qualifications	✓	✓	✓	✓
(2) Board/Committee meetings	✓	✓	✓	✓
(3) Roles, duties, and responsibilities of Directors	✓	✓	✓	✓
(4) Others such as relationship between the Board and management, self-development of Directors and executives	✓			

In 2018, the result of the performance assessment of the Board of Directors and the Audit Committee can be summarized as follows:

	Assessment as a whole	Individual assessment
	(Percent)	(Percent)
The Board of Directors	97	99
The Audit Committee	98	94

PERFORMANCE ASSESSMENT OF THE CEO

The Board of Directors arranges for the assessment of CEO's performance with reference to the assessment topics as per SET guideline as follows: (1) leadership; (2) strategy formulation; (3) strategy implementation; (4) financial planning and results; (5) relationship with the Board; (6) relationship with third parties; (7) management and relationship with staff; (8) succession plan; (9) knowledge on products and services; and (10) personal attributes

6. REGULATIONS ON APPROVAL AUTHORITY AND ACTIONS TAKEN TO ENTER INTO TRANSACTIONS

The Company determines that the Board of Directors has the authority to approve matters of the Company in accordance with the scope of duty determined by the law, the Articles of Association of the Company, the Board of Directors Charter, and the resolution of meeting of shareholders, including the revision of vision, mission, and

the operating strategy on an annual basis. The duties extend to improvement of the action plan, annual budget, investment plan and budget, and administrative budget of the Company as well as monitoring and assessment of operating result to ensure alignment with the plans, approval of significant related transactions. The CEO also is obligated to attend to the Company affairs as assigned by the Board of Directors and approved transactions within annual budget approved by the Board of Directors.

7. OVERSIGHT ON THE USE OF INSIDE INFORMATION

The Company and subsidiaries recognized the importance of confidentiality of their information and that of their customers, which is essential to the operations and reflect the level of reliability of the Company and subsidiaries. As such, the Company has formulated the Confidentiality policy for the guideline on treatment of confidential information. The policy is applicable to all personnel of the Company and subsidiaries, namely the Board of Directors, executives, permanent and temporary employees, and contract staff. The Company puts in place level of clearance for use of personal or classified information so as to ensure specific use solely for determined objectives. The Company shall separate the confidential information and restrict access only to authorized persons or those with authority granted by the Company. Such authorized personnel are obliged to use the information in an honest and just manner.

In addition, the Company prohibits staff of the Company and subsidiaries from disclosing their confidential information, which is not publicly available (especially trade secrets) without clearance from the Company. Any disclosure or use of such information by third parties shall cause damages towards the Company, subsidiaries, and related parties.

The Company has formulated policy to prevent the use of inside information. It is determined that directors, executives as well as executives of accounting and finance area whom are informed of significant inside information, which has impact towards the price fluctuation of the Company's stock, shall refrain from trading the Company's

stock for a period of 30 days (Blackout Period) prior to the disclosure of the quarterly and annual financial statements to the public, and should wait at least 24 hours after such disclosure.

The Directors, executives, and employees of the Company and subsidiaries are obligated to comply with the guideline on the use of inside information as stipulated in the Securities and Exchange Act and the Public Company Limited Act, and other relevant laws.

8. AUDITOR FEE

In 2018, the Company and its subsidiaries paid the audit fee of Baht 13,634,700 to the auditors, comprising the Company's and its subsidiaries' audit fees of Baht 4,030,000 and Baht 9,604,700, respectively. Each of subsidiaries has responsible for its own audit fee.

NON-AUDIT FEE

The Company and its subsidiaries obtained other non-audit services from the auditors and other related parties to the auditors with total fees of Baht 5,972,000. The said amounts were recorded as expenses in 2018.

The details of the non-audit fee are as follows:

1. Non-audit services relating to the agreed upon procedure on BOI, totaling Baht 652,000.
2. Non-audit services relating to the advisory services on investment structure and financial agreements totaling Baht 5,320,000.

Management had considered that services provided by the auditors and other related parties to the auditors did not result in any conflict of interest or expose to the self-review of auditors that will impair the auditors' independence and judgement when performing the audit as approved by the Audit Committee.

The auditors and the office of auditors have no relationship or conflict of interest with the Company, its subsidiaries, major shareholder, executives or their respective related persons. Thus, the auditors have independent audit performance and express the opinion on the financial statements of the Company.

9. APPLICATION OF CORPORATE GOVERNANCE CODE 2017: CG CODE

In 2018, the Company has reviewed the Corporate Governance Policy which adopted from the Principles of Corporate Governance for Listed Companies 2012 of SET and the Corporate Governance Code 2017 of the Office of SEC. The Company's Board of Directors' Meeting No. 14/2018 held on December 21, 2018 has acknowledged "The principles of Corporate Governance Code 2017: CG Code" developed by the Office of SEC. The Meeting has also considered the Company's current Corporate Governance Policy and practices in comparison with the

guidelines set out in the CG Code and was of the view that the Company has applied most of the governance guidelines recommended by the CG Code. However, for some guidelines which are not practical or not suitable with the business context of the Company, the Board of Directors shall consider possibility of adoption of CG Code or explore appropriate alternative measures. In the past year, guidelines that still have not adopted by the Company are summarized as follows:

Inapplicable Guidelines	Explanation
The Board of Directors did not set a limit of directorships in listed companies an individual director can hold under the Company's Corporate Governance Policy	The Board of Directors has fully devoted themselves to the Company and was able to perform their duties effectively. Therefore, without restriction of number of directorships, it did not affect the Directors' effectiveness in performing their duties. Moreover, the number of capable and highly experienced individuals who qualified to serve as the Company's directors are limited. As such, the limit of directorships may impact a process for nominating qualified candidates for the Company's directors.
The Board of Directors did not set a limit of the term of office for independent directors	The Company has considered the capabilities, experiences and past performance of each independent director which are beneficial to all stakeholders and operations of the Company and was of the view that during their directorships, all independent directors could express their opinion independently and did not have any conflict of interest. Moreover, the long-term directorships would be beneficial to the operations of the Company.
The Company did not establish the Remuneration and Nomination Committees.	The Company determined that the Board of Directors, excluding directors with conflict of interest, jointly performs the duties of the Remuneration and Nomination Committees.

10. OTHER COMPLIANCE WITH GOOD CORPORATE GOVERNANCE

WHISTLEBLOWER POLICY

The Company realizes that fraudulent actions and wrongdoings may be committed during the operations and contact with stakeholders, which may affect the decisions made and business operations of the Company. Thus, the whistleblower policy was formulated to determine the channel to receive complaints, related actions to be taken, and protection for whistleblowers. A whistleblower is defined as employees, personnel of the Company, customers, persons hired to work for the Company as well as the stakeholders who file complaints on any fraudulent actions or wrongdoings incurred in the Company. The whistleblower shall be protected as per his/her right by the law and guideline as well as the protection measures determined by the Company.

10.1 Complaint channel

Whistleblowers may file any leads or complaint on fraudulent actions and wrongdoings, together with evidence by downloading the form at the website www.gulf.co.th and submit it via various channels below as deemed appropriate.

1. Supervisor of the whistleblower
2. Via telephone number: 02-080-4500
3. Email to the address: ia@gulf.co.th
4. Submit the letter to the Chairman of the Audit Committee or the directors of the Company at the following address:
87 M Thai Tower, 11th Floor,
All Seasons Place, Wireless Road,
Lumpini Sub-District, Pathumwan
District, Bangkok 10330
Or email address: ac@gulf.co.th

10.2 Actions taken subsequent to receiving complaints

The Internal Audit Department shall carry out the investigation of the complaints on fraudulent actions and wrongdoings with independence and fairness so as to acquire evidence which could be used in verification or

dispute with received information, including taking disciplinary actions and/or taking legal actions against wrongdoers. The Internal Audit Department has the duty to report progress and result of the complaints to the whistleblower who provides the name and contact details, except for cases where it is necessary to keep confidential the personal information that refrain the Company from providing complete details on the progress and result to the whistleblower. In this regard, the working group or those responsible for related matters shall report the result to the CEO, the Chairman of the Audit Committee, and the Board of Directors for acknowledgement as the case maybe. In case where the investigation result discovers that the complaint is made with mal-intent or deliberation to damage the Company or any person or that it is false statement, the whistleblower, who is the employee of the Company, will be subject to the disciplinary action. The Company will take legal actions against any external whistleblower that cause damages to the Company.

10.3 Whistleblower protection

The Company shall not reveal the name, surname, address, or other information which leads to identification of the whistleblower or persons cooperating with the fact-finding process. The Company shall keep confidentiality and make solely necessary disclosure by prioritizing the safety and damages of the whistleblowers or cooperating parties. In addition, the whistleblower may request the Company to implement the security measures as deemed appropriate in case they feel unsafe or troubled or damaged; or the Company may determine the measure to protect the whistleblower without request. In this light, the whistleblower who suffers damages shall be relieved with the just and appropriate process; and the Company shall refrain from taking any actions which are unfair for the whistleblowers whether by transfer of positions, types of job, work place, career suspension, threatening, disruption of work, employment termination or other actions which are considered unfair treatment against the whistleblower.

In 2018, the Company did not receive any complaint or dispute.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors of Gulf Energy Development Public Company Limited (the "Company") is responsible for the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company for the period ended December 31, 2018. These financial statements have been prepared in accordance with Thai Financial Reporting Standards and reflect the Board of Directors' considerations of appropriate and consistent use of accounting policies and practices. In addition, the Board of Directors has ensured that sufficient key information is disclosed in the notes accompanying the financial statements and has established adequate and appropriate systems for internal control and risk management, as reported by the auditor in the Auditor's Report.

The Board of Directors has appointed an Audit Committee, composed of independent directors, to oversee and verify the reliability and accuracy of the financial reports, including related party transactions, as well as verify the internal control, internal audit and risk management. The comments of the Audit Committee are presented in the Audit Committee Report in this annual report.

The Board of Directors holds the opinion that the Company's internal control and internal audit provides reasonable assurance that the consolidated financial statements of the Company and its subsidiaries and the separate financial statements of the Company have been prepared in accordance with Thai Financial Reporting Standards, law requirements and related regulations.



(MR. VISET CHOOIBAN)

Chairman of the Board of Directors



(MR. SARATH RATANAADI)

Chief Executive Officer

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Gulf Energy Development Public Company Limited (the “Company”) was appointed by the Board of Directors of the Company. The Committee consists of four Independent Directors with varied areas of expertise, knowledge and experience, who are qualified to confirm the validation of the financial statements. The Audit Committee comprises committee members whose traits and qualifications meet the requirements of the Stock Exchange of Thailand and the Notification of Capital Market Supervisory Board, as follows:

- | | | |
|----|--------------------------------|---------------------------------|
| 1. | Mr. Kasem Snidvongs na Ayudhya | Chairman of the Audit Committee |
| 2. | Mr. Sommai Phasee | Member of the Audit Committee |
| 3. | Dr. Raweporn Kuhirun | Member of the Audit Committee |
| 4. | Mr. Vinit Tangnoi | Member of the Audit Committee |

With Miss Chotiros Likitcharoenpanich, Senior Vice President – Internal Audit, serving as the Secretary of the Audit Committee.

All members of the Audit Committee carried out their duties independently within the scope of responsibility stated in the Audit Committee Charter, which is in alignment with the regulations of the Stock Exchange of Thailand. The audit was performed and corporate governance was promoted, while a risk management system was put in place, and the adequacy of the internal audit and internal control system was assured so as to ensure that the Company runs its operations with transparency, honesty and fairness to achieve sustainable development and enhance its value, which would be beneficial to shareholders. The Committee received full cooperation from executives, employees, internal auditors and external auditors.

In 2018, the Audit Committee held seven meetings to perform duties as stated in the Audit Committee Charter, the essence of which are summarized as follows.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee conducted a review of the quarterly and annual financial statements as well as the consolidated financial statements, including connected transactions. The auditors were asked about the scope of the audit, the audit plan, accuracy and completeness of the financial statements as well as the independency of the auditors in order to ensure that the financial statements were prepared in a correct manner in compliance with the laws and generally accepted accounting standards whereby the financial statements were disclosed in a complete, correct, adequate and timely manner for the interest of their users.

CONNECTED TRANSACTIONS OF THE COMPANY ON A QUARTERLY AND ANNUAL BASIS

The Audit Committee conducted a review of the connected transactions of the Company on a quarterly and annual basis to ensure that they are carried out at arm's length and that they are normal business support transactions which are reasonable and appropriate, as well as in compliance with the regulations of the Stock Exchange of Thailand and The Securities and Exchange Commission.

REVIEW OF ADEQUACY AND APPROPRIATENESS OF THE INTERNAL CONTROL SYSTEM

The Audit Committee arranged to put in place internal audit plans for the parent company and subsidiaries which are appropriate for the nature of business operations in different phases of the Group companies, including projects in the preparation phase, the construction phase and the commercial operations phase whereby the audit focuses on different areas for each phase in order to ensure, to a reasonable degree, that the Company has an adequate and appropriate internal control system. In this light, the Audit Committee was of the opinion that the Company has an adequate and appropriate internal control system relative to the size and current state of the Company's business, as well as proper monitoring and control of its operations in a manner that allows the Company to safeguard its assets and that of its subsidiaries against abusive or unauthorized utilization by executives or employees, including adequate consideration of transactions entered into with persons with conflicts of interest and related persons.

APPOINTMENT OF AUDITORS FOR THE YEAR 2018

The Audit Committee considered and selected the auditors of the Company based on the qualifications and independence of the auditor, including their expertise, experience, performance, scope of audit as well as the appropriateness of the quoted audit fee. The Committee proposed to the Board of Directors Meeting to approve the appointment of Mr. Somchai Jinnovart, certified public accountant No. 3271, and/or Mr. Boonrueng Lerdwiseswit, certified public accountant No. 6552, and/or Miss Amornrat Pearmpoonvatanasuk, certified public accountant No. 4599 of Pricewaterhouse Cooper ABAS Company Limited as the auditor of the Company for 2018.

OVERSIGHT OF INTERNAL AUDIT

The Audit Committee oversaw the performance of the Internal Audit Department through consideration and approval of the annual internal audit plan to ensure the propriety of the plan as well as its alignment to and comprehensiveness over the internal control system of the Company and companies in the Group, including its appropriateness towards different phases of business operations. The Audit Committee has considered the internal audit result and ensured that the internal audit plan of the Internal Audit Department was accomplished.

RISK MANAGEMENT

The Audit Committee has considered the policies and risk management plan of the Company to ensure that risk assessment was made in a comprehensive manner when compared to the goals and strategies of the Company, including any chances of significant impacts toward business operations and risk mitigation to ensure such risk is mitigated to an acceptable level. The Audit Committee was of the opinion that the executives as well as employees of the Company placed significance on risk management whereby the risks and factors thereof were analyzed and assessed as well as communicated companywide. In this regard, the Company established a Risk Management Committee consisting of senior executives from each department to consider and determine the procedures, guidelines and action plans to manage all material risks on an acceptable level as well as to follow up and report on risk management in line with the risk management policies of the Company. The Audit Committee has placed high importance on risks related to information technology and emphasized that the Company put in place guidelines on mitigating risks related to information technology, including acknowledging the Company's data governance in terms of security and effective use of information.

GOOD CORPORATE GOVERNANCE

The Audit Committee emphasized that the Company conducts its operations in accordance with good corporate governance and consider promoting its social and environmental responsibility and sustainability policy in its corporate governance practices, which will create value for the Company's shareholders and benefit all stakeholders, including disadvantaged individuals, by promoting the sustainable livelihood of local communities, society and natural surroundings. In this regard, the Sustainability Policy is guided by the United Nations Sustainable Development Goals and covers good corporate governance, risk management, stakeholder engagement, employee engagement and environmental protection.

ACKNOWLEDGEMENT OF AMENDMENTS TO THE FINANCIAL REPORTING STANDARDS WHICH WILL BECOME EFFECTIVE FOR THE ANNUAL PERIODS BEGINNING ON OR AFTER JANUARY 1, 2019

The Audit Committee acknowledged material amendments to the financial reporting standards which will become effective for the annual periods beginning on or after January 1, 2019, including the Company's readiness in order to ensure correct, appropriate and timely adoption of the financial reporting standards. The Audit Committee also considered to put in place the Company's accounting policy to be aligned with the amendments to the financial reporting standards.

AUDIT COMMITTEE'S SELF-ASSESSMENT

The Audit Committee conducted a self-assessment of its performance, both on an individual and a committee basis, in order to ensure that its performance was effective and supportive of good corporate governance of the Company as well as to ensure that its composition, qualifications and performance are appropriate within its authority and scope of responsibility. Based on such assessment, it was found that the composition and qualifications of the Audit Committee were appropriate, and the performance was effective and aligned with its authority and scope of responsibility as stated in the Audit Committee Charter.

In conclusion, the Audit Committee fulfilled its duties and responsibilities as stated in the Audit Committee Charter by leveraging its knowledge, caution, prudence and independence, and provided opinions and recommendations which are constructive and in the interest of the stakeholders in an equitable manner. The Audit Committee was of the opinion that the Board of Directors, executives and employees of all levels of the Company are determined to perform their duty to achieve the goals of the Company in an efficient and professional manner, especially with regards to the importance placed on transparent and auditable operation, proper risk management, good corporate governance, and adequate, cautious and prudent internal control.

On behalf of the Audit Committee



(MR. KASEM SNIDVONGS)

Chairman of the Audit Committee

RELATED PARTY

The Company and its subsidiaries have entered into related party transactions with persons or entities who may have a conflict of interest as set out in Note 13 to the financial statements of the Company for the year ended December 31, 2018, the details of which can be summarized as follows:

1. Related party transactions of the Company and its subsidiaries with persons or entities who may have a conflict of interest of the Company

PERSONS OR ENTITIES WHO MAY HAVE A CONFLICT OF INTEREST	CHARACTERISTICS OF THE TRANSACTION	SIZE OF THE TRANSACTION FOR THE YEAR ENDED DECEMBER 31, 2018 (Baht)	NECESSITY AND APPROPRIATENESS OF THE TRANSACTION
Pomodoro Group Co., Ltd.	- Service expenses - Other payables	5,182,585.4 1,054,508.7	The Company and its subsidiaries purchased food and beverages from Pomodoro Group Co., Ltd. The price and payment conditions were in accordance with the price and payment conditions which Pomodoro applied to third parties.
Relation to the Company			
Mr. Sarath Ratanavadi as common major shareholder			In addition, the Company and its subsidiaries used Facilities and catering services from Pomodoro Group Co., Ltd. The price and conditions were comparable to the price and conditions which the Company procured from other service providers.

2. Material related party transactions of the Company and its subsidiaries with persons or entities who may have a conflict of interest of the Subsidiaries

PERSONS OR ENTITIES WHO MAY HAVE A CONFLICT OF INTEREST OF THE SUBSIDIARIES	CHARACTERISTICS OF THE TRANSACTION	SIZE OF THE TRANSACTION FOR THE YEAR ENDED DECEMBER 31, 2018 (Baht)	NECESSITY AND APPROPRIATENESS OF THE TRANSACTION
1) Group of Mitsui & Co., Ltd. Relation to the subsidiaries Shareholder of GMP and IPD, the Company's subsidiaries	- Management fees	4,200,000.0	GMP paid management fees for advice in relation to business operation and engineering service procurement and provision from the Group of Mitsui & Co., Ltd. pursuant to a management service agreement entered into between GMP and MIT-Power
	- Short-term loans	324,900,000.0	The Group of Mitsui & Co., Ltd. provided a short-term loan to IPD in accordance with its shareholding proportion for IPD's business operations. The interest charged is fixed per annum, in line with the market rates.
	- Finance costs	14,560,200.0	
	- Interest payable	6,916,364.4	
	- Finance costs	12,669,371.8	SPPs under GMP and IPPs under IPD have incurred guarantee fees, payable to the Group of Mitsui & Co., Ltd. which are recorded as finance costs and construction in progress, as Mitsui & Co., Ltd. guaranteed against SPPs under GMP's obligations under the relevant facility agreements and against IPPs under IPD's obligations under the relevant facility agreements with financial institutions pursuant to its shareholding proportion in such power projects, which is in accordance with the provisions of the Shareholders' agreements.
	- Construction in progress	91,717,794.6	
	- Accrued expenses	453,726,309.2	

PERSONS OR ENTITIES WHO MAY HAVE A CONFLICT OF INTEREST OF THE SUBSIDIARIES	CHARACTERISTICS OF THE TRANSACTION	SIZE OF THE TRANSACTION FOR THE YEAR ENDED DECEMBER 31, 2018 (Baht)	NECESSITY AND APPROPRIATENESS OF THE TRANSACTION
2) Group of WHA Industrial Development Public Company Limited	- Cost of sales	141,911,220.6	SPPs under GMP used public utility and incurred expenses for the right of way and waste disposal fees, which were recorded as cost of sales and administrative expenses, payable to the Group of WHA Industrial Development Public Company Limited.
Relation to the subsidiaries	- Administrative expenses	18,738,582.0	Such expenses were in accordance with payables the rates that the Group of WHA Industrial Development Public Company Limited applied to other operators in the industrial estates.
Indirect shareholders of the 6 SPPs, subsidiaries under GMP	- Accounts payable	10,393,807.1	
	- Other payables	10,693,376.5	
	- Accrued expenses	3,699,216.6	

NECESSITY AND APPROPRIATENESS OF RELATED PARTY TRANSACTIONS

The related party transactions of the Company and its subsidiaries in the fiscal year ended December 31, 2018 were the transactions entered into by relevant parties for the ordinary course of businesses of the Company and its subsidiaries which contain the general trading conditions with the characteristics as those entered into by a person of ordinary prudence under the same situation on his own interest and capable of negotiating without being subject to any influence from the other parties who may have a conflict of interest (Arm's Length Basis).

APPROVAL PROCEDURES OR STEPS FOR ENTRY INTO CONNECTED TRANSACTIONS

Entry into any related party transactions or connected transactions of the Company and its subsidiaries must be in accordance with the Securities and Exchange Act, the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 regarding Rules of Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning the connected Party Transactions, including the relevant regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Such entry into any related party transactions by the Company or its subsidiaries must also be in compliance with rules prescribed by the Federation of Accounting Professions on disclosure of related party transactions in the notes to the financial statements audited by the auditor of the Company and relevant rules on disclosure of the same in Form 56-1.

In case where the Company is required under applicable laws to obtain an approval from the Board of Directors' meeting or the shareholders' meeting prior to entering into any related party transaction, the Audit Committee will be required to review and give its opinion on the transaction. The Audit Committee's opinion will then be proposed to the Board of Directors' meeting or the shareholders' meeting (as the case may be) for consideration so as to ensure that entry into the transaction is in the best interest of the Company.

The Audit Committee shall give its opinion on the necessity of the related party transactions of the Company and its subsidiaries with persons who have a conflict of interest or may have a conflict of interest in the future and the appropriateness of the price of such transactions by taking into account various conditions in accordance with the ordinary course of business in the industry and comparisons to the price of the third parties or the market price. In the case where the Audit Committee has no expertise in considering and opining on any potential related party transactions, the Company will procure an independent expert or the auditor of the Company to give the opinion on such related party transactions to be proposed to the Board of Directors, the Audit Committee or the shareholders (as the case may be) for consideration in deciding to enter into such related party transaction in which the director or the shareholder (as the case may be) who has a conflict of interest in any transaction shall have no right to vote on the agenda in relation to such transactions. The details of such transactions will also be disclosed in the notes to the financial statements of the Company audited or reviewed by the auditor of the Company.

TREND FOR FUTURE RELATED PARTY TRANSACTIONS

It is expected that the Company and its subsidiaries may enter into related party transactions with persons or entities who may have a conflict of interest with the Company in the future for supporting the ordinary course of business. Such related party transactions will have price and general conditions similar to those of transactions with third parties. The Company will comply with the requirements of the Securities and Exchange Act, the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 regarding Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, including the relevant regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

RISK FACTORS AND RISK MANAGEMENT

The Company recognizes and places importance on analyzing and managing all aspects of risks that may have an impact on the business operations, which will build up stakeholder confidence and ensure smooth and efficient business operations in accordance with the Company's goal to be a trusted energy company that complies to relevant laws, rules and regulations.

The Company's Audit Committee comprises of 4 members who are independent directors. The roles of the Audit Committee are to acknowledge, consider and review the Company's risk management system on an ongoing basis to ensure that the Company has an adequate and appropriate risk management system in place. The Audit Committee also serves to provide support to business functions that have responsibilities to manage risks.

In 2017, the Audit Committee determined that the Company prepare a corporate risk management report to control, consider the policy and support the corporate risk management and stakeholder management in accordance with the Company's business strategies and goals. In addition, the Audit Committee provided recommendations

and guidelines on monitoring, assessing and reporting risk management and stakeholder management to the Board of Directors on a regular basis, and in a timely manner in the event that the risk significantly impacts the Company, including establishing guidelines for control measures and mitigation plan, and development of a risk management system for continuous and sustainable efficiency.

The Company has analyzed and assessed the key risks that has significant impact on the Company, divided into four categories consisting of:

1. Strategic Risk
2. Operational Risk
3. Financial Risk
4. Compliance Risk

In this regard, the Company has established guidelines on preventing and managing risks to reduce the occurrence of risks which may have impacts to business operations, as summarized in the table :

RISK CHARACTERISTICS	RISK MANAGEMENT GUIDELINES
1. STRATEGIC RISK	
<ul style="list-style-type: none"> Business readiness The Company has a policy to expand investments in power projects and energy-related businesses both domestically and regionally, particularly in Vietnam, Laos, Myanmar and Cambodia, which is undergoing energy liberalization and rapid electricity demand growth. Deciding which project is suitable for investment is a very crucial factor. The Company's overall business operations may be impacted if project feasibility analysis and evaluation guidelines are not put in place. 	<p>The Company has established guidelines and measures for selecting new projects with prudence and procedures. Business risk analysis plans have been put in place to analyze various factors related to the projects and surrounding factors, including economy, society, politics, creditworthiness of the country that the Company is looking to invest in, finance costs, corporate income tax privileges, duty exemption/reduction on machinery import and raw materials, laws, regulations and related rules, as well as return on investment, payback period and other factors which may have an impact on the project for consideration before seeking approval from the management and Board of Directors.</p>
<ul style="list-style-type: none"> Government policy regarding electricity and energy sectors Thailand has a power development plan in place, which is currently the Thailand Power Development Plan 2015 - 2036 (PDP2015) in which the proportion of fuel consumption has been adjusted, with reduction in the proportion of gas-fired power plants and increase in the proportion of renewable power plants. Meanwhile, as the reserve margin for Thailand is still high, there are limitations in potential IPP investments in the near future. 	<p>The Company has closely monitored the government policy related to the business operations and has established good relations with both the public and private sectors to exchange information, news and any significant changes in the government policy that may impact the Company. In addition, the Company continues to assess the impact and has prepared contingency plans. Furthermore, the Company places importance on investments in renewable power projects such as solar power and wind power including related infrastructure businesses, both domestically and internationally, to diversify the Company's business risks.</p>
<ul style="list-style-type: none"> Overseas investment The Company has plans to expand the business overseas in accordance with the policy to continuously grow the business in the long term. Nonetheless, there may be several risks involved in investing overseas from target country unfamiliarity and differences in business environment including other factors that may cause the Company to miss its intended outcome. 	<p>The Company seeks for and has a policy to jointly invest with highly capable business partners, especially local partners with experience and expertise in infrastructure business and/or related businesses for an extensive period in the respective country in order to increase the Company's investment capabilities. The Company has continued to study and monitor the economic and social conditions and related businesses in order to find a suitable and prudent approach to respond to situations prior to making an investment decision.</p>

RISK CHARACTERISTICS

RISK MANAGEMENT GUIDELINES

2. OPERATIONAL RISK

- **Reliance on offtakers**

The Group's power projects rely on EGAT and industrial users as offtakers.

The Group's power projects have long-term PPAs with EGAT for 25 years, which is equivalent to the duration that the Company expects to utilize the power projects. In the past, EGAT has always complied with the obligations as set out in the PPAs with the Group. Regarding the Group's gas-fired SPPs to produce power and distribute electricity, steam and chilled water to industrial users, the Company will evaluate the offtakers' reliability which take into account each client's financial position, payment history and credit rating prepared by a credit rating agency.

- **Reliance on procurement and delivery of natural gas**

The Group's gas-fired power projects solely relies on PTT for procurement and delivery of natural gas. As such, any interruptions in delivery or shortages in natural gas may cause interruptions in the Group's power project operations.

The Group's gas-fired power projects have entered into agreements to purchase natural gas from PTT covering the entire term of the PPAs made with EGAT. In the past, PTT has always supplied natural gas to the Group's power projects as set out in the agreements. Furthermore, the Group's gas-fired IPPs have also been designed to produce power using diesel as backup fuel in place of natural gas.

- **Delays in development or construction within the designated period**

The Group may not be able to develop or complete construction of power projects and other businesses within the designated period or have cost overruns from different factors such as delays in issuance of permits from the relevant authorities, changes in laws and regulations which adversely affect the Group's business, unrest or protests near the Group's power projects, natural disasters, accidents or other unexpected events, delays in delivery of fuel or key equipment, design and construction flaws and other factors.

The Company has selected internationally recognized contractors who have extensive experience and expertise. The Group's power projects have also entered into agreements with contractors that clearly state the construction value and completion periods, and have included a provision allowing the power projects to levy fines against contractors which are estimated to cover expenses caused by delays in construction. In the past, the Group's power projects have always commenced commercial operation within the designated period and specified budget.

RISK CHARACTERISTICS	RISK MANAGEMENT GUIDELINES
<ul style="list-style-type: none"> • Plant inefficiency <p>The Group's power projects may not be able to operate efficiently or there may be unplanned maintenance due to malfunction or deterioration of equipment and machinery, mismanagement of power project plans and human error, which may result in lower-than-expected revenues.</p>	<p>The Company has a power project management department to coordinate and monitor the performance of power projects that have commenced commercial operations. It has also established plant management plans and maintenance schedules. Presently, the Company has developed a pro-active maintenance schedule and conducts risk assessment of the power projects since the early stages. A recovery plan and rehearsal plan have also been prepared in the event of an emergency. As such, employees are able to continuously develop all steps of the power project operational plans. Furthermore, the Company promotes the exchange of knowledge and experience sharing among the Group's employees, which resulted in a highly skilled team in power project management.</p>

3. FINANCIAL RISK

<ul style="list-style-type: none"> • Substantial indebtedness at the Company and project levels <p>The majority of the Group's indebtedness relate to project financing arrangements for the construction of existing and future power projects and are secured by the relevant project's assets. The Company's debt and that of the Group's power projects contains financial and other covenants. If the Company or the Group's power projects defaults on loan repayment, this may have significant impact on the Company's liquidity.</p>	<p>The Company manages and plans funding sources and utilizes financial instruments to raise funds effectively, with cost of funds and debt to equity ratio at an appropriate level. In the past, the Company has negotiated with the financial institutions providing the loans to ensure that the Company will be able to comply with the financial and other covenants before signing the financing agreements. As a result, the Group's power projects never had any problems with defaulting on loan repayments.</p>
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RISK CHARACTERISTICS	RISK MANAGEMENT GUIDELINES
<ul style="list-style-type: none"> The Group has risks that may arise from currency exchange rate volatility <p>The Group's project costs and operational results may be affected by currency exchange rate volatility as (a) a portion of financing is denominated in US dollars, (b) a portion of payments under EPC contracts is denominated in foreign currencies, (c) a portion of payments under long-term service and parts agreements is denominated in foreign currencies and (d) a portion of the power projects' sales revenues is linked to the US dollar.</p>	<p>The Group manages currency exposure through a natural hedge (cash inflows to offset cash outflows) both during the construction phase as well as after the commencement of commercial operations. Furthermore, the Group utilizes currency forward contracts as derivative financial instruments to reduce the remaining risks from currency exchange rate volatility to the fullest extent possible.</p>
<ul style="list-style-type: none"> The Group has risks that may arise from interest rate volatility <p>The Group's project costs and operational results may be affected by fluctuations in interest rates due to its reliance on obtaining financing for a significant portion of its project development and construction costs. In the past, the Group's borrowings have floating rates of interest based on LIBOR or THBFIX.</p>	<p>The Group utilizes interest rate swaps as derivative financial instruments for the purpose of reducing risks from interest rate volatility to the fullest extent possible by converting floating interest rates to fixed interest rates.</p>
4. COMPLIANCE RISK	
<ul style="list-style-type: none"> The Group has risks from non-compliance of regulations and rules, including good corporate governance <p>The Company operates its business in both domestic and overseas markets. If the Company neglects to comply with various regulations and rules, including good corporate governance principles, this may affect the Company's reputation and operations.</p>	<p>The Company places great importance on compliance with laws, regulations and various rules. The Company continuously monitors new laws that are relevant to the Company's business operations as well as disseminates the information to the entire organization to ensure understanding and acknowledgement of consequences and action plans. Furthermore, the Company also adheres to good corporate governance principles by considering the social and environmental responsibilities to reduce any risks or impact to all stakeholders.</p>



INTERNAL CONTROL

The Company recognizes the importance of implementing internal control and risk management in its daily operations to reduce the potential risks which may adversely affect the Company's ability to achieve its objectives or strategies. These measures represent an important component of good corporate governance.

