BANPU POWER

GROWTH ON TRACK

Financial Report 2017

Banpu Power Public Company Limited

Contents

Report of the Board of Directors' Responsibilities for the Financial Statements

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through system which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been prove to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the consolidated financial statements as at 31 December 2017 which the auditor conducted audit in accordance with Thai Standards on Auditing. The auditor is of the opinion that the financial statements present fairly the financial position and the results of its operations and cash flows in accordance with Thai Financial Reporting Standards.

(Assoc. Prof. Dr. Naris Chaiyasoot)	(Mr. Sutee Sukruan)
Chairman of the Board	Chief Executive Office

Report of the Audit Committee to Shareholders

Dear the Shareholders of Banpu Power Public Company Limited,

The Audit Committee of Banpu Power Public Company Limited consists of 3 independent directors who are competent and have relevant experience in finance, accounting, economics, engineering and energy; namely Mr. Yokporn Tantisawetrat, Chairman of the Audit Committee, and Assoc. Prof. Dr. Naris Chaiyasoot and Prof. Dr. Bundhit Eua-aporn, as committee members. Mr. Prapat Manorat, Head of Internal Audit, is the Secretary of the Audit Committee.

The Audit Committee well realizes its duties and responsibilities stipulated in the Audit Committee Charter as well as other duties entrusted by the Board of Directors under corporate governance and in accordance with the criteria and Best Practice Guidelines for the Audit Committee, as stipulated in the regulations of the Stock Exchange of Thailand. The Audit Committee underlines the good corporate governance, as well as effective and efficient risk management, internal control and internal auditing. The committee reports the results of each meeting to the Board of Directors Meeting on a quarterly basis.

In 2017, the Audit Committee held 10 meetings with the participation of management, the Internal Audit Department, and the external auditors in the related agenda. In addition, the Audit Committee held 1 private meeting with the external auditors without the presence of the management. The Audit Committee's main activities can be summarized as follows:

1. Review of Financial Statements: The Audit Committee reviewed the quarterly and annually financial statements on key matters, including the disclosure of notes to the financial statements, key accounting policies and estimates, as well as observations from the external auditors. The Audit Committee received adequate explications from the auditors, the management, and related persons to ensure that the Company's financial statements were prepared in accordance with the governing laws and generally accepted accounting principles (GAAP). In addition, disclosure of notes to the financial statements was adequate, accurate, timely, and beneficial to investors and users of the financial statements. In overall, the Audit Committee agreed with the external auditor that the financial statements present fairly in all material respects.

2. Review of Internal Control and Internal Audit: The Audit Committee reviewed and assessed the internal control by considering internal audit results of Banpu Power Group on a quarterly basis. The reports include the areas of operations, finance, compliance, safeguarding of assets and anti-corruption, as well as internal control adequacy assessment according to the assessment standard of the Office of the Securities and Exchange Commission. The Audit Committee assured that Banpu Power Group has an adequate and appropriate internal control.The Audit Committee oversaw the Internal Audit Department by approving the annual audit plan and budget as well as monitoring internal audit results and the performances of the department and the internal audit service provider (Banpu Public Company Limited, according to Management Service Agreement), and evaluating the Head of Internal Audit's annual performance. Thus, the Company is confident that it had an adequate and proper internal audit system that covered all business units and key processes in accordance with key corporate risks. The Company also emphasized the adequacy, effectiveness and efficiency of the preventive measures. In 2017, the Internal Audit Department organized internal control workshops at the headquarters office and a joint venture's office in Lao PDR in order to strengthen the internal control system by educating the executives and staff. Aside from this, the Internal Audit Department prioritizes continuous improvement of internal auditor to be capable to facilitate an effective internal control and create added value for the Company

3. Review of Compliance: The Audit Committee reviewed Banpu Power Group's compliance with applicable laws and regulations. The Company has established a system to audit, monitor, and annually report compliance issues to the Audit Committee. Moreover, the Company reported risk management and internal audit results covering key compliance risks. In 2017, no significant compliance issues or problems were found.

