



Financial
Report
2018



THE POWER
OF SYNERGY

Content

1	Board of Directors' responsibility for financial reporting
2	Independent Auditor's Report
8	Statement of financial position
19	Notes to the financial statements



Board of Directors' responsibility for financial reporting

The consolidated financial statements of Global Power Synergy Public Company Limited and its subsidiaries have been prepared in conformity with the requirements of the Securities Exchange Commission under the Securities and Exchange Act B.E. 2535, the Announcement of the Department of Business Development, issued in accordance with Section 11, Paragraph 3 of the Accounting Act B.E. 2543, and the Financial Reporting Standards prescribed by the Federation of Accounting Professions.

The Board of Directors is responsible for financial statements and the disclosures to ensure that the financial statements are presented fairly, in all material aspects. The effectiveness of internal control has been established to provide reasonable assurance of the financial statements, together with sufficiency and accuracy of accounting data, to preserve the Company's asset and prevent fraud and irregularities with material implications. The Company's ability to continue as a going concern has been assessed in preparing the financial report. The financial report has been prepared in accordingly to appropriate accounting policy and consistency practices, and in conformity with Thai Financial Reporting Standards. Significant information has sufficiently disclosed in notes to financial statements, where the auditor expressed an opinion on the financial statements of Global Power Synergy Public Company Limited and its subsidiaries in the auditor's report.

Mr. Surong Bulakul

Chairman

Mr. Chawalit Tippawanich

President and Chief Executive Officer



Independent Auditor's Report

To the Shareholders of Global Power Synergy Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Global Power Synergy Public Company Limited and its subsidiaries (the "Group") and of Global Power Synergy Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is 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.



Independent Auditor's Report

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. 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.

Recoverability of loan to and interest receivable, and investment in 24M Technologies, Inc.	
Refer to Note 3 4 and 7 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>At 31 December 2018, the Group has loan to and interest receivable totalling to Baht 100.8 million and investment of Baht 1,005.8 million, representing 29.5% share in the capital of 24M Technologies, Inc. in the form of an unquoted equity instrument which is carried at cost.</p> <p>The recoverability of loan to and interest receivable and investment is an area of my focus because the Company is still in the product development stage and therefore not yet profitable. The Group need to involve significant judgement to assess an indicator on impairment of the investment.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • understanding the process that management identify an indicator and test impairment including estimation of discounted future cash flows and key assumptions used in the calculation; • testing key assumptions in estimation of discounted future cash flows to present value with reference to market situations and its operating environment, my knowledge of the industry, and other obtained information; • performing sensitivity analysis, which includes assessing the effect of reasonably possible changes in key assumptions used in estimation of discounted cash flows to evaluate the impact on the cash-generating unit; and • considering the disclosures in the financial statements according to Thai Financial Reporting Standards.



Independent Auditor's Report

Impairment on old machines and assets not used in operation	
Refer to Note 3 15 and 16 to the consolidated financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group has old machines and certain group of assets which are not used in operation totalling net balances of Baht 82.6 million and Baht 70.6 million, respectively. The Group involves significant judgment of key assumptions used to estimate the recoverable amount of assets, including estimate future sales prices.</p> <p>I focused on the estimation of recoverable amount that is based on the higher of the value in use or the fair value less cost to sell.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • understanding the process that management evaluate the recoverable amount of the underlying asset; • challenging the fair value of underlying asset estimated by the independent appraiser using market approach for selling consideration purpose; • assessing the competency of the independent appraiser engaged by the Group in evaluating the appraisal report; • evaluating the appropriateness of the recoverable amount and the key assumptions, including sales volume and prices, operating costs, discount rates and long-term growth rates, which included comparing these inputs with externally derived data as well as my knowledge of the client and the industry; • performing sensitivity analysis, which includes assessing the effect of reasonably possible changes in key assumptions used in estimation of discounted cash flows to evaluate the impact on the cash-generating unit; and • considering the disclosures in the financial statements according to Thai Financial Reporting Standards.



Independent Auditor's Report

Other Information

Management is 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.

My opinion on the consolidated and separate financial statements does not cover the other information and I do 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 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

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

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

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

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



Independent Auditor's Report

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism 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's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If 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.



Independent Auditor's Report

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

I also provide those charged with governance 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 those charged with governance, 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.

(Dussanee Yimsuwan)

Certified Public Accountant

Registration No. 10235

KPMG Phoomchai Audit Ltd.

Bangkok

11 February 2019



Statement of financial position

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets		2018	2017	2018	2017
Current assets					
Cash and cash equivalents	5	4,911,405,612	3,964,780,634	4,851,403,945	3,917,037,946
Restricted bank accounts	6	1,087,994,829	286,420,851	-	-
Current investments	7	10,000,000	6,000,000	-	-
Trade accounts receivable	4, 8	4,091,919,027	3,663,404,827	2,713,742,384	2,774,001,586
Current portion of finance lease receivable	9	700,861,334	605,187,023	700,861,334	605,187,023
Other receivables	4, 10	579,021,123	687,580,920	452,006,405	461,195,073
Current portion of long-term loan to related party	4	-	-	47,760,000	47,760,000
Inventories	11	626,865,620	484,785,602	499,131,522	468,764,033
Other current assets		155,810,190	219,819,327	127,633,509	81,123,897
Total current assets		12,163,877,735	9,917,979,184	9,392,539,099	8,355,069,558
Non-current assets					
Investments in joint ventures	12	2,700,254,834	2,626,124,182	2,613,033,490	2,522,672,690
Investments in associates	12	7,065,122,104	6,148,316,461	923,750,000	923,750,000
Investments in subsidiaries	13	-	-	9,378,179,442	8,499,119,392
Other long-term investments	7	3,213,555,248	2,923,374,630	3,213,555,248	2,923,374,630
Long-term loans to and interest receivables from related parties	4	3,061,023,026	2,965,049,601	3,264,003,026	3,215,789,601
Finance lease receivable	9	4,653,328,462	5,354,189,796	4,653,328,462	5,354,189,796
Property, plant and equipment	15	28,535,210,307	27,245,713,382	15,871,156,398	14,113,270,206
Assets not used in operation	16	70,614,997	73,114,997	-	-
Goodwill		15,043,157	14,874,653	-	-
Intangible assets	17	498,528,297	509,983,447	80,643,683	81,738,856
Deferred tax assets	18	133,546	-	-	-
Right of use of natural gas distribution pipeline	4	536,745,733	558,932,130	-	-
Right of use of asset	15	1,001,421,882	1,043,439,584	-	-
Other non-current assets	4	924,164,092	587,333,074	791,130,327	417,001,042
Total non-current assets		52,275,145,685	50,050,445,937	40,788,780,076	38,050,906,213
Total assets		64,439,023,420	59,968,425,121	50,181,319,175	46,405,975,771

The accompanying notes are an integral part of these financial statements



Statement of financial position

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2018	2017	2018	2017
Liabilities and equity					
Current liabilities					
Trade accounts payable	4, 20	1,901,499,045	1,622,867,058	1,178,598,397	1,038,546,384
Other payables	4, 21	991,922,016	607,695,094	739,224,186	497,900,611
Payable for assets under construction		556,952,482	576,644,074	541,424,174	100,445,767
Current portion of long-term loans from financial institutions	19	1,052,161,534	990,568,752	-	-
Provision	22	101,170,772	101,170,772	101,170,772	101,170,772
Other current liabilities		123,659,090	188,631,812	47,299,143	126,484,649
Total current liabilities		4,727,364,939	4,087,577,562	2,607,716,672	1,864,548,183
Non-current liabilities					
Long-term borrowings from financial institutions	19	11,456,886,336	9,824,030,650	1,991,185,106	-
Debentures	19	4,994,969,991	4,993,464,074	4,994,969,991	4,993,464,074
Deferred tax liabilities	18	491,683,312	507,690,427	396,709,611	408,517,561
Provisions for employee benefits	23	140,392,508	76,669,665	115,484,401	57,435,360
Retention		173,822,848	111,000	173,483,033	-
Other non-current liabilities	4	104,825,140	104,961,263	104,825,140	18,019,457
Total non-current liabilities		17,362,580,135	15,506,927,079	7,776,657,282	5,477,436,452
Total liabilities		22,089,945,074	19,594,504,641	10,384,373,954	7,341,984,635
Equity					
Share capital	24				
Authorised share capital		14,983,008,000	14,983,008,000	14,983,008,000	14,983,008,000
Issued and paid-up share capital		14,983,008,000	14,983,008,000	14,983,008,000	14,983,008,000
Share premium on ordinary shares		9,485,108,656	9,485,108,656	9,485,108,656	9,485,108,656
Other surpluses (deficits)		(1,118,213,914)	(1,118,213,914)	78,467,400	78,467,400
Retained earnings					
Appropriated					
Legal reserve	25	840,417,052	707,995,886	840,417,052	707,995,886
Unappropriated		15,804,942,811	14,496,214,903	14,409,944,113	13,809,411,194
Other components of equity	25	(3,297,476)	(7,233,732)	-	-
Equity attributable to owners of the parent		39,991,965,129	38,546,879,799	39,796,945,221	39,063,991,136
Non-controlling interests	14	2,357,113,217	1,827,040,681	-	-
Total equity		42,349,078,346	40,373,920,480	39,796,945,221	39,063,991,136
Total liabilities and equity		64,439,023,420	59,968,425,121	50,181,319,175	46,405,975,771

The accompanying notes are an integral part of these financial statements



Statement of income

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2018	2017	2018	2017
Revenue from sale and rendering of services	4, 32	24,234,554,298	19,325,029,263	17,312,051,558	17,010,624,311
Revenue from finance lease		542,850,437	591,730,622	542,850,437	591,730,622
Cost of sale and rendering of services	4	(20,201,378,750)	(16,375,944,322)	(14,970,425,315)	(14,530,966,466)
Gross profit		4,576,025,985	3,540,815,563	2,884,476,680	3,071,388,467
Revenue from sale of Nitrogen	4	102,737,777	108,026,487	102,737,777	108,026,487
Cost of sale of Nitrogen		(97,184,773)	(102,641,010)	(97,184,773)	(102,641,010)
Net foreign exchange loss		(14,668,312)	(3,344,368)	(12,969,372)	(1,970,533)
Dividend income	4	135,005,250	270,005,280	706,588,665	591,292,814
Other income	4	285,607,230	478,040,738	303,609,655	371,264,055
Selling and distribution expenses	4	(16,721,775)	(10,570,439)	(16,721,775)	(10,570,439)
Administrative expenses	4, 27	(919,885,174)	(839,520,726)	(839,986,574)	(733,254,832)
Share of profit of associates and joint ventures	12	594,808,814	517,130,619	-	-
Profit before finance cost and tax expense		4,645,725,022	3,957,942,144	3,030,550,283	3,293,535,009
Finance costs	30	(513,720,040)	(361,011,385)	(134,277,339)	(233,065,729)
Profit before tax expense		4,132,004,982	3,596,930,759	2,896,272,944	3,060,469,280
Tax expense	31	(242,792,153)	(256,761,967)	(247,849,628)	(224,701,018)
Profit for the year		3,889,212,829	3,340,168,792	2,648,423,316	2,835,768,262
Profit attributable to:					
Owners of the parent		3,359,187,203	3,174,581,310	2,648,423,316	2,835,768,262
Non-controlling interests	14	530,025,626	165,587,482	-	-
Profit for the year		3,889,212,829	3,340,168,792	2,648,423,316	2,835,768,262
Basic earnings per share	33	2.24	2.12	1.77	1.89

The accompanying notes are an integral part of these financial statements



Statement of comprehensive income

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

	Note	Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
		2018	2017	2018	2017
Profit for the year		3,889,212,829	3,340,168,792	2,648,423,316	2,835,768,262
Other comprehensive income (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		3,983,166	(55,433,694)	-	-
Total items that will be reclassified subsequently to profit or loss		3,983,166	(55,433,694)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Share of other comprehensive income of associates and joint ventures	12	-	579,677	-	-
Losses on remeasurements of defined benefit plans	18, 23	(45,162,129)	-	(42,593,231)	-
Total items that will not be reclassified to profit or loss		(45,162,129)	579,677	(42,593,231)	-
Other comprehensive income (loss) for the year, net of tax		(41,178,963)	(54,854,017)	(42,593,231)	-
Total comprehensive income (loss) for the year		3,848,033,866	3,285,314,775	2,605,830,085	2,835,768,262
Total comprehensive income (loss) attributable to:					
Owners of the parent		3,317,961,330	3,120,017,266	2,605,830,085	2,835,768,262
Non-controlling interests	14	530,072,536	165,297,509	-	-
Total comprehensive income (loss) for the year		3,848,033,866	3,285,314,775	2,605,830,085	2,835,768,262

The accompanying notes are an integral part of these financial statements



Statement of changes in equity

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

Consolidated financial statements									
	Issued and paid-up share capital	Share premium on ordinary shares	Other surpluses (deficits)	Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Translating foreign operations			
For the year ended 31 December 2017									
Balance at 1 January 2017	14,983,008,000	9,485,108,656	(1,118,213,914)	566,207,473	13,185,888,249	47,909,989	37,149,908,453	1,604,204,922	38,754,113,375
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Dividends	-	-	-	-	(1,723,045,920)	-	(1,723,045,920)	-	(1,723,045,920)
Total contributions by and distributions to owners of the parent	-	-	-	-	(1,723,045,920)	-	(1,723,045,920)	-	(1,723,045,920)
Changes in ownership interests in subsidiaries									
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	57,538,250	57,538,250
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	57,538,250	57,538,250
Total transactions with owners, recorded directly in equity	-	-	-	-	(1,723,045,920)	-	(1,723,045,920)	57,538,250	(1,665,507,670)
Comprehensive income (loss) for the year									
Profit for the year	-	-	-	-	3,174,581,310	-	3,174,581,310	165,587,482	3,340,168,792
Other comprehensive income (loss)	-	-	-	-	579,677	(55,143,721)	(54,564,044)	(289,973)	(54,854,017)
Total comprehensive income (loss) for the year	-	-	-	-	3,175,160,987	(55,143,721)	3,120,017,266	165,297,509	3,285,314,775
Transfer to legal reserve	-	-	-	141,788,413	(141,788,413)	-	-	-	-
Balance at 31 December 2017	14,983,008,000	9,485,108,656	(1,118,213,914)	707,995,886	14,496,214,903	(7,233,732)	38,546,879,799	1,827,040,681	40,373,920,480