EVALUATION OF ADEQUACY AND APPROPRIATENESS OF INTERNAL CONTROL SYSTEM

The Company utilizes the following guidelines to evaluate the adequacy and appropriateness of its internal control system in accordance with the principles of good internal control:

1. Control Environment

The Company supports and promotes a positive internal control environment by formally establishing the Company's objectives and operational direction, corporate governance policies, code of conduct and employee manuals. This information, along with relevant punitive measures, is communicated to employees at all levels to ensure awareness and strict compliance. There is a clear organizational structure with a checks and balances mechanism, as well as an internal audit department that works independently and reports directly to the Audit Committee to review and verify operations. All these components together promote a strong internal control environment.

2. Risk Assessment

The Company has implemented a system for risk assessment comprising a risk management team responsible for setting out a policy framework and risk management guidelines in accordance with COSO principles and considering risk management processes

and measurement to control any potential damage within an acceptable limit. The team is also responsible for promoting operational practices compliant with risk management policies across the entire organization.

3. Control Activities

The Company has established in writing a framework detailing the authorization of transactions and activities with appropriate segregation of duties and verification processes. The Company has also established administrative procedures for transactions that meet the conditions for connected transactions or transactions that may present a conflict of interest. The internal audit department is responsible for reviewing operations and ensuring compliance with laws and regulations.

4. Information and Communication

The Company has established a consistent and effective information system to provide adequate key information to support the decision-making process of the Board of Directors and management. Documents are securely stored for a specified length of time as per legal requirements. Quarterly and annual financial reports are reviewed and audited to ensure that adequate financial information is made available promptly for the benefit of shareholders, investors and other concerned parties by the Company's auditor. In addition, the Company has established both an internal and external communication system to allow employees to receive information necessary for completing tasks, as well as a team responsible for monitoring and sharing through appropriate channels general information, financial information and information which may affect the Company's share price.

5. Monitoring

The Company monitors performance against its key performance indicators (KPI) and provides reports, which include analysis of performance gaps to make rectifications in a timely manner, to the management and Board of Directors. With regards to internal control, the Company has tasked the internal audit department with reviewing measures and reporting their findings to the Audit Committee in a timely and consistent manner.

AUDITING AND REVIEW OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

The Board of Directors is responsible for appointing an Audit Committee to review the adequacy and appropriateness of the Company's internal control system to ensure the processes comply with internationally accepted guidelines set by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The review process of internal control covers management control, operation control, accounting and financial control and compliance control, and also takes into consideration the internal and external auditors' reports on the Company's internal control system.

The Audit Committee will evaluate the internal control system through interviews with the Company's management, review of the internal auditors' reports, and acknowledgement of annual results of risk management. In the Board of Directors' Meeting No. 2/2019 held on February 25, 2019, the Board of Directors and the Audit Committee were in agreement that the Company's internal control systems were adequate and appropriate, an adequate number of staffs were hired to ensure internal control would proceed effectively, and there was sufficient monitoring of subsidiary companies' operations to safeguard the assets of the Company and its subsidiaries from misuse by directors or management, as well as to prevent transactions with individuals that may represent conflicts of interest.

With regards to organizational risk management, the Audit Committee is responsible for considering,

reviewing and overseeing risk management within the organization to ensure risk management activities proceed efficiently and effectively, taking into consideration both the organization's risk management plan and implementation of the plan.

In addition, the Audit Committee has appointed the internal audit department, which works independently from the management, to audit and review the operations of the various departments within the Company and its subsidiaries to ensure that said departments are operating within the framework of internal control set by the Company.

APPOINTMENT OF THE INTERNAL AUDIT SUPERVISOR

The Company has an internal audit department which reports directly to the Audit Committee and is responsible for overseeing internal audit operations, ensuring that auditing is conducted independently, efficiently and effectively. The Audit Committee's Meeting No. 2/2017 held on April 18, 2017 passed a resolution naming Ms. Chotiros Likitcharoenpanich as the Company's Head of Internal Audit Department, as the Audit Committee determined that she possesses the necessary knowledge and capability, appropriate qualifications, experience in internal auditing, understanding of the Company's business, and ability to effectively monitor and assess the internal control system. That said, the appointment, dismissal and transference, as well as the assessment of independence of Head of the Internal Audit Department must be approved by the Audit Committee.

BOARD OF DIRECTOR AND MANAGEMENT PROFILES



MR. VISET CHOOPIBAN

Independent Director and Chairman of the Board
Age 73 years

Date of Appointment

May 25, 2017

Education / Training

- Honorary Doctor of Engineering, Chulalongkorn University
- Master of Electrical Engineering, Chulalongkorn University
- Bachelor of Electrical Engineering, Chulalongkorn University
- The Joint State - Private Sector Course, Class 8, National Defence College

Director Training

- Director Accreditation Program (DAP), Class 130/2016, Thai Institute of Directors
- Role of the Chairman Program (RCP), Class 3/2001, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2011 - 2017 Independent Director and Chairman of the Board of Directors, Gulf Energy Development Company Limited
- 2014 - 2017 Director, CUEL Company Limited
- 2005 - 2006 Minister, Ministry of Energy
- 2001 - 2003 President, PTT Public Company Limited
- 2000 - 2001 Chairman of the Board of Directors, PTT Exploration and Production Public Company Limited
- 1999 - 2001 Governor, Petroleum Authority of Thailand

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- 2008 - Present Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, RCL Public Company Limited

Non-listed Companies

- 2000 - Present Director, Petroleum Institute of Thailand
- 2015 - Present Director, TIPS Company Limited
- 2009 - Present Chairman of the Board of Directors, Gulf JP Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.007%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. KASEM SNIDVONGS

Independent Director and Chairman of the Audit Committee
Age 80 years



Date of Appointment

May 25, 2017

Education / Training

- Master of Development Economics, Williams College, Massachusetts, USA
- Bachelor of Science (Honors) in Physics and Mathematics, Sir John Cass College, London University, United Kingdom
- The National Defence, Class 21, National Defence College

Director Training

- Director Accreditation Program (DAP), Class 33/2005, Thai Institute of Directors
- Finance for Non-Finance Directors (FND), Class 15/2005, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2011 - 2017 Independent Director and Chairman of the Audit Committee, Gulf Energy Development Company Limited
- 2006 - 2008 Minister, Ministry of Natural Resources and Environment
- 2002 - 2006 Director and Chairman of the Audit Committee, Gulf Electric Public Company Limited
- 1996 - 2000 Senator
- 1992 - 1998 Permanent Secretary, Ministry of Science and Technology

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- None -

Non-listed Companies

- 1992 - Present Director, Thailand Environment Institute Foundation
- Present Chairman of the Board, Sem Pringpuangkaew Foundation
- Present Director, Environment Law Center Thailand Foundation
- Present Chairman, Population and Community Development Association

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.007%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -



MR. SOMMAI PHASEE

Independent Director and Member of the Audit Committee

Age 74 years

Date of Appointment

September 14, 2017

Education / Training

- Master of Economics in Planning and Development, Vanderbilt University, USA
- Master of Economics, Thammasat University
- Bachelor of Economics (Honors), Thammasat University
- Civil Service Executive Development Program: Visionary and Moral Leadership (Program I), Class 11, Civil Executive College, Civil Service Training Institute, Office of the Civil Service Commission
- The National Defence, Class 37, National Defence College

Director Training

- Director Certification Program (DCP), Class 268/2018, Thai Institute of Directors
- Director Accreditation Program (DAP), Class 59/2006, Thai Institute of Directors
- Role of the Chairman Program (RCP), Class 9/2003, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2017 - 2018 Chairman of the Board of Directors and Independent Director, Nok Airlines Public Company Limited
- 2014 - 2015 Chairman of the Board of Directors, Crown Property Bureau
- 2014 - 2015 Chairman of the Board of Directors, Bank for Agriculture and Agricultural Co-operatives
- 2014 - 2015 Deputy Chairman of the Anti-Money Laundering Board, Anti-Money Laundering Office
- 2014 - 2015 Minister, Ministry of Finance
- 2011 - 2014 Director, Gulf Energy Development Company Limited
- 2006 - 2007 Deputy Minister, Ministry of Finance
- 2004 - 2006 Chairman of the Board of Directors, Gulf Electric Public Company Limited
- 1998 - 2004 Deputy Permanent Secretary, Ministry of Finance

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- None -

Non-listed Companies

- 2018 - Present Chairman of the Board of Directors, Rachakarn Asset Management Co., Ltd.
- 2017 - Present Director, Aroonsom Company Limited
- 2016 - Present Director, Sai Nam Yen Company Limited
- 2016 - Present Director, Andaman Beach Suites Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.005%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

DR. RAWEPORN KUHIRUN

Independent Director and Member of the Audit Committee

Age 74 years



Date of Appointment

May 25, 2017

Education / Training

- Doctor of Public Administration, Eastern Asia University
- Master of Business Administration in Accounting, Central of Michigan University, USA
- Bachelor of Accountancy, Chulalongkorn University
- Bachelor of Laws, Ramkhamheang University
- The National Defence, Class 38, National Defence College
- Program for Senior Executive on Justice Administration, Class 14, National Justice Academy, Office of the Judiciary
- Top Executive Program in Commerce and Trade (TEPCoT), Class 4, Commerce Academy
- Capital Market Leadership Program, Class 7, Capital Market Academy
- The International Auditor's Fellowship Program, Government Accountability Office (U.S. GAO), USA
- Audit of Computer System, Kingston Polytechnic, United Kingdom
- Internal Audit and Computer Audit, National Audit Office (NAO), United Kingdom
- Procurement Audit, Board of Audit and Inspection, Republic of Korea

Director Training

- Board Matters and Trends (BMT), Class 6/2018, Thai Institute of Directors
- Director Accreditation Program (DAP), Class 94/2012, Thai Institute of Directors
- Director Certification Program (DCP), Class 155/2012, Thai Institute of Directors
- Audit Committee Program (ACP), Class 38/2012, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2016 - 2017 Independent Director and Member of the Audit Committee, Gulf Energy Development Company Limited
- 2011 - 2014 Independent Director and Member of the Audit Committee, PTT Global Chemical Public Company Limited
- 2008 - 2015 Advisor to the Audit Committee, Thai Airways International Public Company Limited
- 2011 - 2013 Honorary Member of Special Investigation Commission, Department of Special Investigation
- 2000 - 2006 Member of the State Audit Commission, Office of the Auditor General of Thailand

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- None -

Non-listed Companies

- 2011 - Present Advisory Member of the University Council, Srinakharinwirot University
- 2007 - Present Committee on Overseeing the NBTC's Operation, Office of the National Broadcasting and Telecommunications Commission (NBTC)

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.005%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

**MR. VINIT TANGNOI**

Independent Director and Member of the Audit Committee

Age 68 years

Date of Appointment

May 25, 2017

Education / Training

- Master of Science in Industrial Engineering, The University of Texas at Arlington, USA
- Bachelor of Mechanical Engineering, Kasetsart University
- Senior Executive Development Program-1, GE Co., Ltd., USA
- Advanced Management Program, Harvard Business School, USA
- Senior Executive Program (SEP), Class 16, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Capital Market Leadership Program, Class 8, Capital Market Academy
- Army War College Regular Program, Royal Thai Army War College

Director Training

- Director Certification Program (DCP), Class 67/2005, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2014 - 2017 Independent Director and Member of the Audit Committee, Gulf Energy Development Company Limited
- 2009 - 2011 Chairman of the Board of Directors, Gulf Electric Public Company Limited
- 2008 - 2011 Director and President, Electricity Generating Public Company Limited
- 2008 - 2011 Director, BLCP Power Company Limited
- 2006 - 2008 Director, Ratchaburi Electricity Generating Holding Public Company Limited
- 2005 - 2008 Deputy Governor, Electricity Generating Authority of Thailand

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- None -

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.005%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. SANTI BOONPRAKUB

Independent Director

Age 66 years



Date of Appointment

May 25, 2017

Education / Training

- Master of Public and Private Management Program, National Institute of Development Administration
- Bachelor of Science in Statistics, Ramkhamhaeng University
- Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations (PDI), Class 12, King Prajadhipok's Institute
- Senior Executive Development Program II, Class 3, Civil Executive College, Civil Service Training Institute, Office of the Civil Service Commission
- Civil Service Executive Development Program: Visionary and Moral Leadership (Program I), Class 59, Civil Executive College, Civil Service Training Institute, Office of the Civil Service Commission
- Management of Public Economics for Executives, Class 3, King Prajadhipok's Institute
- Economics for Natural Resource Management, Oregon State University, USA

Director Training

- Director Certification Program (DCP), Class 268/2018, Thai Institute of Directors
- Director Accreditation Program (DAP), Class 131/2016, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2015 - 2017 Independent Director, Gulf Energy Development Company Limited
- 2011 - 2013 Secretary General, Office of Natural Resources and Environmental Policy and Planning
- 2010 - 2011 Inspector General, Ministry of Natural Resources and Environment
- 2009 - 2010 Deputy Secretary General, Office of Natural Resources and Environmental Policy and Planning
- 2009 Deputy Director General, Department of Mineral Resources

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- None -

Non-listed Companies

- 2017 - Present Member of the Audit and Evaluation Sub-Committee, Agricultural Research Development Agency
- 2017 - Present Advisory Member, Biodiversity-Based Economy Development Office (Public Organizations)

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.005%

Spouse or minor child: - None -

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. SARATH RATANA VADI

Director and Chief Executive Officer

Age 53 years

**Date of Appointment**

May 25, 2017

Education / Training

- Master of Science in Engineering Management, University of Southern California, USA
- Bachelor of Civil Engineering, Chulalongkorn University
- Rule of Law for Democracy, Class 6, College of the Constitutional Court
- Top Executive Program in Energy Literacy for the World, Class 1, Thailand Energy Academy
- Administrative Justice for Executives Program, Class 1, the Administrative Justice Institute, the Office of the Administrative Court
- Capital Market Leadership Program, Class 7, Capital Market Academy

Director Training

- Director Accreditation Program (DAP), Class 138/2017, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2011 - 2017 Director and Chief Executive Officer, Gulf Energy Development Company Limited
- 2008 - 2017 President, Gulf JP Company Limited
- 2012 - 2014 Director, Gulf VTP Company Limited
- 2012 - 2014 Director, Gulf TS1 Company Limited
- 2012 - 2014 Director, Gulf TS2 Company Limited
- 2012 - 2014 Director, Gulf TS3 Company Limited
- 2012 - 2014 Director, Gulf TS4 Company Limited
- 2012 - 2014 Director, Gulf NC Company Limited
- 2012 - 2014 Director, Gulf BL Company Limited
- 2012 - 2014 Director, Gulf BP Company Limited
- 2012 - 2014 Director, Gulf NLL2 Company Limited
- 2012 - 2014 Director, Gulf NPM Company Limited
- 2012 - 2014 Director, Gulf NRV1 Company Limited
- 2012 - 2014 Director, Gulf NRV2 Company Limited
- 2004 - 2015 Chairman of the Board of Directors, Gulf Energy Company Limited
- 2004 - 2015 Chairman of the Board of Directors, Gulf IPP Company Limited
- 2003 - 2017 Director, Pomodoro Group Company Limited
- 2002 - 2015 Chairman of the Board of Directors, Samutprakarn Cogeneration Company Limited

- 2002 - 2015 Chairman of the Board of Directors, Nong Khae Cogeneration Company Limited
- 1997 - 2015 Chairman of the Board of Directors, Gulf Yala Green Company Limited
- 1996 - 2015 Chairman of the Board of Directors, Gulf Cogeneration Company Limited
- 1996 - 2015 Chairman of the Board of Directors, Gulf Power Generation Company Limited
- 1994 - 2016 Director and President, Gulf Electric Public Company Limited

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Other Non-Listed Companies

- 2018 - Present Director, Gulf Energy International Company Limited
- 2017 - Present Director, Gulf Capital Holdings Limited
- 2017 - Present Director, Gulf Investment and Trading Pte. Ltd.
- 2017 - Present Director, Gulf Sports Management Company Limited
- 2016 - Present Director, Gulf Holdings (Thailand) Company Limited
- 2008 - Present Director, Gulf JP Company Limited
- 2006 - Present Director, Pomodoro Holding Company Limited
- 2006 - Present Director, Pomo at Siam Company Limited
- 2001 - Present Director, Pomodoro Five Company Limited
- 2000 - Present Director, Rachakarn Holding Company Limited
- 1999 - Present Director, Pomodoro Company Limited
- 1996 - Present Director, KTS Building Company Limited
- 1994 - Present Director, Rachakarn Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 35.438%

Spouse: 0.183%

Minor Child: - None-

Juristic Entities Holding More Than 30% of Shares: 37.219%

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

Brother-in-law of Mr. Tanon Tantisunthorn, Chief Corporate Affairs Officer

MRS. PORNTIPA CHINVETKITVANIT

Director, President and Deputy Chief Executive Officer

Age 56 years



Date of Appointment

May 25, 2017

Education / Training

- Master of Industrial Engineering, Asian Institute of Technology
- Bachelor of Mechanical Engineering, Khon Kaen University
- Administrative Justice for Executives Program, Class 4, the Administrative Justice Institute, the Office of the Administrative Court
- Top Executive Program in Energy Literacy for the World, Class 3, Thailand Energy Academy
- Capital Market Leadership Program, Class 20, Capital Market Academy
- The National Defence, Class 58, National Defence College

Director Training

- Director Certificate Program (DCP), Class 159/2012, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2011 - 2017 Director and President, Gulf Energy Development Company Limited
- 1994 - 2016 Senior Executive Vice President, Gulf Electric Public Company Limited

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- - None -

Non-listed Companies

- 2018 - Present Director, Gulf Energy Mauritius Company Limited
- 2018 - Present Director, Gulf Energy International Company Limited
- 2017 - Present President, Gulf JP Company Limited
- 2017 - Present Director, Kolpos Pte. Ltd.
- 2017 - Present Director, WHA Eastern Seaboard NGD4 Company Limited
- 2016 - Present Director, WHA Eastern Seaboard NGD2 Company Limited
- 2016 - Present Director and President, Gulf Electric Public Company Limited
- 2015 - Present Director, Gulf WHAMT Natural Gas Distribution Company Limited
- 2014 - Present Director, Gulf Chana Green Company Limited
- 2014 - Present Director, SBY Biomass Company Limited
- 2014 - Present Director, Thepa Clean Energy Company Limited
- 2014 - Present Director, Gulf Pattani Green Company Limited
- 2014 - Present Director, Gulf SRC Company Limited
- 2014 - Present Director, Gulf PD Company Limited

- 2014 - Present Director, Gulf International Investment (Hong Kong) Limited
- 2014 - Present Director, Gulf International Holding Pte. Ltd.
- 2014 - Present Director, Gulf Solar BV Company Limited
- 2014 - Present Director, Gulf Solar TS1 Company Limited
- 2014 - Present Director, Gulf Solar TS2 Company Limited
- 2014 - Present Director, Gulf Solar KKS Company Limited
- 2013 - Present Director, Gulf MP Company Limited
- 2013 - Present Director, Gulf Solar Company Limited
- 2012 - Present Director, Independent Power Development Company Limited
- 2012 - Present Director, Gulf VTP Company Limited
- 2012 - Present Director, Gulf TS1 Company Limited
- 2012 - Present Director, Gulf TS2 Company Limited
- 2012 - Present Director, Gulf TS3 Company Limited
- 2012 - Present Director, Gulf TS4 Company Limited
- 2012 - Present Director, Gulf NC Company Limited
- 2012 - Present Director, Gulf BL Company Limited
- 2012 - Present Director, Gulf BP Company Limited
- 2012 - Present Director, Gulf NLL2 Company Limited
- 2012 - Present Director, Gulf NPM Company Limited
- 2012 - Present Director, Gulf NRV1 Company Limited
- 2012 - Present Director, Gulf NRV2 Company Limited
- 2011 - Present Director, Gulf JP Company Limited
- 2009 - Present Director, Gulf JP NNK Company Limited
- 2009 - Present Director, Gulf JP NLL Company Limited
- 2009 - Present Director, Gulf JP CRN Company Limited
- 2009 - Present Director, Gulf JP NS Company Limited
- 2009 - Present Director, Gulf JP UT Company Limited
- 2008 - Present Director, Gulf JP KP1 Company Limited
- 2008 - Present Director, Gulf JP KP2 Company Limited
- 2008 - Present Director, Gulf JP TLC Company Limited
- 2008 - Present Director, Gulf JP NK2 Company Limited
- 2004 - Present Director, Gulf IPP Company Limited
- 2004 - Present Director, Gulf Energy Company Limited
- 2003 - Present Director, Gulf Yala Green Company Limited
- 2002 - Present Director, Samutprakarn Cogeneration Company Limited
- 2002 - Present Director, Nong Khae Cogeneration Company Limited
- 2000 - Present Director, Gulf Cogeneration Company Limited
- 2000 - Present Director, Gulf Power Generation Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.018%

Spouse or minor children: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. BOONCHAI THIRATI

Director and Executive Director

Age 65 years

**Date of Appointment**

May 25, 2017

Education / Training

- Bachelor of Electrical Engineering, Chulalongkorn University
- Business Administration for Executive Program, National Petrochemical Public Company Limited
- Politics and Governance in Democratic Systems for Executives Program, Class 10, King Prajadhipok's Institute
- Management of Public Economics for Executives, Class 6, King Prajadhipok's Institute
- Administrative Justice for Executives Program, Class 2, the Administrative Justice Institute, the Office of the Administrative Court
- Top Executive Program in Energy Literacy for the World, Class 2, Thailand Energy Academy
- Executive Management with Business Development and Investment, Class 2, Institute of Business and Industrial Development (IBID)

Director Training

- Director Accreditation Program (DAP), Class 128/2016, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2017 - 2019 Senior Executive Vice President and Chief Operating Officer, Gulf Energy Development Public Company Limited
- 2014 - 2017 Director and Senior Executive Vice President, Gulf Energy Development Company Limited
- 2016 - 2017 Director, Amata Spring Development Company Limited
- 2015 - 2017 Director, Pomodoro Group Company Limited
- 1996 - 2008 Senior Executive Vice President, Gulf Electric Public Company Limited

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- 2018 - Present Director, Gulf Sports Management Company Limited
- 2017 - Present Director, Kolpos Pte. Ltd.
- 2017 - Present Director, WHA Eastern Seaboard NGD4 Company Limited
- 2016 - Present Director, WHA Eastern Seaboard NGD2 Company Limited

- 2016 - Present Director, Gulf International Investment (Hong Kong) Limited
- 2015 - Present Director, Gulf WHA MT Natural Gas Distribution Company Limited
- 2015 - Present Director, Gulf MP Company Limited
- 2015 - Present Director, Gulf JP NNK Company Limited
- 2015 - Present Director, Gulf JP NLL Company Limited
- 2015 - Present Director, Gulf JP CRN Company Limited
- 2015 - Present Director, Gulf JP KP1 Company Limited
- 2015 - Present Director, Gulf JP KP2 Company Limited
- 2015 - Present Director, Gulf JP TLC Company Limited
- 2015 - Present Director, Gulf JP NK2 Company Limited
- 2015 - Present Director, Gulf Energy Company Limited
- 2015 - Present Director, Gulf IPP Company Limited
- 2015 - Present Director, Gulf Cogeneration Company Limited
- 2015 - Present Director, Gulf Power Generation Company Limited
- 2015 - Present Director, Gulf Yala Green Company Limited
- 2015 - Present Director, Nong Khae Cogeneration Company Limited
- 2015 - Present Director, Samutprakarn Cogeneration Company Limited
- 2014 - Present Director, Gulf VTP Company Limited
- 2014 - Present Director, Gulf TS1 Company Limited
- 2014 - Present Director, Gulf TS2 Company Limited
- 2014 - Present Director, Gulf TS3 Company Limited
- 2014 - Present Director, Gulf TS4 Company Limited
- 2014 - Present Director, Gulf NC Company Limited
- 2014 - Present Director, Gulf BL Company Limited
- 2014 - Present Director, Gulf BP Company Limited
- 2014 - Present Director, Gulf NLL2 Company Limited
- 2014 - Present Director, Gulf NPM Company Limited
- 2014 - Present Director, Gulf NRV1 Company Limited
- 2014 - Present Director, Gulf NRV2 Company Limited
- 2014 - Present Director, Gulf JP NS Company Limited
- 2014 - Present Director, Gulf JP UT Company Limited
- 2014 - Present Director, Gulf PD Company Limited
- 2014 - Present Director, Gulf SRC Company Limited
- 2012 - Present Director, Independent Power Development Company Limited
- 2008 - Present Senior Executive Vice President, Gulf JP Company Limited

Shareholding in the Company

(as of December 31, 2018) :

Personal: 0.017%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MS. YUPAPIN WANGVIWAT

Director and Executive Director

Age 49 years



Date of Appointment

24 October 2018

Education / Training

- Master of Business Administration, University of Florida, USA
- Bachelor of Business Administration in Banking and Finance, Chulalongkorn University
- Capital Market Leadership Program, Class 16, Capital Market Academy
- ABC Course, Class 5, Academy of Business Creativity, Sripatum University
- Executive Management with Business Development and Investment, Class 4, Institute of Business and Industrial Development (IBID)

Director Training

- Director Certification Program (DCP), Class 164/2012, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2017 - 2019 Senior Executive Vice President and Chief Corporate Affairs Officer, Gulf Energy Development Public Company Limited
- 2014 - 2017 Senior Executive Vice President and Chief Financial Officer, Gulf Energy Development Company Limited
- 2013 - 2017 Director, Gulf Sports Management Company Limited
- 2010 - 2016 Director, Pomodoro Group Company Limited

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- None -

Non-listed Companies

- 2019 - Present Director, Independent Power Development Company Limited
- 2018 - Present Director, Gulf Energy International Company Limited
- 2017 - Present Director, Gulf WHA MT Natural Gas Distribution Company Limited
- 2017 - Present Director, WHA Eastern Seaboard NGD2 Company Limited
- 2017 - Present Director, WHA Eastern Seaboard NGD4 Company Limited
- 2015 - Present Director, Gulf Cogeneration Company Limited
- 2015 - Present Director, Samutprakarn Cogeneration Company Limited
- 2015 - Present Director, Nong Khae Cogeneration Company Limited

- 2015 - Present Director, Gulf Yala Green Company Limited
- 2015 - Present Director, Gulf Power Generation Company Limited
- 2015 - Present Director, Gulf IPP Company Limited
- 2015 - Present Director, Gulf Energy Company Limited
- 2015 - Present Director, Gulf JP KP1 Company Limited
- 2015 - Present Director, Gulf JP KP2 Company Limited
- 2015 - Present Director, Gulf JP TLC Company Limited
- 2015 - Present Director, Gulf JP NNK Company Limited
- 2015 - Present Director, Gulf JP NLL Company Limited
- 2015 - Present Director, Gulf JP CRN Company Limited
- 2015 - Present Director, Gulf JP NK2 Company Limited
- 2014 - Present Director, Gulf International Investment (Hong Kong) Limited
- 2014 - Present Director, Gulf International Holding Pte. Ltd.
- 2014 - Present Director, Gulf Solar BV Company Limited
- 2014 - Present Director, Gulf Solar TS1 Company Limited
- 2014 - Present Director, Gulf Solar TS2 Company Limited
- 2014 - Present Director, Gulf Solar KKS Company Limited
- 2013 - Present Director, Gulf MP Company Limited
- 2013 - Present Director, Gulf Solar Company Limited
- 2013 - Present Director, Gulf JP NS Company Limited
- 2013 - Present Director, Gulf JP UT Company Limited
- 2012 - Present Director, Gulf VTP Company Limited
- 2012 - Present Director, Gulf TS1 Company Limited
- 2012 - Present Director, Gulf TS2 Company Limited
- 2012 - Present Director, Gulf TS3 Company Limited
- 2012 - Present Director, Gulf TS4 Company Limited
- 2012 - Present Director, Gulf NC Company Limited
- 2012 - Present Director, Gulf BL Company Limited
- 2012 - Present Director, Gulf BP Company Limited
- 2012 - Present Director, Gulf NLL2 Company Limited
- 2012 - Present Director, Gulf NPM Company Limited
- 2012 - Present Director, Gulf NRV1 Company Limited
- 2012 - Present Director, Gulf NRV2 Company Limited
- 2011 - Present Director, Pomodoro Company Limited
- 2011 - Present Director, Kolpos Pte. Ltd.
- 2008 - Present Senior Executive Vice President, Gulf JP Company Limited
- 1997 - Present Chief Financial Officer, Gulf Electric Public Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.025%

Spouse or minor child: - None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. RATTHAPHOL CHEUNSOMCHIT

Deputy Chief Executive Officer

Age 48 years

**Date of Appointment**

February 15, 2019

Education / Training

- Master of Business Administration in Finance, The George Washington University, USA.
- Bachelor of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang
- Top Executive Program in Energy Literacy for the World, Class 4, Thailand Energy Academy

Director Training

- Director Certification Program (DCP), Class 168/2013, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2017 - 2019 Senior Executive Vice President and Chief Development Officer, Gulf Energy Development Public Company Limited
- 2014 - 2017 Senior Executive Vice President, Gulf Energy Development Company Limited
- 2015 - 2017 Director, SPCG Public Company Limited
- 2012 - 2018 Director, Gulf Sports Management Company Limited
- 2012 - 2013 Director, Independent Power Development Company Limited
- 2012 - 2013 Director, Gulf SRC Company Limited
- 2012 - 2014 Director, Gulf VTP Company Limited
- 2012 - 2014 Director, Gulf TS1 Company Limited
- 2012 - 2014 Director, Gulf TS2 Company Limited
- 2012 - 2014 Director, Gulf TS3 Company Limited
- 2012 - 2014 Director, Gulf TS4 Company Limited
- 2012 - 2014 Director, Gulf NC Company Limited
- 2012 - 2014 Director, Gulf BL Company Limited
- 2012 - 2014 Director, Gulf BP Company Limited
- 2012 - 2014 Director, Gulf NLL2 Company Limited
- 2012 - 2014 Director, Gulf NPM Company Limited
- 2012 - 2014 Director, Gulf NRV1 Company Limited
- 2012 - 2014 Director, Gulf NRV2 Company Limited
- 2011 - 2013 Director, Gulf JP KP1 Company Limited
- 2011 - 2013 Director, Gulf JP KP2 Company Limited
- 2011 - 2013 Director, Gulf JP TLC Company Limited
- 2011 - 2013 Director, Gulf JP NK2 Company Limited
- 2011 - 2013 Director, Gulf JP NNK Company Limited
- 2011 - 2013 Director, Gulf JP NLL Company Limited
- 2011 - 2013 Director, Gulf JP CRN Company Limited
- 2009 - 2013 Director, Gulf JP NS Company Limited
- 2009 - 2013 Director, Gulf JP UT Company Limited

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- 2018 - Present Director, Gulf Energy Mauritius Company Limited
- 2018 - Present Director, Mekong Wind Power Joint Stock Company
- 2018 - Present Director, TTC Energy Development Investment Joint Stock Company
- 2018 - Present Director, TTC Green Energy Investment Joint Stock Company
- 2018 - Present Director, Gulf Energy International Company Limited
- 2014 - Present Director, Chana Green Company Limited
- 2014 - Present Director, SBY Biomass Company Limited
- 2014 - Present Director, Thepha Clean Energy Company Limited
- 2014 - Present Director, Gulf Pattani Green Company Limited
- 2014 - Present Director, Gulf International Investment (Hong Kong) Limited
- 2014 - Present Director, Gulf International Holding Pte. Ltd.
- 2014 - Present Director, Gulf Solar BV Company Limited
- 2014 - Present Director, Gulf Solar TS1 Company Limited
- 2014 - Present Director, Gulf Solar TS2 Company Limited
- 2014 - Present Director, Gulf Solar KKS Company Limited
- 2013 - Present Director, Gulf MP Company Limited
- 2013 - Present Director, Gulf Solar Company Limited
- 2011 - Present Director, Kolpos Pte. Ltd.
- 2008 - Present Senior Executive Vice President, Gulf JP Company Limited
- 2007 - Present Director, Pal Associate Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.033%

Spouse and minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. SMITH BANOMYONG

Chief Financial Officer

Age 46 years

**Date of Appointment**

August 8, 2018

Education / Training

- Master of Science in Economics, The London School of Economics and Political Science (LSE), United Kingdom
- Bachelor of Arts in Economics, Reed College, USA
- Bachelor of Industrial Engineering, Chulalongkorn University

Director Training

- Director Accreditation Program (DAP), Class 76/2008, Thai Institute of Directors
- Corporate Governance for Capital Market Intermediaries (CGI), Class 0/2014, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2014 - 2018 Chief Executive Officer, SCB Asset Management Company Limited
- 2011 - 2014 First Executive Vice President, Head of Wealth Division, The Siam Commercial Bank Public Company Limited
- 2010 - 2011 Executive Vice President, Head of Corporate Strategy, The Siam Commercial Bank Public Company Limited
- 2008 - 2010 Director, Head of Asia Local Credit Trading, Citigroup Global Markets Asia Limited, Hong Kong
- 2006 - 2008 Director, Local Credit Trading, Citibank N.A., Bangkok Thailand

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- 2018 - Present Director, Gulf Energy Mauritius Company Limited
- 2018 - Present Senior Executive Vice President - Finance, Gulf JP Company Limited
- 2018 - Present Director, Smith Technology Company Limited
- 2017 - Present Director, Sirasan Place Company Limited
- 2015 - Present Director, Sirasan Property Company Limited
- 2009 - Present Director, SCS Property Management Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.005%

Spouse or minor child: - None -

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -



MS. BUNG-ON SUTTIPATTANAKIT

Chief Planning Officer

Age 54 years

Date of Appointment

February 15, 2019

Education / Training

- Master of Accounting, Chulalongkorn University
- Bachelor of Accounting, Chiang Mai University
- Certified Investment and Securities Analyst (CISA No. 0027), the Securities Analysts Association
- Senior Executive Program (SEP), Class 26, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Public-Private Partnerships for Executive Program, Class 1, Institute of Research and Development for Public Enterprises (IRDP)
- CFO Focus on Financial Reporting (CFO 0023), Federation of Accounting Professions and the Securities and Exchange Commission, Thailand

Director Training

- Director Certification Program (DCP), Class 255/2018, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2018 - 2019 Senior Executive Vice President, Gulf Energy Development Public Company Limited
- 2017 - 2018 Senior Executive Vice President and Chief Financial Officer, Gulf Energy Development Public Company Limited
- 2016 - 2017 Executive Vice President - Accounting and Finance, Gulf Energy Development Company Limited
- 2010 - 2016 Senior Vice President - Investment Banking, Bangkok Bank Public Company Limited

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- None -

Non-listed Companies

- 2018 - Present Director, Gulf Energy Mauritius Company Limited
- 2018 - Present Director, Gulf Energy International Company Limited
- 2018 - Present Director, Independent Power Development Company Limited
- 2008 - Present Director, Blue One Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.014%

Spouse or minor child: - None -

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. WORAPONG VIVATANA VANICH

Chief Operating Officer

Age 47 years

**Date of Appointment**

February 15, 2019

Education / Training

- Master of Economics, The University of Texas at Arlington, USA
- Master of Business Administration in Finance, The University of Texas at Arlington, USA
- Bachelor of Business Administration, Texas A&M University - Commerce, USA
- Bachelor of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang

Director Training

- None -

Working Experience (during the recent 5 years) and/or Important Positions

- 2018 - 2019 Acting Chief Operating Officer and Executive Vice President - Project Development, Gulf Energy Development Public Company Limited
- 2013 - 2018 Executive Vice President - Project Development Group, Gulf Energy Development Company Limited
- 2007 - 2009 Associate Director, TAEL Management Co. (Singapore) Pte. Ltd.