4. Review of Related Party Transactions: The Audit Committee reviewed related party transactions or transactions that may cause conflicts of interests between the Company, its subsidiaries and other related parties to ensure that the transactions were fair and reasonable while benefiting the Company's operations, and comply with the regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

5. Review of Risk Management: The Audit Committee reviewed the corporate risk management plans and mitigation plans, covering the risks from currency fluctuations, environmental laws and regulations, regulatory change, and maintaining good relationships with communities and the government of the countries where the Company has invested. The Committee also regularly reviewed the management of other key risks as well as measures and risk mitigation plans. The review and progress monitoring was conducted on a quarterly basis to ensure effective risk management and reduce impact from the risks and business uncertainties that may arise. In 2017, the Company conducted risk revitalization in order to enhance effectiveness to respond to a complex and rapidly changing landscape of business, technologies, and laws and regulations.

6. Appointment of Auditors and Audit Fees for 2018: The Audit Committee considered the selection of auditors based on Banpu Power's evaluation criteria, including their independence, quality, standards of work, and qualifications in accordance with the Stock Exchange of Thailand's requirements. The Audit Committee proposed the appointment of auditors to the Board of Directors for shareholders' approval. The following individuals of PricewaterhouseCoopers ABAS Ltd. (PwC) were nominated as the auditors for 2018:

1. Ms. Amornrat Pearmpoonvatanasuk, CPA, License No. 4599; and/or
2. Mr. Pongthawee Ratanakoses, CPA, License No. 7795; and/or
3. Mr. Vichien Khingmontri, CPA, License No. 3977

In summary, the Audit Committee independently performed its duties and responsibilities set forth in the Audit Committee Charter, approved by the Board of Directors. The responsibilities are taken with knowledge, skills and prudence for the equitable benefit of stakeholders. The Committee assured that Banpu Power's financial statements were accurate and reliable in compliance with GAAP and provided sufficient disclosure. The Company conducts its business in accordance with good corporate governance policy; has an appropriate risk management system, adequate and efficient internal audit and internal control, and full compliance with applicable laws and regulations. In addition, the Audit Committee stresses that the Internal Audit Department shall strictly follow up the mitigations of auditing results and periodically report progress to the Audit Committee and prioritizes the continuous improvement of auditing to properly respond to rapid changes in business and environmental scenarios.

20 February 2018
On behalf of the Audit Committee

(Mr. Yokporn Tantisawetrat)
Chairman of the Audit Committee
Banpu Power Public Company Limited

No. BPP 2018/004

Bangkok Office

21 February 2018

Re: Management's Discussion and Analysis of the consolidated financial statements for the year ended 31 December 2017

Attention: President
The Stock Exchange of Thailand

Banpu Power Public Company Limited ("the company") hereby submits a consolidated financial statements for the year ended 31 December 2017 which were audited by auditors to the Stock Exchange of Thailand via electronic channel and accordingly to the general public.

The company's management would like to explain its performance for the year ended 31 December 2017 in comparison with the year ended 31 December 2016 and its financial position as of 31 December 2017 compared with the financial position as of 31 December 2016. The analysis topics are as follows;

1. Company performance analysis
2. Consolidated statement of financial position
3. Consolidated statement of cash flows
4. Management Discussion & Analysis

1. Company Performance Analysis

The analysis and explanation of company performance for the years ended 31 December 2017 and 2016 are as follows:

Consolidated statements of income for the years ended 31 December 2017 and 2016

Consolidated financial performance (Unit: Million Baht)	2017	2016
Sales	6,419	5,542
Cost of sales	(4,879)	(3,605)
Gross margin	1,540	1,937
Administrative expenses	(1,169)	(1,101)
Share of profit from joint ventures	3,682	3,513
Other income	657	739
Financial costs	(106)	(420)
Profit before tax	4,604	4,667
Income taxes	(362)	(395)
Net profit for the year	4,242	4,273
Owners of the parent	4,155	4,138
Non-controlling interest	87	135
Basic Earnings per share (Unit: Baht)	1.364	1.743