The accompanying notes are an integral part of these financial statements

Note

35

13

25

Statement of changes in equity

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

Consolidated financial statements									
	Issued and paid-up share capital	Share premium on ordinary shares	Other surpluses (deficits)	Retained earnings		Other components of equity	Equity attributable to owners of the parent	Non-controlling Interests	Total equity
				Legal reserve	Unappropriated				
For the year ended 31 December 2018									
Balance at 1 January 2018	14,983,008,000	9,485,108,656	(1,118,213,914)	707,995,886	14,496,214,903	(7,233,732)	38,546,879,799	1,827,040,681	40,373,920,480
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent	-	-	-	-	(1,872,876,000)	-	(1,872,876,000)	-	(1,872,876,000)
Dividends									
Total contributions by and distributions to owners of the parent	-	-	-	-	(1,872,876,000)	-	(1,872,876,000)	-	(1,872,876,000)
Total transactions with owners, recorded directly in equity	-	-	-	-	(1,872,876,000)	-	(1,872,876,000)	-	(1,872,876,000)
Comprehensive income (loss) for the year									
Profit for the year	-	-	-	-	3,359,187,203	-	3,359,187,203	530,025,626	3,889,212,829
Other comprehensive income (loss)	-	-	-	-	(45,162,129)	3,936,256	(41,225,873)	46,910	(41,178,963)
Total comprehensive income (loss) for the year	-	-	-	-	3,314,025,074	3,936,256	3,317,961,330	530,072,536	3,848,033,866
Transfer to legal reserve	-	-	-	132,421,166	(132,421,166)	-	-	-	-
Balance at 31 December 2018	14,983,008,000	9,485,108,656	(1,118,213,914)	840,417,052	15,804,942,811	(3,297,476)	39,991,965,129	2,357,113,217	42,349,078,346

Note

35

25

The accompanying notes are an integral part of these financial statements



Statement of changes in equity

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

	Separate financial statements				
	Issued and paid-up share capital	Share premium on ordinary shares	Other surpluses (deficits)	Retained earnings	Total equity
				Legal reserve	Unappropriated
For the year ended 31 December 2017					
Balance at 1 January 2017	14,983,008,000	9,485,108,656	78,467,400	566,207,473	12,838,477,265
Transactions with owners, recorded directly in equity					
<i>Contributions by and distributions to owners</i>					
Dividends	-	-	-	-	(1,723,045,920)
Total contributions by and distributions to owners	-	-	-	-	(1,723,045,920)
Comprehensive income (loss) for the year					
Profit for the year	-	-	-	-	2,835,768,262
Other comprehensive income (loss)	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	-	2,835,768,262
Transfer to legal reserve	-	-	-	141,788,413	(141,788,413)
Balance at 31 December 2017	14,983,008,000	9,485,108,656	78,467,400	707,995,886	13,809,411,194
					39,063,991,136

Note

35

25

The accompanying notes are an integral part of these financial statements



Statement of changes in equity

Global Power Synergy Public Company Limited and its Subsidiaries

Separate financial statements						(in Baht)
	Issued and paid-up share capital	Share premium on ordinary shares	Other surpluses (deficits)	Retained earnings		Total equity
				Legal reserve	Unappropriated	
For the year ended 31 December 2018						
Balance at 1 January 2018	14,983,008,000	9,485,108,656	78,467,400	707,995,886	13,809,411,194	39,063,991,136
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends	-	-	-	-	(1,872,876,000)	(1,872,876,000)
Total contributions by and distributions to owners	-	-	-	-	(1,872,876,000)	(1,872,876,000)
Comprehensive income (loss) for the year						
Profit for the year	-	-	-	-	2,648,423,316	2,648,423,316
Other comprehensive income (loss)	-	-	-	-	(42,593,231)	(42,593,231)
Total comprehensive income (loss) for the year	-	-	-	-	2,605,830,085	2,605,830,085
Transfer to legal reserve	-	-	-	132,421,166	(132,421,166)	-
Balance at 31 December 2018	14,983,008,000	9,485,108,656	78,467,400	840,417,052	14,409,944,113	39,796,945,221

Note

35

25

The accompanying notes are an integral part of these financial statements



Statement of cash flows

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2018	2017	2018	2017
Cash flows from operating activities					
Profit for the year		3,889,212,829	3,340,168,792	2,648,423,316	2,835,768,262
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	31	242,792,153	256,761,967	247,849,628	224,701,018
Finance costs	30	513,720,040	361,011,385	134,277,339	233,065,729
Depreciation and amortisation	29	1,802,036,578	1,351,305,100	1,123,730,150	1,091,968,904
(Reversal of) impairment losses on assets	15, 16	(95,062,290)	30,859,730	-	-
Provision for legal case	22	-	101,170,772	-	101,170,772
Provisions for employee benefits	23	11,565,235	10,613,759	9,046,346	8,176,452
Unrealised loss on exchange		17,647,028	3,264,715	16,577,830	6,618,132
Share of profit of associates and joint ventures	12	(594,808,814)	(517,130,619)	-	-
Bad and doubtful debts expenses		-	4,290,063	-	4,290,063
Loss on disposal of property, plant and equipment		9,344,606	780,156	9,344,606	780,156
Loss on disposal of assets not used in operation		101,867,203	-	-	-
Income from liquidated damages for delay in construction		-	(130,473,652)	-	-
Dividend income	4	(135,005,250)	(270,005,280)	(706,588,665)	(591,292,814)
Interest income		(245,619,692)	(246,791,781)	(248,277,485)	(256,490,848)
		5,517,689,626	4,295,825,107	3,234,383,065	3,658,755,826
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(428,705,101)	(1,483,472,069)	60,259,202	(1,015,908,746)
Finance lease receivable		605,187,023	436,700,770	605,187,023	436,700,770
Other receivables		112,894,609	85,862,423	13,163,811	80,737,707
Inventories		(142,080,018)	(27,027,374)	(30,367,489)	(16,590,051)
Other current assets		67,308,083	(73,308,551)	(46,509,612)	(4,307,647)
Other non-current assets		(395,260,418)	(252,753,007)	(428,879,633)	(217,013,192)
Trade accounts payable		278,631,898	482,628,947	140,052,013	34,827,129
Other payables		377,278,741	(69,747,327)	237,736,616	(141,679,401)
Other current liabilities		45,817,871	17,619,224	9,803,551	(12,775,733)
Provisions for employee benefits paid	23	(4,277,018)	(626,200)	(4,220,800)	(560,200)
Other non-current liabilities		174,805,391	(143,191,214)	262,756,775	18,019,456
Cash generated from operating activities		6,209,290,687	3,268,510,729	4,053,364,522	2,820,205,918
Taxes paid		(361,177,139)	(115,543,779)	(338,016,371)	(115,391,104)
Net cash from operating activities		5,848,113,548	3,152,966,950	3,715,348,151	2,704,814,814

The accompanying notes are an integral part of these financial statements



Statement of cash flows

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

		Consolidated financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	Note	2018	2017	2018	2017
Cash flows from investing activities					
(Increase) Decrease in restricted bank accounts		(801,573,978)	72,814,981	-	-
Cash outflow for right of use		-	(797,070,865)	-	(61,432,000)
Borrowing cost related to acquisition of assets		(20,726,302)	(222,789,540)	(18,064,328)	-
Cash received from current investments		-	2,026,103,449	-	2,032,103,449
Cash outflow for current investments		(4,000,000)	-	-	-
Cash outflow for investments in joint ventures	12	(90,360,800)	(26,120,000)	(90,360,800)	(26,120,000)
Cash outflow for investments in associates	12	(878,060,250)	(1,640,353,500)	-	(250,312,500)
Cash outflow for investments in subsidiaries	13	-	-	(878,060,250)	(872,198,163)
Cash outflow for other long-term investments		(98,969,991)	(250,000)	(98,969,991)	(250,000)
Cash received from long-term loan to related party	4	-	-	47,760,000	33,000,000
Cash outflow for long-term loan to related parties	4	(93,907,500)	(277,910,402)	(93,907,500)	(332,910,402)
Purchase of property, plant and equipment		(2,937,437,953)	(2,047,502,947)	(2,364,286,743)	(594,893,960)
Purchase of intangible assets		(2,526,872)	(22,184,525)	(11,785,948)	(15,747,625)
Dividends received		696,088,663	564,459,464	696,088,663	564,459,475
Interest received		71,547,112	80,650,163	74,205,965	90,093,935
Translating foreign operations		6,790,520	(22,192,829)	-	-
Net cash from (used in) investing activities		(4,153,137,351)	(2,312,346,551)	(2,737,380,932)	565,792,209

The accompanying notes are an integral part of these financial statements



Statement of cash flows

Global Power Synergy Public Company Limited and its Subsidiaries

(in Baht)

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2018	2017	2018	2017
Cash flows from financing activities					
Payment borrowing fee to financial institutions		(15,215,519)	(23,548,531)	(11,714,093)	(14,876,712)
Proceeds from short-term borrowings from financial institutions	19	-	5,700,000,000	-	5,700,000,000
Repayment of short-term borrowings from financial institutions	19	-	(5,700,000,000)	-	(5,700,000,000)
Proceeds from short-term borrowing from related party	19	-	1,000,000,000	-	1,000,000,000
Repayment of short-term borrowing from related party	19	-	(1,000,000,000)	-	(1,000,000,000)
Proceeds from long-term borrowings from financial institutions	19	2,865,845,888	1,896,485,860	2,000,000,000	-
Repayment of long-term borrowings from financial institutions	19	(1,199,461,387)	(7,227,427,803)	-	(7,218,686,435)
Proceeds from issuance of debentures	19	-	5,000,000,000	-	5,000,000,000
Transaction cost from issuance of debentures		-	(6,135,926)	-	(6,135,926)
Dividend paid to owners of the Company	35	(1,872,876,000)	(1,723,045,920)	(1,872,876,000)	(1,723,045,920)
Interest paid		(494,823,278)	(279,229,551)	(127,190,203)	(153,363,180)
Proceeds from subsidiary shares from non-controller		-	57,538,250	-	-
Net cash used in financing activities		(716,530,296)	(2,305,363,621)	(11,780,296)	(4,116,108,173)
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		978,445,901	(1,464,743,222)	966,186,923	(845,501,150)
Effect of exchange rate changes on cash and cash equivalents		(31,820,923)	7,853,747	(31,820,924)	7,853,747
Net increase (decrease) in cash and cash equivalents		946,624,978	(1,456,889,475)	934,365,999	(837,647,403)
Cash and cash equivalents at beginning of period		3,964,780,634	5,421,670,109	3,917,037,946	4,754,685,349
Cash and cash equivalents at ending of period	5	4,911,405,612	3,964,780,634	4,851,403,945	3,917,037,946
Non-cash transactions					
Payable for assets under construction		556,952,482	576,644,074	541,424,174	100,445,767
Dividend receivable		89,833,352	79,333,350	89,833,352	79,333,350

The accompanying notes are an integral part of these financial statements



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Restricted bank accounts
7	Other investments
8	Trade accounts receivable
9	Finance lease receivable
10	Other receivables
11	Inventories
12	Investments in associates and joint ventures
13	Investments in subsidiaries
14	Non-controlling interests
15	Property, plant and equipment
16	Assets not used in operation
17	Intangible assets
18	Deferred tax
19	Interest-bearing liabilities
20	Trade accounts payable
21	Other payables
22	Provisions
23	Provisions for employee benefits
24	Share capital
25	Legal reserves and the other components of equity
26	Segment information
27	Administrative expenses
28	Employee benefit expenses
29	Expenses by nature
30	Finance costs



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Note	Contents
------	----------

31	Income tax expense
32	Promotional privileges
33	Basic earnings per share
34	Financial instruments
35	Dividend
36	Commitments with non-related parties
37	Events after the reporting period
38	Thai Financial Reporting Standards (TFRS) not yet adopted



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 11 February 2019.

1 General information

Global Power Synergy Public Company Limited, “GPSC”, arose from the amalgamation between PTT Utility Company Limited, “PTTUT”, and Independent Power (Thailand) Company Limited, “IPT” and was registered on 10 January 2013 in accordance with the Civil and Commercial Code. The amalgamation has resulted in the exchange of shares of PTTUT and IPT with the Company’s shares for PTTUT’s and IPT’s shareholders whose name appear in the Shareholder’s registration book of PTTUT and IPT. GPSC is entitled to all the assets, liabilities, rights, obligations and commitments under agreements that PTTUT and IPT entered into prior to the amalgamation.

Global Power Synergy Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

Head Office : 555/2, Energy Complex, Building B, 5th Floor, Vibhavadi-Rangsit Road, Chatuchak, Bangkok

Branch 1 : 24, PakornSongkrao-Rat Road, Tambon Huai Pong, Amphur MueangRayong, Rayong

Branch 2 : 92/9, Rayong 3191 Road, Tambon Map Ta Phut, Amphur MueangRayong, Rayong

Branch 3 : 5/11, PakornSongkrao-Rat Road, Tambon Map Ta Phut, Amphur MueangRayong, Rayong

Branch 4 : 42/3 Moo 1, Sukhumvit Road, Tambon Tungsukla, Amphur Sriracha, Chonburi

Branch 5 : 98/19, Highway - Rayong No.3191 Road, Tambon Map Ta Phut, Amphur MueangRayong,
Rayong

Branch 6 : 94/4 Moo 3, Tambon Nam Khok, Amphur MueangRayong, Rayong



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries For the year ended 31 December 2018

The Company was listed on the Stock Exchange of Thailand ("SET") on 14 May 2015.

The major shareholders during the financial period were PTT Global Chemical Plc. (22.73% shareholding), PTT Plc. (22.58% shareholding), Thaipower Co., Ltd. (20.79% shareholding) and Thai Oil Plc. (8.91% shareholding). All were incorporated in Thailand. The ultimate parent company was PTT Plc.