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- 2019 - Present Director, Gulf VTP Company Limited
- 2019 - Present Director, Gulf TS1 Company Limited
- 2019 - Present Director, Gulf TS2 Company Limited
- 2019 - Present Director, Gulf TS3 Company Limited
- 2019 - Present Director, Gulf TS4 Company Limited
- 2019 - Present Director, Gulf NLL2 Company Limited
- 2019 - Present Director, Gulf BL Company Limited
- 2019 - Present Director, Gulf BP Company Limited
- 2019 - Present Director, Gulf Solar Company Limited
- 2019 - Present Director, Gulf Solar BV Company Limited
- 2019 - Present Director, Gulf Solar TS1 Company Limited
- 2019 - Present Director, Gulf Solar TS2 Company Limited
- 2019 - Present Director, Gulf Solar KKS Company Limited
- 2018 - Present Director, Duqm Power Company L.L.C.
- 2018 - Present Director, Mekong Wind Power Joint Stock Company
- 2018 - Present Director, TTC Energy Development Investment Joint Stock Company
- 2018 - Present Director, TTC Green Energy Investment Joint Stock Company
- 2018 - Present Director, Independent Power Development Company Limited
- 2009 - Present Senior Executive Vice President - Operations and Chief Operating Officer, Gulf JP Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: - None -

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. RAVI KURMAROHITA

Chief Business Development Officer

Age 49 years

**Date of Appointment**

February 15, 2019

Education / Training

- Master of Science in Structural Steel Design, Imperial College London, United Kingdom
- Bachelor of Civil Engineering, Imperial College London, United Kingdom
- Top Executive Program in Energy Literacy for the World, Class 6, Thailand Energy Academy
- Executive Management with Business Development and Investment, Class 3, Institute of Business and Industrial Development (IBID)

Director Training

None –

Working Experience (during the recent 5 years) and/or Important Positions

- 2018 - 2019 Executive Vice President - International Business Development, Gulf Energy Development Public Company Limited
- 2017 - 2018 Head of Investor Relations, Gulf Energy Development Public Company Limited
- 2017 - 2017 Director, WHA Eastern Seaboard NGD4 Company Limited
- 2016 - 2017 Director, WHA Eastern Seaboard NGD2 Company Limited
- 2015 - 2017 Director, Gulf WHA MT Natural Gas Distribution Company Limited
- 2015 - 2017 Executive Vice President - Business Development, Gulf Energy Development Company Limited

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- 2018 - Present Director, Duqm Power Company L.L.C.
- 2015 - Present Director, Gulf MP Company Limited
- 2014 - Present Director, Gulf Solar Company Limited
- 2014 - Present Director, Gulf Solar BV Company Limited
- 2014 - Present Director, Gulf Solar TS1 Company Limited
- 2014 - Present Director, Gulf Solar TS2 Company Limited
- 2014 - Present Director, Gulf Solar KKS Company Limited
- 2014 - Present Director, Gulf Pattani Green Company Limited
- 2014 - Present Director, Chana Green Company Limited
- 2014 - Present Director, SBY Biomass Company Limited
- 2014 - Present Director, Thepha Clean Energy Company Limited
- 2014 - Present Director, Gulf International Holding Pte. Ltd.
- 2008 - Present Senior Executive Vice President - Business Development and Chief Business Development Officer, Gulf JP Company Limited
- 2001 - Present Director, Sunset Park Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.006%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

MR. TANON TANTISUNTHORN

Chief Corporate Affairs Officer

Age 46 years



Date of Appointment

February 15, 2019

Education / Training

- Master of Science in Management, New York University, USA
- Master of Business Administration in Finance, American University, USA
- Bachelor of Environmental Engineering, Chulalongkorn University
- Politics and Governance in Democratic Systems for Executives Program, Class 7, King Prajadhipok's Institute
- Administrative Justice for Executives Program, Class 3, the Administrative Justice Institute, the Office of the Administrative Court
- Capital Market Leadership Program, Class 21, Capital Market Academy

Director Training

- Director Certification Program (DCP), Class 57/2005, Thai Institute of Directors

Working Experience (during the recent 5 years) and/or Important Positions

- 2017 - 2019 Executive Vice President - Corporate Affairs Group, Gulf Energy Development Public Company Limited
- 2016 - 2017 Executive Vice President - Office of Chief Executive Officer, Gulf Energy Development Company Limited
- 2014 - 2016 First Senior Vice President - Asset Management and First Senior Vice President - Office of Chief Executive Officer, Gulf Energy Development Company Limited

Other Directorship Positions / Other Positions at Present

Other Listed Companies

- 2003 - Present Director, Lanna Resources Public Company Limited

Non-listed Companies

- 2014 - Present Director, Gulf Solar Company Limited
- 2014 - Present Director, Gulf Solar BV Company Limited
- 2014 - Present Director, Gulf Solar KKS Company Limited
- 2014 - Present Director, Gulf Solar TS1 Company Limited
- 2014 - Present Director, Gulf Solar TS2 Company Limited
- 2014 - Present Director, Gulf International Holding Pte. Ltd.
- 2008 - Present Senior Executive Vice President - Corporate Affairs, Gulf JP Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.097%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

Brother-in-law of Mr. Sarath Ratanavadi, Director and Chief Executive Officer

**MR. OLARN SRIVALATTHA**

Vice President - Accounting

Age 38 years

Date of Appointment

March 6, 2019

Education / Training

- Bachelor of Accounting, Thammasat University

Director Training

- None -

Working Experience (during the recent 5 years) and/or Important Positions

- 2018 - Present Vice President - Accounting, Gulf Energy Development Public Company Limited
- 2014 - 2017 Assistant Vice President - Accounting, Gulf Energy Development Company Limited

Other Directorship Positions / Other Positions at Present**Other Listed Companies**

- None -

Non-listed Companies

- 2015 - Present Director, Nubsib Company Limited
- 2008 - Present Vice President - Accounting, Gulf JP Company Limited

Shareholding in the Company

(as of December 31, 2018):

Personal: 0.000%

Spouse or minor child: -None-

Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries

- None -

Report of Changes in Securities Holdings of Directors and Executives

Gulf Energy Development Public Company Limited as of December 31, 2018

Director	Position	Number of Ordinary Shares		increases / (decreases)
		December 29, 2017	December 31, 2018	
Mr. Viset Choopiban	Chairman of the Board / Independent Director	150,000	150,000	-
Spouse and Minor Child		-	-	-
Mr. Kasem Snidvongs	Chairman of the Audit Committee / Independent Director	150,000	150,000	-
Spouse and Minor Child		-	700	700
Mr. Sommai Phasee	Member of the Audit Committee / Independent Director	100,000	100,000	-
Spouse and Minor Child		-	-	-
Dr. Raweporn Kuhirun	Member of the Audit Committee / Independent Director	100,000	100,000	-
Spouse and Minor Child		-	-	-
Mr. Vinit Tangnoi	Member of the Audit Committee / Independent Director	100,000	100,000	-
Spouse and Minor Child		-	-	-
Mr. Santi Boonprakub	Independent Director	100,000	100,000	-
Spouse and Minor Child		-	-	-
Mr. Sarath Ratanavadi	Director / Chief Executive Officer	755,999,994	755,999,994	-
Spouse and Minor Child		3,500,000	3,900,000	400,000
Juristic persons which holding more than 30%		780,000,006	794,003,106	14,003,100
Mrs. Pornnipa Chinvetkitvanit	Director / President and Deputy Chief Executive Officer	385,900	385,900	-
Spouse and Minor Child		-	-	-
Mr. Boonchai Thirati	Director / Executive Director	353,500	353,500	-
Spouse and Minor Child		-	-	-
Ms. Yupapin Wangviwat	Director / Executive Director	341,400	541,400	200,000

Executive	Position	Number of Ordinary Shares		increases / (decreases)
		December 29, 2017	December 31, 2018	
Mr. Ratthaphol Cheunsomchit	Deputy Chief Executive Officer	352,500	700,000	347,500
Spouse and Minor Child		-	-	-
Ms. Bung-on Suttipattanakit	Chief Planning Officer	291,400	291,400	-
Mr. Smith Banomyong *	Chief Financial Officer	n/a	100,000	100,000
Spouse and Minor Child		n/a	-	-

Remark : * Mr. Smith Banomyong has been appointed as Senior Executive Vice President and Chief Financial Officer on August 8, 2018

DEFINITIONS

Company Group	Gulf Energy Development Public Company Limited The Company, its subsidiaries, its associates and its joint ventures
BTU	British Thermal Unit, a unit of energy which is approximately the energy required to heat one pound of water for one Fahrenheit
Captive	Private power producer who sells electricity to only one customer or a single group of customers
DIPWP	Duqm Independent Power & Water Project
DPC	Duqm Power Company, DIPWP power project operator under GIH
EDL-Gen	EDL-Generation Public Company
EGAT	The Electricity Generating Authority of Thailand
EPPO	Energy Policy & Planning Office
EVN	Vietnam Electricity
GBL	Gulf BL Co., Ltd., a power project operator under GMP
GBP	Gulf BP Co., Ltd., a power project operator under GMP
GCG	Gulf Chana Green Company Limited
GCRN	Gulf JP CRN Co., Ltd., a power project operator under GJP
GEC	Gulf Electric Public Company Limited
GHC	Gulf Holding Company Limited, whose name has currently been changed to Land and House Property Development Co., Ltd.
GIH	Gulf International Holding Pte. Ltd.
GJP	Gulf JP Company Limited, an associate in which the Company has a 40.0% equity interest
GKP1	Gulf JP KP1 Co., Ltd., a power project operator under GJP
GKP2	Gulf JP KP2 Co., Ltd., a power project operator under GJP
GMP	Gulf MP Company Limited, a subsidiary in which the Company has a 70.0% equity stake
GNC	Gulf NC Co., Ltd., a power project operator under GMP
GNK2	Gulf JP NK2 Co., Ltd., a power project operator under GJP
GNLL	Gulf JP NLL Co., Ltd., a power project operator under GJP
GNLL2	Gulf NLL2 Co., Ltd., a power project operator under GMP
GNNK	Gulf JP NNK Co., Ltd., a power project operator under GJP
GNPM	Gulf NPM Co., Ltd., a power project operator under GMP
GNRV1	Gulf NRV1 Co., Ltd., a power project operator under GMP
GNRV2	Gulf NRV2 Co., Ltd., a power project operator under GMP
GNS	Gulf JP NS Co., Ltd., a power project operator under GJP
GPD	Gulf PD Co., Ltd., a power project operator under IPD
GSRC	Gulf SRC Co., Ltd., a power project operator under IPD
GTLC	Gulf JP TLC Co., Ltd., a power project operator under GJP
GTS1	Gulf TS1 Co., Ltd., a power project operator under GMP
GTS2	Gulf TS2 Co., Ltd., a power project operator under GMP
GTS3	Gulf TS3 Co., Ltd., a power project operator under GMP
GTS4	Gulf TS4 Co., Ltd., a power project operator under GMP
Gulf HK	Gulf International Investment (Hong Kong) Limited
Gulf Mauritius	Gulf Energy Mauritius Company Limited

Gulf Pattani Green	Gulf Pattani Green Co., Ltd.
Gulf Solar	Gulf Solar Co., Ltd., a subsidiary in which the Company has a 75.0% equity interest
Gulf Solar BV	Gulf Solar BV Co., Ltd., a power project operator under Gulf Solar
Gulf Solar KKS	Gulf Solar KKS Co., Ltd., a power project operator under Gulf Solar
Gulf Solar TS1	Gulf Solar TS1 Co., Ltd., a power project operator under Gulf Solar
Gulf Solar TS2	Gulf Solar TS2 Co., Ltd., a power project operator under Gulf Solar
Gulf Sport	Gulf Sport Management Public Company Limited, the Company's former subsidiary
Gulf WHA MT	Gulf WHA MT Natural Gas Distribution Co., Ltd., a joint venture in which the Company has a 35.0% equity interest
Gulf Vietnam	Gulf Energy (Vietnam) Limited Liability Company
GUT	Gulf JP UT Co., Ltd., a power project operator under GJP
GVTP	Gulf VTP Co., Ltd., a power project operator under GMP
IPD	Independent Power Development Company Limited, a subsidiary in which the Company has a 70.0% equity interest
IPP	Independent Power Producer in which capacity sold to EGAT exceeds 90 megawatts
JPHT	J-Power Holdings (Thailand) Company Limited
J-Power	Electric Power Development Co., Ltd., together with its consolidated subsidiaries, including GJP. J-Power is one of the world's largest coal-fired power plant developers and operators.
Kolpos	Kolpos Pte. Ltd.
LIBOR	The London Interbank Offered Rate
MIT-Power	Mit-Power Capitals (Thailand) Limited
Mitsui & Co.	Mitsui & Co., Ltd. and its companies, including MIT-Power
Oman Oil	Oman Oil Company S.A.O.C.
PEA	The Provincial Electricity Authority
Pomodoro	Pomodoro Group Co., Ltd., the Company's former subsidiary
PTT	PTT Public Company Limited
SBY Biomass	SBY Biomass Co., Ltd.
SPCG	SPCG Public Company Limited
SPP	Small Power Producer in which capacity sold to EGAT exceeds 10 megawatts but less than 90 megawatts
TFRIC 4	Revenue recognition standard applied for the IPPs under GJP to record revenue from availability payment as income from finance lease
TTC Group	Thanh Thanh Cong Group
Thepha Clean Energy	Thepha Clean Energy Co., Ltd.
TTCIZ-01	TTC Green Energy Investment Joint Stock Company, a power project operator under GIH
TTCIZ-02	TTC Energy Development Investment Joint Stock Company, a power project operator under GIH
VSPP	Very Small Power Producer in which capacity sold to PEA or MEA is less than 10 megawatts
WHA Group	WHA Corporation Public Company Limited, together with its consolidated subsidiaries, including Hemaraj, WHA Energy and WHAUP
WHA NGD2	WHA Eastern Seaboard NGD2 Co., Ltd.
WHA NGD4	WHA Eastern Seaboard NGD4 Co., Ltd.





GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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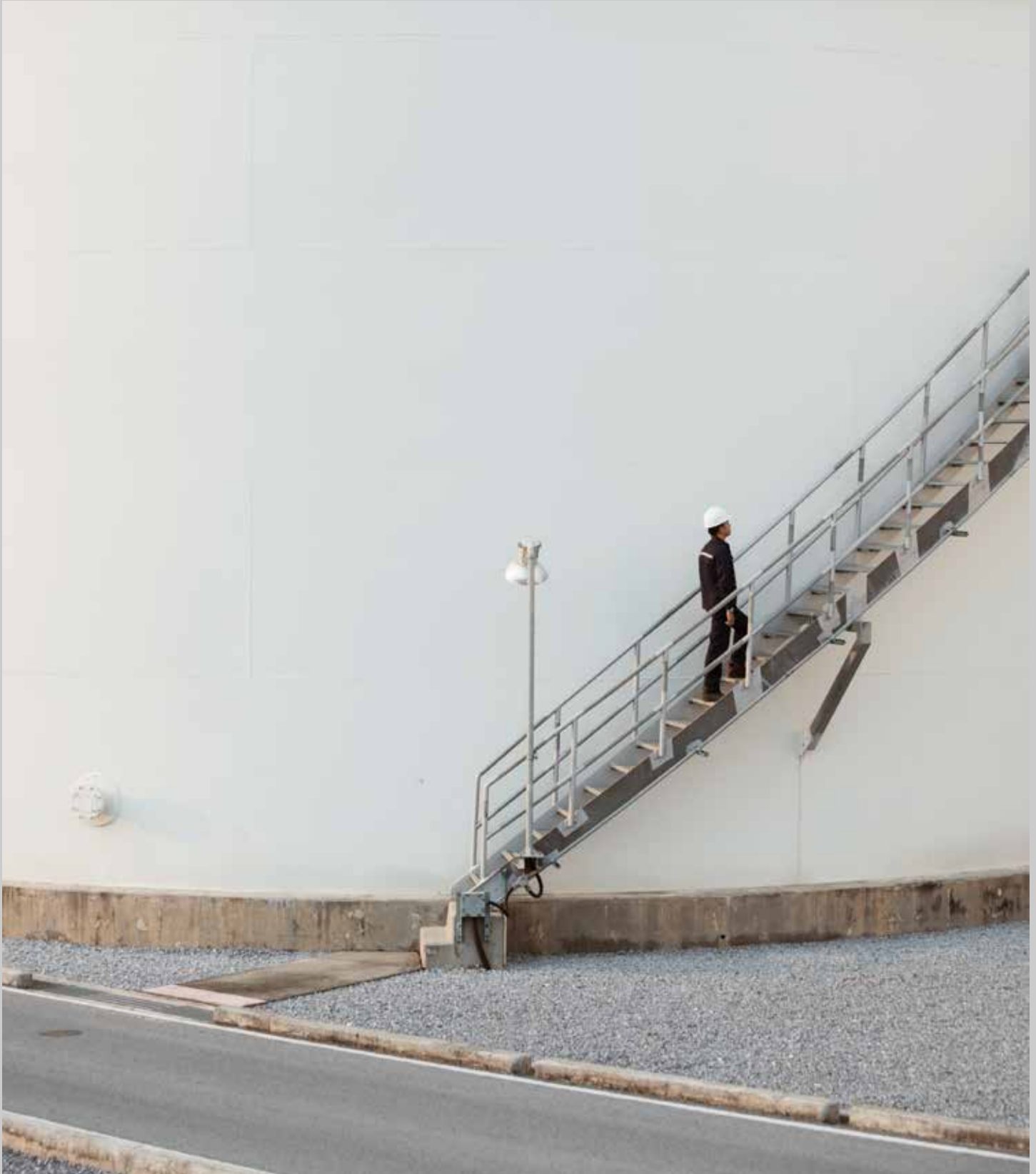
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Financial Statements 2018



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

MY OPINION

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

WHAT I HAVE AUDITED

The consolidated financial statements and the separate financial statements comprise:

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determined key audit matters as financial derivative and hedge accounting, and adjustment to electricity sales of an associate in accordance with Thai Financial Reporting Interpretations No. 4: Determining whether an arrangement contains a lease. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

KEY AUDIT MATTER

HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER

Financial derivative and hedge accounting.

Refer to accounting policy No. 2.5 Financial instruments – Accounting for financial derivatives and hedge accounting and Note 3 Financial risk management.

The Group entered into financial derivative contracts for foreign currency hedge relating to power plant constructions and service agreements. As at 31 December 2018, there were financial assets of Baht 122.69 million and financial liabilities of Baht 29.93 million resulting from these agreements.

The Group initially recognises the financial derivative contracts for foreign currency hedge at fair value on the agreement date. The change in the fair value is subsequently recognised as a separate item in other comprehensive income in the consolidated statement of comprehensive income. The Group recognises the change in fair value as construction in progress and advance payments under service agreements in the consolidated statement of financial position on the contract settlement date.

This matter is significant as the financial derivative contracts for foreign currency hedge have a significant value. In addition, the recognition of hedge accounting requires significant management judgment in recording the information under each agreement as well as in applying assumptions used in a calculation of the fair value of the financial derivative in accordance with Thai Financial Reporting Standard No. 13: Fair value measurement. Management must also assess the hedge effectiveness, which is the degree to which change in the fair value or cash flows of the hedge instrument is offset by change in the fair value or cash flows of the hedged item. The fair value measurement of the financial derivative is classified as level 2 information, which is information other than the price in the active market for identical assets or liabilities, which is observable for the assets or liabilities, either directly or indirectly. Level 2 information may be subject to adjustment when measuring the fair value of the financial derivative agreement.

I evaluated and performed effectiveness testing on the financial derivative contracts for foreign currency hedge by performing the following procedures:

- Selected samples relating to the financial derivative contracts, such as the hedge documentations and foreign currency forward contracts.
- Recalculated the fair value of the financial derivative contracts and tested the hedge effectiveness.
- Obtained confirmations on the ending balance from counter parties to ensure that the financial derivative contracts are complete.
- Tested the information that management used to calculate the fair value of the financial derivative contract with information from the market and assessed the reason for variance against the financial institutions' valuation result.

I found that judgments made by management and the recognition based on hedge accounting of the foreign currency forward contract, including the fair value of the financial derivative contracts, are appropriate based on the existing evidence.

KEY AUDIT MATTER	HOW MY AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Adjustment to electricity sales of an associate in accordance with Thai Financial Reporting Interpretations No. 4: Determining whether an arrangement contains a lease.</p> <p>According to accounting policy No. 2.3 Group Accounting – Investments in subsidiaries and associates and in joint arrangements, and Note 14.2 Investment in an associate, the Group holds registered ordinary shares representing 40% of the authorised share capital of Gulf JP Company Limited, which is an associate. This investment was recognised using the equity method. The Group recognised net profit after tax of the associate for the year ended 31 December 2018 of Baht 2,629.09 million and net assets of the associate in proportion to the Group's shareholding of Baht 19,940.41 million.</p> <p>Gulf JP Company Limited is a limited company and prepares its financial statements in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs). To record its share of profit from Gulf JP Company Limited in the consolidated financial statements, the Group has to make adjustments based on its accounting policies and in accordance with the relevant Thai Financial Reporting Standards (TFRSs) before the Group records the equity from investment based on the financial statements of the associate.</p> <p>The significant adjustments of the associate, which impact the consolidated financial statements, are adjustments to the revenue from electricity sales of certain power plants which they sell solely to the Electricity Generating Authority of Thailand in accordance with Thai Financial Reporting Interpretations No. 4 (TFRIC No. 4): Determining whether an arrangement contains a lease. The adjustments are as follows:</p> <ul style="list-style-type: none"> • Transfer assets under a finance lease to finance lease receivable measured at the present value of the minimum lease payment. • Record unearned finance income, which is the difference between the total receivable and the present value of the receivable. • Recognise lease income over the term of the lease using the net investment method, which reflects a constant rate of return and reverse the revenue from electricity sales of certain power plants. <p>This matter is significant as the adjustment items are significant and complex due to the factors used in the adjustment calculation. I undertook procedures to make sure the associate applied the accounting policies in accordance with TFRSs, as adopted by the Group.</p>	<p>Gulf JP Company Limited is a significant associate of the Group and is audited by another auditor. I planned the overall audit of the Group and communicated with another auditor about this matter. I also performed the following audit procedures:</p> <ul style="list-style-type: none"> • Reviewed working papers and asked about identified audit risks, audit procedures and audited results. • Reviewed the adjustments due to differences in accounting standards, especially TFRIC No. 4: Determining whether an arrangement contains a lease. • Assessed the auditor's results to determine whether there are sufficient and appropriate audit working papers. <p>The associate's auditor performed the following audit procedures for the revenue process:</p> <ul style="list-style-type: none"> • Tested the control over the revenue process, including control over revenue recognition in accordance with Power Purchase Agreement. • Performed analytical procedures on significant changes in gross profit percentage and sales transactions. • Tested cut-off of revenue from electricity sales. • Tested sales transactions with supporting documents. • Tested the adjustment items related to electricity sales and the account receivable identified as a long-term lease agreement. <p>I found that the adjustment items related to revenue and the account receivable from electricity sales identified as a long-term lease agreement are appropriate and comply with the Group's accounting policies.</p>

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

PricewaterhouseCoopers ABAS Ltd.



Somchai Jinnovart

Certified Public Accountant (Thailand)

No. 3271

Bangkok

25 February 2019

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	8	16,698,463,911	20,222,174,961	9,275,392,742	14,747,550,080
Deposits at financial institutions used as collateral	10	2,095,071,113	90,000,000	-	-
Trade accounts receivable	11.1	3,512,053,176	1,659,512,961	-	-
Trade accounts receivable from related parties	11.2, 13	-	-	129,300,000	198,368,000
Current portion of amount due from related parties	13	-	-	227,375	212,500
Other accounts receivable		4,036,336	235,963	3,867,489	186,776
Current portion of financial derivative assets		325,550	3,578,847	-	-
Prepaid expenses		117,877,880	118,024,932	7,660,351	7,260,154
Current portion of advance payments under service agreements		352,322,725	98,813,506	-	-
Current portion of advance payments to related parties	13	-	-	605,560	16,982,065
Short-term loans to related parties	13	-	-	178,046,290	-
Current portion of interest receivable from related parties	13	-	-	74,186	969,806
Spare parts		49,688,861	854,132	-	-
Available-for-sale investments expected to be sold within one year	12	34,114,899	822,801,728	4,725,598	374,054,415
Value added tax		2,576,912,836	1,764,390,383	-	5,701,930
Other current assets		424,686,015	163,408,745	74,111,650	48,722,545
Total current assets		25,865,553,302	24,943,796,158	9,674,011,241	15,400,008,271

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Assets (continued)					
Non-current assets					
Advance payment for share subscription	9	178,691,076	-	-	-
Deposits at financial institutions used as collateral	10	-	86,974,400	-	-
Financial derivative assets		122,364,498	17,936	-	-
Amount due from related parties	13	-	-	55,107,470	74,867,010
Prepaid expenses		39,549,663	9,414,990	-	-
Value added tax		4,802,158	9,686,968	-	-
Advance payments to related parties	13	-	-	79,610,923	89,005,863
Long-term loans to related parties	13	-	37,485,000	2,744,324,531	2,075,282,017
Interest receivable from related parties	13	-	531,375	116,606,396	141,832,657
Available-for-sale investments	12	1,594,595,638	1,984,969,036	-	-
Investment in subsidiaries, net	14.1	-	-	12,353,413,978	5,891,714,033
Investment in an associate	14.2	19,940,410,349	20,435,620,951	17,687,559,481	17,687,559,481
Investment in joint ventures	14.3	1,718,517,632	2,983,444	132,824,980	6,002,493
Land deposit, net		4,996,125	4,996,125	-	-
Advance payments for land and power plant construction		5,417,456,870	1,817,779,230	-	-
Advance payments under service agreements		230,542,690	190,123,284	-	-
Investment property, net	15	97,595,587	97,595,587	29,704,500	29,704,500
Property, plant and equipment, net	16	67,664,244,826	50,547,133,540	9,549,644	1,928,779
Intangible assets, net	17	27,412,449	22,409,086	452,434	518,649
Deferred financing fee		400,190,927	129,286,025	-	-
Deferred tax assets, net	18	349,485,301	320,171,819	28,051,731	24,292,755
Other non-current assets		12,248,482	10,967,085	10,858,852	8,619,189
Total non-current assets		97,803,104,271	75,708,145,881	33,248,064,920	26,031,327,426
Total assets		123,668,657,573	100,651,942,039	42,922,076,161	41,431,335,697

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable		1,177,620,343	504,913,077	-	-
Other accounts payable		405,446,555	285,787,437	47,980,254	67,423,039
Amount due to related parties	13	1,354,509	6,305,077	1,305,075	5,345,803
Share subscription payable to related parties	13	95,827,140	-	-	3,255,450
Retention		17,266,474	-	-	-
Accounts payable for power plant construction		5,504,032,594	2,206,722,121	-	-
Interest payable		212,391,621	56,291,919	45,369,863	64,174,479
Accrued expenses		934,915,471	746,966,150	317,209,798	202,083,861
Short-term loans from financial institutions	19	880,000,000	572,000,000	-	-
Short-term loans		324,900,000	-	-	-
Current portion of long-term loans					
from financial institutions, net	20	2,452,893,761	2,460,245,112	-	-
Current portion of debentures, net	21	5,991,388,533	-	5,991,388,533	-
Current portion of financial derivative liabilities		26,227,396	60,005,007	-	-
Corporate income tax payable		185,530	-	-	-
Other current liabilities		383,836,945	147,725,487	8,582,020	10,803,941
Total current liabilities		18,408,286,872	7,046,961,387	6,411,835,543	353,086,573
Non-current liabilities					
Financial derivative liabilities		3,701,330	7,022,807	-	-
Long-term loans from financial institutions, net	20	59,882,533,183	47,914,009,587	-	988,323,786
Debentures, net	21	-	5,983,541,521	-	5,983,541,521
Retention		31,560,389	47,997,330	-	-
Provision for decommissioning costs	22	407,296,432	203,074,716	-	-
Deferred tax liabilities, net	18	65,504	110,207	-	-
Employee benefit obligations	23	146,967,556	100,973,567	122,235,539	92,254,367
Total non-current liabilities		60,472,124,394	54,256,729,735	122,235,539	7,064,119,674
Total liabilities		78,880,411,266	61,303,691,122	6,534,071,082	7,417,206,247