1.1 Sales, Costs and Gross Margin

Sales represented electricity, steam and others sales of 3 CHP (Combined Heat and Power) plants and solar power plants in China. Detail is per below table;

	Power Sold (GWh)		Steam & Others Sold (Million Tons)		Average Coal cost (CNY/Ton)	
100% Basis	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Zhending CHP	419.74	424.12	0.88	0.89	490.95	341.45
Luannan CHP	509.60	503.55	1.22	1.21	595.61	375.93
Zouping CHP	566.99	550.17	3.25	2.93	712.69	486.88
Solar Power Plants	173.73	27.58	n/a	n/a	n/a	n/a

Sales reported at THB 6,419 million, an increase of THB 878 million or 16% compared to last year, was addition sales from CHP plants of THB 5,760 million and from solar power plant in China of THB 659 million, offset with an impact of foreign exchange from a depreciation of CNY currency against THB currency.

Power and Steam sale volumes increased by 18.49 GWh and 0.32 million tons, respectively together with an increase of average power tariff and steam price. Average power tariff was CNY 0.38 per kWh (2016: CNY 0.36), increased by CNY 0.02 per kWh or 6% and steam price was CNY 93.77 per ton (2016: CNY 83.69), increased by CNY 10.08 per ton or 12%. The higher price is the effects from the higher of coal price which is the main fuel source of power plants.

Power sales volume from solar power plant increased by 146.15 GWh, due to an increase of number of commercial operation solar power plants which there were 5 plants in 2017 (2016: 3 solar power plants).

However, there was an impact from a depreciation of CNY currency against THB currency, average CNY: THB of 2017 was at THB 5.03 (2016: THB 5.31). This affects to less revenue amount when convert from CNY currency to THB currency.

Average coal cost was CNY 619 per ton (2016: CNY 401 per ton), or 54% increase compared to last year. Coal cost has been continuously increased since 4Q16.

Gross margin was 24% (2016: 35%), 11% decreased from last year was mainly due to the higher coal cost which was a main fuel of our CHP plants as above mentioned.

1.2 Administrative expenses reported at THB 1,169 million, an increase of THB 68 million or 6% compared to last year was mainly from below list:

- 1.2.1 A provision for doubtful account totaling THB 80 million. The provision was measured based on ability of repayment from the receivable, both loan principle and interest within timeframe.
- 1.2.2 An increase of amortization on right to operate the power plant totaling THB 7 million from 5 solar power plants that started their commercial operation during the year.
- 1.2.3 An increase of cost of management and service fee charged from the parent company THB 9 million started in October 2017 under service agreement.
- 1.2.4 Staff related costs increased by THB 90 million relating to 3 CHP plants in China and Bangkok office increased by THB 30 million and THB 26 million, respectively compared to last year according to the company's expansion. Also an increase of staff related costs of solar power plants in China and Japan by THB 34 million due to solar business expansion of the Group
- 1.2.5 A decrease of THB 145 million was mainly from decrease of professional fee, consulting fee and other related fees.
- 1.2.6 Others of THB 26 million.

1.3 Share of profit from joint ventures and associate reported at THB 3,682 million consisted of profit sharing from BLCP of THB 1,487 million, Hongsa Power Plant & Phu Fai Mining of THB 2,234 million, whereas loss sharing from a power plant in China which was under construction of THB 36 million and solar business in Japan at holding company level of THB 3 million.

An increase of share of profit from joint ventures THB 169 million or 5% compared to last year was mainly from an increase from Hongsa Power Plant & Phu Fai Mining totaling of THB 761 million according to better performance and higher generation compare to prior year, including an increase from solar business in Japan totaling of THB 3 million, while a decrease of profit sharing from BLCP of THB 577 million that caused from a planned outage for major overhaul of Unit 1 during 4Q17 and power plant in China that is under construction THB 18 million.

1.4 Other income of THB 654 million was comprised of

- 1.4.1 Interest income of THB 49 million.
- 1.4.2 Management fee income of THB 184 million, mainly was fee charged to related companies and joint ventures.
- 1.4.3 Pipeline connecting fee of THB 359 million from CHP plants in China that charged to newsteam customers.
- 1.4.4 Other income of THB 150 million, mainly was government subsidy, ash & slag sales from CHP plants in China of THB 79 million and THB 23 million, respectively and dividend income from

investment in Solar Japan under form TK (TOKUMEI KUMIAI) agreements of THB 21 million and other income of THB 27 million.