The principal businesses of the Company are the production and distribution of electricity, steam and water for industrial purpose. Details of the Company's subsidiaries and joint ventures as at 31 December 2018 and 2017 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2018	2017
Direct subsidiaries				
Combined Heat and Power Producing Co., Ltd.	Production and distribution of electricity and chilled water / construction and installation of electricity generating system	Thailand	100	100
Natee Synergy Co., Ltd.	Holding company	Thailand	100	100
IRPC Clean Power Co., Ltd.	Production and distribution of electricity, steam and water for industrial purpose	Thailand	51	51
Ichinoseki Solar Power 1 GK	Production and distribution of electricity	Japan	99	99
GPSC International Holdings Limited	Holding company	Hong Kong	100	100
Global Renewable Power Co., Ltd.	Holding company	Thailand	100	-
Joint ventures				
Thai Solar Renewable Co., Ltd.	Holding company	Thailand	40	40
Nava Nakorn Electricity Generating Co., Ltd.	Production and distribution of electricity	Thailand	30	30
Nam Lik 1 Power Co., Ltd.	Production and distribution of electricity	Lao PDR	40	40
Indirect joint venture				
Siam Solar Energy 1 Co., Ltd.	Production and distribution of electricity	Thailand	40	40



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 38.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for defined benefit liabilities which measured by present value of the defined benefit obligation as explained in note 3 (p).

(c) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 7	Other investments
Note 9	Finance lease receivable
Note 15	Property, plant and equipment
Note 16	Assets not used in operation
Note 18	Deferred tax
Note 22	Provision
Note 23	Provision for employee benefits
Note 34	Financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's Audit Committee.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 16	Assets not used in operation
Note 34	Financial instruments

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associate is the entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to functional currency at the foreign exchange rates at the dates of the transactions.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on reporting dates.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Derivatives

Derivatives are used to manage exposure to foreign exchange and interest rate arising from operational and financing activities. The Group uses financial instruments to reduce exposure in fluctuation of foreign currency exchange and interest rate risk. These instruments, which mainly comprise foreign currency forward contracts and interest rate swap contracts, are not recognised in the financial statement on inception.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Foreign currency forward contracts

Foreign currency forward contracts protect the Company from risks in fluctuation of exchange rates by establishing the future exchange rate. At the settlement date, the differences between contracted forward rates and the transaction rates are recognised in profit or loss.

Interest rate swap contracts

Interest rate swap contracts protect the Company from risks in fluctuation of interest rates. The differences under interest rate swaps are recorded as adjustments to the interest expense relating to the financial obligations in profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, current and savings accounts and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade accounts receivables

Trade accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Finance lease receivable

Finance lease receivable are stated outstanding balance net of unearned interest income less allowance for doubtful.

The Group determines whether an arrangement that does not take the legal form of a lease, convey right to control the use of underlying asset during the arrangement period in return of a payment or series of payments. The underlying asset is a specific asset that is subject for a lease arrangement.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(g) Inventories

Inventories are measured at the lower of cost and net realisable value less allowance for doubtful accounts.

Cost of inventory is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Spare parts and supplies for maintenance are classified as inventories and recognised in profit or loss when they are used.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Investments

Investments in associates, subsidiaries and joint ventures

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other equity securities

Equity securities which are not marketable are stated at cost less any impairment losses.

(i) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost Less accumulated depreciation and impairment losses.

Major standby spare parts and equipments where the Group estimates useful life is more than one year and other spare parts and equipments used in major repair and maintenance processes that to be used in connection with the property, plant and equipment will be reclassified as property, plant and equipments and depreciated from acquisitions and available-for-use. Major standby spare parts which are replaced by a major overhaul will be disposed and record replaced spare parts at the net book value at the date of replacements.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5 - 40 years
Power plant, machinery and plant equipment	3 - 40 years
Furniture, fixtures and office equipment	3 - 28 years
Vehicles	5 years



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

No depreciation is provided on land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(j) **Service concession arrangements**

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value upon initial recognition. Subsequent to initial recognition, the financial assets are measured at amortised cost.

(k) **Intangible assets**

Goodwill

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Right fees and computer software

Right fees and computer software that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, Less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	5 - 20	years
Right to power purchase agreement and right to operate	20	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Deferred charges

Deferred charges are amortised over the estimated period to which the benefits relate, which are principally in line with the agreements to which such deferred charges relate.

(m) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(o) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(p) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed every three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gains or losses are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of equity-settled share-based payment award granted to employees is generally recognised as an expense for the period that the employee entitle to the award with non-vesting condition.

(q) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(r) Revenue

Revenue excludes value added taxes and other sales taxes and is arrived at after deduction of trade discounts.

Sale of goods

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or associated costs.

Rendering of services

The Group recognises revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Service concession arrangements

Revenue relating to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Revenue from finance lease contracts

The Company recognise revenue from finance lease contracts by the effective interest rate method.

Interest and other income

Interest and other income are recognised in profit or loss as they accrue.

(s) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use.

(t) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(u) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) *Earnings per share*

The Group presents basic earnings per share (EPS) for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

(w) *Segment reporting*

Segment results that are reported to the Group's chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ Nationality	Nature of relationships
PTT Plc.	Thailand	The ultimate parent company
PTT Global Chemical Plc.	Thailand	Shareholder and common directors
Thai Oil Plc.	Thailand	Shareholder and common directors
Thaioil Power Co., Ltd.	Thailand	Shareholder and common directors
Combined Heat and Power Producing Co., Ltd.	Thailand	Subsidiary, 100% shareholding
Natee Synergy Co., Ltd.	Thailand	Subsidiary, 100% shareholding
Ichinoseki Solar Power 1 GK	Japan	Subsidiary, 99% shareholding
IRPC Clean Power Co., Ltd.	Thailand	Subsidiary, 51% shareholding
GPSC International Holdings Limited	Hong Kong	Subsidiary, 100% shareholding
Global Renewable Power Co., Ltd.	Thailand	Subsidiary, 100% shareholding
Thai Solar Renewable Co., Ltd.	Thailand	Joint venture, 40% shareholding
Nam Lik 1 Power Co., Ltd.	Lao PDR	Joint venture, 40% shareholding
Nava Nakorn Electricity Generating Co., Ltd.	Thailand	Joint venture, 30% shareholding
Bangpa-in Cogeneration Co., Ltd.	Thailand	Associate, 25% shareholding
Siam Solar Energy 1 Co., Ltd.	Thailand	Indirect joint venture
Xayaburi Power Co., Ltd.	Lao PDR	Indirect associate
IRPC Plc.	Thailand	Major shareholding by the ultimate parent company, subsidiary's shareholder
PTT Energy Resources Co., Ltd.	Thailand	Major shareholding by the ultimate parent company
HMC Polymers Co., Ltd.	Thailand	Joint venture of the Company's shareholder
PTT Asahi Chemical Co., Ltd.	Thailand	Joint venture of the Company's shareholder
PTT Tank Terminal Co., Ltd.	Thailand	Major shareholding by the ultimate parent company
Energy Complex Co., Ltd.	Thailand	Major shareholding by the ultimate parent company



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Name of entities	Country of incorporation/ Nationality	Nature of relationships
GC Maintenance and Engineering Co., Ltd. (Formerly PTT Maintenance and Engineering Co., Ltd.)	Thailand	Major shareholding by the Company's shareholder
GC Estate Co., Ltd.	Thailand	Major shareholding by the Company's shareholder
GC Logistics Solutions Co., Ltd. (Formerly PTT Polymer Logistic Co., Ltd.)	Thailand	Major shareholding by the Company's shareholder
Business Services Alliance Co., Ltd.	Thailand	Shareholding by the ultimate parent company and the Company's shareholder, 25% preferred shareholding
PTT Digital Solutions Co., Ltd.	Thailand	Major shareholding by the ultimate parent company and the Company's shareholder and common director
Thai Fatty Alcohols Co., Ltd.	Thailand	Indirect major shareholding by the Company's shareholder
Global Green Chemicals Plc.	Thailand	Major shareholding by the Company's shareholder and common directors
PTT Phenol Co., Ltd.	Thailand	Major shareholding by the Company's shareholder
Dhipaya Insurance Plc.	Thailand	Shareholding by the ultimate parent company
Vinythai Plc.	Thailand	Shareholding by the Company's shareholder
NPC Safety and Environmental Service Co., Ltd.	Thailand	Major shareholding by the Company's shareholder
GC Glycol Co., Ltd. (Formerly TOC Glycol Co., Ltd.)	Thailand	Major shareholding by the Company's shareholder
Solution Creation Co., Ltd.	Thailand	Major shareholding by the Company's shareholder
Vencorex (Thailand) Co., Ltd.	Thailand	Indirect major shareholding by the Company's shareholder
Advanced Biochemical (Thailand) Co., Ltd.	Thailand	Indirect shareholding by the Company's shareholder
Thai Ethoxylate Co., Ltd.	Thailand	Indirect joint venture of the Company's shareholder
Eastern Fluid Transport Co., Ltd.	Thailand	Shareholding by the Company's shareholder
Ratchaburi Power Co., Ltd.	Thailand	15% shareholding
Sarn Palung Social Enterprise Co., Ltd.	Thailand	Major shareholding by the ultimate parent company and shareholding by the Company's shareholder, 10% shareholding



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Name of entities	Country of incorporation/ Nationality	Nature of relationships
Sak Chaisidhi Co., Ltd.	Thailand	Indirect major shareholding by the Company's shareholder
PTT Green Energy (Thailand) Co., Ltd.	Thailand	Major shareholding by the ultimate parent company
PTT Oil and Retail Business Plc.	Thailand	Major shareholding by the ultimate parent company and common director
24M Technologies, Inc.	United States	29.5% preferred stock shareholding and common director
TOP SPP Co., Ltd.	Thailand	Major shareholding by the Company's shareholder and common director
PTTEP Services Co., Ltd.	Thailand	Indirect major shareholding by the ultimate parent company
PTT Retail Management Co., Ltd.	Thailand	Indirect shareholding by the ultimate parent company
GC Marketing Solutions Co., Ltd. (Formerly PTT Polymer Marketing Co., Ltd.)	Thailand	Major shareholding by the Company's shareholder
PTTEP International Co., Ltd.	Thailand	Indirect major shareholding by the ultimate parent company
Sports Services Alliance Co., Ltd.	Thailand	Indirect shareholding by the Company's shareholder and the Company
PTT Exploration and Production Plc.	Thailand	Major shareholding by the ultimate parent company
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the Company.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

The pricing policies for particular types of transactions are explained further belows:

Transactions	Pricing policies
Sale of goods	Contract price
Rendering of service	Contract price
Purchase of goods / raw materials	Contract price based on market
Rental fee	Contract price
Services fee	Contract price
Technical fee	Contract price
Interest income / interest expense	Contract rate

Significant transactions for the year ended 31 December with related parties were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Year ended 31 December				
The ultimate parent company				
Other income	185	10	185	10
Cost of sale	16,200,426	12,945,650	12,184,172	11,597,955
Selling, distribution and administrative expenses	55,446	59,599	55,377	59,492
Finance cost	-	1,639	-	1,639
Cost of property, plant and equipment	281,298	175,629	274,271	-
Shareholders				
Revenue from sale	4,535,297	3,976,802	4,535,297	3,976,802
Other income	4,798	124	4,798	124
Cost of sale	43,918	44,601	43,918	44,601
Administrative expenses	558	17,188	558	17,188
Cost of property, plant and equipment	6,290	-	6,290	-



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries				
Interest income	-	-	14,375	14,109
Other income	-	-	19,126	14,814
Administrative expenses	-	-	5,292	-
Associate				
Dividend income	-	-	81,150	20,288
Joint ventures				
Dividend income	-	-	490,433	301,000
Interest income	6,829	2,544	6,829	2,544
Other income	3,482	5,244	3,482	5,244
Indirect associate				
Interest income	160,105	160,742	160,105	160,742
Other income	8,435	7,920	8,435	7,920
Other related parties				
Revenue from sale	8,710,199	8,115,109	6,305,324	6,017,263
Revenue from sale of Nitrogen	102,738	108,026	102,738	108,026
Dividend income	135,005	270,005	135,005	270,005
Other income	22,517	83,020	22,517	83,020
Cost of sale	522,891	577,002	420,715	515,393
Selling, distribution and administrative expenses	106,088	81,771	95,466	78,537
Cost of property, plant and equipment and intangible assets	8,941	38,799	8,658	7,081
Key management personnel compensation				
Short-term employee benefits	91,970	60,173	90,208	58,426



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Balances as at 31 December with related parties were as follows:

Trade accounts receivable - related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Shareholders				
PTT Global Chemical Plc.	780,208	756,492	780,208	756,492
Other related parties				
GC Glycol Co., Ltd. (Formerly TOC Glycol Co., Ltd.)	95,758	171,568	95,758	171,568
Global Green Chemicals Plc.	79,317	69,607	79,317	69,607
PTT Phenol Co., Ltd.	636,052	557,490	636,052	557,490
Thai Ethoxylate Co., Ltd.	2,378	2,337	2,378	2,337
Thai Fatty Alcohols Co., Ltd.	21,256	18,895	21,256	18,895
HMC Polymers Co., Ltd.	157,844	266,394	157,844	266,394
Other related parties				
PTT Asahi Chemical Co., Ltd.	21,465	46,582	21,465	46,582
PTT Logistics Solutions Co., Ltd. (Formerly PTT Polymer Logistics Co., Ltd.)	26,654	9,033	10,674	9,033
IRPC Plc.	567,297	300,256	-	-
Vencorex (Thailand) Co., Ltd.	7,118	9,506	7,118	9,506
PTT Retail Management Co., Ltd.	699	3,191	-	-
PTT Oil and Retail Business Plc.	1,558	-	-	-
	2,397,604	2,211,351	1,812,070	1,907,904
Less: allowance for doubtful accounts	-	-	-	-
Net	2,397,604	2,211,351	1,812,070	1,907,904
Bad and doubtful debts expense for the year	-	-	-	-