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital	24				
Authorised share capital					
2,133,300,000 ordinary shares					
at a par value of Baht 5 each		10,666,500,000	10,666,500,000	10,666,500,000	10,666,500,000
Issued and paid-up share capital					
2,133,300,000 ordinary shares at					
paid-up of Baht 5 each		10,666,500,000	10,666,500,000	10,666,500,000	10,666,500,000
Share premium		20,889,295,058	20,889,295,058	20,889,295,058	20,889,295,058
Appropriated retained earnings					
- legal reserve	25	248,771,127	86,512,524	248,771,127	86,512,524
Unappropriated retained earnings		3,923,949,856	1,935,038,462	4,583,395,060	2,371,169,838
Surplus from business					
combination under common control		(316,239,277)	(316,239,277)	-	-
Changes in proportion					
of investment in subsidiaries		1,489,752,705	1,432,424,227	-	-
Other components of equity	28	(365,088,154)	(128,716,475)	43,834	652,030
Total equity attributable to owners					
of the parent		36,536,941,315	34,564,814,519	36,388,005,079	34,014,129,450
Non-controlling interests	14.1, 27	8,251,304,992	4,783,436,398	-	-
Total equity		44,788,246,307	39,348,250,917	36,388,005,079	34,014,129,450
Total liabilities and equity		123,668,657,573	100,651,942,039	42,922,076,161	41,431,335,697

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Revenue from sales		16,881,116,338	4,078,442,878	-	-
Revenue from management fee		300,000,000	272,000,000	786,014,648	1,028,291,923
Cost of sales		(12,515,796,524)	(3,096,903,263)	-	-
Cost of management fee		(164,957,852)	(189,343,313)	(363,218,417)	(326,158,466)
Gross profit		4,500,361,962	1,064,196,302	422,796,231	702,133,457
Other income	29	9,427,830	42,818,453	38,807,452	43,628,872
Interest income		181,226,784	44,708,899	232,198,476	145,970,690
Dividend income		107,238,331	109,434,692	3,480,671,999	2,059,462,625
Gain (loss) on exchange rate, net		134,761,530	994,874,225	(16,903,757)	29,973
Administrative expenses		(1,489,591,382)	(957,387,760)	(701,433,206)	(480,029,108)
Finance costs	32	(1,938,329,381)	(1,427,678,494)	(210,229,257)	(747,626,733)
Share of profit from an associate and joint ventures	14.2, 14.3	2,615,462,294	3,981,664,320	-	-
Profit before corporate income tax benefits (expenses)		4,120,557,968	3,852,630,637	3,245,907,938	1,723,569,776
Corporate income tax benefits (expenses)	30	20,630,193	54,293,935	(735,889)	6,680,702
Profit for the year		4,141,188,161	3,906,924,572	3,245,172,049	1,730,250,478
Other comprehensive income (expenses), net of corporate income tax					
Items that will not be reclassified to profit or loss					
Actuarial losses		(27,895,638)	(20,689,859)	(17,371,264)	(20,689,859)
Share of other comprehensive income (expenses) of an associate accounted for using the equity method		(6,340,903)	1,660,859	-	-
Items that will be reclassified to profit or loss					
Change in value of available-for-sale investments		(333,870,531)	33,445,106	536,947	4,787,596
Reclassification adjustments to profit or loss of available-for-sale investments		(5,962,707)	(18,436,697)	(1,145,143)	(5,011,742)
Change in value of cash flow hedges		66,851,030	12,555,383	-	-
Reclassification adjustments to property, plant and equipment and advance payments under service agreements of cash flow hedges		90,281,855	142,509,239	-	-
Currency translation differences		(6,403,963)	103,382	-	-
Share of other comprehensive income (expenses) of an associate accounted for using the equity method		13,725	6,539,656	-	-
Other comprehensive income (expense) for the year, net of corporate income tax		(223,327,132)	157,687,069	(17,979,460)	(20,914,005)
Total comprehensive income (expense) for the year		3,917,861,029	4,064,611,641	3,227,192,589	1,709,336,473

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

Note	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Profit attributable to:				
Owners of the parent	3,028,134,959	3,451,423,625	3,245,172,049	1,730,250,478
Non-controlling interests	1,113,053,202	455,500,947	-	-
	<u>4,141,188,161</u>	<u>3,906,924,572</u>	<u>3,245,172,049</u>	<u>1,730,250,478</u>
Total comprehensive income (expenses)				
attributable to:				
Owners of the parent	2,768,115,278	3,530,140,695	3,227,192,589	1,709,336,473
Non-controlling interests	1,149,745,751	534,470,946	-	-
	<u>3,917,861,029</u>	<u>4,064,611,641</u>	<u>3,227,192,589</u>	<u>1,709,336,473</u>
Earnings per share for the owners				
of the parent :				
Basic earnings per share	6	1.42	3.18	1.52
			1.52	1.59

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2018

Consolidated financial statements															
Bant															
Attributable to owners of the parent															
Other components of equity															
Other comprehensive income (expenses)															
Share of other comprehensive income (expenses)															
Available-for-sale investments															
Currency translation differences															
Actuarial losses															
Changes in proportion of investment in subsidiaries															
Cash flow hedges															
Total other components of equity															
Total owners of the parent															
Non-controlling interests															
Total equity															
Notes	Issued and paid-up share capital	Share premium	Appropriated legal reserve	Unappropriated	Surplus from business combination under common control	Changes in proportion of investment in subsidiaries	Actuarial losses	Currency translation differences	Available-for-sale investments	Cash flow hedges	Income comprehensive of an associate	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
Opening balance as at 1 January 2017	2,765,000,000	-	-	(1,409,182,760)	(316,239,277)	1,479,602,084	-	(21,964)	(96,549,586)	(119,081,153)	(10,470,711)	(228,123,404)	2,321,056,623	1,461,332,777	3,782,389,400
Issuance of new ordinary shares	7,566,500,000	-	-	-	-	-	-	-	-	-	-	-	7,566,500,000	1,100,479,700	8,666,979,700
Call for additional paid-up	305,000,000	-	-	-	-	-	-	-	-	-	-	-	305,000,000	1,945,156,109	2,250,156,109
Share premium	-	20,889,295,058	-	-	-	-	-	-	-	-	-	-	20,889,295,058	-	20,889,295,058
Legal reserve	-	-	86,512,524	(86,512,524)	-	-	-	-	-	-	-	-	-	-	-
Surplus (discount) from changes in proportion of investment in subsidiaries	-	-	-	-	-	(47,177,857)	-	-	-	-	-	-	(47,177,857)	47,177,842	(15)
Transfer actuarial losses	-	-	-	(20,689,859)	-	-	20,689,859	-	-	-	-	20,689,859	-	-	(182,976)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expenses) for the year	-	-	-	3,451,423,625	-	-	(20,689,859)	103,382	14,876,161	76,226,871	8,200,515	78,717,070	3,530,140,665	534,470,946	4,064,611,641
Closing balance as at 31 December 2017	10,666,500,000	20,889,295,058	86,512,524	1,935,038,462	(316,239,277)	1,432,424,227	-	81,428	(83,673,425)	(42,854,282)	(2,270,196)	(128,716,475)	34,564,814,519	4,783,436,396	39,348,250,917
Opening balance as at 1 January 2018	10,666,500,000	20,889,295,058	86,512,524	1,935,038,462	(316,239,277)	1,432,424,227	-	81,428	(83,673,425)	(42,854,282)	(2,270,196)	(128,716,475)	34,564,814,519	4,783,436,396	39,348,250,917
Call for additional paid-up	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,712,172,920
Legal reserve	-	-	162,258,603	(162,258,603)	-	-	-	-	-	-	-	-	-	-	-
Surplus (discount) from changes in interests in subsidiaries	-	-	-	-	-	57,328,478	-	-	-	-	-	-	57,328,478	(57,328,478)	-
Transfer actuarial losses	-	-	(23,648,002)	(23,648,002)	-	-	23,648,002	-	-	-	-	23,648,002	-	-	-
Dividend paid	-	-	-	(853,316,960)	-	-	-	-	-	-	-	-	(853,316,960)	(336,721,569)	(1,190,038,559)
Total comprehensive income (expense) for the year	-	-	-	3,028,134,959	-	-	(23,648,002)	(6,403,963)	(336,776,191)	116,135,653	(6,327,176)	(260,019,661)	2,766,115,278	1,449,745,751	3,917,861,029
Closing balance as at 31 December 2018	10,666,500,000	20,889,295,058	248,771,127	3,923,940,856	(316,239,277)	1,489,762,705	-	(6,322,635)	(423,449,616)	73,281,371	(8,597,374)	(365,088,154)	36,536,941,315	8,251,304,992	44,788,246,307

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

For the year ended 31 December 2018

		Separate financial statements					Baht
		Other components of equity					
		Retained earning			Other comprehensive income (expenses)		
Notes	Issued and paid-up share capital	Share premium	Appropriated legal reserve	Unappropriated	Actuarial losses	Available-for-sale investments	Total other components of equity
Opening balance as at 1 January 2017							
	2,795,000,000	-	-	748,121,743	-	876,176	3,543,997,919
	7,566,500,000	-	-	-	-	-	7,566,500,000
	305,000,000	-	-	-	-	-	305,000,000
	-	20,889,295,058	-	-	-	-	20,889,295,058
25	-	-	86,512,524	(86,512,524)	-	-	-
	-	-	-	(20,689,859)	20,689,859	-	20,689,859
	-	-	-	1,730,250,478	(20,689,859)	(224,146)	1,709,336,473
Closing balance as at 31 December 2017							
	10,666,500,000	20,889,295,058	86,512,524	2,371,169,838	-	652,030	34,014,129,450
Opening balance as at 1 January 2018							
	10,666,500,000	20,889,295,058	86,512,524	2,371,169,838	-	652,030	34,014,129,450
25	-	-	162,258,603	(162,258,603)	-	-	-
	-	-	-	(17,371,264)	17,371,264	-	17,371,264
26	-	-	-	(853,316,960)	-	-	(853,316,960)
	-	-	-	3,245,172,049	(17,371,264)	(608,196)	3,227,192,589
Closing balance as at 31 December 2018							
	10,666,500,000	20,889,295,058	248,771,127	4,583,395,060	-	43,834	36,388,005,079

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from operating activities					
Profit before corporate income tax benefits (expenses)		4,120,557,968	3,852,630,637	3,245,907,938	1,723,569,776
Adjustment to reconcile profit before corporate income tax benefits (expenses) for activities					
cash generated from (used in) operating					
- Gain (loss) on disposal of investments in a subsidiary	29	-	(123,762)	1,171,570	-
- Gain on disposal of available-for-sale investments		(6,422,094)	(23,045,872)	(1,431,429)	(6,264,677)
- Interest income		(181,226,784)	(44,708,899)	(232,198,476)	(145,970,690)
- Dividend income		(107,238,331)	(109,434,692)	(3,480,671,999)	(2,059,462,625)
- Loss (reversal) of an impairment loss on assets		-	33,167,644	(3,255,450)	21,333,360
- Allowance for doubtful debts		-	-	-	21,254,398
- Depreciation and amortisation	16, 17	1,391,656,087	370,496,632	1,353,960	352,976
- Employee benefit expenses	23	23,495,841	12,098,261	18,447,592	3,379,061
- Finance costs	32	1,938,329,381	1,427,678,494	210,229,257	747,626,733
- Share of profit from an associate and joint ventures	14.2, 14.3	(2,615,462,294)	(3,981,664,320)	-	-
- Net (gain) loss on exchange rate		(25,119,716)	(869,572,262)	16,214,679	52,778
Cash flows before changes in working capital		4,538,570,058	667,521,861	(224,232,358)	305,871,090
Changes in working capital (excluding impact from acquisition and disposal of subsidiaries)					
- Trade accounts receivable		(1,852,540,215)	(1,658,598,212)	-	-
- Trade accounts receivable from related parties		-	35,000,000	69,068,000	32,000
- Amounts due from related parties		-	-	19,744,665	(37,508,035)
- Other accounts receivable		(3,800,373)	1,387,805	(3,680,713)	1,487,108
- Prepaid expenses		(29,987,621)	1,291,063	1,299,319	(3,927,934)
- Advance payments under service agreements		(293,928,625)	(195,938,111)	-	-
- Spare parts		(48,834,729)	(854,132)	-	-
- Value added tax		(807,637,643)	(586,556,485)	5,701,930	(5,701,930)
- Other current assets		(234,229,115)	22,847,969	(796,441)	(1,522,645)
- Other non-current assets		(1,281,397)	(1,622,908)	(2,239,663)	(3,197,439)
- Trade accounts payable		672,707,266	504,913,077	-	-
- Other accounts payable		86,308,598	221,931,454	(18,284,120)	44,528,261
- Amount due to related parties		(4,950,568)	6,182,653	(4,040,728)	5,223,379
- Accrued expenses		187,949,321	244,802,116	115,125,937	(28,167,222)
- Other current liabilities		236,111,458	81,719,088	(2,221,921)	(3,872,908)
- Employee benefit obligations paid		(12,371,400)	-	(10,180,500)	-
Cash generated from (used in) operating activities		2,432,085,015	(655,972,762)	(54,736,593)	273,243,725
- Corporate income tax paid		(30,400,807)	(60,678,604)	(28,791,890)	(57,317,378)
Net cash generated from (used in) operating activities		2,401,684,208	(716,651,366)	(83,528,483)	215,926,347

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Payments for short-term investments		(7,000,000,000)	-	(7,000,000,000)	-
Proceeds from short-term investment		7,000,000,000	-	7,000,000,000	-
Proceeds from interest income		185,098,791	46,716,706	262,519,584	184,610,769
Proceeds from dividend		3,225,210,331	2,168,348,692	3,480,671,999	2,059,462,625
Payments for available-for-sales investments	12	-	(6,686,608,776)	-	(2,137,926,373)
Proceeds from available-for-sales investments		845,452,330	7,069,608,776	370,000,000	2,172,926,373
Payments for investment in a subsidiary	14.1	-	-	(6,461,699,945)	(3,817,717,000)
Payment for share subscription		-	-	(3,255,450)	-
Proceeds from sales of investments in a subsidiary	14.1	-	-	2,083,880	127,500
Advance payment for share subscription	9	(178,691,076)	-	-	-
Payments for ordinary shares paid-up in joint ventures	14.3	(1,672,455,760)	(5,880,000)	(126,822,487)	(5,880,000)
Advance payments to subsidiaries		-	-	(3,722,872)	(11,004,831)
Proceeds from advance payments to subsidiaries		-	-	29,494,317	114,166,923
Advance payments to a joint venture		-	(242,745)	-	(242,745)
Proceeds from advance payments to a joint venture		-	866,608	-	242,745
Payments for short-term loans to subsidiaries		-	-	(2,826,004,757)	-
Proceeds from short-term loans to subsidiaries		-	-	2,631,720,723	-
Payments for loans to subsidiaries	13	-	-	(758,100,000)	(229,500,000)
Proceeds from loans to subsidiaries	13	-	-	51,572,486	520,200,000
Payments for loans to a joint venture	13	-	(37,485,000)	-	(37,485,000)
Proceeds from loans to a joint venture	13	37,485,000	39,590,000	37,485,000	39,590,000
Payments for losing control of subsidiaries, net		-	(652,695)	-	-
Advance payments for land and power plant construction		(6,341,234,197)	(1,390,145,765)	-	-
Purchases of property, plant and equipment		(11,029,347,005)	(16,099,319,798)	(10,044,210)	(14,860)
Payments for borrowing costs capitalised					
in property, plant and equipment		(1,178,018,383)	(1,517,165,385)	-	-
Payments for retention		(27,905,309)	-	-	-
Purchases of intangible assets		(9,417,467)	(9,352,518)	-	-
Net cash used in investing activities		(16,143,822,745)	(16,421,721,900)	(3,324,101,732)	(1,148,443,874)

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2018

		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
	Notes	Baht	Baht	Baht	Baht
Cash flows from financing activities					
Deposits at financial institutions used as collateral	10	(1,918,096,713)	(4,474,400)	-	-
Payments for debentures	21	-	(7,000,000,000)	-	(7,000,000,000)
Proceeds from short-term loans from financial institutions	19	1,930,000,000	7,887,000,000	-	6,000,000,000
Payments for short-term loans from financial institutions	19	(1,622,000,000)	(7,315,000,000)	-	(6,000,000,000)
Proceeds from long-term loans from financial institutions	20	18,142,931,536	17,447,030,358	-	-
Payments for long-term loans from financial institutions	20	(5,974,495,056)	(686,915,202)	(1,000,000,000)	-
Proceeds from short-term loans		924,900,000	220,500,000	-	-
Payments for short-term loans		(600,000,000)	(499,800,000)	-	-
Proceeds from issuing of bills of exchange		-	14,554,039,982	-	14,554,039,982
Payments for bills of exchange		-	(20,200,000,000)	-	(20,200,000,000)
Dividend paid	26	(853,316,960)	-	(853,316,960)	-
Payments for interest expenses		(1,554,116,159)	(924,223,057)	(133,890,411)	(326,282,738)
Payment for guarantee of debentures		(72,599,177)	-	(72,599,177)	-
Payments for other finance costs		(96,894,576)	(403,674,378)	(4,720,575)	(289,446,033)
Payments for deferred financing fees		(463,515,255)	(22,493,151)	-	(22,493,151)
Proceeds from additional paid-up capital	27	2,712,172,920	31,944,137,809	-	29,203,500,000
Payments for share issuance		-	(398,926,300)	-	(398,926,300)
Dividend paid to non-controlling interests of subsidiaries	27	(336,721,599)	(182,976)	-	-
Net cash generated from (used in) financing activities		10,218,248,961	34,597,018,685	(2,064,527,123)	15,520,391,760
Net increase (decrease) in cash and cash equivalents		(3,523,889,576)	17,458,645,419	(5,472,157,338)	14,587,874,233
Cash and cash equivalents at the beginning of the year		20,222,174,961	2,765,570,440	14,747,550,080	159,675,847
Profit (loss) adjustment from foreign exchange translation		178,526	(2,040,898)	-	-
Cash and cash equivalents at the end of the year		16,698,463,911	20,222,174,961	9,275,392,742	14,747,550,080

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2018

	Consolidated		Separate	
	financial information		financial information	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Non-cash transactions				
Significant non-cash transactions				
for the years ended 31 December comprise of :				
Increase in deferred financing fees from payables	33,350,520	-	-	-
Increase in construction in progress from				
advance payment for power plant construction	2,741,556,557	2,418,563,371	-	-
Accounts payable for power plant construction	5,504,032,594	2,207,857,721	-	1,135,600
Retention	48,826,863	47,997,330	-	-
Increase in assets from decommissioning costs	195,316,398	200,337,140	-	-
Increase in construction in progress from				
amortisation of deferred financing fees	34,069,611	16,280,094	-	-
Accrued expenses relating to share capital issuance	-	43,778,642	-	43,778,642
Share subscription	95,827,140	-	-	-

The notes to the consolidated financial statements are an integral part of these financial statements.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED
NOTES TO THE CONSOLIDATED
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For the year ended 31 December 2018

1 General information

Gulf Energy Development Public Company Limited (the Company) is a public company limited. The Company is incorporated and resides in Thailand. The address of its registered office is 87 M Thai Tower 11th Floor, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The principal business operation of the Group is to generate and sell electricity, steam and cold water, and other business in domestic and international.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 25 February 2019.

2 Accounting policies

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

2.1 Basis of preparation

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

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

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

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations

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

TAS No.7 (revised 2017)	Statement of cash Flows
TAS No.12 (revised 2017)	Income taxes

TAS No.7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS No.12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

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

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group except for disclosure.

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

2.2.2.1 The FAP has issued new standard, TFRS No.15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS No.15 provide the requirements for the recognition of revenue. This standard will supersede the following standards

TAS No.11 (revised 2017)	Construction contracts
TAS No.18 (revised 2017)	Revenue
TSIC No.31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC No.13 (revised 2017)	Customer Loyalty Programmes
TFRIC No.15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC No.18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations (continued)

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

2.2.2.1 The FAP has issued new standard, TFRS No.15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (continued)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may change: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements.
- As with any new standard, there are also increased in disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS No.8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

Management has assessed the effects of applying the new standard on the Group's financial statements and has identified that the application of TFRS No.15 may further result in the identification of separate performance obligations in relation to by power purchase agreements of an associate which could affect the timing of the recognition of revenue going forward.

This new standard is mandatory for financial year commencing on or after 1 January 2019. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated.

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

TAS No.28 (revised 2018)	Investments in associates and joint ventures
TAS No.40 (revised 2018)	Investment Property
TFRIC No.22	Foreign Currency Transactions and Advance Consideration

TAS No.28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS No.40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in the purpose of use that is supported by evidence. A change in the purpose of use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC No.22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations (continued)

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

2.2.2.3 The group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019.

TAS No.32	Financial instruments: Presentation
TFRS No.7	Financial Instruments: Disclosures
TFRS No.9	Financial Instruments
TFRIC No.16	Hedges of a Net Investment in a Foreign Operation
TFRIC No.19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS No.101	Bad and Doubtful Debts
TAS No.103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS No.104	Accounting for Troubled Debt Restructuring
TAS No.105	Accounting for Investment in Debts and Equity securities
TAS No.106	Accounting for Investment Companies
TAS No.107	Financial Instruments: Disclosure and Presentation

TAS No.32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS No.7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS No.9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follow:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED
NOTES TO THE CONSOLIDATED
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For the year ended 31 December 2018

2 Accounting policies (continued)

2.2 Revised financial reporting standards and related interpretations (continued)

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

2.2.2.3 The group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (continued)

- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts, are no longer require for a credit event to have occurred before credit losses are recognised. The entity considers to account for the expected credit losses under a three-stage approach. Each stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply under TFRS No.15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impairment loss consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to provide the understanding of the purpose and impact of using hedging instruments to the financial statements for the users.

TFRIC No.16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging by providing guidance on identifying the foreign currency risks that qualify as a hedged risk. It also clarifies that hedging instruments that are hedges of a net investment in a foreign operation may be held by other entities with the group not only by the parent. The amendment includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC No.19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS No.9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements

(1) Subsidiaries

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

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

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

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

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

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

(2) Transactions with non-controlling interests

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

(3) Disposal of subsidiaries

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.3 Group accounting - investments in subsidiaries and associates and in joint arrangements (continued)

(4) Business combination under common control

Business combination under common control was accounted for under the predecessor accounting method. Acquired cost of the acquiree is measured at the carrying values. The difference between the consideration given and the aggregate book value of assets and liabilities of the acquiree at the acquisition date was recorded as a separate reserve arising from the business combination under common control in equity. There is no goodwill arising in the predecessor accounting.

(5) Associates

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

(6) Joint venture

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

(7) Accounting under equity method

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

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

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

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

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

(8) Separate financial statement

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

2.5 Financial instruments

Accounting for financial derivatives and hedge accounting

The Group is a party to derivatives financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements. The Group applies hedge accounting for only foreign currency forward contracts.

Foreign currency forward contracts

The Group initially recognises derivative financial instruments at fair value on the contract date and subsequently recognises any changes in fair value as gain (loss) from derivative instruments in profit or loss.

In case the Group applies the hedge accounting which is appropriate based upon the specific criteria in accordance to hedging requirement, the impact of recording the derivative instrument is offset to the extent that the hedging relationship is effective. If a hedge is designated as a fair value hedge, changes in the derivative's fair value are recorded as gain or loss and the hedged item is marked to market for changes in fair value associated with the hedged risk. If a hedge is designated as a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised immediately in profit or loss.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

**NOTES TO THE CONSOLIDATED
AND SEPARATE FINANCIAL STATEMENTS**

For the year ended 31 December 2018

2 Accounting policies (continued)

2.5 Financial instruments (continued)

Interest rate swap agreements

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

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

2.6 Cash and cash equivalents

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

2.7 Trade accounts receivable

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

2.8 Spare parts

Spare parts are stated at cost less allowance for obsolescence. Cost is calculated based on the moving average basis. Spare parts are common spare parts. The Group reviews its allowance for obsolete, slow-moving and defective spare parts on specific cases.

2.9 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is depended on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
4. Investments in non-marketable equity securities are classified as general investments.

All four categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

**NOTES TO THE CONSOLIDATED
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For the year ended 31 December 2018

2 Accounting policies (continued)

2.9 Investments (continued)

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.10 Advance payments for land and power plant construction

Advance payments for land and power plant construction is cash paid to contractor prior the construction begins. The advance payments would be transferred to property, plant and equipment proportionately according to cash progress milestones payment under Engineering, Procurement and Construction (EPC) contract.

2.11 Investment property

Property that is held for rental yields or for capital appreciation or both, and that is not occupied and used by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

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

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses. Land is not depreciated.

Change in fair values are recognised in profit or loss. Investment property are derecognised when they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

2.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment (if any). The costs of property, plant and equipment comprise of the purchase price, import duty, non-refundable value added tax (after deducting trade discount and amount returned from seller) and any costs directly attributable to bring 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, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2 Accounting policies (continued)

2.12 Property, plant and equipment (continued)

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

	<u>Years</u>
Power plant and solar rooftop system	10 - 25 years
Tools, equipment and vehicle	5 years

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

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

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

2.13 Goodwill

Goodwill on acquisitions of subsidiaries is separately reported in the consolidated financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose and can be identified according to operating segment.

2.14 Intangible assets

Computer Software

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

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.15 Impairment of assets

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

**NOTES TO THE CONSOLIDATED
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For the year ended 31 December 2018

2 Accounting policies (continued)

2.16 Leases

Where the Group is the lessee

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

Long-term leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in consolidated the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.17 Borrowings

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

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

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

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are included in the cost of assets. Qualifying assets are assets that require a substantial period of time to get assets to be ready for their intended use or sale. The borrowing cost can be capitalised until the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings in which the specific borrowing does not include as an expenditure of the qualifying assets is deducted from the borrowing costs.

All other borrowing costs are recognised as expense in the period in which they are incurred.

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For the year ended 31 December 2018

2 Accounting policies (continued)

2.18 Current and deferred income taxes

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

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

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

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

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

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

2.19 Employee benefits

2.19.1 Defined contribution

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

2.19.2 Retirement benefits

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

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of change in equity.

Past service costs are recognised immediately in profit or loss.

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2 Accounting policies (continued)

2.20 Provisions

2.20.1 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

2.20.2 Provision for decommissioning costs

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the power plants. The provision for decommissioning costs are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the power plants.

2.21 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

2.22 Revenue recognition

Revenue from rendering and consulting services based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Sales is shown net of value added tax, sales return and discounts excluding intercompany transactions in the consolidated financial statements. Sales under the PPA comprise Availability Payments and Energy Payments. Availability Payments are recognised according to the terms set out in the Power Purchase Agreement. Energy Payments are calculated based on electricity delivered. Sales under the Electricity and Steam Sales Purchase Agreements with industrial users are recognised on delivery of electricity and steam and customer acceptance.

Interest income is recognised on a time proportion basis, taking into account of the principal outstanding and the effective interest rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised when the right to receive payment is established. Other income is recognised on an accrual basis.

2.23 Dividend distribution

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

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as President and Chief Executive Officer who make strategic decisions.

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**NOTES TO THE CONSOLIDATED
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For the year ended 31 December 2018

3 Financial risk management

3.1 Financial risk factors

The Group's activities are exposed to a variety of financial risks such as impact of changes in the market price of debt and equity instruments, changes in exchange rate and changes in interest rate. The Group's overall risk management programme focuses on managing the fluctuation of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Therefore, the Group uses derivative financial instruments such as foreign currency forward contracts to hedge the risk.

Risk management is carried out by management under policies approved by the board of directors. The board of directors will determine the overall principles for managing the risks and related policies to cover foreign exchange rate risk, specific credit risk, derivatives, and the used of liquidity-based investment to manage risk.

3.1.1 Foreign exchange risk

The Group is exposed to foreign exchange risk particularly in US Dollar (USD), Japanese Yen (JPY), Krona Swedish (SEK) and European Euro (EUR). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group uses foreign currency forward contracts to hedge their exposure to foreign currency risk.

3.1.2 Interest rate risk

Most of the Group's income and operating cash flows are independent of changes in market interest rates. The Group has no significant interest-bearing assets. The Group policy is to hedge cash flow for interest payment by using interest rate swap contracts from floating rates to fixed rates. Interest rate swap contracts allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates. Under the interest rate swap contracts, the Group agrees with the counter parties to exchange, at specified intervals, the difference interest amounts between fixed contract rates and floating rates, which is calculated by referencing notional principal amounts as agreed. Any differences to be paid or received on an interest rate swap agreement is recognised as a component of interest revenue or expense over the period of the agreement. All interest rate derivative transactions are subject to approval by the Chief Executive Officer before execution.

3.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and good credit profiles. Derivative counter parties and cash transactions are limited to high credit quality financial institutions.

3.1.4 Liquidity risk

Liquidity risk is the risk that suitable sources of fund for the Group's business activities may not be available. The Group applies prudent liquidity risk management in which the Group maintains sufficient cash and marketable securities to use for its business activities. The Group's availability of fund is managed through an adequate amount of committed credit facilities provided to the Group.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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3 Financial risk management (continued)

3.2 Fair value estimation

The different levels have been defined as follows:

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

3.2.1 Financial assets and liabilities that are measured at fair value

The following table presents the Group's financial instruments that are measured at fair value, by valuation method as at 31 December 2018 and 2017.

As at 31 December 2018	Consolidated financial statements			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Derivatives used for hedging				
Foreign currency forward contracts	-	122,690,048	-	122,690,048
Available-for-sale investments				
Equity securities				
Money fund	34,114,899	-	-	34,114,899
Common stock in energy industry	1,594,595,638	-	-	1,594,595,638
Total assets	1,628,710,537	122,690,048	-	1,751,400,585
Liabilities				
Derivatives used for hedging				
Foreign currency forward contracts	-	29,928,726	-	29,928,726
Total liabilities	-	29,928,726	-	29,928,726

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For the year ended 31 December 2018

3 Financial risk management (continued)

3.2 Fair value estimation (continued)

3.2.1 Financial assets and liabilities that are measured at fair value (continued)

The following table presents the Group's financial instruments that are measured at fair value, by valuation method as at 31 December 2018 and 2017. (continued)

As at 31 December 2017	Consolidated financial statements			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Assets				
Derivatives used for hedging				
Foreign currency forward contracts	-	3,596,783	-	3,596,783
Available-for-sale investments				
Equity securities				
Money fund	822,801,728	-	-	822,801,728
Common stock in energy industry	1,984,969,036	-	-	1,984,969,036
Total assets	<u>2,807,770,764</u>	<u>3,596,783</u>	<u>-</u>	<u>2,811,367,547</u>
Liabilities				
Derivatives used for hedging				
Foreign currency forward contracts	-	67,027,814	-	67,027,814
Total liabilities	<u>-</u>	<u>67,027,814</u>	<u>-</u>	<u>67,027,814</u>

The Group did not have any transfer between levels 1 and 2 during the year.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3 Financial risk management (continued)

3.2.2 Fair value estimation (continued)

3.2.2 Financial assets and liabilities that are not measured at fair value

(a) The carrying amounts approximate its fair value

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, short-term investments, trade accounts receivables and payables, amounts due from and due to related parties, other accounts receivables and payables, short-term loans and secured debentures due to the short maturities of these instruments. For the long-term loans from financial institutions, the carrying amounts approximate its fair value due to the floating interest rate have been applied.

(b) Long-term loans to related parties, long-term loans from financial institutions and debentures

The fair values of long-term loans to related parties, long-term loans from financial institutions, and secured debentures with fixed interest rates have been calculated from the net present value of future cash flows discounted by market interest rates using rates at the date of the financial statements and measured using the level 2 valuation technique.

The contract amounts and fair values are as follows:

	2018	
	Contract amount Baht	Fair value Baht
Asset		
Long-term loans to related parties	-	-
Total asset	-	-
Liability		
Long-term loans from financial institutions	-	-
Debentures	-	-
Total liability	-	-
	2017	
	Contract amount Baht	Fair value Baht
Asset		
Long-term loans to related parties	37,485,000	37,751,797
Total asset	37,485,000	37,751,797
Liability		
Long-term loans from financial institutions	1,000,000,000	1,142,040,093
Debentures	6,000,000,000	6,852,240,552
Total liability	7,000,000,000	7,994,280,645

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3 Financial risk management (continued)

3.2 Fair value estimation (continued)

3.2.2 Financial assets and liabilities that are not measured at fair value (continued)

(c) Derivatives financial instruments

The Group applies the hedge accounting for foreign currency forward contracts. See Note 2.5 for the related accounting policy. The Group does not apply the hedge accounting for interest rate swap arrangements; therefore, the fair value of interest rate swap agreement are not recognised in the financial statements.

The fair values of the interest rate swap agreements have been calculated using the level 2 valuation technique.