1.4.5 Net loss on foreign exchange of THB 85 million, was mainly unrealized loss from foreign exchange translation on CNY loan to subsidiaries in China, resulting from a depreciation of CNY currency against THB currency during the year.

1.5 Interest expenses of THB 106 million, a decrease of THB 314 million was mainly from fully repayment of loan from the parent company during 4Q16.

1.6 Corporate income tax of THB 362 million, decreased by THB 33 million compared to last year which consists;

1.6.1 A decrease of THB 170 million from lower operating profit of CHP plants in China.

1.6.2 An increase of THB 130 million from a decrease of deferred income tax assets recognition from tax loss carry forward, which was nil in this year.

1.6.3 An increase of THB 7 million was from group restructuring in China that affects to have income tax expense and from distributed profit from Solar power business in Japan.

1.7 Net profit for the year ended 31 December 2017 reported at THB 4,155 million, increased from the last year by THB 16 million. Basic earnings per share reported at THB 1.364 per share (2016: THB 1.743 per share)

2. Statements of Consolidated Financial Position as of 31 December 2017 in comparison with Statements of Consolidated Financial Position as of 31 December 2016

2.1 Total assets of THB 47,698 million, an increase of THB 4,735 million compared to total assets as of 31 December 2016 with details were mainly described as follows:

- Cash and cash equivalents of THB 1,129 million, a decrease by THB 24 million or 2% (See explanation in # 4 Consolidated Statement of Cash Flow)
- Short-term investments represent deposits at financial institutions of subsidiaries in China decreased by THB 149 million.
- Current and non-current portions of dividend receivables from related parties of THB 714 million and THB 7,133 million, respectively totaling of THB 7,847 million were dividend receivables from power business joint ventures, decreased by THB 200 million which was net result of received dividend and additional declared dividend during the year by THB 1,700 million and THB 1,500 million, respectively.
- Short-term loans to related party were loans to a joint venture that invested in solar development projects in Japan. A decrease of THB 238 million was net result of additional loan during the period by THB 169 million, repayment of loan by THB 28 million, a reclassification of loan to related party and advance to related party to be investment in joint venture of THB 289 million and THB 94 million, respectively, including realized gain on foreign exchange translation of THB 4 million.
- Short-term and long-term loans to other companies totaling of THB 258 million was CNY loans to solar power projects in China which is in process of ownership transfer. A decrease of THB 1,236 million was net impact from an increase of THB 258 million was additional loan during the year and a decrease by THB 1,495 from reclassification to be loans to subsidiary according to the completion of ownership transfer to the group.
- Investment in an associate and joint ventures of THB 18,400 million, increased by THB 1,132 million or 7% from additional investment in solar project in Japan of THB 290 million and profit sharing from joint venture net of on dividend income by THB 1,223 million, share of other comprehensive income of cash flow hedge THB 187 million, while there was unrealized loss from foreign exchange translation at the year-end

of THB 568 million.

- Other investments of THB 2,765 million, increased by THB 1,687 million or 157% represent investments in solar power plants in Japan in form of TK (TOKUMEI KUMIAI) agreements that increased by THB 1,829 million netting with unrealized loss from foreign exchange translation at the year-end of THB 142 million.
- Net property plant and equipment of THB 11,993 million, an increase of THB 3,550 million or 42% was mainly from the acquisition of 2 solar power plants in China of THB 1,884 million and additions of machinery and equipment of CHP plants in China of THB 2,600 million; netting with write-off and reclassification of THB 210 million, depreciation expenses for the period of THB 463 million and unrealized loss from foreign exchange translation at the year-end of THB 261 million.
- Other non-current assets of THB 1,843 million, an increase of THB 282 million or 18% was mainly from net result of an increase of advance to others for investment in solar power plants in Japan of THB 293 million, reclassification of refundable VAT of solar power plants in China to be non-current assets of THB 427 million, an increase of land use right of THB 110 million from expansion phase of a CHP plant in China, accrued subsidy income of THB 463 million, respectively. While there were a reclassification of advance payment for project development of solar project in Japan of THB 924 million to other investments and also reclassification of advance to contractor of THB 79 million to loan to other company according to a termination of share purchase agreement of Thai Solar Consultant Co., Ltd and disposed back to seller and other reduction of THB 8 million.