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Other receivables - related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Ultimate parent company				
PTT Plc.	601	680	601	680
Shareholders				
PTT Global Chemical Plc.	24	1	24	1
Thai Oil Plc.	4,906	4,906	4,906	4,906
Subsidiaries				
Combined Heat and Power Producing Co., Ltd.	-	-	5,311	9,638
Natee Synergy Co., Ltd.	-	-	770	771
IRPC Clean Power Co., Ltd.	-	-	1,022	870
Ichinoseki Solar Power 1 GK	-	-	200	308
GPSC International Holdings Limited	-	-	286	499
Joint ventures				
Nam Lik 1 Power Co., Ltd.	5,564	6,249	5,564	6,249
Nava Nakorn Electricity Generating Co., Ltd.	449	450	449	450
Thai Solar Renewable Co., Ltd.	89,833	79,333	89,833	79,333
Indirect associate				
Xayaburi Power Co., Ltd.	703	660	703	660
Other related parties				
Solution Creation Co., Ltd.	7,050	7,050	7,050	7,050
PTT Tank Terminal Co., Ltd.	1,835	1,094	1,835	1,094
PTT Phenol Co., Ltd.	4,923	8,667	4,923	8,667
PTT Digital Solutions Co., Ltd.	210	208	208	208
PTT Asahi Chemical Co., Ltd.	40,839	21,391	40,839	21,391
Dhipaya Insurance Plc.	69,065	71,195	56,168	57,899



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other related parties				
Siam Solar Energy 1 Co., Ltd	529	504	529	504
IRPC Plc.	76	76	-	-
Vencorex (Thailand) Co., Ltd	50,856	65,771	50,856	65,771
Thai Ethoxylate Co., Ltd.	202	1,203	202	1,203
NPC Safety and Environmental Service Co., Ltd.	12	6	12	6
HMC Polymers Co., Ltd.	2	-	2	-
GC Glycol Co., Ltd. (Formerly TOC Glycol Co., Ltd.)	117,139	-	117,139	-
	394,818	269,444	389,432	268,158
Less: allowance for doubtful accounts	-	-	-	-
Net	394,818	269,444	389,432	268,158
Bad and doubtful debts expense for the year	-	-	-	-

Long-term loans to and interest receivables from related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiary				
Combined Heat and Power Producing Co., Ltd.				
- Current portion of long-term loan	-	-	47,760	47,760
- Long-term loan	-	-	202,980	250,740
Joint venture				
Nam Lik 1 Power Co., Ltd.				
- Long-term loan	100,432	101,146	100,432	101,146
- Interest receivable	9,321	2,495	9,321	2,495



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Indirect associate				
Xayaburi Power Co., Ltd.				
- Long-term loan	2,463,160	2,463,160	2,463,160	2,463,160
- Interest receivable	387,277	227,172	387,277	227,172
Other related party				
24M Technologies, Inc.*				
- Subordinated and convertible promissory note	96,854	162,573	96,854	162,573
- Interest receivable	3,979	8,504	3,979	8,504
Total	3,061,023	2,965,050	3,311,763	3,263,550

* See Note 7 for recoverability of loan to and interest receivable from and investment in 24M Technologies, Inc.

Long-term loan agreements

Combined Heat and Power Producing Co., Ltd.

Credit facility of Baht 313.5 million with loan agreement dated on 24 June 2014, due in 10 years with an interest rate per annum at MLR minus discount, payable in semi-annual installments commencing in December 2014. The purpose of this loan is for working capital. As at 31 December 2018, the unutilised credit facility is amounting to Baht 62.8 million.

Xayaburi Power Co., Ltd.

Credit facility of long-term loan of Baht 2,463.2 million with loan agreement dated on 2 August 2016 under condition in the Sponsor Agreement between Xayaburi Power Co., Ltd. and the Company which is one of those sponsors, due in 15 years with an interest rate per annum at MLR plus margin, payable semi-annual installments commencing in year 2021 from 5.6% to 14.0% per year of total loan as indicated in the agreement. The repayments of loan must comply with terms and condition under their loan agreement with financial institutions then the repayment can be made to the Company. The purpose of this loan is for construction of the project. As at 31 December 2018, the credit facility has been fully utilised.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Nam Lik 1 Power Co., Ltd.

Credit facility of long-term loan of U.S. Dollars 3.1 million with loan agreement dated on 21 March 2017 under condition in the Sponsor Agreement between Nam Lik 1 Power Co., Ltd. and the Company which is one of those sponsors, due in 12 years with an interest rate per annum at LIBOR 3M plus margin, payable semi-annual installments commencing in year 2019. The repayments of loan must comply with terms and condition under their loan agreement with financial institutions then the repayment can be made to the Company. Therefore, this loan is classified as long-term loan. The purpose of this loan is for construction of the project. As at 31 December 2018, the credit facility has been fully utilised.

24M Technologies, Inc.

Subordinated convertible promissory note of U.S. Dollars 3.0 million, approximately Baht 96.9 million. This note shall be convertible to share capital according to the terms specified in the agreement. This note bears fixed interest rate per annum. Maturity date is on 31 December 2019 or at the conversion date whichever sooner. The management intention is to convert the note to share capital. Therefore, this note is classified as long-term loan.

Movements during the year ended 31 December of loans from related parties were as follows:

Long-term loans to related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
As at 1 January	2,726,879	2,463,160	3,025,379	2,739,660
Increase	93,908	277,910	93,908	332,910
Decrease	-	-	(47,760)	(33,000)
Transfer to other investments	(172,750)	-	(172,750)	-
Exchange differences on translating financial statement	12,409	(14,191)	12,409	(14,191)
As at 31 December	2,660,446	2,726,879	2,911,186	3,025,379



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Right of use of natural gas distribution pipeline - related party

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Ultimate parent company				
PTT Plc.	536,746	558,932	-	-
Total	536,746	558,932	-	-

Other non-current assets - related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Shareholder				
Thai Oil Plc.	2,938	2,938	2,938	2,938
Other related party				
Energy Complex Co., Ltd.	4,320	4,320	4,320	4,320
Total	7,258	7,258	7,258	7,258

Trade accounts payable - related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Ultimate parent company				
PTT Plc.	1,814,437	1,523,476	1,101,895	953,551
Shareholders				
Thai Oil Plc.	6,282	3,503	6,282	3,503
PTT Global Chemical Plc.	1,604	597	1,604	597



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other related parties				
PTT Asahi Chemical Co., Ltd.	23,188	34,739	23,188	34,739
IRPC Plc.	3,310	7,819	-	-
TOP SPP Co., Ltd.	56	2,313	56	2,313
Total	1,848,877	1,572,447	1,133,025	994,703

Other accounts payable - related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Ultimate parent company				
PTT Plc.	18,557	21,952	18,551	21,568
Shareholders				
PTT Global Chemical Plc.	178	2,519	178	2,519
Thai Oil Plc.	5,133	5,574	5,133	5,574
Subsidiaries				
Combined Heat and Power Producing Co., Ltd.	-	-	412	-
IRPC Clean Power Co., Ltd.	-	-	36	-
Global Renewable Power Co., Ltd.	-	-	1,000	-
Joint venture				
Nam Lik 1 Power Co., Ltd.	1,129	1,087	1,129	1,087
Other related parties				
Thai Ethoxylate Co., Ltd.	2,184	4,161	2,184	4,161
PTT Digital Solutions Co., Ltd.	10,972	6,549	10,777	6,208
Business Services Alliance Co., Ltd.	15,239	7,153	14,573	6,726



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Other related parties				
GC Maintenance and Engineering Co., Ltd. (Formerly PTT Maintenance and Engineering Co., Ltd.)	9,827	8,178	9,827	8,178
IRPC Plc	170,588	31,463	-	-
Energy Complex Co., Ltd.	2,456	204	297	204
Vencorex (Thailand) Co., Ltd.	47,529	61,468	47,529	61,468
PTT Phenol Co., Ltd.	3	-	3	-
Dhipaya Insurance Plc.	145	-	145	-
NPC Safety and Environmental Service Co., Ltd.	105	864	105	864
PTT Green Energy (Thailand) Co., Ltd.	-	103	-	103
PTT Retail Management Co., Ltd.	-	1,160	-	-
GC Marketing Solutions Co., Ltd. (Formerly PTT Polymer Marketing Co., Ltd.)	-	1	-	-
Eastern Fluid Transport Co., Ltd.	2,291	-	2,291	-
PTT Asahi Chemical Co., Ltd.	26,988	-	26,988	-
GC Glycol Co., Ltd. (Formerly TOC Glycol Co., Ltd.)	109,476	-	109,476	-
24M Technologies, Inc.	51	-	51	-
PTTEP Services Co., Ltd.	1,631	-	1,631	-
PTT Oil and Retail Business Plc.	65	-	65	-
Total	424,547	152,436	252,381	118,660



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Other non-current liabilities - related party

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Shareholder				
PTT Global Chemical Plc.	12,094	-	12,094	-
Total	12,094	-	12,094	-

Significant agreements with related parties

As at 31 December 2018, the Group has significant agreements with related parties as follows:

Natural Gas Supply Agreements

The Company and its subsidiaries entered into Natural Gas Supply Agreement with a related company to supply natural gas for producing electricity and steam for the period of 3 - 25 years at volume and price as stipulated in agreements.

Electricity and Utilities Purchase and Sale Agreements

The Company and its subsidiary entered into agreements with related companies to purchase and sell electricity, steam, water for industrial purpose and Nitrogen for the period of 15 - 27 years or as indicated in the agreements at volume, price and renewable conditions as stipulated in agreements.

Right of Throughput Agreements

The Company entered into right of throughput agreements with related companies for the period of 15 - 25 years.

The Company has right of throughput agreements with related companies. The agreements are effective for a period of 15 years commencing from date as specified in each agreements and are renewable for another period subject to both parties agreeing to the conditions and further renewal detail of agreements.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Cost Reimbursement Agreement

The Company has cost reimbursement agreement with a related company covering the reimbursement of construction costs of natural gas pipeline facilities and the use of the pipeline facilities, raw water pipeline and the use of land for the construction of a transmission line connecting the Company to the Electricity Generating Authority of Thailand (“EGAT”). Under the terms of the agreement, the Company agrees to share the cost of investments with a related company on the basis and conditions stipulated in the agreement. These agreement is effective for a period of 25 years, or until the termination of the power purchase agreement entered into by the Company to EGAT, whichever is sooner.

Land Lease Agreements

The Company has land lease agreements with a related company to lease/sublease certain parcels of land ending in September 2022 with total rental fee for the year 2018 of Baht 7.4 million (*for the year 2017 of Baht 6.9 million*), and the rate will be adjusted every 5 years.

Office Building Space Rental and Service Agreements

The Company and its subsidiary entered into two agreements of office building space rental and service with a related company for the period of 1 and 2 years. These agreements are renewable.

Service and Supplies Agreement

The Company has a services and supplies agreement with a related company, whereby a related company provides the Company for material acquisition service, advisory and consultancy services and etc. The agreement is effective for a period of 3 years commencing from date as specified in the agreement.

Management Service Agreements

The Company has management service agreements with related companies. The agreements are effective from date as specified in the agreement with a service fee as stipulated in the agreements. Management service fee shall be increasingly adjusted by the contract rate in an annual basis.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Insurance Agreements

The Company and subsidiaries has all risks insurance contracts with a local insurance company with total sum insures as stipulated in the agreements and annually renew. However, the Company and certain subsidiaries entered into agreements to assign their rights to proceeds from insurance claims under the insurance agreements to the lenders under certain borrowing agreements.

Maintenance Agreements

The Company and a subsidiary has preventive and corrective maintenance agreement with related company ("service provider"), whereby a related company provides the overall machines and equipment maintenance service in the power plant. The agreement is effective for 1 and 2 years with service fees stipulated in the agreement.

5 Cash and cash equivalents

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash on hand	133	139	3	9
Cash at banks - current and saving accounts	4,861,200	1,960,633	4,801,328	1,917,027
Fixed deposits (maturity period is less than 3 months from the investment date)	-	2,000,002	-	2,000,002
Promissory notes (maturity period is less than 3 months from the investment date)	50,073	4,007	50,073	-
Total	4,911,406	3,964,781	4,851,404	3,917,038

6 Restricted bank accounts

As at 31 December 2018, the Group pledged its restricted cash at banks in Baht 739.7 million and JPY 1,188.3 million or totaling Baht 1,088.0 million which will be withdrawn when needed as specified the borrowing agreements (2017: Baht 286.4 million).



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

7 Other investments

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current investments				
Promissory note	10,000	6,000	-	-
	10,000	6,000	-	-
Other long-term investments				
Other non-marketable equity securities	3,213,555	2,923,375	3,213,555	2,923,375
	3,213,555	2,923,375	3,213,555	2,923,375
Total	3,223,555	2,929,375	3,213,555	2,923,375

During the year ended 31 December 2018, there were increase in share capital of investment in other non-marketable equity securities as follows:

24M Technologies, Inc.

The Company paid for newly-issued preferred stock of 24M Technologies, Inc., amounting to U.S. Dollars 3.0 million or equivalent to Baht 99.0 million and converted subordinated and convertible promissory note including interest receivable to newly-issued preferred stock, amounting to U.S. Dollars 5.6 million or equivalent to Baht 191.2 million. Therefore, the total investment is amounting to U.S. Dollars 8.6 million or equivalent to Baht 290.2 million. This results in the Company's shareholding in 24M Technologies, Inc. at 29.5%. However, the management has considered that 24M Technologies, Inc. is not under the Company's significant influence or joint control; therefore, the reclassification of investment to investment in associates or joint venture is not required.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Other investments as at 31 December, and dividend income from those investments for the years then ended, were as follows:

Type of business	Consolidated financial statements/Separate financial statements					
	Ownership interest		Paid-up capital		Cost	
	2018	2017	2018	2017	2018	2017
	(%)				(in thousand Baht)	
Other non-marketable equity securities						
<i>Ordinary shares</i>						
Ratchaburi Power Co., Ltd.	15	15	7,325,000	7,325,000	2,207,000	2,207,000
San Palung Social Enterprise Co., Ltd.	10	10	2,500	2,500	250	250
					2,207,250	2,207,250
<i>Preferred shares</i>						
Business Services Alliance Co., Ltd.	25	25	2,000	2,000	500	500
24M Technologies, Inc. (Paid-up capital in thousand U.S. Dollars)	29.5	18	83	34	1,005,805	715,625
					1,006,305	716,125
Total					3,213,555	2,923,375
					135,005	270,005



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Recoverability of loan to and interest receivable, and investment in 24M Technologies, Inc.