The fair values of the interest rate swap agreements at the date of financial statements are as follows:

	2018 Baht	2017 Baht
Asset		
Derivatives used for hedging		
Interest rate swap contracts	193,179,491	6,586,382
Total asset	<u>193,179,491</u>	<u>6,586,382</u>
Liability		
Derivatives used for hedging		
Interest rate swap contracts	3,794,343,977	3,368,734,002
Total liability	<u>3,794,343,977</u>	<u>3,368,734,002</u>

3.2.3 Fair value valuation techniques

(a) Valuation techniques used to derive financial instruments in level 1

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted price at the close of business day of statement of financial position date from Stock Exchange of Thailand and Stock Exchange of Laos for the common stock in energy industry and on the latest offering price by a financial institution for the Short-term fixed income fund. The unrealised gains and losses of available-for-sale investments are recognised in equity.

(b) Valuation techniques used to derive financial instruments in level 2 and level 3

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure fair value of an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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4 Critical accounting estimates, assumptions and judgements

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

Critical accounting estimates and assumptions

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

(a) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group uses discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets.

(b) Retirement benefits

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligation.

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

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

If the discount rate used has changed by 0.50% from management's estimates, the estimated carrying amount of retirement benefits obligations would be Baht 8,176,521 higher or Baht 8,935,268 lower.

5 Capital risk management

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

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

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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6 Basic earnings per share

Basic earnings per share for the owner of the parent is calculated by dividing the profit attributable to the owners of the parent by the weighted average number of ordinary shares held by shareholders during the year.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Basic earnings per share				
Profit attributable to the owners of the parent (Baht)	3,028,134,959	3,451,423,625	3,245,172,049	1,730,250,478
Weighted average number of ordinary shares outstanding (shares)	2,133,300,000	1,084,855,616	2,133,300,000	1,084,855,616
Basic earnings per share for the owners of the parent (Baht per share)	1.42	3.18	1.52	1.59

The company does not have any potential dilutive ordinary shares in issue for the years ended 31 December 2018 and 2017, so no diluted earnings per share is presented.

7 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is President and Chief Executive Officer who are responsible for allocating resources and assessing performance of the operating segments.

The Group has two segments which comprise of power business and consulting business, particularly in power business.

Sales between segments are negotiated independently at an arm's length basis. Sales from external customers reported to the Board are measured with the same basis as reported in statements of comprehensive income.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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7 Segment information (continued)

Segment information are as follows:

	Power business		Consulting business		Total Baht	Eliminating Baht	Total Baht
	Thailand Baht	Thailand Baht	Others Baht	Others Baht			
For the year ended 31 December 2018							
Revenue from sales	17,361,499,424	-	-	-	17,361,499,424	(480,383,086)	16,881,116,338
Revenue from management fee	-	786,014,648	-	-	786,014,648	(486,014,648)	300,000,000
Cost of sales	(13,071,411,165)	-	-	-	(13,071,411,165)	555,614,641	(12,515,796,524)
Cost of management fee	-	(363,218,417)	-	-	(363,218,417)	198,260,565	(164,957,852)
Gross profit	4,290,088,259	422,796,231	-	-	4,712,884,490	(212,522,528)	4,500,361,962
Gross profit margin (%)	25	54	-	-	26		26
Interest income	41,226,939	287,329,697	7,581		328,564,217	(147,337,433)	181,226,784
Dividend income	-	4,024,458,256	107,238,332		4,131,696,588	(4,024,458,257)	107,238,331
Administrative expenses	(791,535,123)	(727,205,910)	(11,410,335)		(1,530,151,368)	40,559,986	(1,489,591,382)
Profit from operating before finance costs and corporate income tax benefits	3,539,780,075	4,007,378,274	95,835,578		7,642,993,927	(4,343,758,232)	3,299,235,695
Other income							9,427,830
Gains on exchange rate, net							134,761,530
Finance costs							(1,938,329,381)
Share of net profit from an associate and joint ventures							2,615,462,294
Corporate income tax benefits							20,630,193
Profit for the year							4,141,188,161
Total segmented assets	70,218,900,932	9,680,455	-		70,228,581,387	(2,564,336,561)	67,664,244,826
Total unallocated assets							56,004,412,747
Total assets							123,668,657,573

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Segment information are as follows: (continued)

	Power business		Consulting business		Eliminating Baht	Total Baht
	Thailand Baht	Thailand Baht	Others Baht	Total Baht		
For the year ended 31 December 2017						
Revenue from sales	4,148,499,926	-	-	4,148,499,926	(70,057,048)	4,078,442,878
Revenue from management fee	-	1,028,291,923	-	1,028,291,923	(756,291,923)	272,000,000
Cost of sales	(3,180,999,591)	-	-	(3,180,999,591)	84,096,328	(3,096,903,263)
Cost of management fee	-	(326,158,466)	-	(326,158,466)	136,815,153	(189,343,313)
Gross profit	967,500,335	702,133,457	-	1,669,633,792	(605,437,490)	1,064,196,302
Gross profit margin (%)	23	68	-	32		24
Interest income	23,690,343	198,134,666	194	221,825,203	(177,116,304)	44,708,899
Dividend income	-	2,060,275,992	109,434,695	2,169,710,687	(2,060,275,995)	109,434,692
Administrative expenses	(409,962,764)	(503,291,852)	(11,669,949)	(924,924,565)	(32,463,195)	(957,387,760)
Profit from operating before finance costs and corporate income tax benefits	581,227,914	2,457,252,263	97,764,940	3,136,245,117	(2,875,292,984)	260,952,133
Other income						42,818,453
Gains on exchange rate, net						994,874,225
Finance costs						(1,427,678,494)
Share of net profit from an associate and a joint venture						3,981,664,320
Corporate income tax benefits						54,293,935
Profit for the year						3,906,924,572
Total segmented assets	52,962,810,984	2,196,788	-	52,965,007,772	(2,417,874,232)	50,547,133,540
Total unallocated assets						50,104,808,499
Total assets						100,651,942,039

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7 Segment information (continued)

For the year ended 31 December 2018, the Group had 2 major customers which represented the sales and services amounting to Baht 12,680 million from revenue from sales of electricity, representing 73.80% of total sale and services and Baht 300 million from revenue from management fee, representing 1.75% of total sales and services (for the year ended 31 December 2017: the Company had two major customers which represented the sales and services amounting to Baht 3,042.90 million from revenue from sales, representing 69.94% of total sale and services and Baht 272 million from revenue from management fee, representing 6.25% of total sales and services).

8 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	755,110	665,110	40,000	40,000
Deposits held in bank				
- current accounts	69,272,827	50,431,108	325,755	40,732
- savings accounts	14,478,435,974	14,171,078,743	7,775,026,987	8,747,469,348
- fixed accounts less than 3 months	2,150,000,000	5,000,000,000	1,500,000,000	5,000,000,000
Short-term investment less than 3 months	-	1,000,000,000	-	1,000,000,000
Total	16,698,463,911	20,222,174,961	9,275,392,742	14,747,550,080

As at 31 December 2018, the interest rates on deposits in savings accounts are 0.01% - 1.46% per annum (31 December 2017: 0.02% - 1.20% per annum).

As at 31 December 2018, the interest rates on deposits in fixed accounts less than 3 months are 1.20% - 1.45% per annum (31 December 2017: 1.30% - 1.35% per annum) and due within approximately 90 days.

As at 31 December 2018, the company does not have deposits in short-term investment less than 3 months (31 December 2017: the interest rate on short-term investment less than 3 months was 1.70% per annum plus bonus rate as specified in the agreement and due with in approximately 90 days).

9 Advance payment for share subscription

On 21 December 2018, at the Board of Directors' meeting of the Company, the Board of Directors passed a resolution to approve Gulf International Holding Pte. Ltd., an indirect subsidiary of the Company, to increase its equity investment in TTC Energy Development Investment Joint Stock Company, a company registered in Vietnam, to operate a solar power project in Vietnam, with an authorised share capital of Vietnam Dong (VND) 312,000 million. After an additional investment, Gulf International Holding Pte. Ltd. will hold 90% of the total authorised shares. As at 31 December 2018, Gulf International Holding Pte. Ltd. made a partial payment of VND 127,920 million, equivalent to Baht 178.69 million as specified in the agreement and will pay the remaining amount when the counterparty complies with the conditions as specified in the Share Purchase Agreement.

10 Deposits at financial institutions used as collateral

As at 31 December 2018, the Group's deposits at financial institutions used as collateral of Baht 2,095.07 million were used to pledge under short-term and long-term loans from financial institutions (Note 19 and Note 20).

As at 31 December 2017, the Group's deposits at financial institutions of Baht 4.47 million were used to guarantee for the submission of the proposal to sell electricity to the EGAT and used to pledge for PTT energy card, and Baht 172.50 million were used to pledge under short-term and long-term loans from financial institutions (Note 19 and Note 20).

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11 Trade accounts receivable

11.1 Trade accounts receivable

Outstanding trade accounts receivable can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within due	3,512,039,678	1,659,512,961	-	-
Overdue				
Up to 3 months	-	-	-	-
3 - 6 months	13,498	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	3,512,053,176	1,659,512,961	-	-

11.2 Trade accounts receivable from related parties

Outstanding trade accounts receivable from related parties can be analysed as follows:

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within due	-	-	129,300,000	198,368,000
Overdue				
Up to 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total	-	-	129,300,000	198,368,000

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12 Available-for-sale investments

	Consolidated financial statements Baht	Separate financial statements Baht
As at 1 January 2017		
Cost	3,250,992,855	401,974,700
<u>Less</u> Unrealised gain (loss)	(97,897,270)	1,095,220
Fair value	<u>3,153,095,585</u>	<u>403,069,920</u>
For the year ended 31 December 2017		
Opening net book value	3,153,095,585	403,069,920
Addition of investments	6,686,608,776	2,137,926,373
Disposal of investments	(7,046,562,904)	(2,166,661,696)
Changes in fair value	14,629,307	(280,182)
Closing net book value	2,807,770,764	374,054,415
<u>Less</u> Available-for-sale investments expected to sell within one year	(822,801,728)	(374,054,415)
Available-for-sale investments	<u>1,984,969,036</u>	<u>-</u>
As at 31 December 2017		
Cost	2,891,038,727	373,239,377
<u>Add</u> Unrealised gain (loss)	(83,267,963)	815,038
Fair value	<u>2,807,770,764</u>	<u>374,054,415</u>
For the year ended 31 December 2018		
Opening net book value	2,807,770,764	374,054,415
Disposal of investments	(839,030,236)	(368,568,571)
Changes in fair value	(340,029,991)	(760,246)
Closing net book value	1,628,710,537	4,725,598
<u>Less</u> Available-for-sale investments expected to sell within one year	(34,114,899)	(4,725,598)
Available-for-sale investments	<u>1,594,595,638</u>	<u>-</u>
As at 31 December 2018		
Cost	2,052,008,491	4,670,806
<u>Add</u> Unrealised gain (loss)	(423,297,954)	54,792
Fair value	<u>1,628,710,537</u>	<u>4,725,598</u>

Movement of available-for-sale investments are as follows:

During 2018, the Group disposed investments at the considerations of Baht 839.03 million. The Group recognised gain from these disposals of Baht 6.42 million in the consolidated statement of comprehensive income for the year ended 31 December 2018.

During 2017, the Group disposed investments at the considerations of Baht 7,046.56 million. The Group recognised gain from these disposals of Baht 23.05 million in the consolidated statement of comprehensive income for the year ended 31 December 2017.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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13 Related party transactions

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

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

Mr. Sarath Ratanavadi who is the Chief Executive Officer of the Company has the ultimate controlling in the Company.

	<u>Percentage of shareholding</u>
• Mr. Sarath Ratanavadi	35.44

Individual or other companies that are related to the Group and the Company by shareholders or joint shareholders or common directors, including investment in subsidiaries, an associate and joint ventures are disclosed in Note 14. As at 31 December 2018 and 31 December 2017, individual or other related companies are as follows:

	<u>Relationship</u>
Mr. Sarath Ratanavadi	35.44% of common shareholder and Chief Executive Officer
Group of Pomodoro Group Company Limited	Pomodoro Group Company Limited is a related company by having indirect common shareholder
Group of Gulf Electric Public Company Limited	Gulf Electric Public Company Limited is a related company by having common directors
Group of Mitsui & Co., Ltd.	Mitsui & Co., Ltd. holds 30% indirectly in Gulf MP Company Limited and 30% directly in Independent Power Development Company Limited via Mit-Power Capital (Thailand) Company Limited
Group of WHA Industrial Development Public Company Limited	Mitsui & Co., Ltd. holds 100% directly in Mit- Power Capital (Thailand) Company Limited
	WHA Industrial Development Public Company Limited holds 70% directly in WHA Utilities and Power Public Company Limited that holds 35% directly in Gulf WHA MT Natural Gas Distribution Company Limited
<u>Nature of transactions</u>	<u>Pricing policy</u>
Sales goods	Prices as agreed in the contracts
Services	Prices as agreed in the contracts
Guarantee by shareholder	Fee as agreed in the contract
Interest income	Interest rate as agreed in the contracts
Other income	Prices as agreed in the contracts
Loans	Credit facility and interest rate as agreed in the contracts
Dividend income	From approval of shareholders of subsidiaries and an associate
Key management compensation	From approval of shareholders and directors

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13 Related party transactions (continued)

The following are material transactions that were carried out with subsidiaries, an associate, joint ventures and related parties in an ordinary course of business and in accordance with specific terms and conditions of the contracts.

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenue from management fee				
Subsidiaries	-	-	486,014,648	756,291,923
An associate	300,000,000	272,000,000	300,000,000	272,000,000
	<u>300,000,000</u>	<u>272,000,000</u>	<u>786,014,648</u>	<u>1,028,291,923</u>
Interest income from loans to related parties				
Subsidiaries	-	-	99,218,545	114,893,150
An associate	-	370,953	-	370,953
A joint venture	369,715	531,375	369,715	531,375
	<u>369,715</u>	<u>902,328</u>	<u>99,588,260</u>	<u>115,795,478</u>
Interest income from advance to related parties				
Subsidiaries	-	-	6,125,285	12,888,608
A joint venture	-	28,450	-	28,450
	<u>-</u>	<u>28,450</u>	<u>6,125,285</u>	<u>12,917,058</u>
Dividend income				
Subsidiaries	-	-	362,699,999	548,625
An associate	3,117,972,000	-	3,117,972,000	2,058,914,000
	<u>3,117,972,000</u>	<u>-</u>	<u>3,480,671,999</u>	<u>2,059,462,625</u>
Other income				
Subsidiaries	-	-	34,017,545	36,590,422
	<u>-</u>	<u>-</u>	<u>34,017,545</u>	<u>36,590,422</u>
Cost of sales				
Related parties - others	141,911,221	46,134,967	-	-
	<u>141,911,221</u>	<u>46,134,967</u>	<u>-</u>	<u>-</u>
Administrative expenses				
Subsidiaries	-	-	-	21,254,398
An associate	13,775,170	15,870,700	1,400,000	11,500,000
Related parties - common shareholder	5,182,585	2,001,381	5,025,334	1,730,125
	<u>18,957,755</u>	<u>17,872,081</u>	<u>6,425,334</u>	<u>34,484,523</u>
Related parties - others	22,938,582	25,323,678	-	-
	<u>22,938,582</u>	<u>25,323,678</u>	<u>-</u>	<u>-</u>

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13 Related party transactions (continued)

The following are material transactions that were carried out with subsidiaries, an associate, joint ventures and related parties in an ordinary course of business and in accordance with specific terms and conditions of the contracts. (continued)

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expenses on loan				
Related parties - others	14,560,200	22,282,784	-	-
	14,560,200	22,282,784	-	-
Finance cost				
Related parties - others	12,669,372	21,442,029	-	-
	12,669,372	21,442,029	-	-
Key management compensation				
Short-term employee benefits	127,437,409	95,391,856	127,437,409	95,391,856
Post-employee benefits	3,766,266	3,378,461	3,766,266	3,378,461
	131,203,675	98,770,317	131,203,675	98,770,317
As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts receivable from related parties				
Subsidiaries	-	-	129,300,000	198,368,000
	-	-	129,300,000	198,368,000
Amounts due from related parties				
Subsidiaries - due within one year	-	-	227,375	212,500
- due more than one year	-	-	55,107,470	74,867,010
	-	-	55,334,845	75,079,510
Related parties - others	-	5,100	-	5,100
	-	5,100	-	5,100
Advance payments to related parties				
Subsidiaries - due within one year	-	-	605,560	16,982,065
- due more than one year	-	-	79,610,923	89,005,863
	-	-	80,216,483	105,987,928
Loans to related parties				
Subsidiaries - short-term loans	-	-	178,046,290	-
- long-term loans	-	-	2,744,324,531	2,037,797,017
A joint venture - long-term loans	-	37,485,000	-	37,485,000
	-	37,485,000	2,922,370,821	2,075,282,017

As at 31 December 2018, the Company had an outstanding short-term loan to Gulf International Holding Pte. Ltd., a subsidiary, amounting to baht 178.05 million. The interest rate is fixed per annum. (31 December 2017: Nil).

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13 Related party transactions (continued)

The following are material transactions that were carried out with subsidiaries, an associate, joint ventures and related parties in an ordinary course of business and in accordance with specific terms and conditions of the contracts. (continued)

Movements of short-term loan to subsidiaries can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	-	-
Addition during the year	-	2,826,004,757
Proceeds from loans to subsidiaries during the year	-	(2,631,720,723)
Loss from exchange rate	-	(16,237,744)
Closing balance	-	178,046,290

As at 31 December 2018, the Company had an outstanding long-term loan to Gulf International Investment (Hong Kong) Limited Ltd. and Independent Power Development Company Limited, which are subsidiaries, amounting to Baht 1,986.22 million and Baht 758.10 million, respectively. The interest rate is fixed per annum. (31 December 2017: the Company had outstanding long-term loan to Gulf International Investment (Hong Kong) Limited Ltd., a subsidiary amounting to Baht 2,037.80 million. The interest rate is fixed per annum).

Movements of long-term loans to subsidiaries can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	-	2,037,797,017
Addition during the year	-	758,100,000
Proceeds from loans to subsidiaries during the year	-	(51,572,486)
Closing balance	-	2,744,324,531

As at 31 December 2018, the Group and the Company did not have any outstanding long-term loan to a joint venture (31 December 2017: the Group and the Company had an outstanding long-term loan to Gulf WHA MT Natural Gas Distribution Company Limited, a joint venture, amounting to Baht 37.49 million. The interest rate is fixed per annum).

Movements of loan to a joint venture can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	37,485,000	37,485,000
Proceeds from loan to a joint venture during the year	(37,485,000)	(37,485,000)
Closing balance	-	-

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13 Related party transactions (continued)

The following are material transactions that were carried out with subsidiaries, an associate, joint ventures and related parties in an ordinary course of business and in accordance with specific terms and conditions of the contracts. (continued)

As at 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest receivable from related parties				
Subsidiaries - due within one year	-	-	74,186	969,806
- due more than one year	-	-	116,606,396	141,301,282
A joint venture - due more than one year	-	531,375	-	531,375
	-	531,375	116,680,582	142,802,463
Property plant and equipment - Addition				
Related parties - others	118,466,845	203,714,308	-	-
	118,466,845	203,714,308	-	-
Accounts payable				
Related parties - others	10,393,807	11,629,942	-	-
	10,393,807	11,629,942	-	-
Amount due to related parties				
An associate	300,000	6,118,360	300,000	5,160,000
Related parties - common shareholder	1,054,509	186,717	1,005,075	185,803
	1,354,509	6,305,077	1,305,075	5,345,803
Share subscription payable				
A subsidiary	-	-	-	3,255,450
A joint venture	95,827,140	-	-	-
	95,827,140	-	-	3,255,450
Other accounts payable				
Related parties - others	10,693,377	1,381,772	-	-
	10,693,377	1,381,772	-	-
Accrued expenses				
Related parties - others	457,425,526	366,232,793	-	-
	457,425,526	366,232,793	-	-
Short-term loans				
Related parties - others	324,900,000	-	-	-
	324,900,000	-	-	-
Interest payable				
Related parties - others	6,916,364	-	-	-
	6,916,364	-	-	-

As at 31 December 2018, the Group had outstanding short-term loans to Mitsui & Co., Ltd., a related party, amounting to 324.90 million baht with fixed interest rate per year(31 December 2017: Nil).

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13 Related party transactions (continued)

Movements of short-term loans to a related party can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening balance	-	-
Proceeds from short-term loans during the year	924,900,000	-
Payments for short-term loan during the year	(600,000,000)	-
Closing balance	<u>324,900,000</u>	<u>-</u>

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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14 Investment in subsidiaries, an associate and joint ventures

14.1 Investment in subsidiaries, net

As at 31 December 2018, the Group's subsidiaries comprise as per listed below.

Subsidiaries are included in the preparation of the consolidated financial statement of the Group. The authorised shares of subsidiaries comprise ordinary and preferred shares. The proportion of the interests in the subsidiaries held by the Group do not differ from voting rights in subsidiaries, except for the proportion of the interests in Independent Power Development Company Limited (IPD), which is 75% but the voting rights in IPD is 70%.

Name	Type of Business	Established in country	Proportion of ordinary shares directly held by the parent (%)		Proportion of ordinary shares held by the subsidiaries (%)		Proportion of shares held by non-controlling interest (%)	
			2018	2017	2018	2017	2018	2017
Independent Power Development Company Limited (IPD)	Investing in Electricity generating	Thailand	70.00	70.00	-	-	30.00	30.00
Subsidiaries of IPD:								
- Gulf SRC Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf PD Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
Gulf MP Company Limited (Gulf MP)	Investing in Electricity generating	Thailand	70.00	70.00	-	-	30.00	30.00
Subsidiaries of Gulf MP:								
- Gulf VTP Company Limited	Electricity generating	Thailand	-	-	74.99	74.99	-	-
- Gulf TS1 Company Limited	Electricity generating	Thailand	-	-	74.99	74.99	-	-
- Gulf TS2 Company Limited	Electricity generating	Thailand	-	-	74.99	74.99	-	-
- Gulf TS3 Company Limited	Electricity generating	Thailand	-	-	74.99	74.99	-	-
- Gulf TS4 Company Limited	Electricity generating	Thailand	-	-	74.99	74.99	-	-
- Gulf NC Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf BL Company Limited	Electricity generating	Thailand	-	-	75.00	75.00	-	-
- Gulf BP Company Limited	Electricity generating	Thailand	-	-	75.00	75.00	-	-
- Gulf NLL2 Company Limited	Electricity generating	Thailand	-	-	74.99	74.99	-	-
- Gulf NPM Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf NRV1 Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf NRV2 Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
Gulf Solar Company Limited (Gulf Solar)	Investing in Electricity generating	Thailand	74.99	74.99	-	-	25.01	25.01
Subsidiaries of Gulf Solar:								
- Gulf Solar TS1 Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf Solar TS2 Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf Solar KKS Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-
- Gulf Solar BV Company Limited	Electricity generating	Thailand	-	-	99.99	99.99	-	-

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

As at 31 December 2018, the Group's subsidiaries comprise as per listed below (continued).

Subsidiaries are included in the preparation of the consolidated financial statement of the Group. The authorised shares of subsidiaries comprise ordinary and preferred shares. The proportion of the interests in the subsidiaries held by the Group do not differ from voting rights in subsidiaries, except for the proportion of the interests in Independent Power Development Company Limited (IPD), which is 75% but the voting rights in IPD is 70% (continued).

Name	Type of Business	Established in country	Proportion of ordinary shares directly held by the parent (%)		Proportion of ordinary shares held by the subsidiaries (%)		Separate Financial Statements	
			2018	2017	2018	2017	Proportion of shares held by non-controlling interest (%)	2018
Gulf Energy International Company Limited *	Provide managerial, technical and supporting services	Thailand	99.99	-	-	-	0.01	-
Subsidiaries of Gulf Energy International Company Limited								
- Gulf International Holding Pte. Ltd.	Investment in Electricity generating	Singapore	-	-	100.00	-	-	-
- Gulf Energy Mauritius Company Limited	Investment in Electricity generating	Mauritius	-	-	100.00	-	-	-
- Gulf Energy (Vietnam) Limited Liability Company	Investment in Electricity generating	Vietnam	-	-	100.00	-	-	-
Kolpos Pte. Ltd.	Trading	Singapore	100.00	100.00	-	-	-	-
Gulf Pattani Green Company Limited	Electricity generating	Thailand	99.99	99.99	-	-	0.01	0.01
Gulf Chana Green Company Limited	Electricity generating	Thailand	99.99	99.99	-	-	0.01	0.01
SBY Biomass Company Limited	Electricity generating	Thailand	99.99	99.99	-	-	0.01	0.01
Thepha Clean Energy Company Limited	Electricity generating	Thailand	99.99	99.99	-	-	0.01	0.01
Gulf International Holding Pte. Ltd.	Investing in Electricity generating	Singapore	-	100.00	-	-	-	-
Gulf International Investment (Hong Kong) Limited	Investing in Electricity generating	Hong Kong	100.00	100.00	-	-	-	-

* On 17 July 2018, Gulf Energy International Company Limited was approved by the Revenue Department to be International Head Quarter

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests).

Summarised statement of financial position

	Independent Power Development Company Limited	
	As at 31 December	
	2018 Baht	2017 Baht
Current		
Assets	1,220,374,781	1,197,387,441
Liabilities	(1,109,708,937)	(141,365)
Total current net assets	110,665,844	1,197,246,076
Non-current		
Assets	3,101,149,951	818,152,131
Liabilities	(17,023)	(4,641)
Total non-current net assets	3,101,132,928	818,147,490
Total net assets	3,211,798,772	2,015,393,566
Non-controlling interests	831,608,032	566,750,848

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of financial position (continued)

	Gulf MP Company Limited		Gulf VTP Company Limited		Gulf TS1 Company Limited	
	As at 31 December		As at 31 December		As at 31 December	
	2018	2017	2018	2017	2018	2017
	Baht	Baht	Baht	Baht	Baht	Baht
Current						
Assets	161,946,180	500,425,319	1,353,516,261	1,387,651,998	1,536,411,887	1,371,116,233
Liabilities	(5,591,434)	(6,184,138)	(740,997,220)	(914,996,023)	(847,176,214)	(971,568,785)
Total current net assets	156,354,746	494,241,181	612,519,041	472,655,975	689,235,673	399,547,448
Non-current						
Assets	12,621,445,948	7,572,826,635	5,425,230,656	5,618,879,289	5,816,606,196	6,050,619,963
Liabilities	(48,481)	(105,566)	(4,176,977,050)	(4,429,132,599)	(4,442,528,262)	(4,665,629,461)
Total non-current net assets	12,621,397,467	7,572,721,069	1,248,253,606	1,189,746,690	1,374,077,934	1,384,990,502
Total net assets	12,777,752,213	8,066,962,250	1,860,772,647	1,662,402,665	2,063,313,607	1,784,537,950
Non-controlling interests	3,551,838,395	2,297,982,317	657,127,208	502,646,013	528,546,515	339,649,123

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14 Investment in subsidiaries, an associate and joint ventures (continued)**14.1 Investment in subsidiaries, net (continued)**

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of financial position (continued)

	Gulf TS2 Company Limited		Gulf TS3 Company Limited		Gulf TS4 Company Limited	
	As at 31 December		As at 31 December		As at 31 December	
	2018	2017	2018	2017	2018	2017
	Baht	Baht	Baht	Baht	Baht	Baht
Current						
Assets	1,406,777,260	1,197,604,992	1,263,643,117	1,525,708,944	1,263,192,919	943,585,728
Liabilities	(755,474,411)	(834,001,225)	(574,060,536)	(1,096,614,564)	(750,091,297)	(550,570,865)
Total current net assets	651,302,849	363,603,767	689,582,581	429,094,380	513,101,622	393,014,863
Non-current						
Assets	5,914,458,962	6,157,870,817	5,262,512,225	5,431,525,816	5,182,369,532	5,183,816,753
Liabilities	(4,557,381,069)	(5,021,825,337)	(4,064,343,502)	(4,624,416,460)	(3,892,444,724)	(4,382,333,136)
Total non-current net assets	1,357,077,893	1,136,045,480	1,198,168,723	807,109,356	1,289,924,808	801,483,617
Total net assets	2,008,380,742	1,499,649,247	1,887,751,304	1,236,203,736	1,803,026,430	1,194,498,480
Non-controlling interests	711,950,724	465,483,841	642,275,486	365,148,322	633,202,988	355,898,682

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of comprehensive income

	Independent power Development Company Limited	
	For the year ended 31 December	
	2018 Baht	2017 Baht
Revenue from sales	-	-
Other income	47,133,250	50,775,005
Expense	(2,243,584)	(860,214)
Finance cost	(48,534,000)	(45,475,068)
Profit (loss) before corporate income tax expense	(3,644,334)	4,439,723
Corporate income tax expense	-	(891,442)
Profit (loss) from continuing operation	(3,644,334)	3,548,281
Total comprehensive income (expense)	(3,644,334)	3,548,281
Total comprehensive income (expense) allocated to non-controlling Interests (NCI)	(742,176)	1,064,484
Dividend paid to NCI	-	-

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14 Investment in subsidiaries, an associate and joint ventures (continued)**14.1 Investment in subsidiaries, net (continued)**

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of comprehensive income (continued)

	Gulf MP Company Limited		Gulf VTP Company Limited		Gulf TS1 Company Limited	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017	2018	2017
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sales	-	-	2,694,160,923	1,500,623,483	2,938,707,995	1,338,963,662
Other income	552,277,234	18,799,384	20,248,574	152,299,686	28,502,734	147,739,390
Expense	(23,116,077)	(22,336,375)	(2,072,596,617)	(1,221,016,173)	(2,250,090,252)	(1,068,811,270)
Finance cost	-	-	(232,043,745)	(160,765,718)	(245,665,832)	(129,708,175)
Profit (loss) before corporate income tax expense	529,161,157	(3,536,991)	409,769,135	271,141,278	471,454,645	288,183,607
Corporate income tax benefit (expense)	-	-	1,120,847	(6,630,161)	1,096,014	(4,915,747)
Profit (loss) from continuing operation	529,161,157	(3,536,991)	410,889,982	264,511,117	472,550,659	283,267,860
Total comprehensive income (expense)	529,161,157	(3,536,991)	410,889,982	264,511,117	472,550,659	283,267,860
Total comprehensive income (expense) allocated to non-controlling Interests (NCI)	158,748,348	(1,061,097)	195,201,504	125,661,296	224,494,647	134,572,062
Dividend paid to NCI	155,442,858	-	53,151,255	-	48,463,130	-

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of comprehensive income (continued)

	Gulf TS2 Company Limited		Gulf TS3 Company Limited		Gulf TS4 Company Limited	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017	2018	2017
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sales	2,927,249,106	907,127,105	2,713,159,166	394,691,025	2,850,314,855	2,365,996
Other income	17,924,854	147,065,181	22,603,682	127,130,224	17,906,727	122,254,155
Expense	(2,232,328,536)	(715,429,383)	(2,061,449,433)	(344,210,119)	(2,148,837,445)	(35,909,351)
Finance cost	(252,174,161)	(91,601,140)	(235,323,165)	(45,969,140)	(229,683,519)	(5,686,110)
Profit before corporate income tax expense	460,671,263	247,161,763	438,990,250	131,641,990	489,700,618	83,024,690
Corporate income benefit (expense)	690,233	(7,583,087)	957,318	(5,534,235)	327,332	(3,373,805)
Profit from continuing operation	461,361,496	239,578,676	439,947,568	126,107,755	490,027,950	79,650,885
Total comprehensive income	461,361,496	239,578,676	439,947,568	126,107,755	490,027,950	79,650,885
Total comprehensive income allocated to non-controlling Interests (NCI)	219,179,010	113,816,642	209,005,896	59,910,011	232,797,584	37,839,746
Dividend paid to NCI	53,678,966	-	7,603,040	-	18,382,350	-

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of cash flows

	Independent Power Development Company Limited	
	For the year ended 31 December	
	2018 Baht	2017 Baht
Net cash generated from operating activities	72,462,872	42,476,884
Net cash used in investing activities	(2,065,993,193)	(355,386,629)
Net cash generated from financing activities	2,257,520,558	796,389,705
Net increase in cash and cash equivalents	263,990,237	483,479,960
Cash and cash equivalents at the beginning of year	578,481,172	95,001,212
Exchange gains (losses) on cash and cash equivalents	-	-
Cash and cash equivalents at the end of year	842,471,409	578,481,172

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14 Investment in subsidiaries, an associate and joint ventures (continued)**14.1 Investment in subsidiaries, net (continued)**

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of cash flows (continued)

	Gulf MP Company Limited		Gulf VTP Company Limited		Gulf TS1 Company Limited	
	For the year ended 31 December	2017 Baht	For the year ended 31 December	2017 Baht	For the year ended 31 December	2017 Baht
Net cash generated from (used in) operating activities	(15,720,238)	(22,368,821)	719,971,274	382,323,293	824,790,212	127,054,583
Net cash used in investing activities	(4,087,279,841)	(3,880,557,680)	(50,493,889)	(602,023,330)	(18,692,036)	(700,699,530)
Net cash generated from (used in) financing activities	4,181,857,143	3,698,876,500	(984,403,507)	655,059,029	(869,869,242)	920,344,757
Net increase (decrease) in cash and cash equivalents	78,857,064	(204,050,001)	(314,926,122)	435,358,992	(63,771,066)	346,699,810
Cash and cash equivalents at the beginning of year	55,098,024	259,148,025	868,138,229	432,961,990	602,133,987	256,812,853
Exchange gains (losses) on cash and cash equivalents	-	-	14,088	(182,753)	104,015	(1,378,676)
Cash and cash equivalents at the end of year	133,955,088	55,098,024	553,226,195	868,138,229	538,466,936	602,133,987

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14 Investment in subsidiaries, an associate and joint ventures (continued)**14.1 Investment in subsidiaries, net (continued)**

Set out below are the summary of financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations (Note 27 for transactions with non-controlling interests) (continued).