2.2 Total liabilities of THB 7,913 million, increased by THB 2,831 million compared to total liabilities as of 31 December 2016 with details were mainly described as follows:

- Short-term loans from financial institutions of THB 2,324 million, decrease of THB 112 million was from loan repayment during the year.
- Current portion of long-term loans and long-term loans from financial institutions of THB 348 million and THB 2,898 million, respectively, totaling of THB 3,246 million. An increase of THB 2,737 million was from net impact of an addition of THB 2,832 million (net of financial charge) and repayment of THB 81 million and unrealized gain on foreign exchange translation at the year-end of THB 14 million.
- Other current liabilities of THB 1,855 million, a decrease of THB 24 million was mainly net impact from advance received from steam residential customers of power plants in China decrease of THB 115 million and accrued expense of THB 26 million whereas an increase from accrued investment cost of THB 28 million, accrued consulting expenses and construction costs of solar power plants in China of THB 89 million.

2.3 Shareholders' equity of THB 39,785 million, a net increase of THB 1,904 million compared to shareholders' equity as of 31 December 2016 with details were mainly described as follows:

- An increase of THB 4,155 million from net profit of 2017.
- An increase of THB 62 million from paid-up share capital as a result from the exercise of BPP-W and BPP-ESOP during the year.
- An increase of THB 33 million from reserve for share based payment.
- An increase of THB 187 million from changes in fair value of hedged financial instruments
- An increase of THB 69 million from non-controlling interests.
- A decrease of THB 915 million from loss on foreign exchange translation of subsidiaries' financial statements.
- A decrease of THB 10 million from share based payment distribution to parent company.
- A decrease of THB 1,676 million from dividend payment.

3. Statements of Consolidated Cash Flows for the year ended 31 December 2017

Statement of consolidated cash flow for the year ended 31 December 2017 recorded a decrease of net cash flow by THB 24 million (included the effect from exchange rate translation loss of THB 23 million) from 31 December 2016. The consolidated cash flows are divided into:

3.1 Net cash inflow from operation activities of THB 602 million with major operating items as follows;

- Collection from sales of power and steam of THB 6,600 million
- Payment to suppliers and contractors of THB 5,478 million
- Payment of interest expense of THB 105 million
- Payment of corporate income tax of THB 289 million
- Others of THB 126 million

3.2 Net cash outflow from investing activities of THB 1,664 million with major items as follows;

- Payment for machine, equipment and project in progress of THB 2,548 million
- Payment for investments in Solar project in Japan and China of THB 346 million
- Payment for loan to related companies and others of THB 767 million
- Payment for Solar project development in Japan of THB 908 million
- Dividend received from joint venture and others of THB 2,681 million
- Receiving from loan to related companies of THB 29 million
- Receiving from interest income and others of THB 195 million

3.3 Net cash inflow from financing activities of THB 1,061 million comprised;

- Proceeds from short-term and long-term loans from banks of THB 8,583 million
- Repayment of short-term loans and long-term loans from banks of THB 5,949 million
- Payment for other financial costs of THB 22 million
- Cash receipts from the exercise of BPP-W and BPP-ESOP of THB 124 million
- Dividend payment of THB 1,676 million

4. Management Discussion and Analysis

The financial result of 2017 reflects the company's ability to create sustainable value through efficiency improvement of operating power plants, improvement in project management and development to achieve the Commercial operation Date (COD) of all projects as planned and the competitiveness in seeking investment opportunity for growth. In 2017, the company achieved total operating capacity of 2,068 MW on equity basis and the committed project development in pipeline of 721 MW. The strong financial position with low debt to equity ratio reflects the ability to seek for source of funding to achieve the growth target of 4,300 MW.