At 31 December 2018, the Company has loan to including interest receivable totalling Baht 100.8 million and investment of Baht 1,005.8 million, representing 29.5% of shares in 24M Technologies, Inc. in the form of an unquoted equity instrument which is carried at cost.

Because 24M Technologies, Inc. is in the product development stage and not yet profitable, the Company assessed the recoverability of the investment based on the qualitative analysis by determining the investee's pre-defined milestones and overall business prospects; the technological feasibility of the investee's products and technologies; the general market conditions in the investee's industry, including regulatory or economic changes; factors related to 24M Technologies, Inc.'s ability to remain in business. Management also evaluates the discounted future cash flow using key assumptions from internal and external factors including the changes in assumptions that may fluctuate and result in higher of book value than recoverable amount.

As at 31 December 2018, 24M Technologies, Inc.'s operation was in line with the agreed milestone and the investee has obtained new funding from new investors. The Group believed that the recoverability amount of the investment is higher than the book value.

8 Trade accounts receivable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Related parties	4	2,397,604	2,211,351	1,812,070	1,907,904
Other parties		1,694,315	1,452,054	901,672	866,098
Total		4,091,919	3,663,405	2,713,742	2,774,002
Less: allowance for doubtful accounts		-	-	-	-
Net		4,091,919	3,663,405	2,713,742	2,774,002
Bad and doubtful debts expense for the year		-	-	-	-



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Aging analyses for trade accounts receivable were as follows:

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Related parties					
Within credit terms		2,286,382	2,181,719	1,700,848	1,878,272
Overdue :					
Less than 3 months		85,929	11,564	85,929	11,564
3 - 6 months		19,697	7,524	19,697	7,524
6 - 12 months		5,596	10,544	5,596	10,544
	4	2,397,604	2,211,351	1,812,070	1,907,904
Less: allowance for doubtful accounts		-	-	-	-
		2,397,604	2,211,351	1,812,070	1,907,904
Others parties					
Within credit terms		1,691,431	1,452,054	898,788	866,098
Overdue :					
Less than 3 months		2,565	-	2,565	-
3 - 6 months		319	-	319	-
		1,694,315	1,452,054	901,672	866,098
Less: allowance for doubtful accounts		-	-	-	-
		1,694,315	1,452,054	901,672	866,098
Net		4,091,919	3,663,405	2,713,742	2,774,002

The normal credit term granted by the Group is 30 days.

Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

9 Finance lease receivable

(in thousand Baht)

	Consolidated financial statements / Separate financial statements						
	The periods to maturity within one year		The periods to maturity after one year but within five years		The periods to maturity after five years		Total
	2018	2017	2018	2017	2018	2017	
Finance lease receivable	1,181,866	1,148,037	4,412,657	4,566,537	1,561,743	2,589,728	8,304,302
Less: unearned interest income	(481,005)	(542,850)	(1,213,845)	(1,511,544)	(107,226)	(290,531)	(2,344,925)
	700,861	605,187	3,198,812	3,054,993	1,454,517	2,299,197	5,959,377
Less: allowance for doubtful accounts	-	-	-	-	-	-	-
Net	700,861	605,187	3,198,812	3,054,993	1,454,517	2,299,197	5,959,377

As at 31 December 2018 and 2017, the Group and the Company has no overdue balance of finance lease receivable.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

10 Other receivables

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Related parties	4	394,818	269,444	389,432	268,158
Other parties					
Prepaid expenses		144,955	234,094	42,733	156,134
Other receivable		19,744	161,918	19,500	30,133
Refundable value added tax		18,858	15,205	-	-
Accrued interest income		153	6,678	125	6,650
Others		493	4,532	216	4,410
		184,203	422,427	62,574	197,327
Total		579,021	691,871	452,006	465,485
Less: allowance for doubtful accounts		-	(4,290)	-	(4,290)
Net		579,021	687,581	452,006	461,195

11 Inventories

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials	6,056	6,412	6,056	6,412
Finished goods	11,527	1,433	11,527	1,433
Factory supplies	609,283	476,941	481,549	460,919
	626,866	484,786	499,132	468,764
Less: allowance for inventories devaluation	-	-	-	-
Net	626,866	484,786	499,132	468,764



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

12 Investments in associates and joint ventures

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Joint ventures				
At 1 January	2,626,124	2,476,611	2,522,673	2,496,553
Share of net profit of joint ventures	474,913	450,797	-	-
Dividend income	(490,433)	(301,000)	-	-
Increase in share capital	90,360	26,120	90,360	26,120
Exchange differences on translating financial statement	(709)	(26,404)	-	-
At 31 December	2,700,255	2,626,124	2,613,033	2,522,673
Associates				
At 1 January	6,148,316	4,461,337	923,750	673,438
Share of net profit of associates	119,896	66,334	-	-
Share of other comprehensive income	-	580	-	-
Dividend income	(81,150)	(20,288)	-	-
Increase in share capital	878,060	1,640,353	-	250,312
At 31 December	7,065,122	6,148,316	923,750	923,750
Total				
At 1 January	8,774,440	6,937,948	3,446,423	3,169,991
Share of net profit of associates and joint ventures	594,809	517,131	-	-
Share of other comprehensive income	-	580	-	-
Dividend income	(571,583)	(321,288)	-	-
Increase in share capital	968,420	1,666,473	90,360	276,432
Exchange differences on translating financial statement	(709)	(26,404)	-	-
At 31 December	9,765,377	8,774,440	3,536,783	3,446,423



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

During the year ended 31 December 2018 and 2017, there were increase in share capital of investment in associates and joint ventures as follows:

Xayaburi Power Company Limited

Natee Synergy Company Limited paid for the additional share capital of Xayaburi Power Company Limited amounting to Baht 878.0 million (2017: Baht 1,390.0 million).

Nam Lik 1 Power Company Limited

The Company paid for the additional share capital of Nam Lik 1 Power Company Limited, totalling paid-up share capital amounting to U.S. Dollars 2.6 million or equivalent to Baht 82.9 million (2017: U.S. Dollars 0.8 million or equivalent to Baht 26.1 million).

Nava Nakorn Electricity Generating Company Limited

The Company paid for the additional share capital of Nava Nakorn Electricity Generating Company Limited amounting to Baht 7.5 million (2017: nil).



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Investments in associates and joint ventures as at 31 December, and dividend income from those investments for the years then ended, were as follows:

Consolidated financial statements								
Ownership interest		Paid-up capital		Cost		Equity		Dividend income
2018	2017	2018	2017	2018	2017	2018	2017	2018
								2017
								2018
								2017
								2018
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017
								2017</



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Separate financial statements												
Ownership interest		Paid-up capital		Cost		Impairment		At Cost-Net		Dividend income		
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
		(in thousand Baht)										
		(%)										
Joint ventures												
Thai Solar Renewable Co., Ltd.	40	40	583,333	583,333	1,697,000	1,697,000	-	-	1,697,000	1,697,000	382,433	301,000
	30	30	1,550,000	1,525,000	488,400	480,900	-	-	488,400	480,900	108,000	-
Nam Lik 1 Power Co., Ltd. (Paid-up capital in thousand U.S. dollars)												
40	40	31,900	25,400	427,633	344,773	427,633	344,773	-	427,633	344,773	-	-
				2,613,033	2,522,673	2,613,033	2,522,673	-	2,613,033	2,522,673	490,433	301,000
Associate												
Bangpa-in Cogeneration Co., Ltd.	25	25	2,705,000	2,705,000	923,750	923,750	-	-	923,750	923,750	81,150	20,288
					923,750	923,750	-	-	923,750	923,750	81,150	20,288
Total					3,536,783	3,446,423	-	-	3,536,783	3,446,423	571,583	321,288



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Associates and joint ventures

The following table summarises the financial information of the associates and joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

(in thousand Baht)

	Xayaburi Power Co., Ltd.		Thai Solar Renewable Co., Ltd.	
	2018	2017	2018	2017
Revenue	-	-	1,480,626	1,480,733
Profit (loss) from continuing operations	(100,135)	(86,432)	774,054 ^a	738,215 ^a
Other comprehensive income	-	-	-	-
Total comprehensive income (100%)	(100,135)	(86,432)	774,054	738,215
Group's share of total comprehensive income	(25,034)	(21,608)	309,622	295,286
Current assets	841,156	948,252	596,638 ^b	580,833 ^b
Non-current assets	124,116,662	106,802,916	6,231,854	6,835,951
Current liabilities	(1,946,527)	(1,098,376)	(587,717) ^c	(779,798) ^c
Non-current liabilities	(98,414,196)	(85,468,933)	(2,231,974) ^d	(2,445,610) ^d
Net assets (100%)	24,597,095	21,183,859	4,008,801	4,191,376
Group's share of net assets	6,149,274	5,295,965	1,603,520	1,676,550
Adjustment	34,839	34,839	35,279	35,279
Carrying amount of interest in associate/ joint venture	6,184,113	5,330,804	1,638,799	1,711,829



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

a. Includes :

- depreciation and amortisation
- interest expense
- income tax expense

b. Includes cash and cash equivalents

c. Includes current financial liabilities

(excluding trade and other payables and provisions)

d. Includes non-current financial liabilities

(excluding trade and other payables and provisions)

Thai Solar Renewable Co., Ltd.	
2018	2017
232,927	233,027
124,893	150,236
1,397	7,079
1,554	2,281
321,750	537,750
2,183,291	2,397,041

Immaterial associate and joint ventures

The following is summarised financial information for the Group's interest in immaterial associate and joint ventures based on the amounts reported in the Group's consolidated financial statements:

(in thousand Baht)

Carrying amount of interests in immaterial associates and joint ventures

Group's share of:

- Profit from continuing operations
- Other comprehensive income (loss)
- Total comprehensive income (loss)

2018	2017
1,942,465	1,731,807
310,797	242,088
(709)	(25,824)
310,088	216,264



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

13 Investments in subsidiaries

(in thousand Baht)

	Separate financial statements	
	2018	2017
At 1 January	8,499,119	7,626,921
Increase in share capital	879,060	872,198
At 31 December	9,378,179	8,499,119

During the year ended 31 December 2018 and 2017, there were increase in share capital of investment in subsidiaries as follows:

Natee Synergy Company Limited

The Company paid for the additional share capital of Natee Synergy Company Limited amounting to Baht 878.1 million, totalling paid-up share capital amount of Baht 6,505.5 million (2017: Baht 798.6 million).

Global Renewable Power Company Limited

On 20 December 2018, the Company established a subsidiary named Global Renewable Power Co., Ltd., which is incorporated in Thailand. The registered capital is equivalent to Baht 1,000,000, divided into 10,000 shares and par value of Baht 100 per share. The Company's shareholding is at 100%.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Investments in subsidiaries as at 31 December, and dividend income from those investments for the years then ended, were as follows:

Separate financial statements												
Ownership interest		Paid-up capital		Cost		Impairment		Cost-Net		Dividend income		
2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
(%)												
(in thousand Baht)												
Subsidiaries												
Combined Heat and Power Producing Co., Ltd.	100	100	371,730	371,730	265,510	265,510	-	-	265,510	265,510	-	-
	100	100	6,505,517	5,627,457	6,740,753	5,862,693	-	-	6,740,753	5,862,693	-	-
	51	51	3,083,000	3,083,000	1,822,330	1,822,330	-	-	1,822,330	1,822,330	-	-
Ichinoseki Solar Power 1 GK (Paid-up capital in thousand JPY)	99	99	10	10	545,250	545,250	-	-	545,250	545,250	-	-
GPSC International Holdings Limited (Paid-up capital in thousand U.S. Dollars)	100	100	98	98	3,336	3,336	-	-	3,336	3,336	-	-
Global Renewable Power Co., Ltd.	100	-	-	-	1,000	-	-	-	1,000	-	-	-
Total					9,378,179	8,499,119	-	-	9,378,179	8,499,119	-	-

None of the Group's subsidiaries are publicly listed and consequently do not have published price quotations.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

14 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

(in thousand Baht)

	31 December 2018			
	IRPC Clean Power Co., Ltd	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Non-controlling interest percentage	49%			
Current assets	2,306,405			
Non-current assets	11,796,823			
Current liabilities	(1,930,273)			
Non-current liabilities	(7,373,822)			
Net assets	4,799,133			
Carrying amount of non-controlling interest	2,351,575	3,055	2,483	2,357,113
Revenue	6,316,743			
Profit	1,079,838			
Other comprehensive income	(2,569)			
Total comprehensive income	1,077,269			
Profit (loss) allocated to non-controlling interest	529,121	986	(81)	530,026
Other comprehensive income (loss) allocated to non-controlling interest	(1,259)	1,306	-	47
Cash flows from operating activities	1,773,305			
Cash flows used in investing activities	(571,076)			
Cash flows used in financing activities	(614,159)			
Net increase in cash and cash equivalents	588,070			



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	31 December 2018			
	IRPC Clean Power Co., Ltd	Other individually immaterial subsidiaries	Intra-group eliminations	Total
Non-controlling interest percentage	49%			
Current assets	1,238,483			
Non-current assets	12,186,948			
Current liabilities	(1,988,637)			
Non-current liabilities	(7,716,564)			
Net assets	3,720,230			
Carrying amount of non-controlling interest	1,822,913	2,051	2,077	1,827,041
Revenue	2,093,963			
Profit	338,318			
Other comprehensive income	-			
Total comprehensive income	338,318			
Profit (loss) allocated to non-controlling interest	165,776	(189)	-	165,587
Other comprehensive income (loss) allocated to non-controlling interest	-	(130)	(160)	(290)
Cash flows from operating activities	447,394			
Cash flows used in investing activities	(1,008,950)			
Cash flows from financing activities	518,012			
Net decrease in cash and cash equivalents	(43,544)			

Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

15 Property, plant and equipment

(in thousand Baht)

[illegible]

Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements						Total
	Land and improvement	Buildings and building improvements	Power plant, machinery and factory equipment	Furniture, fixtures and equipment	Vehicles	Construction in progress	
Depreciation and impairment losses							
At 1 January 2017	-	283,275	8,094,318	66,464	3,029	-	8,447,086
Depreciation charged for the year	-	40,425	1,245,679	13,031	2,225	-	1,301,360
Impairment loss	-	-	-	-	-	42,990	42,990
Disposals	-	-	(1,780)	(236)	-	-	(2,016)
At 31 December 2017 and 1 January 2018	-	323,700	9,338,217	79,259	5,254	42,990	9,789,420
Depreciation charged for the year	-	61,281	1,569,776	13,673	3,659	-	1,648,389
Transfers	-	-	20,346	-	-	(20,346)	-
Transfer to assets not used in use	-	-	-	-	-	(22,644)	(22,644)
Disposals	-	(4,669)	(4,297)	(2,535)	-	-	(11,501)
Exchange differences on translating financial statements	-	-	58	-	-	-	58
At 31 December 2018	-	380,312	10,924,100	90,397	8,913	-	11,403,722
Net book value							
At 1 January 2017	1,168,248	663,762	16,841,164	54,595	97	7,400,653	26,128,519
At 31 December 2017 and 1 January 2018	914,836	1,454,882	23,745,887	55,843	14,593	1,059,672	27,245,713
At 31 December 2018	1,189,107	1,510,910	23,084,900	64,892	15,294	2,670,107	28,535,210



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2018 amounted to Baht 699.3 million (2017: Baht 421.8 million).