Summarised statement of cash flows (continued)

	Gulf TS2 Company Limited		Gulf TS3 Company Limited		Gulf TS4 Company Limited	
	For the year ended 31 December		For the year ended 31 December		For the year ended 31 December	
	2018	2017	2018	2017	2018	2017
	Baht	Baht	Baht	Baht	Baht	Baht
Net cash generated from (used in) operating activities	867,746,430	(56,514,589)	836,998,746	(266,157,636)	676,581,563	38,416,014
Net cash used in investing activities	(11,191,276)	(793,946,208)	(242,376,718)	(1,317,161,144)	(119,270,300)	(1,760,353,110)
Net cash generated from (used in) financing activities	(862,169,887)	965,265,469	(959,547,514)	2,084,302,945	(823,338,524)	2,203,219,714
Net increase (decrease) in cash and cash equivalents	(5,614,733)	114,804,672	(364,925,486)	500,984,165	(266,027,261)	481,282,618
Cash and cash equivalents at the beginning of year	432,247,096	317,517,279	728,816,326	227,859,028	712,036,948	230,774,464
Exchange gains (losses) on cash and cash equivalents	6,278	(74,855)	22,211	(26,867)	13,288	(20,134)
Cash and cash equivalents at the end of year	426,638,641	432,247,096	363,913,051	728,816,326	446,022,975	712,036,948

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Movements of investment in subsidiaries can be analysed as follows:

	Separate financial statements Baht
For the year ended 31 December 2018	
Opening book value	5,891,714,033
Increase from call for share subscription payment of subsidiaries	6,461,699,945
Reversal of allowance for impairment of investment in a subsidiary	3,255,450
Decrease from disposal of investment in a subsidiary	(3,255,450)
Closing book value	<u>12,353,413,978</u>

Call for share subscription payment of subsidiaries

Gulf MP Company Limited

On 2 February 2018, at the Board of Directors' Meeting of Gulf MP, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 720 million ordinary shares at Baht 2.50 per share, amounting to Baht 1,800 million which the Company fully paid the share subscription Baht 1,260 million according to its shareholding portion on 14 February 2018.

On 1 June 2018, at the Board of Directors' Meeting of Gulf MP, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 720 million ordinary shares at Baht 1.81 per share, amounting to Baht 1,300 million which the Company fully paid the share subscription Baht 910 million according to its shareholding portion on 6 June 2018.

On 6 September 2018, at the Board of Directors' Meeting of Gulf MP, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 720 million ordinary shares at Baht 2.22 per share, amounting to Baht 1,600 million which the Company fully paid the share subscription Baht 1,120 million according to its shareholding portion on 12 September 2018.

Independent Power Development Company Limited

On 9 February 2018, the Company entered into the Shareholder Agreement with Mitsui & Co., Ltd., Mit-Power Capitals (Thailand) Company Limited, and IPD to agree on the rights to receive dividend from IPD under the second amendment of Joint Development Agreement (JDA) (Amendment no.2) dated on 11 October 2017. The Company has the rights to receive 75% of total dividend.

On 26 February 2018, at the Board of Directors' Meeting of the Company, the Board of Directors passed a resolution to approve the issuance of preferred share of IPD. The profit distributions of all dividend payment and return of capital shall be under the condition specified in the Shareholder Agreement.

On 15 March 2018, at the Board of Directors' Meeting of IPD, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 59.80 million ordinary shares at Baht 0.21 per share, amounting to Baht 12.71 million, 254 million ordinary shares at Baht 2.84 per share, amounting to Baht 721.98 million, and 198.87 million ordinary shares at Baht 2.34 per share, amounting to Baht 465.31 million. The total additional paid-up capital was Baht 1,200 million. The Company has fully paid the share subscription amounting to Baht 840 million according to its shareholding portion on 17 April 2018.

On 30 March 2018, at the Extraordinary shareholders' Meeting of IPD, the Shareholders passed a resolution to approve an increase in share capital by issuing 1 preferred share at a par value of Baht 10 each, which the Company paid Baht 10 for this preferred share on the same date.

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Call for share subscription payment of subsidiaries (continued)

Gulf Energy International Company Limited

On 15 March 2018, at the Board of Directors' Meeting of the Company, the Board of Directors passed a resolution to approve the registration of Gulf Energy International Company Limited, a registered Thai Company. The registered capital of Gulf Energy International Company Limited comprises 1 million ordinary shares, with a par value of Baht 10 per share, amounting to Baht 10 million. The Company fully paid the share subscription amounting to Baht 9.99 million in April 2018.

On 17 September 2018, at the Extraordinary shareholders' Meeting of Gulf Energy International Company Limited, the shareholders passed a resolution to approve an increase in the authorised share capital by issuing 94.50 million new ordinary shares at a par value of Baht 10 each. The ordinary shares were fully paid-up amounting to Baht 945 million. The Company paid the share subscription amount on 19 September 2018.

On 25 September 2018, at the Extraordinary shareholders' Meeting of Gulf Energy International Company Limited, the shareholders passed a resolution to approve an increase in the authorised share capital by issuing 180 million new ordinary shares at a par value of Baht 10 each. The ordinary shares were paid-up at Baht 5.72 per share, amounting to Baht 1,030 million. The Company paid the share subscription amount on 25 September 2018.

On 21 December 2018, at the Board of Directors' Meeting of Gulf Energy International Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 180 million issued ordinary shares at Baht 1.91 per share, amounting to Baht 343.20 million. The Company paid the subscription amount on 26 December 2018.

SBY Biomass Company Limited

On 29 November 2018, at the Board of Directors' Meeting of SBY Biomass Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 100,000 ordinary shares at Baht 7.50 per share, amounting to Baht 0.75 million. The Company fully paid the share subscription amount on 19 December 2018.

On 18 December 2018, at the Extraordinary Shareholders' Meeting of SBY Biomass Company Limited, the shareholders passed a resolution to approve an increase in share capital by issuing 100,000 ordinary shares at a par value of Baht 10 each which the Company fully paid the share subscription amounting to Baht 1 million on 19 December 2018.

Thepha Clean Energy Company Limited

On 29 November 2018, at the Board of Directors' Meeting of Thepha Clean Energy Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 100,000 ordinary shares at Baht 7.50 per share, amounting to Baht 0.75 million. The Company fully paid the share subscription amount on 19 December 2018.

On 18 December 2018, at the Extraordinary Shareholders' Meeting of Thepha Clean Energy Company Limited, the shareholders passed a resolution to approve an increase in share capital by issuing 100,000 ordinary shares at a par value of Baht 10 each which the Company fully paid the share subscription amounting to Baht 1 million on 19 December 2018.

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For the year ended 31 December 2018

14 Investment in subsidiaries, an associate and joint ventures (continued)

14.1 Investment in subsidiaries, net (continued)

Call for share subscription payment of indirect subsidiaries

Subsidiaries of Gulf MP Company Limited

During 2018, the subsidiaries of Gulf MP Company Limited call for additional paid-up capital and additional ordinary shares of Baht 5,051 million.

Subsidiaries of Independent Power Development Company Limited

During 2018, the subsidiaries of Independent Power Development Company Limited call for additional paid-up capital and additional ordinary shares of Baht 2,283 million.

Subsidiaries of Gulf Energy International Company Limited

On 13 September 2018, at the Board of Directors' Meeting of the Company, the Board of Directors passed a resolution to approve the registration of Gulf Energy Mauritius Company Limited in Republic of Mauritius. The registered capital of Gulf Energy Mauritius Company Limited comprises 100 ordinary shares, with a par value of USD 1 per share, amounting to USD 100. The Company directly and indirectly hold 100% of total authorised shares equivalent to Baht 3,286.

On 10 August 2018, at the Board of Directors' Meeting of the Company, the Board of Directors passed a resolution to approve the registration of Gulf Energy (Vietnam) Limited Liability Company in Vietnam. The registered capital of Gulf Energy (Vietnam) Limited Liability Company comprises 235,000 ordinary shares, with a par value of Vietnam Dong (VND) 10,000 per share, amounting to VND 2,350 million, equivalent to Baht 3.31 million.

Disposal of investment in a subsidiary

On 23 April 2018, at the Board of Directors' Meeting of the Company, the Board of Directors passed a resolution to approve a sale of all 100,000 shares of Gulf International Holding Pte. Ltd., a subsidiary of the Company, to Gulf Energy International Company Limited for Baht 2.08 million. This resulted in Gulf International Holding Pte. Ltd. to be an indirect subsidiary of the Company and to be a direct subsidiary of Gulf Energy International Company Limited. The Company received the share subscription payment in May 2018.

14.2 Investment in an associate

Movements of investment in an associate can be analysed as follows:

	Consolidated financial statement	Separate financial statement
	Baht	Baht
For the year ended 31 December 2018		
Opening book value	20,435,620,951	17,687,559,481
Share of profit from an associate	2,629,088,576	-
Share of other comprehensive expense from an associate	(6,327,178)	-
Dividend income from an associate	(3,117,972,000)	-
Closing book value	<u>19,940,410,349</u>	<u>17,687,559,481</u>

Share of associate's net profit

For the year ended 2018 and 2017, the share of the associate's net profit was calculated based on the Company's 40% interest from Gulf JP Company Limited's statement of comprehensive income for the year ended 31 December 2018 and 2017.

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.2 Investment in an associate (continued)

Set out below is an associate of the group as at 31 December 2018, which in the opinion of the directors are material to the Group. The associate as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also its principal place of business.

Name of entity	Place of business/ country of incorporation	% of ownership interest	
		2018 %	2017 %
Gulf JP Company Limited	Thailand	40	40

Gulf JP Company Limited is principally engaged in the investment in power business especially electricity generation and management services for energy business.

The Company invests in Gulf JP Company Limited (GJP) and classified it as an associate. GJP engages in electricity generation business and operates IPP power plants and SPP power plants. The Company holds a total of 1,315.60 million registered ordinary shares with a par value of Baht 10 per share representing 40% of total authorised share capital. The Company fully paid for 1,315.60 million authorised shares, amounting to Baht 13,156 million.

Summarised financial information of an associate

Set out below are the summary of financial information of an associate that are material to the Group. The information disclosed reflects the amount presented in the financial statements of the relevant associates (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statements of financial position

As at 31 December	Gulf JP Company Limited	
	2018 Baht	2017 Baht
Current assets		
Cash and cash equivalents	1,585,714,691	2,295,925,135
Other current assets (excluding cash)	21,364,360,132	23,688,219,499
Total current assets	22,950,074,823	25,984,144,634
Non-current assets	105,741,141,378	109,273,314,227
Total non-current assets	105,741,141,378	109,273,314,227
Current liabilities		
Financial liabilities (excluding trade payables)	5,070,921,682	5,476,906,758
Other current liabilities (including trade payables)	3,383,757,261	3,156,868,793
Total current liabilities	8,454,678,943	8,633,775,551
Non-current liabilities		
Financial liabilities	69,317,489,833	74,613,422,229
Other non-current liabilities	3,665,832,905	3,350,904,879
Total non-current liabilities	72,983,322,738	77,964,327,108
Net assets	47,253,214,520	48,659,356,202

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.2 Investment in an associate (continued)

Summarised statements of comprehensive income

For the year ended 31 December	Gulf JP Company Limited	
	2018 Baht	2017 Baht
Revenue	39,086,631,695	45,118,332,851
Gain on exchange rate, net	301,686,798	3,387,078,230
Depreciation and amortisation	(1,974,941,196)	(1,936,815,565)
Interest income	169,341,807	180,547,343
Interest expense	(3,961,229,730)	(4,288,307,486)
Profit before corporate income tax expense	6,754,187,194	10,161,415,032
Corporate income tax expense	(245,901,055)	(215,423,822)
Profit from continuing operations	6,508,286,139	9,945,991,210
Other comprehensive income (expense)	(15,656,300)	21,490,996
Total comprehensive income	6,492,629,839	9,967,482,206
Dividends received from an associate	3,117,972,000	2,058,914,000
Profit attributable to:		
Owner of the parent	6,422,724,559	9,806,099,783
Non-controlling interest	85,561,580	139,891,427
	6,508,286,139	9,945,991,210
Total comprehensive income attributable to:		
Owner of the parent	6,406,906,615	9,826,601,070
Non-controlling interest	85,723,224	140,881,136
	6,492,629,839	9,967,482,206

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.2 Investment in an associate (continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the associate is as follows:

	Gulf JP Company Limited	
	2018	2017
	Baht	Baht
Opening net assets	48,262,585,420	43,583,269,351
Dividend payment	(7,794,930,000)	(5,147,285,000)
Profit for the year	6,422,724,559	9,806,099,783
Actuarial gain	(15,852,258)	4,152,148
Cash flow hedges	34,314	16,349,138
Closing net assets of parents	46,874,562,035	48,262,585,420
Net assets of non-controlling interest	378,652,485	396,770,782
Total closing net assets	47,253,214,520	48,659,356,202
Closing net assets of parents	46,874,562,035	48,262,585,420
Interest in an associate of owner of the parent (percentage)	40%*	40%*
Interest in an associate, net	18,282,877,421*	18,778,088,023*
Goodwill	1,657,532,928	1,657,532,928
Carrying value	19,940,410,349*	20,435,620,951*

* The Group has recognised the interest in Gulf JP Company Limited at 10% until 14 August 2016. After 14 August 2016, the Group has recognised the interest in Gulf JP Company Limited in the portion of 40%.

14.3 Investment in joint ventures

As at 31 December 2018, the details of investment in joint ventures are as follows:

Name	Type of Business	Established country
Gulf WHA MT Natural Gas Distribution Company Limited	Investing in gas distribution and transmission	Thailand
TTC Green Energy Investment Joint Stock Company	Electricity generating	Vietnam
TTC Energy Development Investment Joint Stock Company	Electricity generating	Vietnam
Mekong Wind Power Joint Stock Company	Electricity generating	Vietnam
Duqm Power Company L.L.C.	Electricity generating and water desalinating	Oman

Movements of investment in joint ventures can be analysed as follows:

	Consolidated financial statements	Separate financial statements
For the year ended 31 December 2018	Baht	Baht
Opening book value	2,983,444	6,002,493
Increase from call for share subscription payment of joint ventures	1,768,282,900	126,822,487
Share of loss from a joint venture	(13,626,282)	-
Currency translation differences	(39,122,430)	-
Closing book value	1,718,517,632	132,824,980

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.3 Investment in joint ventures (continued)

Call for share subscription payment of joint ventures

Gulf WHA MT Natural Gas Distribution Company Limited

On 10 January 2018, at the Board of Directors' Meeting of Gulf WHA MT Natural Gas Distribution Company Limited, the Board of Directors passed a resolution to approve a call for additional paid-up capital of 4.90 million ordinary shares at Baht 7.50 per share, amounting to Baht 36.75 million which the Company fully paid of Baht 18.01 million according to its shareholding portion on 26 January 2018.

On 22 January 2018, the Company entered into the Shareholder Agreement with Gulf WHA MT Natural Gas Distribution Company Limited, WHA Utilities and Power Public Company Limited and MITG (Thailand) Limited. The Company purchased the newly issued authorised share capital of Gulf WHA MT Natural Gas Distribution Company Limited on 25 January 2018, in accordance with the shareholding portion in the Shareholder Agreement. This resulted in changes in shareholding portion from 49%: 51%: 0% to 35%: 35%: 30%, respectively.

On 25 January 2018, at the Extraordinary Shareholders' Meeting of Gulf WHA MT Natural Gas Distribution Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital by issuing 2.24 million ordinary shares at a par value of Baht 10 each, amounting to Baht 22.40 million, which the Company fully paid of Baht 0.98 million according to its shareholding portion on 26 January 2018. Gulf WHA MT Natural Gas Distribution Company Limited has registered an increase in share capital with the Ministry of Commerce on 26 January 2018.

On 29 January 2018, at the Extraordinary Shareholders' Meeting of Gulf WHA MT Natural Gas Distribution Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital by issuing 5.50 million ordinary shares at a par value of Baht 10 each. The ordinary shares were called for paid-up at Baht 8.37 per share, amounting to Baht 46.01 million, which the Company paid of Baht 16.10 million according to its shareholding portion on 30 January 2018. Gulf WHA MT Natural Gas Distribution Company Limited has registered an increase in share capital with the Ministry of Commerce on 30 January 2018.

On 8 March 2018, at the Extraordinary Shareholders' Meeting of Gulf WHA MT Natural Gas Distribution Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital by issuing 30.96 million ordinary shares at a par value of Baht 10 each. The ordinary shares were called for paid-up at Baht 6.50 per share, amounting to Baht 201.24 million, which the Company paid of Baht 70.43 million according to its shareholding portion on 15 March 2018. Gulf WHA MT Natural Gas Distribution Company Limited has registered an increase in share capital with the Ministry of Commerce on 8 March 2018.

On 3 August 2018, at the Board of Directors' Meeting of Gulf WHA MT Natural Gas Distribution Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 5.50 million issued ordinary shares at Baht 1.63 each, amounting to Baht 8.99 million and 30.96 million issued ordinary shares at Baht 1.68 per share, amounting to Baht 51.86 million. The total additional paid-up capital was Baht 60.85 million. The Company fully paid of Baht 21.34 million according to its shareholding portion on 10 August 2018.

As at 31 December 2018, the Company held the total authorised ordinary shares of Gulf WHA MT Natural Gas Distribution Company Limited of 15.26 million shares at a par value of Baht 10 each, which represented 35% of total registered shares capital. The ordinary shares of 4.42 million shares are fully paid-up, amounting to Baht 44.24 million and 10.84 million shares are partially paid-up at Baht 8.18 per share, amounting to Baht 88.58 million.

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.3 Investment in joint ventures (continued)

Call for share subscription payment of joint ventures (continued)

TTC Green Energy Investment Joint Stock Company

On 3 April 2018, at the Board of Directors' meeting of the Company, the Board of Directors passed a resolution to approve Gulf International Holding Pte. Ltd., an indirect subsidiary of the Company, to enter into an investment in TTC Green Energy Investment Joint Stock Company, a Company registered in Vietnam, to operate a solar power project in Vietnam with an authorised share capital of VND 411,000 million, comprise of an authorised share capital of 41.10 million shares at a par value of VND 10,000 each, which Gulf International Holding Pte. Ltd. holds 49% of the total authorised shares, equivalent to Baht 519.47 million.

As at 31 December 2018, Gulf International Holding Pte. Ltd. held the total authorised ordinary shares of TTC Green Energy Investment Joint Stock Company of 20.14 million shares, amounting to VND 365,502 million, equivalent to Baht 505.17 million.

TTC Energy Development Investment Joint Stock Company

On 14 May 2018, at the Board of Directors' meeting of the Company, the Board of Directors passed a resolution to approve Gulf International Holding Pte. Ltd., an indirect subsidiary of the Company, to enter into an investment in TTC Energy Development Investment Joint Stock Company, a Company registered in Vietnam, to operate a solar power project in Vietnam with an authorised share capital of VND 312,000 million, comprise of an authorised share capital of 31.20 million shares at a par value of VND 10,000 each, which Gulf International Holding Pte. Ltd. holds 49% of the total authorised shares, equivalent to Baht 395.22 million.

As at 31 December 2018, Gulf International Holding Pte. Ltd. held the total authorised ordinary shares of TTC Energy Development Investment Joint Stock Company of 15.29 million shares, amounting to VND 275,184 million, equivalent to Baht 383.13 million.

Mekong Wind Power Joint Stock Company

On 10 August 2018, at the Board of Directors' meeting of the Company, the Board of Directors passed a resolution to approve Gulf International Holding Pte. Ltd., an indirect subsidiary of the Company, to enter into an investment in Mekong Wind Power Joint Stock Company, a Company registered in Vietnam, to operate a solar power and wind power projects in Vietnam with an authorised share capital of VND 350,000 million, comprise of an authorised share capital of 35 million shares at a par value of VND 10,000 each, which Gulf International Holding Pte. Ltd. holds 49% of the total authorised shares, equivalent to Baht 436.34 million.

As at 31 December 2018, Gulf International Holding Pte. Ltd. held the total authorised ordinary shares of Mekong Wind Power Investment Joint Stock Company of 17.15 million shares, amounting to VND 308,700 million, equivalent to Baht 429.87 million.

Duqm Power Company L.L.C.

On 6 September 2018, at the Board of Directors' meeting of the Company, the Board of Directors passed a resolution to approve Gulf International Holding Pte. Ltd., an indirect subsidiary of the Company, to enter into an investment in Duqm Power Company L.L.C. which operates a gas-fired power plant in Oman with an authorised share capital of Omani Rial (OMR) 6.20 million, comprising of an authorised share capital of 6.20 million shares at a par value of OMR 1 each, which Gulf International Holding Pte. Ltd. holds 45% of the total authorised shares, equivalent to Baht 290.44 million.

As at 31 December 2018, Gulf International Holding Pte. Ltd. held the total authorised ordinary shares of Duqm Power Company L.L.C. of 2.79 million shares, which Gulf International Holding Pte. Ltd. has fully paid the share subscription according to its shareholding interest, amounting to USD 8.75 million, equivalent to Baht 284.01 million.

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14 Investment in subsidiaries, an associate and joint ventures (continued)

14.3 Investment in joint ventures (continued)

Call for share subscription payment of joint ventures (continued)

As at 31 December 2018, the Group is in the process of determining fair value of the acquired net assets and reviewing purchase price allocation (PPA) of TTC Green Energy Investment Joint Stock Company, TTC Energy Development Investment Joint Stock Company and Mekong Wind Power Joint Stock Company, which were accounted for as investment in joint venture. Therefore, the differences between the purchase price and net assets' carrying value are subjected to further adjustments depending on the determination of fair value and the results of the PPA. The Group expected to finalise its fair value calculation within 12 months from the acquisition date of such investments in joint ventures.

15 Investment property, net

	Consolidated financial statements Baht	Separate financial statements Baht
As at 1 January 2017		
Cost	112,610,681	44,719,594
<u>Less</u> Provision for impairment	-	-
Net book value	<u>112,610,681</u>	<u>44,719,594</u>
For the year ended 31 December 2017		
Opening net book value	112,610,681	44,719,594
Impairment charge	(15,015,094)	(15,015,094)
Closing net book value	<u>97,595,587</u>	<u>29,704,500</u>
As at 31 December 2017		
Cost	112,610,681	44,719,594
<u>Less</u> Provision for impairment	(15,015,094)	(15,015,094)
Net book value	<u>97,595,587</u>	<u>29,704,500</u>
For the year ended 31 December 2018		
Opening net book value	97,595,587	29,704,500
Impairment charge	-	-
Closing net book value	<u>97,595,587</u>	<u>29,704,500</u>
As at 31 December 2018		
Cost	112,610,681	44,719,594
<u>Less</u> Provision for impairment	(15,015,094)	(15,015,094)
Net book value	<u>97,595,587</u>	<u>29,704,500</u>
Fair value	<u>110,433,050</u>	<u>29,704,500</u>

As at 31 December 2018, the Group's investment property, amounting to Baht 97.60 million (31 December 2017: Baht 97.60 million) is land currently held for an undetermined future use. The fair value of investment property of Baht 110.43 million, which is valued by an independent appraiser certified by Professional Standard. This method is based on the observable data, so the Group has classified the fair value of investment property within level 2.

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16 Property, plant and equipment, net

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GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED
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For the year ended 31 December 2018

16 Property, plant and equipment, net (continued)

	Separate financial statements
	Office equipment Baht
As at 1 January 2017	
Cost	1,414,342
<u>Less</u> Accumulated depreciation	(350,594)
Net book value	1,063,748
For the year ended 31 December 2017	
Opening net book value	1,063,748
Additions	1,150,460
Depreciation charged for the year	(285,429)
Closing net book value	1,928,779
As at 31 December 2017	
Cost	2,564,802
<u>Less</u> Accumulated depreciation	(636,023)
Net book value	1,928,779
For the year ended 31 December 2018	
Opening net book value	1,928,779
Additions	8,908,610
Depreciation charged for the year	(1,287,745)
Closing net book value	9,549,644
As at 31 December 2018	
Cost	11,473,412
<u>Less</u> Accumulated depreciation	(1,923,768)
Net book value	9,549,644

For the year ended 31 December 2018, borrowing costs of Baht 1,212.09 million (for the year ended 31 December 2017: Baht 1,519.43 million) represented the specific borrowing to finance the construction of new power plants. These capitalised borrowing costs were calculated using the loan balance weighted average capitalisation rate of each entity within the Group of 3.38% - 5.92% per annum (for the year ended 31 December 2017: 3.29% - 5.59% per annum) and are included in 'additions' during the year.

As at 31 December 2018, the Group pledged land, further construction thereon, machinery and power plant equipment at the net book value amounting to baht 66,338.54 million as collateral for loans from financial institutions as disclosed in Note 19 and 20 (31 December 2017: Baht 50,166.54 million).

As at 31 December 2018 and 2017, the Group has capital expenditure related to the power plant construction and purchase of power plant equipment which were not recognised in the consolidated financial statements as disclosed in Note 36.

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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17 Intangible assets, net

	Consolidated financial statements	Separate financial statements
	Computer software Baht	Computer software Baht
As at 1 January 2017		
Cost	18,009,871	681,402
<u>Less</u> Accumulated amortisation	<u>(2,309,722)</u>	<u>(95,206)</u>
Net book value	<u>15,700,149</u>	<u>586,196</u>
For the year ended 31 December 2017		
Opening net book value	15,700,149	586,196
Additions	9,352,519	-
Amortisation charged for the year	<u>(2,643,582)</u>	<u>(67,547)</u>
Closing net book value	<u>22,409,086</u>	<u>518,649</u>
As at 31 December 2017		
Cost	27,362,390	681,402
<u>Less</u> Accumulated amortisation	<u>(4,953,304)</u>	<u>(162,753)</u>
Net book value	<u>22,409,086</u>	<u>518,649</u>
For the year ended 31 December 2018		
Opening net book value	22,409,086	518,649
Additions	9,417,467	-
Amortisation charged for the year	<u>(4,414,104)</u>	<u>(66,215)</u>
Closing net book value	<u>27,412,449</u>	<u>452,434</u>
As at 31 December 2018		
Cost	36,779,857	681,402
<u>Less</u> Accumulated amortisation	<u>(9,367,408)</u>	<u>(228,968)</u>
Net book value	<u>27,412,449</u>	<u>452,434</u>

18 Deferred income taxes

The Group calculated income tax for the year ended 31 December 2018 and 2017 from net profit (tax base) which excluded the interest in an associate and joint ventures as follows:

	2018	2017
Thailand	20%	20%
Singapore	17%	17%
Hong Kong	16.50%	16.50%
Republic of Mauritius	15%	-

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18 Deferred income taxes (continued)

Deferred income tax assets and deferred income tax liabilities can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Deferred income tax assets:				
to be recovered within 12 months	-	-	-	-
to be recovered after more than 12 months	478,799,139	396,322,411	28,062,689	24,455,763
Total deferred income tax assets	478,799,139	396,322,411	28,062,689	24,455,763
Deferred income tax liabilities:				
to be settled within 12 months	(777,217)	(2,333,750)	-	-
to be settled after more than 12 months	(128,602,125)	(73,927,049)	(10,958)	(163,008)
Total deferred income tax liabilities	(129,379,342)	(76,260,799)	(10,958)	(163,008)
Deferred income taxes, net	349,419,797	320,061,612	28,051,731	24,292,755

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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18 Deferred income tax (continued)

The movements in deferred income tax assets and deferred income tax liabilities are as follows:

	Employee benefit obligations Baht	Elimination of fixed assets Baht	Allowance for impairment Baht	Provision for decommissioning cost Baht	Loss carried forward Baht	Unrealised loss on exchange rate for long-term loans Baht	Consolidated financial statements	
							Others Baht	Total Baht
Deferred income tax assets:								
As at 1 January 2018	20,194,713	306,344,210	4,266,672	40,749,626	2,399,837	22,367,353	-	396,322,411
Charged (credited) to profit or loss	2,224,888	26,525,194	(651,090)	40,813,286	(14,254)	6,604,794	-	75,502,818
Credited to other comprehensive income	6,973,910	-	-	-	-	-	-	6,973,910
As at 31 December 2018	29,393,511	332,869,404	3,615,582	81,562,912	2,385,583	28,972,147	-	478,799,139
As at 1 January 2017	12,602,596	224,042,469	-	1,395,416	13,092	25,262,350	(11,625)	263,304,298
Charged (credited) to profit or loss	2,419,652	82,301,741	4,266,672	39,354,210	2,399,838	(2,894,997)	11,625	127,858,741
Credited to other comprehensive income	5,172,465	-	-	-	-	-	-	5,172,465
Decrease from disposal of investment in a subsidiary	-	-	-	-	(13,093)	-	-	(13,093)
As at 31 December 2017	20,194,713	306,344,210	4,266,672	40,749,626	2,399,837	22,367,353	-	396,322,411

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

18 Deferred income tax (continued)

	Consolidated financial statements					
	Changes in fair value of available-for sale investment	Commissioning expense	Decommissioning expense	Cash flow hedge	Interest payable and deferred financing fee from application of effective interest rate method	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Deferred income tax liabilities:						
As at 1 January 2018	(273,215)	(30,880,963)	(39,450,209)	(2,060,535)	(3,595,877)	-
(Charged) credited to profit or loss	-	(30,284,443)	(36,538,659)	-	12,148,026	-
Credited to other comprehensive income	196,753	-	-	1,359,780	-	-
	<u>(76,462)</u>	<u>(61,165,406)</u>	<u>(75,988,868)</u>	<u>(700,755)</u>	<u>8,552,149</u>	<u>-</u>
As at 31 December 2018						(129,379,342)
As at 1 January 2017	(652,316)	(88,579)	(1,165,106)	(10,103,828)	-	-
Charged to profit or loss	-	(30,792,384)	(38,285,103)	-	(3,595,877)	-
Credited to other comprehensive income	379,101	-	-	8,043,293	-	-
	<u>(273,215)</u>	<u>(30,880,963)</u>	<u>(39,450,209)</u>	<u>(2,060,535)</u>	<u>(3,595,877)</u>	<u>-</u>
As at 31 December 2017						(76,260,799)

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18 Deferred income tax (continued)

The movements in deferred income tax assets and deferred income tax liabilities are as follows: (continued)

	Separate financial statements			Total Baht
	Employee benefit obligations Baht	Allowance for impairment Baht	Interest payable and deferred financing fee from application of effective interest rate method Baht	
Deferred income tax assets:				
As at 1 January 2018	18,450,874	4,266,672	1,738,217	24,455,763
Charged (credited) to profit or loss	1,653,418	(651,091)	(1,738,217)	(735,890)
Credited to other comprehensive income	4,342,816	-	-	4,342,816
As at 31 December 2018	24,447,108	3,615,581	-	28,062,689
As at 1 January 2017	12,602,596	-	-	12,602,596
Credited to profit or loss	675,813	4,266,672	1,738,217	6,680,702
Credited to other comprehensive income	5,172,465	-	-	5,172,465
As at 31 December 2017	18,450,874	4,266,672	1,738,217	24,455,763

	Separate financial statements	
	Available-for sale investment Baht	Total Baht
Deferred income tax liabilities:		
As at 1 January 2018	(163,008)	(163,008)
Credited to other comprehensive income	152,050	152,050
As at 31 December 2018	(10,958)	(10,958)
As at 1 January 2017	(219,043)	(219,043)
Credited to other comprehensive income	56,035	56,035
As at 31 December 2017	(163,008)	(163,008)

Deferred income tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognise deferred income tax assets of Baht 597.77 million (31 December 2017: Baht 300.22 million) in respect of losses amounting to Baht 2,988.86 million (31 December 2017: Baht 1,051.12 million) that can be carried forward against future taxable income. Losses amounting to Baht 234.98 million will expire in 2019 (31 December 2017: Losses amounting to Baht 4.98 million expired in 2018).