The company reported net profit for the year at THB 4,155 million which already included the unrealized FX translation loss of THB 85 Million due to Thai Bath appreciated against US Dollar during the year. This is mainly from the significant improvement of Hongsa efficiency by achieving Equivalent Availability Factor or EAF of 81%, increased by 19% compare to 62% in the previous year which result in consistency of electricity generation. The net profit for 4Q17 is reported at THB 461 million, decreased by 47% compare to the previous year of THB 877 million. This is an impact from the extended major overhaul (EMJ) of BLCP for 10 weeks. However, there is still supporting contribution from Combined Heat and Power (CHP) operation in China in which the sale of power and steam are higher due to higher demand during winter season.

The reported revenue of THB 6,419 million consists of additional revenue from Solar China of THB 659 million and CHP plants of THB 5,760 million, increase of 16% compared to previous year. This is due to the achievement in commercial operation date of solar power plants in China during the year and the increase in demand for both power and steam as well as the adjustment in the tariff during July 2017. Though many power plants in China was affected from the higher coal price which increase by 54% compared to previous year, our CHP plants still being able to maintain gross profit of 24%, decreased by 11% from previous year which reported gross profit of 35%.

The share of profit from joint ventures was reported at THB 3,682 million compared to THB 3,513 million last year or the increase of 5% which consists of share of profit from Hongsa of THB 2,235 million (included the unrealized translation loss of THB 908 million) which increase from THB 1,474 million last year or increase of 28% while BLCP reported the share of profit of THB 1,487 million (included the unrealized translation loss of THB 430 million) which decrease from THB 2,064 million last year or lower by 38%. Excluding the unrealized exchange rate translation, both BLCP and HPC can generate the operating profit of THB 5,060 million which increased significantly from the improvement of Hongsa efficiency.

The reported EBITDA was THB 5,410 million compared to THB 5,575 million or a decrease of 3%.

Sincerely yours

Mr. Sutee Sukruan
Chief Executive Officer

Mr. Banchob Kitchpanich
Tel. 66(0) 2007 6012

Independent Auditor’s Report

To the shareholders of Banpu Power Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Banpu Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as of 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

Emphasis of Matter

I draw attention to Note 33.5 - Litigation to these financial statements, which describes a litigation where the Plaintiffs who were ex-developers of a coal mine and a power plant in Lao PDR (Hongsa Project) filed against the Company and its parent. As of 31 December 2017, the determination process is in the stage of the Supreme Court proceeding and under the law, the civil case has yet to reach its final stage. However, a summon was issued by the Civil Court to the Company and its parent to hear the judgment of the Supreme Court in respect of the civil case on 6 March 2018. My opinion is not qualified in respect of this matter.

Key audit matters

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

Key audit matter	How my audit addressed the key audit matter
Business combination As detailed in note 32.2 - Business combination, the Group acquired a 100% shareholding of two companies incorporated in the People's Republic of China with a total purchase consideration of THB 82.33 million. Management assessed that the acquisition of those shareholdings qualifies as a business combination according to the definition in TFRS 3 (revised 2016) "Business Combination". Management determined that the fair value of total identifiable assets acquired was THB 2,162 million, mainly comprised Baht 1,883.35 million relating to property, plant and equipment and THB 102.90 million relating to intangible assets (Right to Operate the Power Plants). The fair value of the total assumed liabilities is THB 2,079.67 million. The valuations of total identifiable assets acquired and the total assumed liabilities were performed as a part of the purchase price allocation. I focused on the identification of the fair values of property, plant and equipment and the intangible assets arising from the business combination because the valuation methodology and assumptions used in the model involves significant judgment made by the management. Key assumptions used for the valuation includes electricity tariffs, assumed capacity of the power plants, profit growth rates, expected changes to operating expenditures, capital structure and market risk obtained from available public information.	The audit procedures of this matter were performed by the component engagement team in the People's Republic of China. I understood and evaluated the work of the component team to obtain sufficient and appropriate audit evidences. The component team carried out the following procedures in order to obtain evidence for management's assessment of business combination and determination of fair value of identifiable assets acquired and liabilities assumed: • Reviewed management's assessment that the acquisitions of 100% of shareholding of two companies incorporated in the People's Republic of China should be accounted for as business combination. • Assessed the appropriateness of the identifiable assets acquired and the liabilities assumed at the acquisition date and also evaluated management's procedures for determining the fair values of the net identifiable assets acquired. • Tested the calculation of fair values of property, plant and equipment and intangible assets and also challenged management's judgement in relation to the assumptions used in the cash flow forecasting, for example the electricity tariffs, assumed capacity of the power plants, operating expenditures, capital structure by comparing those assumptions to the underlying agreements and external sources. • Assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry. As a result of the procedure performed, I determined that the assessment of the acquisition of the investments as the business combination is appropriately performed in accordance with the definition set out in TFRS 3 and the assumptions used in identifying the fair values of property, plant and equipment and the intangible assets arising from the business combination were reasonable and in line with the accounting for the business combination.