Security

At 31 December 2018 the Group's land, construction and machinery including future capital investment with a net book value of Baht 12,286.2 million was used as collateral to secure long-term loans (2017: Baht 12,666.3 million) (see note 19).

Borrowing costs

Capitalised borrowing costs of the Company and a subsidiary relating to the construction of the new factories amounting to Baht 20.7 million (2017: Baht 226.4 million), with capitalisation rate from 1.5% to 5.0% (2017: capitalisation rate from 1.5% to 5.0%).

Transferring assets

During the year 2017, a subsidiary transferred its ownership of land, locating substation, amounting to Baht 253.5 million, and assets builded on this land to Electricity Generating Authority of Thailand ("EGAT") as agreed in power purchase agreement. After transferring, a subsidiary shall obtain right for connecting electricity grid distribution of EGAT. This right were presented in right of use of assets in financial statements.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Separate financial statements					
	Land and improvement	Buildings and building improvements	Power plant, machinery and factory equipment	Furniture, fixtures and equipment	Vehicles	Construction in progress
Cost						Total
At 1 January 2017	300,708	740,693	20,940,161	119,101	3,126	22,632,247
Additions	77	9,068	16,313	11,451	16,410	631,319
Transfers	-	15,848	318,968	2,842	-	-
Disposals	-	-	(3,807)	(802)	-	(4,609)
At 31 December 2017 and 1 January 2018	300,785	765,609	21,271,635	132,592	19,536	23,258,957
Additions	274,271	738	20,186	5,584	4,360	2,823,376
Transfers	-	7,757	618,825	-	-	-
Disposals	-	(13,884)	(4,464)	(2,544)	-	(20,892)
At 31 December 2018	575,056	760,220	21,906,182	135,632	23,896	26,061,441

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Depreciation

At 1 January 2017

Depreciation charged for the year

Disposals

At 31 December 2017 and 1 January 2018

Depreciation charged for the year

Disposals

At 31 December 2018

Net book value

At 1 January 2017

At 31 December 2017 and 1 January 2018

At 31 December 2018

Separate financial statements						
Land and improvement	Buildings and building improvements	Power plant, machinery and factory equipment	Furniture, fixtures and equipment	Vehicles	Construction in progress	Total
-	228,998	7,795,740	65,378	3,028	-	8,093,144
-	28,220	1,011,450	12,716	2,173	-	1,054,559
-	-	(1,780)	(236)	-	-	(2,016)
-	257,218	8,805,410	77,858	5,201	-	9,145,687
-	29,835	1,010,623	12,044	3,597	-	1,056,099
-	(4,669)	(4,297)	(2,535)	-	-	(11,501)
-	282,384	9,811,736	87,367	8,798	-	10,190,285
300,708	511,695	13,144,421	53,723	98	528,458	14,539,103
300,785	508,391	12,466,225	54,734	14,335	768,800	14,113,270
575,056	477,836	12,094,446	48,285	15,098	2,660,455	15,871,156



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

The gross amount of the Company's fully depreciated plant and equipment that were still in use as at 31 December 2018 amounting to Baht 669.1 million (2017: Baht 406.3 million).

Borrowing costs

Capitalised borrowing costs of the Company relating to the acquisition of the construction of the new factories amounting to Baht 18.1 million, with capitalisation rate from 2.4% to 2.5% (2017: nil).

16 Assets not used in operation

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cost				
At 1 January	350,822	350,822	108,547	108,547
Transfers	31,499	-	-	-
Disposals	(106,417)	-	-	-
At 31 December	275,904	350,822	108,547	108,547
Depreciation and impairment losses				
At 1 January	277,707	289,839	108,547	108,547
Transfers	22,644	-	-	-
Impairment losses	8,500	-	-	-
Reversal of impairment losses	(103,562)	(12,132)	-	-
At 31 December	205,289	277,707	108,547	108,547
Net book value				
At 1 January	73,115	60,983	-	-
At 31 December	70,615	73,115	-	-



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Impairment on old machines and assets not used in operation

As at 31 December 2018, the Group holds power generating machines and certain group of assets which are not used in operation amounting to Baht 82.6 million (*Note 15*) and Baht 70.6 million, respectively. The Group has engaged an independent appraiser to determine the fair value of the power generating machine using market approach in November 2018. As a result, a subsidiary recorded additional impairment loss totalling Baht 8.5 million. In addition, management has evaluated discounted cash flow using key assumptions including sales volume and prices, operating costs and long-term growth rate. The value in use is not significantly different from carrying value of the assets.

Measurement of fair value

Fair value hierarchy

The fair value of assets not used in operation was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's assets not used in operation portfolio on a timely basis.

The fair value measurement for assets not used in operation of Baht 70.6 million has been categorised as a Level 3 fair value based on the inputs to the valuation technique used by using market approach.

17 Intangible assets

(in thousand Baht)

	Consolidated financial statements		
	Right to power purchase agreement/ to operate	Software licenses	Total
Cost			
At 1 January 2017	443,381	133,185	576,566
Additions	-	22,184	22,184
Exchange differences on translating financial statements	(26,125)	-	(26,125)
At 31 December 2017 and 1 January 2018	417,256	155,369	572,625
Additions	-	13,842	13,842
Exchange differences on translating financial statements	978	-	978
At 31 December 2018	418,234	169,211	587,445



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

Amortisation

At 1 January 2017

Amortisation for the year

At 31 December 2017 and 1 January 2018

Amortisation for the year

At 31 December 2018

Net book value

At 1 January 2017

At 31 December 2017 and 1 January 2018

At 31 December 2018

Consolidated financial statements		
Right to power purchase agreement/ to operate	Software licenses	Total
At 1 January 2017	49,660	49,660
Amortisation for the year	12,982	12,982
At 31 December 2017 and 1 January 2018	62,642	62,642
Amortisation for the year	14,292	26,275
At 31 December 2018	76,934	88,917
At 1 January 2017	83,525	526,906
At 31 December 2017 and 1 January 2018	92,727	509,983
At 31 December 2018	92,277	498,528

(in thousand Baht)

Cost

At 1 January 2017

Additions

At 31 December 2017 and 1 January 2018

Additions

At 31 December 2018

Amortisation

At 1 January 2017

Amortisation for the year

At 31 December 2017 and 1 January 2018

Amortisation for the year

At 31 December 2018

Separate financial statements Software licenses
At 1 January 2017
Additions
At 31 December 2017 and 1 January 2018
Additions
At 31 December 2018
At 1 January 2017
Amortisation for the year
At 31 December 2017 and 1 January 2018
Amortisation for the year
At 31 December 2018



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

Net book value

At 1 January 2017

At 31 December 2017 and 1 January 2018

At 31 December 2018

Separate financial statements Software licenses	
	77,530
	81,739
	80,644

18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

(in thousand Baht)

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
Total	678,159	786,447	(1,169,708)	(1,294,137)
Set off of tax	(678,025)	(786,447)	678,025	786,447
Net deferred tax asset (liabilities)	134	-	(491,683)	(507,690)

(in thousand Baht)

	Separate financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
Total	674,128	783,358	(1,070,838)	(1,191,876)
Set off of tax	(674,128)	(783,358)	674,128	783,358
Net deferred tax liabilities	-	-	(396,710)	(408,518)



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Movements in total deferred tax assets and liabilities during the year were as follows:

(in thousand Baht)

	At 1 January 2018	Consolidated financial statements			At 31 December 2018
		(Charged) / Credited to:		Exchange differences	
		Profit or loss	Equity		
Deferred tax assets					
Other long-term investment	41,950	-	-	-	41,950
Property, plant and equipment	707,668	(143,012)	-	-	564,656
Provisions for employee benefits	14,575	1,279	11,272	-	27,126
Investment expense	22,254	22,173	-	-	44,427
Total	786,447	(119,560)	11,272	-	678,159
Deferred tax liabilities					
Finance lease receivable	(1,191,876)	121,038	-	-	(1,070,838)
Property, plant and equipment	(5,107)	1,210	-	-	(3,897)
Intangible assets	(97,154)	3,281	-	(1,100)	(94,973)
Total	(1,294,137)	125,529	-	(1,100)	(1,169,708)
Net	(507,690)	5,969	11,272	(1,100)	(491,549)



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	At 1 January 2017	Consolidated financial statements			At 31 December 2017
(Charged) / Credited to:		Exchange differences			
Profit or loss			Equity		
Deferred tax assets					
Other long-term investment	42,000	(50)	-	-	41,950
Property, plant and equipment	824,112	(116,444)	-	-	707,668
Provisions for employee benefits	12,769	1,806	-	-	14,575
Investment expense	41,672	(19,418)	-	-	22,254
Others	4,246	(4,246)	-	-	-
Total	924,799	(138,352)	-	-	786,447
Deferred tax liabilities					
Finance lease receivable	(1,279,216)	87,340	-	-	(1,191,876)
Property, plant and equipment	-	(5,107)	-	-	(5,107)
Intangible assets	(103,237)	-	-	6,083	(97,154)
Total	(1,382,453)	82,233	-	6,083	(1,294,137)
Net	(457,654)	(56,119)	-	6,083	(507,690)



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	At 1 January 2018	Separate financial statements		At 31 December 2018
		(Charged) / Credited to:		
		Profit or loss	Equity	
Deferred tax assets				
Other long-term investment	41,950	-	-	41,950
Property, plant and equipment	707,668	(143,012)	-	564,656
Provisions for employee benefits	11,486	980	10,630	23,096
Investment expense	22,254	22,172	-	44,426
Total	783,358	(119,860)	10,630	674,128
Deferred tax liabilities				
Finance lease receivable	(1,191,876)	121,038	-	(1,070,838)
Total	(1,191,876)	121,038	-	(1,070,838)
Net	(408,518)	1,178	10,630	(396,710)

(in thousand Baht)

	At 1 January 2017	Separate financial statements		At 31 December 2017
		(Charged) / Credited to:		
		Profit or loss	Equity	
Deferred tax assets				
Other long-term investment	42,000	(50)	-	41,950
Property, plant and equipment	820,854	(113,186)	-	707,668
Provisions for employee benefits	9,964	1,522	-	11,486
Investment expense	41,672	(19,418)	-	22,254
Others	4,246	(4,246)	-	-
Total	918,736	(135,378)	-	783,358
Deferred tax liability				
Finance lease receivable	(1,279,216)	87,340	-	(1,191,876)
Total	(1,279,216)	87,340	-	(1,191,876)
Net	(360,480)	(48,038)	-	(408,518)



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

19 Interest-bearing liabilities

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Current				
Current portion of long-term borrowings from financial institutions Secured	1,058,245	996,290	-	-
Less: deferred financing costs	(6,083)	(5,721)	-	-
Total current interest-bearing liabilities	1,052,162	990,569	-	-
Non-current				
Long-term borrowings from financial institutions				
Secured	9,543,780	9,908,102	-	-
Unsecured	2,000,000	-	2,000,000	-
Less: deferred financing costs	(86,893)	(84,071)	(8,815)	-
	11,456,887	9,824,031	1,991,185	-
Debentures	5,000,000	5,000,000	5,000,000	5,000,000
Less: deferred financing fee	(5,030)	(6,536)	(5,030)	(6,536)
	4,994,970	4,993,464	4,994,970	4,993,464
Total non-current interest-bearing liabilities	16,451,857	14,817,495	6,986,155	4,993,464

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Within one year	1,052,162	990,569	-	-
After one year but within five years	8,002,953	7,027,239	4,428,355	3,495,464
After five years	8,448,904	7,790,256	2,557,800	1,498,000
Total	17,504,019	15,808,064	6,986,155	4,993,464



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Restricted bank accounts	6	1,087,995	286,421	-	-
Land	15	614,050	614,050	-	-
Building and power plant - carrying value	15	11,672,137	12,052,255	-	-
Total		13,374,182	12,952,726	-	-

Long-term borrowings from financial institutions

Details of principal features of the Group's borrowings as at 31 December were as follows:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
The Company				
1) Baht 3,500 million Credit Facility Agreement at interest of 6 months THBFX plus a margin, payable in semi-annual instalments commencing in November 2020	500,000	-	500,000	-
2) Baht 1,000 million Credit Facility Agreement at interest of 3 months BIBOR plus a margin, payable in semi-annual instalments commencing in May 2020	1,000,000	-	1,000,000	-
3) Baht 500 million Credit Facility Agreement at interest of 3 months BIBOR plus a margin, payable in semi-annual instalments commencing in June 2020	500,000	-	500,000	-



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Subsidiaries				
1) Baht 10,000 million Credit Facility Agreement at interest rate of 6 months FDR plus margin, payable in semi-annual instalments commencing in December 2017	8,324,100	8,610,000	-	-
2) JPY 7,900 million Credit Facility Agreement at interest rate of JPY-LIBOR plus margin, payable in semi-annual instalments commencing in May 2018	2,131,819	2,136,631	-	-
3) Baht 169 million Credit Facility Agreement at fixed interest rate, payable in semi-annual instalments commencing in June 2017	146,106	157,761	-	-
Total	12,602,025	10,904,392	2,000,000	-
Less: deferred financing costs	(92,977)	(89,792)	(8,815)	-
Total interest-bearing liabilities	12,509,048	10,814,600	1,991,185	-

The loan agreements contain certain conditions such as timing of future capital increase, dividend payment, reduction of share capital, merger and acquisition and maintaining financial ratios e.g. debt to equity ratio and debt service coverage ratio.