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19 Short-term loans from financial institutions

Details of short-term loans from financial institutions by group's business were as follows:

Subsidiaries of Gulf MP Company Limited

Subsidiary of Gulf MP Company Limited entered into loans agreements with financial institutions for working capital facilities of Baht 3,600 million. The interest rate in working capital facilities is MLR minus certain fixed margin per annum. The interest payments are specified based on the terms and conditions as assigned by each financial institution.

These short-term loans are secured and joined collateral with the long-term loans under the terms and condition in the Credit Facilities Agreement as discussed in Note 20.

As at 31 December 2018, the subsidiaries of Gulf MP Company Limited had outstanding loan amounting to Baht 880 million (31 December 2017: Baht 572 million).

Movement of short-term loans from financial institutions can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening book value	572,000,000	-
Proceeds from short-term loans from financial institutions	1,930,000,000	-
Payments for short-term loans from financial institutions	(1,622,000,000)	-
Closing book value	<u>880,000,000</u>	<u>-</u>

20 Long-term loans from financial institutions, net

Long-term loans from financial institutions are secured loans and consist of USD and Baht.

Movements of long-term loans from financial institutions can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
For the year ended 31 December 2018		
Opening net book value	50,374,254,699	988,323,786
Cash flow:		
Proceeds from long-term loans from financial institutions	18,142,931,536	-
Payments for long-term loans from financial institutions	(5,974,495,056)	(1,000,000,000)
Other non-cash movement:		
Additional deferred financing fee	(208,675,603)	-
Amortisation of deferred financing fee	58,651,778	11,676,214
Gain on exchange rate	(57,240,410)	-
Closing net book value	62,335,426,944	-
<u>Less</u> Current portion of long-term loans from financial institutions, net	<u>(2,452,893,761)</u>	<u>-</u>
Long-term loans from financial institutions, net	<u>59,882,533,183</u>	<u>-</u>

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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20 Long-term loans from financial institutions, net (continued)

	Consolidated financial statements		Separate Financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current portion of long-term loans from financial institutions, net				
Current portion of long-term loans from financial institutions, net	2,507,834,845	2,489,259,271	-	-
<u>Less</u> Deferred financing fee within 1 year	<u>(54,941,084)</u>	<u>(29,014,159)</u>	<u>-</u>	<u>-</u>
Current portion of long-term loans from financial institutions, net	<u>2,452,893,761</u>	<u>2,460,245,112</u>	<u>-</u>	<u>-</u>
Long-term loan from financial institutions, net				
Long-term loan from financial institutions	60,483,000,176	48,390,379,680	-	1,000,000,000
<u>Less</u> Deferred financing fee more than 1 year	<u>(600,466,993)</u>	<u>(476,370,093)</u>	<u>-</u>	<u>(11,676,214)</u>
Long-term loan from financial institutions, net	<u>59,882,533,183</u>	<u>47,914,009,587</u>	<u>-</u>	<u>988,323,786</u>
Total long-term loan from financial institutions, net	<u>62,335,426,944</u>	<u>50,374,254,699</u>	<u>-</u>	<u>988,323,786</u>

Details of long-term loans from financial institutions by group's business were as follows:

Gulf Energy Development Public Company Limited

As at 31 December 2018, the Company did not have outstanding loans because the Company made a loan repayment in full for this long-term loans from financial institutions in January 2018 (31 December 2017: the Company had long-term loans from financial institutions which were the secured loans amounting to Baht 1,000 million. These loans bore interest at fixed rate. Interest was payable on semi-annually basis commencing from the first drawdown date, whereas the principal was payable on the date specified in the agreement).

Gulf Chana Green Company Limited

Gulf Chana Green Company Limited entered into the long-term loans agreements with financial institutions in Baht with the total loan facility of Baht 1,927 million and working capital facilities of Baht 60 million. The interest rate on a part of loan is THBFIX plus a certain fixed margin per annum, while the interest rate on the remaining part of loan is fixed at a certain fixed rate per annum. The interest will be repaid on a quarterly basis, whereas the principal will be payable on the date as specified in the agreement.

These long-term loans are secured by the land, future construction thereon, machinery and power plant equipment as discussed in Note 16. In addition, the rights to Power Purchase Agreements, Supply Agreements, Construction Agreements, Deposit Accounts, Insurance Policies, and the pledge of shares of Gulf Chana Green Company Limited have been assigned to the lenders as collateral in accordance with the Credit Facilities Agreement. Gulf Chana Green Company Limited is also required to comply with certain terms and conditions, such as maintaining of debt to equity ratio and debt service coverage ratio. In addition, under the conditions in the Credit Facilities Agreement, Gulf Chana Green Company Limited must enter into interest swap contracts to swap the interest rate from float interest rate to fixed interest rate to prevent the cash flow risk of Gulf Chana Green Company Limited.

During the year ended 31 December 2018, Gulf Chana Green Company Limited drewdown long-term loans from financial institutions amounting to Baht 850 million.

As at 31 December 2018, Gulf Chana Green Company Limited had outstanding long-term loans with financial institutions amounting to Baht 850 million (31 December 2017: Nil).

GULF ENERGY DEVELOPMENT PUBLIC COMPANY LIMITED

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20 Long-term loans from financial institutions, net (continued)

Details of long-term loans from financial institutions by group's business were as follows: (continued)

Subsidiaries of Independent Power Development Company Limited

During 2013, the subsidiaries of IPD entered into the long-term loans agreements with a financial institution in Baht with the total loan facilities of Baht 2,300 million for the purpose of land acquisition and to develop power plant projects. The interest rate is at MLR minus a certain fixed margin per annum and interest is payable on monthly basis. The principal will be repaid on the date as specified in the agreement.

These long-term loans are secured by land, future construction thereon, machinery and power plant equipment as discussed in Note 16, as well as, the pledge of certain shares of the Company, and guaranteed by the Company, its major shareholder and Mitsui & Co., Ltd. in proportion of ownership as collateral. In addition, these subsidiaries are required to pledge savings accounts as a collateral, equivalent to the interest that will be payable for a period of one year or a minimum deposit amount of Baht 172.50 million.

As at 31 December 2018, the Company did not have any outstanding loans because the Company made a loan repayment in full for this long-term loans in April 2018. As a result, all collateral for long-term loans had been unpledged on the repayment date (31 December 2017: Baht 2,283.06 million).

Subsequently, on 28 September 2018, the subsidiaries of IPD entered into Credit Facilities Agreements with the financial institutions as follows:

Long-term loans in Baht and USD has the total facilities of Baht 19,160 million and USD 120 million. The interest rates on Baht loans are THBFIX plus a certain margin per annum and the interest rates on USD loans are LIBOR plus a certain margin per annum. The interest and the principals will be repaid as specified in the agreements.

Loans from Working Capital Facility Agreement with the total facility of Baht 3,440 million consists of Promissory Notes facilities, Overdraft facilities and Letter of Credit, Letter of Guarantee and Trust Receipt facilities. The interest rates on Baht loans are MLR, MOR and MLR minus a certain fixed margin per annum depended on each facility. The interest and the principals will be repaid as specified in the agreement.

Development Security Facility Agreement has the total facility of Baht 1,315 million is for Letter of Guarantee for Power Purchase Agreement with EGAT. The fee is fixed rate.

Loans for payment of Value Added Tax Agreement has the total facility of Baht 1,520 million. The interest rates are THBFIX plus a certain fixed margin per annum. The interest and the principals will be repaid as specified in the agreement.

On 2 November 2018, the subsidiaries of IPD entered into credit facilities agreements in USD with two financial institutions with the facilities of USD 227.70 million each, totaling to the facilities of USD 455.40 million. The interest rates are LIBOR plus a certain margin per annum. The principle and the interest will be repaid as specified in the agreements.

These long-term loans are secured by the land, future construction thereon, machinery and power plant equipment as discussed in Note 16. In addition, the rights to Power Purchase Agreements, Gas Sale Agreements, Supply Agreements, Construction Agreements, Deposit Accounts and Insurance Policies have been assigned to the lenders as collateral in accordance with the Credit Facilities Agreements. These subsidiaries are also required to comply with certain terms and conditions, such as maintaining of debt to equity ratio and debt service coverage ratio. In addition, under the conditions the Credit Facilities Agreements, the subsidiary must enter into forward contract to prevent the fluctuation of exchange rates in EUR, USD, and JPY, and interest rate swap contracts to swap the interest rate from float interest rate to fixed interest rate to prevent the cash flow risk of these subsidiaries. The financing fee of these long-term loans is 1% of total facilities.

During the year ended 31 December 2018, these subsidiaries of the Group have drewdown long-term loans from financial institutions in Baht and USD, amounting to Baht 6,696.30 million and USD 63.03 million.

As at 31 December 2018, these subsidiaries of the Group had outstanding long-term loans with financial institutions, amounting to Baht 6,696.30 million and USD 63.03 million (31 December 2017: Nil).

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20 Long-term loans from financial institutions, net (continued)

Details of long-term loans from financial institutions by group's business were as follows: (continued)

Subsidiaries of Gulf MP Company Limited

The subsidiaries of Gulf MP entered into the long-term loans agreements with financial institutions in Baht and USD with the total loan facilities of Baht 42,993.50 million and USD 499.95 million. The interest rates on Baht loans are THBFIX plus a certain fixed margin per annum and the interest rates on USD loans are LIBOR plus a certain fixed margin per annum. The interest will be repaid on a quarterly basis, whereas the principal will be payable on maturity date as specified in the agreement.

These long-term loans are secured by the land, future construction thereon, power plants, machinery and power plant equipment as discussed in Note 16. In addition, the rights to Power Purchase Agreements, Gas Sale Agreements, Supply Agreements and Construction Agreements, Gas Pipeline Construction Agreements, Deposit Accounts, Insurance Policies, and the pledge of shares of Gulf MP and other companies have been assigned to the lenders as collateral in accordance with the Credit Facilities Agreements. These subsidiaries are also required to comply with certain terms and conditions, such as maintaining of debt to equity ratio and debt service coverage ratio. In addition, under the conditions the Credit Facilities Agreements, these subsidiaries must enter into forward contract to prevent the fluctuation of exchange rates in SEK, EUR, USD, and JPY, and interest rate swap contracts to swap the interest rate from float interest rate to fixed interest rate to prevent the cash flow risk of these subsidiaries.

During the year ended 31 December 2018, these subsidiaries of the Group have drewdown long-term loans from financial institutions in Baht and USD amounting to Baht 6,204 million and USD 72.61 million.

As at 31 December 2018, these subsidiaries of the Group have outstanding long-term loans with financial institutions in Baht and USD, amounting to Baht 39,245.37 million and USD 432.97 million. (31 December 2017: Baht 34,990.32 million and USD 383.03 million).

Subsidiaries of Gulf Solar Company Limited.

The subsidiaries of Gulf Solar Company Limited entered into the long-term loans agreements with a financial institution in Baht with the total loan facilities of Baht 33.90 million. The interest rate on Baht loan is MLR minus a certain fixed margin per annum. The interest will be repaid on quarterly basis, whereas the principal will be payable on maturity date specified in the agreement.

These long-term loans are secured by the equipment as discussed in Note 16. In addition, the rights to these subsidiaries' agreements and contracts, deposit accounts, investments, bonds, insurance policies and all registered ordinary shares in its subsidiaries have been assigned to the lenders as collateral in accordance with the Credit Facilities Agreement. These subsidiaries are also required to comply with certain terms and conditions, such as maintaining proportion of shareholders and debt service coverage ratio.

As at 31 December 2018, these subsidiaries have outstanding loans with a financial institution amounting to Baht 22.10 million (31 December 2017: Baht 24.63 million).

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21 Debentures, net

Movements of debentures can be analysed as follows:

	Consolidated and Separate financial statements	
	Baht	
For the year ended 31 December 2018		
Opening net book value	5,983,541,521	
Cash flow:		
Payments for guarantee of debenture	(72,599,177)	
Other non-cash movement:		
Amortisation of guarantee of debenture	80,446,189	
Closing net book value	5,991,388,533	
<u>Less</u> Current portion of debentures, net	(5,991,388,533)	
Debentures, net	-	

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
Current portion of debentures, net		
Current portion of debentures	6,000,000,000	-
<u>Less</u> Deferred guarantee fee due within 1 year	(8,611,467)	-
Current portion of debentures, net	5,991,388,533	-
Debentures, net		
Debentures	-	6,000,000,000
<u>Less</u> Deferred guarantee fee due later than 1 year	-	(16,458,479)
Debentures, net	-	5,983,541,521
Total debentures, net	5,991,388,533	5,983,541,521

During 2016, the Company issued unsubordinated secured debentures in Baht to specific debenture holders and their representatives in the amount of Baht 13,000 million. These debentures are fully guaranteed by the financial institution. The Company pledged certain of its shares, shares in an associate and other companies, which the Company invested in, to the financial institutions. These debentures bear interest at fixed rate per annum. Interest will be paid on semi-annual basis. The Company pays the guarantee fee at fixed rate per annum in advance to the financial institutions on semi-annual basis. These debentures amounting to Baht 7,000 million were redeemed in 2017. The remaining debentures amounting to Baht 6,000 million were redeemed on 25 January 2019.

22 Provision for decommissioning costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening book value	203,074,716	6,977,080	-	-
Increase during the year	195,316,398	200,337,140	-	-
Decrease during the year	-	(6,241,974)	-	-
Finance cost	8,905,318	2,002,470	-	-
Closing book value	407,296,432	203,074,716	-	-

The Group estimated provision for decommissioning costs of power plants, machinery, power plant equipment, and solar rooftop system based on future removal cost estimates by incorporating many assumptions such as abandonment times in accordance with power purchase agreements and future inflation rate. Present value of provision for decommissioning costs are discounted at the discount rate estimated by the management.

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23 Employee benefit obligations

The movement in employee benefit obligations recognised in the statement of financial position are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Opening book value	100,973,567	63,012,983	92,254,367	63,012,983
Current service cost	18,325,032	9,261,641	14,143,045	832,132
Interest expense	5,170,809	2,836,620	4,304,547	2,546,929
Benefit payment	(12,371,400)	-	(10,180,500)	-
Actuarial Losses	34,869,548	25,862,323	21,714,080	25,862,323
Closing book value	146,967,556	100,973,567	122,235,539	92,254,367

The principal actuarial assumptions used were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	3.36%	3.11% - 3.47%	3.36%	3.11%
Salary growth rate	7.54%	7.54% - 8.27%	7.54%	7.54%
Employee turnover rate	4%	11%	4%	11%
Management turnover rate	2%	2%	2%	2%

Sensitivity analysis for each significant assumption used is as follows:

Consolidated financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	0.5%	0.5%	(8,176,521)	(4,250,461)	8,935,268	4,562,634
Salary growth rate	0.5%	0.5%	9,185,707	4,362,571	(8,485,382)	(4,113,027)
Employee turnover rate	1%	1%	(18,083,604)	(8,884,825)	21,603,728	10,179,928
Separate financial statements						
Impact on defined benefit obligation						
	Change in assumption		Increase in assumption		Decrease in assumption	
	2018	2017	2018	2017	2018	2017
Discount rate	0.5%	0.5%	(6,438,612)	(3,999,599)	6,998,166	4,289,474
Salary growth rate	0.5%	0.5%	7,230,907	4,083,237	(6,714,504)	(3,853,996)
Employee turnover rate	1%	1%	(14,323,780)	(8,286,414)	16,906,891	9,458,799

The above sensitivity analysis are based on a change in an assumption while all other assumptions remain constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method which is the present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period has been applied when calculating the pension liability recognised within the consolidated statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change when compared to the previous period.

As at 31 December 2018, the weighted average employee benefit obligations of the Group is 26 years (31 December 2017: 19 to 20 years).

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23 Employee benefit obligations (continued)

Expected maturity analysis of retirement benefits:

		Consolidated financial statements				
		1 year Baht	Between 2-5 years Baht	Between 6-10 years Baht	Between 11-15 years Baht	Over 15 years Baht
						Total Baht
At 31 December 2018						
Retirement benefits		3,658,650	23,152,260	73,784,192	126,193,182	527,719,510
Total		3,658,650	23,152,260	73,784,192	126,193,182	527,719,510
		Consolidated financial statements				
		1 year Baht	Between 2-5 years Baht	Between 6-10 years Baht	Between 11-15 years Baht	Over 15 years Baht
						Total Baht
At 31 December 2017						
Retirement benefits		20,412,800	19,553,278	57,722,767	71,991,568	134,413,273
Total		20,412,800	19,553,278	57,722,767	71,991,568	134,413,273
		Separate financial statements				
		1 year Baht	Between 2-5 years Baht	Between 6-10 years Baht	Between 11-15 years Baht	Over 15 years Baht
						Total Baht
At 31 December 2018						
Retirement benefits		3,658,650	23,152,260	62,659,888	105,938,643	328,368,892
Total		3,658,650	23,152,260	62,659,888	105,938,643	328,368,892
		Separate financial statements				
		1 year Baht	Between 2-5 years Baht	Between 6-10 years Baht	Between 11-15 years Baht	Over 15 years Baht
						Total Baht
At 31 December 2017						
Retirement benefits		19,846,211	19,553,278	54,455,778	66,407,761	116,102,376
Total		19,846,211	19,553,278	54,455,778	66,407,761	116,102,376

24 Share capital and share premium

As at 31 December 2018 and 2017, the total authorised number of ordinary shares was 2,133.30 million shares at a par value of Baht 5 each. The ordinary shares of 2,133.30 million shares are fully paid-up, amounting to Baht 10,666.50 million.

As at 31 December 2018 and 2017 the Company has share premium of Baht 20,889.30 million.

Section 51 of the Public Companies Act, B.E. 2535 requires companies to set aside share subscription money received in excess of the issued shares' par value to a reserve account (share premium). The share premium is not available for dividend distribution.

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25 Legal reserve

For the year ended 31 December	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
Opening book value	86,512,524	-
Appropriation during the year	162,258,603	86,512,524
Closing book value	248,771,127	86,512,524

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

26 Dividend paid

On 23 April 2018, at the Annual General Shareholders' Meeting, the Shareholders approved the payment of dividends in respect of the operating results of the Company for the year ended 31 December 2017 at Baht 0.40 per share for 2,133.30 million ordinary shares, totaling Baht 853.32 million. These dividends were paid to shareholders on 14 May 2018.

27 Non-controlling interests

Transactions with non-controlling interests

Movements of non-controlling interests for the year ended 31 December are as follows:

For the year ended 31 December	Consolidated financial statements	
	2018 Baht	2017 Baht
Opening balance	4,783,436,398	1,461,332,777
Increase in shares capital and additional paid-up shares of subsidiaries	2,712,172,920	2,740,637,809
Changes in proportion of investment in subsidiaries	(57,328,478)	47,177,842
Dividend payment from subsidiaries	(336,721,599)	(182,976)
Share of net profit from subsidiaries	1,149,745,751	534,470,946
Closing balance	8,251,304,992	4,783,436,398

Increase in shares capital and additional paid-up shares of subsidiaries

a) Increase in shares capital and additional paid-up shares of subsidiaries during 2018

The proportion of non-controlling interest of Group's subsidiaries which held by WHA Energy Company Limited, Thai Industrial Estate Corporation Limited and Mit-Power Capitals (Thailand) Company Limited, are at 47%, 47% and 30% respectively. During 2018, an increase in shares capital and additional paid-up shares of subsidiaries are as follows:

Gulf TS2 Company Limited, Gulf TS3 Company Limited, Gulf TS4 Company Limited and Gulf NLL2 Company Limited increased their shares capital in total of Baht 1,729 million by issuing 97.90 million new ordinary shares of Baht 766.75 million and additional paid-up capital of Baht 962.25 million. WHA Energy Company Limited paid for its contribution of Baht 432.32 million.

Gulf BL Company Limited and Gulf BP Company Limited increased their shares capital in total of Baht 2,039 million by issuing 72.10 million new ordinary shares of Baht 721 million and additional paid-up capital of Baht 1,318 million. Thai Industrial Estate Corporation Limited paid for its contribution of Baht 509.75 million.

Gulf MP Company Limited called for additional paid-up capital of Baht 4,700 million. Mit-Power Capitals (Thailand) Company Limited paid for its contribution of Baht 1,410 million.

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27 Non-controlling interests (continued)

Increase in shares capital and additional paid-up shares of subsidiaries (continued)

a) Increase in shares capital and additional paid-up shares of subsidiaries during 2018 (continued)

Independent Power Development Company Limited (IPD) called for additional paid-up capital of Baht 1,200 million. Mitsui & Co., Ltd. paid for its contribution of Baht 360 million.

On 25 September 2018, Mitsui & Co., Ltd., IPD's former shareholder, transferred all its ordinary shares of IPD to Mit-Power Capitals (Thailand) Company Limited. IPD changed the shareholder's name with the Ministry of Commerce at the same date.

b) Increase in shares capital and additional paid-up shares of subsidiaries during 2017

The proportion of non-controlling interest of Group's subsidiaries which held by WHA Energy Company Limited, Thai Industrial Estate Corporation Limited, Mitsui & Co., Ltd. and Mit-Power Capitals (Thailand) Company Limited, are 47%, 47%, 30% and 30% respectively. During 2017, an increase in shares capital and additional paid-up shares of subsidiaries are as follows:

Gulf TS1 Company Limited, Gulf TS2 Company Limited, Gulf TS3 Company Limited, Gulf TS4 Company Limited, Gulf VTP Company Limited and Gulf NLL2 Company Limited increased their shares capital in total of Baht 4,876 million by issuing 109.70 million new ordinary shares of Baht 797 million and additional paid-up capital of Baht 4,079 million. WHA Energy Company Limited paid for its contribution of Baht 1,219.49 million.

Gulf BL Company Limited and Gulf BP Company Limited increased their shares capital in total of Baht 400 million by issuing 80 million new ordinary shares of Baht 200 million and additional paid-up capital of Baht 200 million. Thai Industrial Estate Corporation Limited paid for its contribution of Baht 100 million.

Gulf MP Company Limited increased its share capital of Baht 3,700 million by issuing 720 million ordinary shares of Baht 1,800 million and additional paid-up capital of Baht 1,900 million. Mit-Power Capitals (Thailand) Company Limited paid for its contribution of Baht 1,110 million.

IPD increased its shares capital of Baht 1,409.12 million by issuing 452.87 million ordinary shares of Baht 1,409.12 million. Mitsui & Co., Ltd. paid for its contribution of Baht 311.15 million.

Changes in interest of owners of the parent

For the year ended 31 December 2018

On 9 February 2018, the Company entered into the Shareholder Agreement with Mitsui & Co., Ltd., Mit-Power Capitals (Thailand) Company Limited, and IPD to agree on the rights to receive dividend from IPD under the second amendment of Joint Development Agreement (JDA) (Amendment no.2) dated on 11 October 2017. The Company has the rights to receive 75% of total dividend.

On 26 February 2018, at the Board of Directors' Meeting of the Company, the Board of Directors passed a resolution to approve the issuance of preferred share of IPD. The profit distributions of all dividend payment and return of capital shall be under the condition specified in the Shareholder Agreement.

On 15 March 2018, at the Board of Directors' Meeting of IPD, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 59.80 million ordinary shares at Baht 0.21 per share, amounting to Baht 12.71 million, 254 million ordinary shares at Baht 2.84 per share, amounting to Baht 721.98 million, and 198.87 million ordinary shares at Baht 2.34 per share, amounting to Baht 465.31 million. The total additional paid-up capital was Baht 1,200 million. The Company has fully paid the share subscription amounting to Baht 840 million according to its shareholding portion on 17 April 2018.

On 30 March 2018, at the Extraordinary shareholders' Meeting of IPD, the Shareholders passed a resolution to approve an increase in share capital by issuing 1 preferred share at a par value of Baht 10 each, which the Company paid Baht 10 for this preferred share on the same date.

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27 Non-controlling interests (continued)

Changes in interest of owners of the parent (continued)

For the year ended 31 December 2017

On 25 October 2017, the Board of Directors of Independent Power Development Company Limited, a subsidiary, passed a resolution to approve an increase in the authorised share capital from Baht 3,140 million to Baht 5,128.67 million by issuing 198.87 million new ordinary shares at a par value of Baht 10 each and offer to the existing shareholders of Independent Power Development Company Limited, which the other existing shareholders of Independent Power Development Company Limited waived their rights to increase their shareholding proportion on this share capital increase of Independent Power Development Company Limited, resulted in decrease in shareholding interest of other existed shareholders.

The effect of changes in the interest on the equity attribute to owners of the Group during the year is summarised as follows:

	Consolidated financial statements	
	2018 Baht	2017 Baht
Carrying amount of non-controlling interests acquired (disposed)	57,328,478	(47,177,842)
Consideration received from non-controlling interests	-	-
Increase (decrease) in parent's equity	<u>57,328,478</u>	<u>(47,177,842)</u>

	Consolidated financial statements	
	2018 Baht	2017 Baht
Changes in equity attributable to shareholders of the Company arising from:		
- Increase (decrease) interest in subsidiaries	<u>57,328,478</u>	<u>(47,177,842)</u>
Net effect on parent's equity	<u>57,328,478</u>	<u>(47,177,842)</u>

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28 Other components of equity

Movement of other components of equity for the year ended 31 December 2018 are as follows:

	Consolidated financial statements				
	Actuarial Losses	Currency translation adjustment	Available-for-sale investments	Cash flow hedges	Share of other comprehensive income (expense) from an associate
Opening balance as at 1 January 2018, net of tax	-	81,428	(83,673,425)	(42,854,282)	(2,270,196)
Change in fair value	-	-	(333,536,588)	41,358,120	-
Tax charged to other comprehensive income (expense)	-	-	(276,896)	15,686,568	-
Less Reclassification adjustments for gains (losses) included in profit or loss	-	-	(6,422,093)	73,863,705	-
Tax charged to other comprehensive income (expense)	-	-	459,386	(14,772,740)	-
Share of other comprehensive income (expense)	-	-	-	-	(6,327,178)
Currency translation differences	(23,648,002)	(6,403,963)	-	-	-
Actuarial losses	23,648,002	-	-	-	-
Transfer actuarial losses	-	-	-	-	-
Closing balance as at 31 December 2018, net of tax	-	(6,322,535)	(423,449,616)	73,281,371	(8,597,374)
					(365,088,154)

Movement of other components of equity for the year ended 31 December 2017 are as follows:

	Consolidated financial statements				
	Actuarial Losses	Currency translation adjustment	Available-for-sale investments	Cash flow hedges	Share of other comprehensive income (expense) from an associate
Opening balance as at 1 January 2017, net of tax	-	(21,954)	(98,549,586)	(119,081,153)	(10,470,711)
Change in fair value	-	-	37,509,869	(24,338,255)	-
Tax charged to other comprehensive income (expense)	-	-	(4,197,011)	23,688,075	-
Less Reclassification adjustments for gains (losses) included in profit or loss	-	-	(23,045,871)	96,096,315	-
Tax charged to other comprehensive income (expense)	-	-	4,609,174	(19,219,264)	-
Share of other comprehensive income (expense)	-	-	-	-	8,200,515
Currency translation differences	(20,689,859)	103,382	-	-	-
Actuarial losses	20,689,859	-	-	-	-
Transfer actuarial losses	-	-	-	-	-
Closing balance as at 31 December 2017, net of tax	-	81,428	(83,673,425)	(42,854,282)	(2,270,196)
					(128,716,475)

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28 Other components of equity (continued)

Movement of other components of equity for the year ended 31 December 2018 are as follows:

	Separate financial statements		
			Baht
	Actuarial Losses	Available for sale investments	Total other components of equity
Opening balance as at 1 January 2018, net of tax	-	652,030	652,030
Change in fair value	-	671,184	671,183
Tax charged to other comprehensive income (expense)	-	(134,237)	(134,237)
<u>Less</u> Reclassification adjustments for gains (losses) included in profit or loss	-	(1,431,429)	(1,431,428)
Tax charged to other comprehensive income (expense)	-	286,286	286,286
Actuarial losses	17,371,264	-	17,371,264
Transfer actuarial losses	(17,371,264)	-	(17,371,264)
Closing balance as at 31 December 2018, net of tax	-	43,834	43,834

Movement of other components of equity for the year ended 31 December 2017 are as follows:

	Separate financial statements		
			Baht
	Actuarial Losses	Available for sale investments	Total other components of equity
Opening balance as at 1 January 2017, net of tax	-	876,176	876,176
Change in fair value	-	5,984,495	5,984,495
Tax charged to other comprehensive income (expense)	-	(1,196,899)	(1,196,899)
<u>Less</u> Reclassification adjustments for gains (losses) included in profit or loss	-	(6,264,677)	(6,264,677)
Tax charged to other comprehensive income (expense)	-	1,252,935	1,252,935
Actuarial losses	(20,689,859)	-	(20,689,859)
Transfer actuarial losses	20,689,859	-	20,689,859
Closing balance as at 31 December 2017, net of tax	-	652,030	652,030

29 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Gain on disposal of available-for-sale investments	6,422,093	23,045,872	3,515,309	6,264,677
Gain on disposal of investment in a subsidiary	-	123,762	-	-
Income from guarantee fee	-	-	34,017,545	36,590,422
Others	3,005,737	19,648,819	1,274,598	773,773
Total	9,427,830	42,818,453	38,807,452	43,628,872

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30 Corporate income tax (benefits) expenses

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax on profits for the year	(197,550)	(891,442)	-	-
Deferred income taxes (Note 18)	20,827,743	55,185,377	(735,889)	6,680,702
Total corporate income tax (benefits) expenses	20,630,193	54,293,935	(735,889)	6,680,702

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit before tax	4,120,557,968	3,852,630,637	3,245,907,938	1,723,569,776
Tax calculated at a tax rate of 20%	824,111,593	770,526,127	649,181,588	344,713,955
Tax effect of:				
Income not subject to tax	(536,855,292)	(536,625,193)	(696,134,400)	(411,892,525)
Income subject to tax under the Revenue Code	98,494	102,435	98,494	102,435
Expenses not deductible for tax purpose	106,959,639	14,791,797	13,916,155	8,221,651
Expenses deductible at a greater amount	(65,966,781)	301,019,725	918,380	(88,613,062)
Share of profits from an associate and joint ventures	(523,092,459)	(796,332,864)	-	-
Elimination of fixed assets	10,164,469	25,808,982	-	-
Utilisation of previously unrecognised tax losses	(10,330,048)	(72,402,026)	-	-
Tax losses for which no deferred income tax asset was recognised	139,097,372	204,109,539	32,755,672	140,786,844
Unrealised loss on exchange rate	36,324,915	37,361,785	-	-
Tax effect from different tax rates of foreign entities	(1,090,664)	(207,505)	-	-
Tax losses for which deferred income tax asset was recognised	14,254	(2,399,837)	-	-
Others	(65,685)	(46,900)	-	-
Income tax expenses (benefits)	(20,630,193)	(54,293,935)	735,889	(6,680,702)

The weighted average applicable tax rate for the Group was 0.50% (2017: 1.41%).