Other information

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

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group'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 TSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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.

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Ms. Amornrat Pearmpoonvatanasuk
Certified Public Accountant (Thailand) No. 4599
Bangkok
21 February 2018

Statement of Financial Position

Banpu Power Public Company Limited
As of 31 December 2017

	Notes	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
Assets					
Current assets					
Cash and cash equivalents	8	1,129,197	1,152,784	208,002	60,589
Restricted deposits at financial institutions	9	22,084	9,501	-	-
Short-term investments	10	180,522	329,587	-	-
Trade accounts receivable and note receivables	11	1,210,502	1,028,478	-	-
Amounts due from related parties	31	13,440	13,074	211,838	32,880
Current portion of dividend receivables					
from related parties	31	714,382	1,451,267	714,332	1,451,267
Advances to related parties	31	16,154	16,528	5,164	35
Short-term loans to related parties	31	-	238,100	262,880	4,943,753
Short-term loans to other company	12	257,745	669,670	-	-
Fuel		421,858	442,114	-	-
Spare parts and supplies, net		67,202	45,248	-	-
Other current assets	13	312,362	409,609	4,801	4,713
Total current assets		4,345,448	5,805,960	1,407,017	6,493,237
Non-current assets					
Long-term loan to other company	12	-	824,479	-	-
Dividend receivables from related parties	31	7,132,811	6,596,298	6,226,326	5,716,830
Advances to related parties	31	179,705	378,006	-	-
Long-term loan to related parties	31	-	-	6,842,494	-
Investments in subsidiaries	14	-	-	17,409,722	17,404,907
Investments in an associate and joint ventures	14	18,399,943	17,268,261	13,094,363	13,093,370
Other investments, net	15	2,765,147	1,077,955	-	-
Property, plant and equipment, net	16	11,993,462	8,443,230	1,151	920
Deferred income tax assets, net	17	769,223	818,953	115,830	127,736
Goodwill		41,447	49,730	-	-
Right in long term power purchase agreement, net		227,479	139,274	-	-
Other non-current assets	18	1,842,981	1,560,710	99,827	83,724
Total non-current assets		43,352,198	37,156,896	43,789,713	36,427,487
Total assets		47,697,646	42,962,856	45,196,730	42,920,724

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Financial Position

Banpu Power Public Company Limited

As of 31 December 2017

(Baht'000)

		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	19	2,323,600	2,435,297	1,750,000	2,040,000
Trade accounts payable		589,195	393,757	-	-
Advances from and amounts due to related parties	31	3,662	1,758	-	-
Current portion of long-term loans					
from financial institutions, net	21	347,607	53,746	-	-
Income tax payable		73,488	68,666	-	-
Other current liabilities	20	1,854,853	1,879,192	91,439	48,877
Total current liabilities		5,192,405	4,832,416	1,841,439	2,088,877
Non-current liabilities					
Long-term loans from financial institutions, net	21	2,550,111	107,492	2,082,231	-
Deferred income tax liabilities, net	17	142,021	109,460	-	-
Employee benefit obligations	22	28,294	32,483	28,294	32,483
Total non-current liabilities		2,720,426	249,435	2,110,525	32,483
Total liabilities		7,912,831	5,081,851	3,951,964	2,121,360