As at 31 December 2018, the Company had unutilised credit facilities totalling Baht 3,000.0 million (2017: the Group had totalling Baht 2,517.5 million).

Debentures

On 29 September 2017, The Company issued unsubordinated and unsecured debentures for institution investors and high net worth investors. The purposes of these debentures are for repayment of long-term borrowings and/or for operation and/or for working capital. The Company agrees to certain financial ratios to comply with the terms and conditions stating the rights and duties of debentures issuer.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Details of the Company's debentures as at 31 December 2018 were as follows:

	Total offering amount	Face value per unit	Period	Interest rate	Maturity date
	(in million Baht)	(Baht)	(Year)	(% p.a.)	
Unsubordinated and unsecured debenture	3,500	1,000	4	2.21	29 September 2021
Unsubordinated and unsecured debenture	1,500	1,000	7	2.82	29 September 2024

Changes in liabilities arising from financing activities

(in thousand Baht)

	Consolidated financial statements		
	Loans and borrowings	Debenture	Total
Balance at 1 January 2018	10,814,600	4,993,464	15,808,064
Changes from financing cash flows	1,657,135	-	1,657,135
The effect of changes in foreign exchange rates	30,853	-	30,853
Amortisation of transaction cost	6,460	1,506	7,966
Balance at 31 December 2018	12,509,048	4,994,970	17,504,018

(in thousand Baht)

	Separate financial statements		
	Loans and borrowings	Debenture	Total
Balance at 1 January 2018	-	4,993,464	4,993,464
Changes from financing cash flows	1,990,750	-	1,990,750
Amortisation of transaction cost	435	1,506	1,941
Balance at 31 December 2018	1,991,185	4,994,970	6,986,155



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

20 Trade accounts payable

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Related parties	4	1,848,877	1,572,447	1,133,025	994,703
Other parties		52,622	50,420	45,573	43,843
Total		1,901,499	1,622,867	1,178,598	1,038,546

21 Other payables

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Related parties	4	424,547	152,436	252,381	118,660
Others					
Other payables		317,466	277,866	268,555	232,609
Accrued operating expenses		146,432	82,318	123,492	54,394
Advance received		27,416	30,437	26,735	30,429
Accrued interest		40,919	33,231	33,250	30,568
Other payable - employees		35,142	31,407	34,811	31,241
		567,375	455,259	486,843	379,241
Total		991,922	607,695	739,224	497,901



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

22 Provision

The Company has been assessed by the Revenue Department for the corporate income tax in respect to 1999 and 2000 revenues resulting to the utilisation of tax loss carry forwards in subsequent years (the Central Tax Court ruled in favour of the Company). Later, the Revenue Department has filed a notice of appeal. On 12 May 2015, the Central Tax Court has read the judgment of the Supreme Court which reversed the judgment into not withdraw the letters of change in loss carry forwards of year 1999 and 2000 and the adjudication of Appeal Committee. The Supreme Court judgment was related to the utilisation of tax loss carry forwards of 2003 and 2005 which the Revenue Department has sent the notice letter to the Company regarding the income tax assessment of year 2003 and 2005 including penalty and surcharge. Accordingly, the Company filed a notice of appeal to the Appeal Committee. The Appeal Committee rules that the facts in this case are final in accordance with the Supreme Court judgment. However, the Company submitted appeal to the Central Tax Court in respect to the relevant taxable expense matter under Revenue Code Section 65 which has not been addressed and considered.

Subsequently, the Central Tax Court dismissed the case. Therefore, the Company recognised the provision at the amount of Baht 101.2 million due to the obligation is highly probable. However, the Company has filed a notice of appeal to the Court of Appeal for Specialised Cases regarding the relevant taxable expense matter. On 12 November 2018, the Court of Appeal for Specialised Cases has confirmed the Central Tax Court's judgment.

23 Provisions for employee benefits

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Statement of financial position provisions for:				
Post-employment benefits	135,680	72,545	111,461	53,978
Other long-term employee benefits	4,713	4,125	4,023	3,457
Total	140,393	76,670	115,484	57,435



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	10,586	9,887	8,145	7,600
Other long-term employee benefits	726	727	573	576
Actuarial loss	253	-	329	-
	11,565	10,614	9,047	8,176
Recognised in other comprehensive income:				
Actuarial loss	56,435	-	53,223	-

Movement in the present value of the defined benefit obligations.

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
At 1 January		76,670	66,682	57,435	49,819
Include in profit or loss:					
Current service cost		8,651	8,286	6,704	6,430
Interest on obligation		2,661	2,328	2,014	1,746
Actuarial loss		253	-	329	-
	28	11,565	10,614	9,047	8,176



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Included in other comprehensive income					
Actuarial loss		56,435	-	53,223	-
		56,435	-	53,223	-
Other					
Benefit paid		(4,277)	(626)	(4,221)	(560)
At 31 December		140,393	76,670	115,484	57,435

Actuarial gains and losses recognised in other comprehensive income arising from:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Financial assumptions	4,401	-	2,768	-
Experience adjustment	52,034	-	50,455	-
Total	56,435	-	53,223	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

(%)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.9 - 3.1	2.9 - 3.5	3.1	3.5
Future salary growth	7.0	4.0 - 10.0	7.0	4.0 - 10.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

At 31 December 2018, the weighted-average duration of the defined benefit obligation was 17 years (2017: 23 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below;

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
At 31 December 2018				
Discount rate (1% movement)	(20,618)	23,982	(16,606)	20,402
Future salary growth (1% movement)	22,835	(20,179)	19,380	(16,194)
At 31 December 2017				
Discount rate (1% movement)	(11,398)	13,409	(8,309)	10,279
Future salary growth (1% movement)	12,895	(11,229)	9,905	(8,190)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Improved the benefits under its retirement plan for employees

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognised during that period is estimated to increase by an amount of approximately Baht 40.3 million and Baht 32.7 million, respectively in the consolidated and the separate financial statements.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

24 Share capital

(thousand shares/thousand Baht)

		Consolidated financial statements / Separate financial statements			
		2018		2017	
		Number of shares	Amount	Number of shares	Amount
Authorised					
At 1 January					
- Ordinary shares	10	1,498,301	14,983,008	1,498,301	14,983,008
Issue of new shares	10	-	-	-	-
At 31 December					
- Ordinary shares	10	1,498,301	14,983,008	1,498,301	14,983,008
Issued and paid-up					
At 1 January					
- Ordinary shares	10	1,498,301	14,983,008	1,498,301	14,983,008
Issue of new shares	10	-	-	-	-
At 31 December					
- Ordinary shares	10	1,498,301	14,983,008	1,498,301	14,983,008

25 Legal reserve and other components of equity

Section 116 of the Public Companies Act B.E. 2535 requires that a company shall allocate not Less: than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations to Thai Baht.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

26 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different size of power plant, and are managed separately because they require different technologies and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

- Segment 1 Independent Power Producer
- Segment 2 Small Power Producer
- Segment 3 Others

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

(in thousand Baht)

	Segment 1	Segment 2	Segment 3	Elimination	Total
For the year ended 31 December 2018					
Revenue from sale of goods and rendering of services					
- External	3,247,254	20,381,540	605,760	-	24,234,554
Revenue from finance lease	542,850	-	-	-	542,850
Finance costs	(25,187)	(442,294)	(60,614)	14,375	(513,720)
Depreciation and amortisation	(64,369)	(1,598,979)	(138,689)	-	(1,802,037)
Share of net profit (loss) of investment in associates and joint ventures	(24,752)	310,157	309,404	-	594,809
Profit before tax expense	186,912	3,501,530	443,563	-	4,132,005
Tax expense	(34,575)	(211,219)	3,002	-	(242,792)
Profit for the year	152,337	3,290,311	446,565	-	3,889,213



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Segment 1	Segment 2	Segment 3	Elimination	Total
For the year ended 31 December 2017					
Revenue from sale of goods and rendering of services					
- External	3,828,085	15,276,502	220,442	-	19,325,029
Revenue from finance lease	591,731	-	-	-	591,731
Finance costs	(16,752)	(329,508)	(28,860)	14,109	(361,011)
Depreciation and amortisation	(39,207)	(1,278,721)	(33,377)	-	(1,351,305)
Share of net profit (loss) of investment in associates and joint ventures	(21,608)	239,486	299,253	-	517,131
Profit before tax expense	392,196	2,934,483	270,252	-	3,596,931
Tax expense	(72,633)	(183,957)	(172)	-	(256,762)
Profit for the year	319,563	2,750,526	270,080	-	3,340,169
As at 31 December 2018					
Investment in associates and joint ventures	6,184,113	1,942,465	1,638,799	-	9,765,377
Capital expenditure	483,716	3,013,555	2,347	-	3,499,618
Segment assets	14,338,124	56,342,642	3,216,646	(9,458,389)	64,439,023
Segment liabilities	2,101,740	17,587,575	2,565,434	(164,804)	22,089,945
As at 31 December 2017					
Investment in associates and joint ventures	5,330,804	1,731,808	1,711,829	-	8,774,441
Capital expenditure	4,431	1,517,318	1,323,290	-	2,845,039
Segment assets	13,724,796	51,625,840	3,264,047	(8,646,258)	59,968,425
Segment liabilities	1,604,822	15,443,211	2,759,900	(213,428)	19,594,505



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Geographical segments

The Group is managed and operates principally in Thailand. There is no material revenues derived from, or assets located in, foreign countries.

Major customers

During the year, the Group has two major customers, the first customer has revenue from sale of goods and rendering of services and revenue from finance lease amounting to Baht 8,787.6 million and Baht 542.9 million, respectively (2017: Baht 5,903.9 million and Baht 591.7 million, respectively). The second customer has revenue from sale of goods and rendering of services amounting to Baht 4,534.9 million (2017: Baht 3,976.8 million). These revenues are from all segments.

27 Administrative expenses

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Personnel expenses	339,285	291,662	327,084	256,877
Outsourcing expenses	303,161	202,504	272,658	185,996
Office supplies and utilities expenses	60,911	44,148	60,254	43,503
Rental expenses	43,414	37,982	41,157	35,399
Depreciation and amortisation	28,319	24,560	25,468	23,522
System monitoring and maintenance expenses	19,731	13,559	17,882	13,540
Impairment losses	8,500	30,860	-	-
Provision expense	-	101,171	-	101,171
Others	116,564	93,075	95,484	73,247
Total	919,885	839,521	839,987	733,255



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

28 Employee benefit expenses

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Management					
Salaries and wages		45,857	34,242	45,857	32,727
Contribution to provident fund		3,449	1,935	3,449	1,935
Pension costs - defined benefit plans	23	2,004	1,878	538	505
Others		2,812	700	1,049	700
		54,122	38,755	50,893	35,867
Other employees					
Salaries and wages		473,611	377,929	364,774	321,251
Contribution to provident fund		25,432	18,309	20,544	15,945
Pension costs - defined benefit plans	23	9,561	8,736	8,509	7,671
Others		74,754	74,164	74,122	73,543
		583,358	479,138	485,071	418,410
Total		637,480	517,893	535,964	454,277

Defined benefit plans

Details of the defined benefit plans are disclosed in note 23.

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 15% of their basic salaries and by the Group at rates ranging from 5% to 15% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

29 Expenses by nature

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Raw materials and consumables used	16,951,506	13,651,704	12,778,092	12,232,204
Manufacturing overhead	313,767	275,053	191,380	218,847
Depreciation and amortisation	1,802,037	1,351,305	1,123,730	1,091,969
Personnel expenses and outsourcing	1,056,335	846,891	940,463	759,327
Repair and maintenance expenses	659,640	681,650	496,477	617,144
Total cost of sales of goods, distribution costs and administrative expenses	20,783,285	16,806,603	15,530,142	14,919,491

30 Financial costs

(in thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Interest expense					
Related party	4	-	1,639	-	1,639
Financial institutions		524,547	513,503	147,937	174,622
Total interest expense		524,547	515,142	147,937	176,261
Fees					
Finance costs		5,966	26,840	2,464	14,877
Amortisation of deferred financing cost and other finance costs		3,934	45,459	1,941	41,928
Total fees		9,900	72,299	4,405	56,805
Less: amounts included in the cost of qualifying assets		(20,727)	(226,430)	(18,065)	-
Net		513,720	361,011	134,277	233,066



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

31 Income tax expense

Income tax recognised in profit or loss

(in thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Current tax expense					
Current year		240,529	203,493	240,796	179,513
Under (over) provided in prior years		8,232	(2,850)	8,232	(2,850)
		248,761	200,643	249,028	176,663
Deferred tax expense					
Movements in temporary differences	18	(5,969)	56,119	(1,178)	48,038
Total		242,792	256,762	247,850	224,701

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		4,132,005		3,596,931
Income tax using the Thai corporation tax rate	20.00	829,294	20.00	719,386
Tax effect from				
Income not subject to tax or double deductible expenses	(17.08)	(705,708)	(17.48)	(628,856)
Expenses not deductible for tax purposes	2.35	97,263	4.53	163,090
Under (over) provided in prior years	0.20	8,232	(0.08)	(2,850)
Current year losses for which no deferred tax asset was recognised	0.33	13,711	0.17	5,992
Total	5.80	242,792	7.14	256,762



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

	Separate financial statements			
	2018		2017	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		2,896,273		3,060,469
Income tax using the Thai corporation tax rate	20.00	579,255	20.00	612,094
Tax effect from				
Income not subject to tax or double deductible expenses	(15.01)	(434,754)	(17.89)	(547,633)
Expenses not deductible for tax purposes	3.28	95,117	5.33	163,090
Under (over) provided in prior years	0.28	8,232	(0.09)	(2,850)
Total	8.55	247,850	7.35	224,701

32 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to production of electricity, steam, water, chilled water, refuse derived fuel and Li-ion battery. The privileges granted include:

- (a) exemption from payment of income tax for certain operations for a period of four years and eight years from the date on which the income is first derived from such operations;
- (b) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (a) above; and
- (c) exemption from payment of import duty on machinery approved by the Board.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue of the Company and the Group during the year from promoted and non-promoted businesses:

(in thousand Baht)

Consolidated financial statements					
2018			2017		
Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
Export sales	-	279,430	-	1,895	1,895
Local sales	6,359,208	17,595,916	5,907,275	13,415,859	19,323,134
Total revenues	6,359,208	17,875,346	5,907,275	13,417,754	19,325,029

(in thousand Baht)

Separate financial statements					
2018			2017		
Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
Local sales	3,018	17,309,034	3,773,596	13,237,028	17,010,624



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

33 Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December were based on the profit for the year attributable to ordinary shareholders of the Company during the year as follows:

(in thousand Baht / thousand shares)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit attributable to ordinary shareholders of the Company	3,359,187	3,174,581	2,648,423	2,835,768
Number of ordinary shares outstanding during the year	1,498,301	1,498,301	1,498,301	1,498,301
<i>Basic earnings per share (in Baht)</i>	2.24	2.12	1.77	1.89

34 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from loan to related parties and loan from financial institutions as at 31 December 2018 and 2017 as disclosed in Note 4 and Note 19, respectively.