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30 Corporate income tax benefits (expenses) (continued)

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

	Consolidated financial statements					
	2018			2017		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
Actuarial losses	(34,869,548)	6,973,910	(27,895,638)	(25,862,324)	5,172,465	(20,689,859)
Change in value of available-for-sale investments	(340,029,991)	196,753	(339,833,238)	14,629,308	379,101	15,008,409
Cash flow hedges	155,773,105	1,359,780	157,132,885	147,021,329	8,043,293	155,064,622
Currency translation differences	(6,403,963)	-	(6,403,963)	103,382	-	103,382
Share of other comprehensive income (expense) of an associate accounted for using the equity method	(6,327,178)	-	(6,327,178)	8,200,515	-	8,200,515
Other comprehensive income (expenses) for the year	(231,857,575)	8,530,443	(223,327,132)	144,092,210	13,594,859	157,687,069

	Separated financial statements					
	2018			2017		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
Actuarial losses	(21,714,080)	4,342,816	(17,371,264)	(25,862,324)	5,172,465	(20,689,859)
Change in value of available-for-sale investments	(760,246)	152,050	(608,196)	(280,182)	56,035	(224,146)
Other comprehensive income (expenses) for the year	(22,474,326)	4,494,866	(17,979,460)	(26,142,506)	5,228,500	(20,914,005)

31 Expenses by nature

Expenses that are included in calculating net profit can be classified as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cost of sales	10,592,670,709	2,529,769,156	-	-
Repair and maintenance	241,128,359	121,770,230	95,135	56,550
Employee benefit expenses	1,120,717,861	829,945,187	808,722,765	594,178,856
Consulting fee	103,010,407	100,604,508	60,521,696	70,895,039
Fee	64,485,952	44,697,843	10,931,310	9,852,280
Rental expenses	67,922,072	55,220,626	41,731,464	31,081,477
Miscellaneous expenses	11,935,445	6,437,903	7,550,622	2,457,311
Community relation expenses	20,880,165	17,428,705	567,411	-
Depreciation and amortisation	1,391,656,087	370,496,632	1,353,960	352,976
Power development fund	52,299,875	12,804,548	-	-
Insurance expenses	47,420,546	13,926,055	453,536	54,283
Advertising and public relation expenses	220,788,363	7,208,294	28,988,853	7,151,055
Others	235,429,917	133,324,649	103,734,871	90,107,747

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32 Finance costs

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expense	1,719,819,943	980,858,470	115,085,794	433,221,311
Guarantee fee	103,265,068	323,203,836	80,446,190	297,594,275
Commitment fee	54,915,886	83,871,922	-	-
Others	60,328,484	39,744,266	14,697,273	16,811,147
Total	1,938,329,381	1,427,678,494	210,229,257	747,626,733

33 Financial instruments

(a) Financial assets and liabilities

As at 31 December the Company and subsidiaries have balance of financial assets and liabilities of currency as follows:

Currency	Financial assets	Financial liabilities	(Unit : Baht/other currency) Exchange rate	
			As at 31 December 2018	
			Buying rate	Selling rate
US Dollar	2,767,289	509,050,262	32.28 - 32.45	32.61
Japanese Yen	-	49,173,097	-	0.30
European Euro	-	1,965,479	-	37.49
Singapore Dollar	11,561	-	23.42	-
Swedish Krona	-	79,040,515	-	3.64
Laotian Kip	30,678,330,700	-	0.004	-
Vietnam Dong	327,496,498	69,243,891,729	0.001	0.001
Currency	Financial assets	Financial liabilities	(Unit : Baht/other currency) Exchange rate	
			As at 31 December 2017	
			Buying rate	Selling rate
US Dollar	1,519,398	403,324,700	32.51 - 32.68	32.85
Japanese Yen	-	359,270,492	-	0.29
European Euro	-	3,042,419	-	39.39
Singapore Dollar	13,620	-	24.60	-
Swedish Krona	-	40,530,278	-	4.00
Laotian Kip	37,279,996,800	-	0.004	-

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33 Financial instruments (continued)

(b) Risk of exchange rate

As at 31 December, the Group had forward foreign exchange contracts. The settlement dates on open forward contracts ranged between 1 month and 35 months. Amounts in foreign currencies to be settled and contractual exchange rates of the outstanding contracts were:

As at 31 December	Consolidated financial statements	
	2018 Baht	2017 Baht
Japanese Yen:		
- Average exchange rate (JPY/ THB)	0.30	0.31
- Foreign currency (JPY)	109,342,776	1,306,675,320
- Underlying currency (THB)	32,408,197	404,022,933
Japanese Yen:		
- Average exchange rate (JPY/ USD)	0.01	-
- Foreign currency (JPY)	22,820,437,500	-
- Underlying currency (USD)	213,439,627	-
Swedish Krona:		
- Average exchange rate (SEK/ THB)	3.77	4.11
- Foreign currency (SEK)	269,289,946	212,870,633
- Underlying currency (THB)	1,011,636,510	877,033,066
Swedish Krona:		
- Average exchange rate (SEK/ USD)	-	0.12
- Foreign currency (SEK)	-	47,962,327
- Underlying currency (USD)	-	5,984,817
US Dollar:		
- Average exchange rate (USD/ THB)	33.12	33.32
- Foreign currency (USD)	3,696,078	10,012,991
- Underlying currency (THB)	122,420,160	333,858,593
European Euro:		
- Average exchange rate (EUR/ THB)	40.52	40.13
- Foreign currency (EUR)	533,171	3,268,862
- Underlying currency (THB)	21,603,939	130,130,636
European Euro:		
- Average exchange rate (EUR/ USD)	1.21	-
- Foreign currency (EUR)	15,150,000	-
- Underlying currency (USD)	18,323,789	-

(c) Net fair value

The fair value is disclosed in Note 3.

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34 Litigation

During 2014, the Monitoring and Auditing Committee of Fiscal Expenditures (MACFE) resolved to appoint the Energy Regulatory Commission (ERC) to initiate an investigation on the bidding process of the 2012 Independent Power Producer (IPP) Bidding Solicitation, which was alleged to be non-compliance with Thailand's Power Development Plan and the relevant ERC regulations. The ERC then established a sub-committee to conduct an investigation and reported its findings to the MACFE. The MACFE, later, assigned the Ministry of Energy (MOE) to further investigate the IPP Bidding Solicitation in which the MOE appointed an Ad Hoc Committee from the MOE to further investigate the IPP Bidding Solicitation. Subsequently, the MOE submitted letters to the Group requesting to negotiate with the Group to cancel one of the IPP projects, of which the Power Purchase Agreement (PPA) with Electricity Generating Authority of Thailand (EGAT) was signed. In addition, the MOE sent a letter requesting the Board of Investment of Thailand (BOI) to delay approval process of both IPP projects of the Group.

However, on 23 July 2015, Independent Power Development Company (IPD), Gulf SRC Company Limited (GSRC), and Gulf PD Company Limited (GPD) (collectively Plaintiffs) filed an administrative lawsuit to the Central Administrative Court of Thailand (the Administrative Court) against (i) ERC, (ii) the Office of the ERC, (iii) MOE and (iv) the Ad Hoc Committee (collectively, the Defendants) that the investigation was not performed in accordance with the applicable laws, some of the Defendants who had authority for the investigation had conflicts of interest, information determined by the Defendants during the investigation was distorted and the Plaintiffs were obstructed to develop the IPP projects by the action of the Defendants. The Plaintiffs requested the Administrative Court to issue an order to prohibit the Defendants from conducting any further unlawful investigation on the IPPs Bidding Solicitation, or to stop using the result of such unlawful investigation whether internally or externally with other government authorities.

On 8 December 2016, the Administrative Court judged that the investigation conducted by the Defendants was lawful, however, the investigate, use or reference of the result of investigation or any action were prohibited such action will cause damages to the Plaintiffs. The Central Administrative Court also ordered the MOE to revoke its letter requesting the BOI to delay approval process of the IPP projects. Subsequently, on 24 March 2017, GSRC and GPD finally obtained BOI approval.

On 4 January 2017, the MOE submitted an appeal to the Supreme Court and the Plaintiffs had to submit a petition of appeal to the Supreme Administrative Court by 5 June 2017.

On 5 June 2017, the Plaintiffs submitted a request for an extension of a petition to appeal for 15 days, which was due on 20 June 2017. On 20 June 2017, the Plaintiffs already submitted a petition to appeal to the Supreme Administrative Court.

As at 31 December 2018, there was no provision related to this litigation has been accrued in the Group's financial statements, because the Group's management believes that there will be no significant liability from the result of the above lawsuit cases.

35 Promotional privileges

The Group has been granted promotional privileges by the Office of the Board of Investment under promotion certificates in respect of electricity generating. These subsidiaries have been granted exemption from certain taxes and duties including exemption from corporate income tax for a period of eight years from the date of first revenue. As promoted entities, these subsidiaries are required to comply with the terms and conditions specified in the promotion certificates.

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36 Commitments and significant agreements

Commitments

The Company entered into lease agreements in respect of space rental for office and vehicle rental. As at 31 December, rental commitments under these agreements in the subsequent years are as follows:

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
Due		
Within one year	30,422,240	21,062,098
Later than one year but not later than five years	43,026,910	17,839,737
	<u>73,449,150</u>	<u>38,901,835</u>

As at 31 December 2018, the Company had outstanding bank guarantees issued by financial institutions amounting to Baht 6,064 million (31 December 2017: Baht 6,061 million). The subsidiaries had outstanding bank guarantees issued by financial institutions as a guarantee for their Power Purchase Agreements with EGAT and in respect of electricity use in the projects as follows:

Name of subsidiaries	Unit: Baht million	
	2018	2017
Gulf SRC Company Limited	2,500	1,250
Gulf PD Company Limited	1,250	1,250
Gulf VTP Company Limited	235	235
Gulf TS1 Company Limited	231	703
Gulf TS2 Company Limited	231	703
Gulf TS3 Company Limited	233	709
Gulf TS4 Company Limited	233	717
Gulf NC Company Limited	237	488
Gulf BL Company Limited	233	493
Gulf BP Company Limited	726	493
Gulf NLL2 Company Limited	734	499
Gulf NPM Company Limited	501	499
Gulf NRV1 Company Limited	501	499
Gulf NRV2 Company Limited	501	499
Gulf Chana Green Company Limited	4	-

Significant agreements

(a) Agreements relating to cash advances to subsidiaries and related parties

The Company entered into Cash Advance Agreements with its subsidiaries and related parties of the Company to provide financial supports for their business operations. Each agreement will become effective from the agreement date and continue until either party in each agreement gives a written notice of termination to the other party or when the event of default occurs by either parties. The interest rate is a fixed rate per annum. As stipulated in the agreements, the cash advance and related accrued interests are due within 30 days after receipt of the invoice from the Company.

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(b) Joint Development Agreement for IPP Projects

During 2013, Mitsui & Co., Ltd., (Mitsui), J-Power Holdings (Thailand) Company Limited (J-POWER) and the Company entered into Joint Development Agreement (JDA) in order to develop Independent power producer projects under the control of Independent Power Development Company Limited (IPD), which is a subsidiary of the Company. Under the agreement, Mitsui shall have right to purchase up to 49% of total shares in IPD within 15 days after the effective date of the agreement, whereas J-POWER shall have right to purchase the IPD's shares from Mitsui and the Company. However, on 20 June 2014, Mitsui, J-POWER and the Company entered into the Amendment No. 1 to the JDA, which was entered into on 3 April 2013 to amend the definition of Due Diligence Period with regard to right to purchase shares by J-POWER. Other terms and conditions remain the same as the original JDA. The JDA and the amendment shall become effective until all parties in the agreement mutually agree to cancel the agreement. However, J-POWER's right to purchase was expired without exercising the right.

(c) Joint Development Agreement for SPP Projects

Mitsui & Co., Ltd., and the Company entered into Joint Development Agreement in order to develop 12 small power plant projects (Note 14). Under the agreement, the Company set up Gulf MP Company Limited as a holding company. Mitsui invested in such holding company by acquiring ordinary shares from the Company two times. First time, on 16 January 2014, Mitsui purchased 1% of total ordinary shares with the share premium as stipulated in the agreement. Subsequently, on 17 November 2014, Mitsui transferred all share in Gulf MP Company Limited as well as the second time share purchase option under these agreement to Mit-Power Capitals (Thailand) Company Limited. During the second time, Mit-Power Capitals (Thailand) Company Limited purchased shares in such company up to 30% of total shares together with the share premium as stipulated in the agreement. The agreement shall become effective until all parties in the agreement mutually agree to cancel the agreement.

(d) Management Service Agreements with subsidiaries

On 5 November 2014, the Company entered into Management Services Agreements with 12 subsidiaries of the Company, which operate as small power producers, to provide business advice, coordination, supervision and management services. The service fee will be charged on a monthly basis at the rate and conditions as specified in the agreement. The agreements shall become effective for a period of 25 years commencing from the first commercial operation date and continue until either party in each agreement gives a written notice of termination to the other party in advance in the event of the defaulting party commits a material breach of the agreement.

On 10 November 2014, the Company entered into Development Services Agreements with 12 subsidiaries of the Company, which operate as small power producers, to assist in the project development phase and advice on significant agreements and raise capital for the project. Each agreement charges a success fee totaling of Baht 120 million per company. The Company will receive such service fee upon the completion of the financial close. The agreement would be terminated when either party in each agreement gives a written notice of termination to the other party in the event of the defaulting party commits a material breach of the agreement.

On 2 December 2016, the Company entered into the Engineering Services Agreement with 12 subsidiaries of the Company, which operate as small power producers, to provide supportive engineers during construction phase, including test and evaluate the performance of machines and coordinate with subcontractors to complete the construction project in according to the conditions specified in the agreement. Such subsidiaries must make service payment under the conditions and periods specified in the agreement.

On 31 July 2018, the Company entered into Management Services Agreements with 2 subsidiaries of the Company, which operate as independence power producers, to provide business advice, coordination, supervision and management services. The service fee will be charged on a monthly basis at the rate and conditions as specified in the agreement. The agreements shall become effective for a period of 25 years commencing from the first commercial operation date and continue until either party in each agreement gives a written notice of termination to the other party in advance in the event of the defaulting party commits a material breach of the agreement.

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(e) Owner's Engineer Agreements

On 1 July 2018, Gulf SRC Company Limited, a subsidiary, entered into the Owner's Engineer Agreements relating to the construction of the power plant with the contract value of Baht 128 million.

As at 31 December 2018, a subsidiary had outstanding commitments from the Owner's Engineer Agreements amounting to Baht 102.40 million.

On 13 September 2018, Gulf SRC Company Limited and Gulf PD Company Limited, the subsidiaries, entered into Owner's Engineer Field Services relating to the construction of the power plant with the contract value of Baht 400 million.

As at 31 December 2018, the subsidiaries had outstanding commitments from the Owner's Engineer Field Services amounting to Baht 384 million.

(f) Secondment Agreement

On 1 January 2014, the Company entered into the Secondment Agreement with Gulf JP Company Limited, an associate, to provide human resources service for its business operations. Under such agreement, Gulf JP Company Limited is committed to pay monthly service fee including addition charges to the Company in accordance with the conditions as specified in the agreement. The agreement would be terminated in the event of the defaulting party commits a material breach of the agreement and fails to remediate within ten days after receiving a written notice from contracted party. The agreement was effective since 1 January 2014.

On 9 September 2016, the Company entered into the Secondment Agreement with Gulf MP Company Limited, a subsidiary, to provide human resources service for its business operations. Under such agreement, Gulf MP Company Limited is committed to pay monthly service fee to the Company in accordance with the conditions as specified in the agreement. The agreement would be terminated in the event of the defaulting party commits a material breach of the agreement and fails to remediate within sixty days after receiving a written notice from contracted party. The agreement was effective since 1 January 2016.

On 1 November 2017, the Company entered into the Amendment of the Secondment Agreement to adjust scope of service and the fee under the condition specified in the Amendment Agreement. The agreement was effective since 1 January 2017.

(g) Other construction contracts

The Group's subsidiaries entered into other construction contracts which comprise of raw water pumping station and reservoir agreement, raw water and waste water pipeline agreements, electricity transmission lines agreements and steam pipeline agreements for industrial users, as well as construction of office building to control the operation of the subsidiaries' projects. The contracts value totaling to Baht 4,212.49 million (As at 31 December 2017: Baht 4,174.72 million) under the installment period in accordance with conditions set out in the contracts.

As at 31 December 2018, the subsidiaries had outstanding commitments in respect of these other construction contracts amounting to Baht 474.09 million (31 December 2017: Baht 1,490.18 million).

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(h) Power Purchase Agreement

Subsidiaries of Gulf MP Company Limited

The subsidiaries of Gulf MP Company Limited entered into the Power Purchase Agreements with EGAT to generate capacity charge and deliver energy charge at the level specified in the agreements. The term of the Power Purchase Agreements is 25 years.

The subsidiaries have Scheduled Commercial Operation Date as follows:

Name of subsidiaries	Scheduled Commercial Operation Date
Gulf VTP Company Limited	16 May 2017
Gulf TS1 Company Limited	8 July 2017
Gulf TS2 Company Limited	1 September 2017
Gulf TS3 Company Limited	1 November 2017
Gulf TS4 Company Limited	1 January 2018
Gulf NC Company Limited	1 March 2018
Gulf BL Company Limited	1 September 2018
Gulf BP Company Limited	1 November 2018
Gulf NLL2 Company Limited	1 January 2019
Gulf NPM Company Limited	1 March 2019
Gulf NRV1 Company Limited	1 May 2019
Gulf NRV2 Company Limited	1 July 2019

Subsidiaries of Independent Power Development Company Limited

The subsidiaries of Independent Power Development Company Limited entered into the Power Purchase Agreements with EGAT to generate capacity charge and deliver energy charge at the level specified in the agreements. The term of the Power Purchase Agreements is 25 years. Under the Power Purchase Agreements, the exchange rate risk is partly compensated by capacity payment charged to EGAT in each month.

The subsidiaries have Scheduled Commercial Operation Date as follows:

Name of subsidiaries	Scheduled Commercial Operation Date
Gulf SRC Company Limited	31 March 2021 (the 1 st generating)
	1 October 2021 (the 2 nd generating)
	31 March 2022 (the 3 rd generating)
	1 October 2022 (the 4 th generating)
Gulf PD Company Limited	31 March 2023 (the 1 st generating)
	1 October 2023 (the 2 nd generating)
	31 March 2024 (the 3 rd generating)
	1 October 2024 (the 4 th generating)

Gulf Chana Green Company Limited

Gulf Chana Green Company Limited, a subsidiary, entered into the Power Purchase Agreement with EGAT to generate capacity charge and deliver energy charge at the level as specified in the agreement. The term of the Power Purchase Agreement is 5 years effective from the date both parties signed the agreement and can be renewed every 5 years after given the written notice not less than 30 days in advance to another party. This subsidiary has the Schedule Commercial Operation Date on 1 July 2019.

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(h) Power Purchase Agreement (continued)

Subsidiaries of Gulf Solar Company Limited

The subsidiaries of Gulf Solar Company Limited entered into the Power Purchase Agreements with Provincial Electricity Authority (PEA) to sell the electricity generated from the solar photovoltaic installation on the rooftop. The term of the Power Purchase Agreements is 25 years effective from the Scheduled Commercial Operation Date and they have to comply with the conditions as stipulated in the agreements.

The subsidiaries have Scheduled Commercial Operation Date as follows:

Name of subsidiaries	Scheduled Commercial Operation Date
Gulf Solar BV Company Limited	30 December 2013
Gulf Solar KKS Company Limited	30 December 2013
Gulf Solar TS1 Company Limited	30 December 2013
Gulf Solar TS2 Company Limited	30 December 2013

(i) Gas Sale and Purchase Agreements

The Group's 14 subsidiaries entered into Gas Sale and Purchase Agreement with PTT Public Company Limited for quantity and gas price as specified in the agreements. The agreements are effective for a period of 25 years commencing from the commercial operation date of the power plant and can be extended, based on the conditions as stipulated in the agreements.

(j) Supply Agreements and Construction Agreements

Subsidiaries of Gulf MP Company Limited

The subsidiaries of Gulf MP Company Limited entered into engineering services agreements, supply agreements and construction agreements. The contract value totaling to USD 368.97 million, SEK 2,097.84 million, JPY 7,781.53 million, EUR 38.62 million and Baht 22,349.38 million.

As at 31 December 2018, these subsidiaries had outstanding commitment from engineering services agreements, supply agreements and construction agreements amounting to USD 24.13 million, SEK 19.32 million, JPY 45.34 million, EUR 0.27 million and Baht 291.27 million (31 December 2017: USD 84.81 million, SEK 165.52 million, JPY 961.96 million, EUR 1.48 million and Baht 4,832.21 million).

Subsidiaries of Independent Power Development Company Limited

The subsidiaries of Independent Power Development Company Limited entered into engineering services agreements, supply agreements and construction agreements. The contract value totaling to USD 424.30 million, JPY 83,317.90 million, EUR 40.40 million and Baht 27,834.82 million.

As at 31 December 2018, these subsidiaries had outstanding commitment from engineering services agreements, supply agreements and construction agreements amounting to USD 402.75 million, JPY 78,969.95 million, EUR 38.38 million and Baht 20,896.05 million (31 December 2017: Nil).

Gulf Chana Green Company Limited

Gulf Chana Green Company Limited entered into engineering services agreement, supply agreement and construction agreement. The contract value totaling to Baht 1,500 million.

As at 31 December 2018, this subsidiary had outstanding commitment from engineering services agreement, supply agreement and construction agreement amounting to Baht 630 million (31 December 2017: Nil).

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(k) Engineering, Procurement and Construction of Natural Gas Pipeline and Metering Facilities System Agreements

The Group's subsidiaries had entered into agreements with contractor to construct the natural gas pipeline and metering facilities system. The contracts value totaling Baht 1,647.35 million.

As at 31 December 2018, the outstanding commitment from engineering, procurement and construction of natural gas pipeline and metering facilities system agreements was amounting to Baht 49.99 million (2017: Baht 514.58 million).

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(i) Foreign currency forward contracts

As at 31 December 2018, subsidiaries had outstanding balances of foreign currency forward contracts in order to manage exposure of fluctuations in Swedish Krona (SEK), European Euro (EUR), US Dollar (USD) and Japanese Yen (JPY) with local financial institutions.

The detail of foreign currency forward contracts are as follows:

Name of subsidiaries	Exchange Rates		Amount (million)	The fixed exchange rates
	Underlying currency	Foreign currency		
Gulf VTP Company Limited	Baht	SEK	21.82	3.72 Baht per SEK
Gulf TS1 Company Limited	Baht	SEK	34.82	3.67 - 3.69 Baht per SEK
Gulf TS2 Company Limited	Baht	SEK	34.82	3.68 - 3.72 Baht per SEK
Gulf TS3 Company Limited	Baht	SEK	21.82	3.74 - 3.78 Baht per SEK
Gulf TS4 Company Limited	Baht	SEK	17.41	3.71 Baht per SEK
Gulf BL Company Limited	Baht	SEK	34.82	3.72 - 3.77 Baht per SEK
Gulf BP Company Limited	Baht	SEK	44.37	3.65 - 3.78 Baht per SEK
Gulf NLL2 Company Limited	Baht	SEK	26.96	3.71 - 4.23 Baht per SEK
Gulf NPM Company Limited	Baht	SEK	32.45	3.70 - 4.26 Baht per SEK
Gulf NRV1 Company Limited	Baht	EUR	0.27	40.53 - 40.54 Baht per EUR
	Baht	USD	0.77	32.68 - 33.39 Baht per USD
	Baht	JPY	47.74	0.29 - 0.32 Baht per JPY
Gulf NRV2 Company Limited	Baht	EUR	0.27	39.30 - 40.65 Baht per EUR
	Baht	USD	2.93	32.68 - 33.32 Baht per USD
	Baht	JPY	61.60	0.29 - 0.33 Baht per JPY
Gulf SRC Company Limited	USD	EUR	15.15	1.18 - 1.24 USD per EUR
	USD	JPY	22,820.44	0.01 USD per JPY

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AND

36 Commitments and significant agreements (continued)

Significant agreements (continued)

(i) Foreign currency forward contracts (continued)

As at 31 December 2017, subsidiaries had outstanding balances of foreign currency forward contracts in order to manage exposure of fluctuations in Swedish Krona (SEK), European Euro (EUR), US Dollar (USD) and Japanese Yen (JPY) with local financial institutions. (continued)

The detail of foreign currency forward contracts are as follows: (continued)

Name of subsidiaries	Exchange Rates		Amount (million)	The fixed exchange rates
	Underlying currency	Foreign currency		
Gulf VTP Company Limited	Baht	SEK	17.41	3.96 Baht per SEK
Gulf TS1 Company Limited	Baht	SEK	17.41	3.97 Baht per SEK
Gulf TS2 Company Limited	Baht	SEK	17.41	3.99 Baht per SEK
Gulf TS3 Company Limited	Baht	SEK	27.27	3.89 - 4.01 Baht per SEK
Gulf TS4 Company Limited	Baht	SEK	15.13	3.94 - 4.38 Baht per SEK
Gulf NC Company Limited	Baht	USD	0.32	33.63 Baht per USD
Gulf BL Company Limited	Baht	SEK	14.81	3.95 - 4.40 Baht per SEK
	Baht	EUR	0.42	40.70 Baht per EUR
	Baht	JPY	31.19	0.30 Baht per JPY
Gulf BP Company Limited	Baht	SEK	14.81	3.96 - 4.38 Baht per SEK
	Baht	EUR	0.25	41.09 Baht per EUR
	Baht	JPY	88.57	0.32 Baht per JPY
Gulf NLL2 Company Limited	Baht	SEK	9.54	4.23 Baht per SEK
	Baht	EUR	0.14	39.17 - 40.25 Baht per EUR
	Baht	JPY	201.32	0.30 - 0.32 Baht per JPY
Gulf NPM Company Limited	USD	SEK	47.96	0.12 USD per SEK
	Baht	SEK	79.07	4.18 - 4.26 Baht per SEK
	Baht	EUR	0.14	39.31 - 40.40 Baht per EUR
	Baht	JPY	258.06	0.30 - 0.32 Baht per JPY
Gulf NRV1 Company Limited	Baht	EUR	0.27	40.53 - 40.54 Baht per EUR
	Baht	USD	3.83	33.39 - 33.41 Baht per USD
	Baht	JPY	339.93	0.30 - 0.32 Baht per JPY
Gulf NRV2 Company Limited	Baht	EUR	2.05	38.39 - 40.65 Baht per EUR
	Baht	USD	5.86	32.42 - 33.32 Baht per USD
	Baht	JPY	387.61	0.29 - 0.32 Baht per JPY

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36 Commitments and significant agreements (continued)

Significant agreements (continued)

(m) Right to use of rooftop space for solar PV rooftop agreement

The Group's subsidiaries entered into the right to use of rooftop space for solar PV rooftop agreements with a related party. The agreements are effective for a period of 25 years commencing on the commercial operation date with PEA. The rental fee and payment terms including other conditions are as stipulated in the agreement.

The subsidiaries entered into agreements detailed as follows:

Name of subsidiaries	Date on agreement
Gulf Solar BV Company Limited	9 April 2014
Gulf Solar KKS Company Limited	19 September 2014
Gulf Solar TS1 Company Limited	21 April 2014
Gulf Solar TS2 Company Limited	19 September 2014

(n) Long-term Service Agreement

The Group's subsidiaries entered into a Long-term Service Agreement for the maintenance of machinery and equipment associated with its gas turbines used for the power plant operation. The service includes the replacement of the main machinery as specified in the agreement. The agreement is effective from the agreement date until the expiration of the operation of gas turbine under the Power Purchase Agreement. The contract value can be adjusted annually based on conditions as stipulated in the agreement.

(o) Contractual Service Agreement

The Group's subsidiaries entered into a Contractual Service Agreement for the procurement and maintenance of the power plants between the Group and counter service party. The agreement is effective from the agreement date until the expiration of the operation of gas turbine under the Power Purchase Agreement. The Group had outstanding commitments to pay for spare gas turbine. For spare gas turbine, the quarterly service fees are based on numbers of gas turbine operating hours and other maintenance fees. The price under the agreement is adjusted annually based on conditions as stipulated in the agreement.

(p) Major Maintenance Services Agreement

The Company entered into the Major Maintenance Services Agreement with Gulf JP Company Limited, the Group's associate, to provide major maintenance services including advice, coordination, supervision and management services for the power plants of the Gulf JP Group. Under the agreement, the service fee is charged on a monthly basis at the rate as stipulated in the agreement. The agreement becomes effective since the agreement signing date until the expiration of the Power Purchase Agreement EGAT and each power plant in Gulf JP Group.

37 Events after the reporting period

On 21 December 2018, at the Board of Director's Meeting of the Company, the Board of Director passed a resolution to approve Gulf International Holding Pte. Ltd., an indirect subsidiary of the Company to increase its equity investment in TTC Energy Development Investment Joint Stock Company, a company registered in Vietnam to operate a solar power project in Vietnam, with an authorised share capital of Vietnam Dong (VND) 312,000 million. Gulf International Holding Pte. Ltd. completed the share transfer process resulting in the Company increasing its indirect shareholding in TTC Energy Development Investment Joint Stock Company to 90% of total registered shares in January 2019.

On 25 January 2019, the Company offered the debentures to institutional investors and high net worth investors valued Baht 7,500 million. The company plans to use the proceeds from the offerings to repurchase the existing debenture valued Baht 6,000 million and invest in the Company's power projects under development as well as overseas projects. The power projects in Vietnam and Oman are in the construction process as planned. The first solar power project in Vietnam with installed capacity 69 MW and the second project with installed capacity 50 MW have Schedule Commercial Operate Date in March and May 2019, respectively. While the wind power project expected to start the construction process in the third quarter of 2019. For the natural gas power plant with installed capacity 326 MW in Oman has started 14% of the total construction process.

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37 Events after the reporting period (continued)

On 25 February 2019, at the Board of Directors' Meeting of the Company, the Board of Directors approved a proposal to Annual General Shareholders' meeting for the year 2019 to consider the payment of dividends at Baht 1.20 per share to the shareholders who are entitled to receive the dividend. The Company will propose the payment of dividend at the next Annual General Shareholders' Meeting of the Company.

Call for additional paid-up capital

- (a) On 17 December 2018, at the Board of Directors' Meeting of Gulf NRV1 Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 48 million issued ordinary shares at Baht 1.64 per share, amounting to Baht 78.70 million, 22.68 million issued ordinary shares at Baht 7.50 per share, amounting to Baht 170.10 million, and 40 million issued ordinary shares at Baht 1.28 per share, amounting to Baht 51.20 million. The total additional paid-up capital was Baht 300 million. The shareholders paid the subscription amount on 21 January 2019.
- (b) On 21 December 2018, at the Board of Directors' Meeting of Gulf MP Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 720 million issued ordinary shares at Baht 0.81 per share, amounting to Baht 580 million. The shareholders paid the subscription amount on 18 January 2019.
- (c) On 23 January 2018, at the Board of Directors' Meeting of Gulf NPM Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 60 million issued ordinary shares at Baht 4.03 per share, amounting to Baht 242 million. The shareholders paid the subscription amount on 14 February 2019.
- (d) On 23 January 2018, at the Board of Directors' Meeting of Gulf NRV2 Company Limited, the Board of Directors passed a resolution to approve the call for additional paid-up capital of 48 million issued ordinary shares at Baht 1.64 per share, amounting to Baht 78.75 million, and 53.90 million issued ordinary shares at Baht 7.50 per share, amounting to Baht 404.25 million. The total additional paid-up capital was Baht 483 million. The shareholders paid the subscription amount on 14 February 2019.

Increase in the authorised share capital of subsidiaries

- (a) On 17 January 2019, at the Extraordinary Shareholders' Meeting of Gulf MP Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital from Baht 11,514 million to Baht 13,314 million by issuing 180 million new ordinary shares at a par value of Baht 10 each, amounting to Baht 1,800 million. The ordinary shares were partially paid-up amounting to Baht 720 million. The shareholders paid the subscription amount on 18 January 2019.
- (b) On 30 January 2019, at the Shareholders' Meeting of Gulf Energy Mauritius Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital from USD 100 to USD 100,000 by issuing 99,900 new ordinary shares at a par value of USD 1 each. The ordinary shares were fully paid-up amounting to USD 99,900. The shareholders paid the subscription amount on 30 January 2019.
- (c) On 7 February 2019, at the Extraordinary Shareholders' Meeting of Gulf BL Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital from Baht 1,471 million to Baht 1,515 million by issuing 4.40 million new ordinary shares at a par value of Baht 10 each. The ordinary shares were fully paid-up amounting to Baht 44 million. The shareholders paid the subscription amount on 14 February 2019.
- (d) On 7 February 2019, at the Extraordinary Shareholders' Meeting of Gulf NPM Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital from Baht 1,200 million to Baht 1,287 million by issuing 8.70 million new ordinary shares at a par value of Baht 10 each. The ordinary shares were fully paid-up amounting to Baht 87 million. The shareholders paid the subscription amount on 14 February 2019.
- (e) On 7 February 2019, at the Extraordinary Shareholders' Meeting of Gulf NRV2 Company Limited, the Shareholders passed a resolution to approve an increase in the authorised share capital from Baht 1,044 million to Baht 1,061 million by issuing 1.70 million new ordinary shares at a par value of Baht 10 each. The ordinary shares were fully paid-up amounting to Baht 17 million. The shareholders paid the subscription amount on 14 February 2019.



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