Foreign currency risk

The Group is exposed to foreign currency risk relating to financial assets and liabilities which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts to hedge some short-term foreign currency risk when appropriate.

At 31 December, the Group were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
United States Dollars				
Cash and cash equivalents	2,496	272	34	34
Other investments	1,005,805	715,625	1,005,805	715,625
Long-term loans to and interest receivables from related parties	210,538	274,718	210,538	274,718
Other payables	(10,252)	(10,358)	(10,252)	(10,358)
Euro				
Cash and cash equivalents	523,491	646,871	523,491	646,871
Other payables	(18,784)	-	(18,784)	-
Retention	(83,412)	-	(83,412)	-



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Japanese Yen				
Cash and cash equivalents	14	14	14	14
Trade accounts receivable	8,548	2,051	-	-
Other receivable	6,420	9,758	-	-
Restricted account	348,286	149,332	-	-
Other payables	(7,248)	(2,866)	(440)	-
Payable for assets under construction	-	(59,496)	-	-
Long-term borrowings from financial institution	(2,097,987)	(2,101,258)	-	-
Pound Sterling				
Other payables	-	(211)	-	(211)
Gross balance sheet exposure	(112,085)	(375,548)	1,626,994	1,626,693
Estimated purchase of asset	(546,476)	(1,280,972)	(536,889)	(1,262,177)
Gross exposure	(658,561)	(1,656,520)	1,090,105	364,516
Currency forwards purchase	1,373	631,879	-	612,881
Net exposure	(657,188)	(1,024,641)	1,090,105	977,397

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group has no significant credit risk with any counterparties since the Group maintains business with large customers in petroleum and power industries.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Carrying amount and fair values

The fair value of long-term loans and borrowings carrying a floating rate, which is considered to be market rate, are taken to approximate their fair values.

The fair value of other financial assets and liabilities are taken to approximate carrying value due to the relatively short-term maturity of these financial instruments.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(in thousand Baht)

	Consolidated financial statements				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
31 December 2018					
Financial liabilities measured at fair value					
Long-term borrowings from financial institutions	(145,388)	-	(142,991)	-	(142,991)
Debentures	(4,994,970)	-	(4,967,480)	-	(4,967,480)
Currency forwards purchase	-	-	(5)	-	(5)
Interest rate swap contract	-	-	(21,180)	-	(21,180)
31 December 2017					
Financial assets and financial liabilities measured at fair value					
Long-term borrowings from financial institutions	(156,986)	-	(154,268)	-	(154,268)
Debentures	(4,993,464)	-	(5,033,399)	-	(5,033,399)
Currency forwards purchase	-	-	8,995	-	8,995
Interest rate swap contract	-	-	2,377	-	2,377



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Measurement of fair values

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward exchange contracts and interest rate swap	<i>Market comparison technique:</i> The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable.	Not applicable.
Long-term borrowings from financial institutions	<i>Discounted cash flows:</i> The valuation model considers the present value of cash flows according to contract and discounted using a observable market data.	Not applicable.	Not applicable.
Debentures	<i>Market comparison technique:</i> The valuation model is based on ask prices or latest price of comparable market securities.	Not applicable.	Not applicable.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

35 Dividend

At the Company's Board of Directors meeting held on 15 August 2018, the board of directors approved the appropriation of 2018 interim dividend for the operating result from 1 January 2018 till 30 June 2018 of Baht 0.45 per share, totaling Baht 674.2 million. The interim dividend was paid to shareholders on 10 September 2018.

At the annual general meeting of the shareholders of the Company held on 3 April 2018, the shareholders approved the appropriation of 2017 annual dividend at Baht 1.25 per share, totalling Baht 1,872.9 million. After a deduction of the interim dividends of Baht 0.45 per share which were paid to the Company's shareholders in September 2017, the remaining dividends of Baht 0.80 per share, totalling Baht 1,198.6 million, were paid to shareholders on 20 April 2018.

At the Company's Board of Directors meeting held on 15 August 2017, the board of directors approved the appropriation of 2017 interim dividend for the operating result from 1 January 2017 till 30 June 2017 of Baht 0.45 per share, totaling Baht 674.2 million. The interim dividend was paid to shareholders on 11 September 2017.

At the annual general meeting of the shareholders of the Company held on 3 April 2017, the shareholders approved the appropriation of 2016 annual dividend at Baht 1.15 per share, totalling Baht 1,723.0 million. After a deduction of the interim dividends of Baht 0.45 per share which were paid to the Company's shareholders in September 2016, the remaining dividends of Baht 0.70 per share, totalling Baht 1,048.8 million, were paid to shareholders on 11 April 2017.

36 Commitments with non-related parties

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Capital commitments				
<i>Contracted but not provided for:</i>				
Design, construction and installment for machinery and equipment and project construction	1,545,920	3,328,851	1,513,162	3,014,857
Total	1,545,920	3,328,851	1,513,162	3,014,857



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

(in thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>Future minimum lease payments under non-cancellable operating leases</i>				
Within one year	51,122	68,610	49,330	66,345
After one year but within five years	132,040	164,243	124,715	155,186
After five years	176,520	207,144	140,828	165,732
Total	359,682	439,997	314,873	387,263

Forward Foreign Exchange Contracts

As at 31 December 2018, a local subsidiary has outstanding forward contract to purchase U.S. Dollars 0.04 million or equivalent to Baht 1.4 million with maturity date in March 2019 (2017: U.S. Dollars 0.6 million or equivalent to Baht 18.8 million).

Interest Rate Swap Contract

An overseas subsidiary has entered into interest rate swap contract with a commercial bank in other country to manage exposure and fluctuations in interest rates of long-term loans for JPY currency, whereby exchanging floating interest rate based on JPY-LIBOR plus margin with fixed interest rate. The swap contract effective from 28 February 2018 to 31 May 2036.

Long-term Maintenance Agreements

The Company and a subsidiary have combustion turbine supply and maintenance agreements with local and overseas companies ("service provider"), whereby the service providers will supply and repair parts used for yearly and scheduled repairs. In this regard, the Company and a subsidiary are committed to pay for the parts and maintenance service fees to the service providers at the prices specified in the agreements. The period of agreements are 10-17 years. These agreements are effective till the end of agreement period or maximum number of hours usage or at the specified maintenance period as stipulated in each agreement.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Product Sale and Purchase Agreements

The Company and a subsidiary have power purchase agreements for 25 years with the Electricity Generating Authority of Thailand ("EGAT") whereby the Company and a subsidiary will supply the electric energy to EGAT at the agreed quantity and price. As a contracted party with EGAT, the Company and Subsidiary must comply with conditions and restrictions provided for in the agreement.

The Group entered into agreements with domestic companies to purchase and sell electricity, steam, water for industrial purpose for the period of 15 years or as indicated in the agreements at volume, price as stipulated in agreements.

Equity Contribution Agreement

As specified in Equity Contribution Agreements between the Group's entities, creditor financial institutions (as Intercreditor Agent) and shareholders, the Company and a subsidiary as a shareholder of those entities are committed for additional investments to the entities whenever they acquires loans from their creditors in order to constantly maintain debt to equity ratio as specified in the agreements.

Letters of Guarantee

As at 31 December 2018, the Group and the Company had commitment to local banks and Thailand office of foreign financial institutions for letter of guarantee issued for sale and purchase electricity and raw water, right of use of asset, rental agreement, service agreement, bid security and litigation penalty to certain government, state enterprise and private sectors totalling Baht 745.4 million and Baht 273.7 million, respectively (2017: Baht 669.4 million and Baht 207.7 million, respectively).

Long-Term Land Lease Agreement

The subsidiary has non-cancellable land lease agreement with an oversea company, using for power plant operation in Japan for the period of 20 years commencing from commercial operation date with total rental fee of JPY 45.0 million per annum.

The subsidiary has land lease agreement with a domestic individual, using for solar power plant operation for the period of 25 years commencing from commercial operation date. The initial rental fee will be paid at the agreement signed date of Baht 6.0 million. The first annual rental fee of Baht 1.5 million is due on 1 August 2016 and the remaining instalments will be due on 1 August of years. The annual rental fee will be increase 5% every three years.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Share Purchase Agreement

Glow Energy Public Company Limited Group

On 19 June 2018, the board of directors meeting of the Company approved the transaction to acquire the shares and make a tender offer for the entire securities of Glow Energy Public Company Limited (“GLOW”) and proposed that the shareholders meeting consider and approve those transactions by acquiring, directly and indirectly, a total of 1,010,976,033 ordinary shares of GLOW (equivalent to 69.11 percent of the total issued shares of GLOW) from Engie Global Developments B.V (The “Seller”), at the price of THB 96.5 per share, totalling approximately THB 97,559 million (the said purchase price may be decreased in the amount equivalent to the amount of the dividend paid per share should GLOW pay the dividend prior to the fulfilment of the conditions precedent). In this regard, the Company has entered into the share purchase agreement with the Seller on 20 June 2018.

The Company’s acquisition of the GLOW shares under the aforementioned will occur upon the satisfaction (or joint waiver by the Seller and the Company) of all the following conditions precedent:

- (a) The Company granted approval by its shareholders meeting to acquire the shares of GLOW which was held on 24 August 2018.
- (b) The Company is granted relevant approval by the Energy Regulatory Commission (“ERC”) with respect to the acquisition of the GLOW.

On 10 October 2018, ERC passed resolution to disapprove the application of the Company with respect to the acquisition of share of GLOW. According to ERC’s resolution, the condition precedent (b) under the Share Purchase Agreement could not be fulfilled.

On 18 December 2018, the Company has submitted a new application for a merger with GLOW to ERC. The Company has restructured the proposed transaction to be explicit for problem-solving in terms of reducing competition in the Map Ta Phut area. Then, on 26 December 2018, ERC announced the approval in principle the merger of the Company and GLOW, subject to a condition precedent that GLOW must divest its stake, Glow SPP 1 Company Limited (SPP1) before or during the merger process.

The Company has entered into the agreement for amendment to the Share Purchase Agreement, by including the sale of SPP1 as an additional condition precedent of the Share Purchase Agreement to be in accordance with the resolution of the ERC to be officially granted to the Company. The additional condition precedent specifies that the Company shall purchase the Sale Shares and make a tender offer for all of the remaining GLOW shares upon the completion of the sale of SPP1. As such, the condition precedent under the Share Purchase Agreement has not yet been satisfied as at 31 December 2018.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

Solar Power Plants

At 28 November 2018, Board of Directors meeting has approved the Company to enter into the share purchase agreement to acquire shares of the Target Companies directly or indirectly. The Target Companies consist of N.P.S. Stargroup Co., Ltd., World X Change Asia Co., Ltd., and P.P. Solar Co., Ltd. that operate solar power generation business in Thailand. Moreover, the Company also invested in TerraForm Global Operating (Thailand) Co., Ltd., that provide operation and maintenance service for solar power plants from the group of companies of the seller, which is the group of Brookfield Renewable Partners, a global operator of renewable energy business. The total value of the transaction is approximately Baht 3,070 million including the acceptance of the assignment of rights under the loan agreements from the original shareholders, whereas the final acquisition price may be adjusted due to some factors.

At 7 December 2018, the Company has entered into the share purchase agreement relation to the shares of the target companies with the group companies if the seller. In this respect, the business purchase transaction as described will occur upon approval of the related governmental agency and satisfaction of the conditions precedent under the share purchase agreement. The Company was in the implementation of the terms of agreement process. Therefore, the purchase transaction has not completed as at 31 December 2018.

37 Event after the reporting period

At the meeting of the Board of Directors of the Company held on 11 February 2019, the Company's Board of Directors approved the submission for approval at the annual general meeting of the shareholders of the Company the appropriation of 2018 annual dividends at Baht 1.25 per share, totalling Baht 1,872.9 million. After a deduction of the interim dividends of Baht 0.45 per share which were paid to the Company's shareholders in September 2018, the remaining dividends of Baht 0.80 per share, totalling Baht 1,198.6 million. This dividend is subject to the approval of the Company's shareholders at the 2019 annual general meeting.

38 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.



Notes to the financial statements

Global Power Synergy Public Company Limited and its Subsidiaries
For the year ended 31 December 2018

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

The Group has assessed the impact of application of TFRS 15 and found that there are possible impacts on the area of volume discount and other terms stipulated in Product Sales and Purchase Agreement. However, these do not have a significant impact in consolidated and separate financial statements at the date of initially applying.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.





Global Power Synergy Public Company Limited

555/2 Energy Complex Building B, 5th Floor,

Vibhavadi-Rangsit Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900.

Tel : 02-140-4600 , Fax : 02-140-4601

www.gpscgroup.com