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Financial Position

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Liabilities and equity					
Equity					
Share capital	23				
Registered share capital					
3,104,492,000 ordinary shares of THB 10 each					
(2016: 3,095,692,000 ordinary shares					
of THB 10 each)		31,044,920	30,956,920	31,044,920	30,956,920
Issued and paid-up share capital					
3,048,355,000 ordinary shares of THB 10 each					
(2016: 3,045,692,000 ordinary shares					
of THB 10 each)		30,483,550	30,456,920	30,483,550	30,456,920
Premium on share capital	23	7,192,115	7,157,230	7,192,115	7,157,230
Surplus from business combination under common control		(1,978,582)	(1,978,582)	-	-
Reserve for share-based payment	25	22,932	-	22,932	-
Retained earnings (deficits)					
Appropriated					
-Legal reserve	24	1,146,200	905,200	1,146,200	905,200
Unappropriated		4,396,833	2,158,914	2,399,969	2,280,014
Other components of equity	26	(2,256,770)	(1,528,519)	-	-
Owners of the parent		39,006,278	37,171,163	41,244,766	40,799,364
Non-controlling interests	27	778,537	709,842	-	-
Total equity		39,784,815	37,881,005	41,244,766	40,799,364
Total liabilities and equity		47,697,646	42,962,856	45,196,730	42,920,724

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Comprehensive Income

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Sales		6,419,277	5,541,646	-	-
Cost of sales		(4,879,362)	(3,604,680)	-	-
Gross profit		1,539,915	1,936,966	-	-
Administrative expenses		(1,169,042)	(1,100,686)	(397,747)	(423,320)
Dividend income from subsidiaries and joint ventures	31	-	-	2,433,060	5,007,852
Dividend income from other companies	15	20,650	15,885	-	-
Management fee and others		672,150	648,773	37,081	36,835
Interest income		48,557	94,346	190,627	75,298
Net losses on exchange rate		(84,844)	(21,259)	(148,296)	(33,265)
Interest expenses		(101,702)	(419,926)	(62,245)	(407,776)
Other financial costs		(3,904)	-	(3,904)	-
Share of profit from an associate and joint ventures	14	3,682,246	3,513,183	-	-
Profit before income taxes		4,604,026	4,667,282	2,048,576	4,255,624
Income taxes	17	(361,815)	(394,507)	(11,906)	121,891
Profit for the year		4,242,211	4,272,775	2,036,670	4,377,515
Other comprehensive income (expense), net of taxes:					
Items that will not be reclassified to profit or loss					
- Remeasurements of post-employment benefit obligations, net of taxes		-	(12,017)	-	(2,919)
Total items that will not be reclassified to profit or loss, net of taxes		-	(12,017)	-	(2,919)
Items that will be reclassified to profit or loss					
- Share of other comprehensive income (expense) of an associate and joint ventures	14	(381,007)	268,625	-	-
- Translation differences		(366,126)	(846,181)	-	-
Total items that will be reclassified to profit or loss, net of taxes		(747,133)	(577,556)	-	-
Other comprehensive income (expense) for the year, net of taxes		(747,133)	(589,573)	-	(2,919)
Total comprehensive income for the year		3,495,078	3,683,202	2,036,670	4,374,596

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Comprehensive Income

Banpu Power Public Company Limited
As of 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
Owners of the parent		4,154,634	4,138,126	2,036,670	4,377,515
Non-controlling interests		87,577	134,649	-	-
		4,242,211	4,272,775	2,036,670	4,377,515
Total comprehensive income attributable to:					
Owners of the parent		3,426,383	3,597,782	2,036,670	4,374,596
Non-controlling interests		68,695	85,420	-	-
		3,495,078	3,683,202	2,036,670	4,374,596
Earnings per share (Baht)	29				
Basic earnings per share		1.364	1.743	0.668	1.843
Diluted earnings per share		1.363	1.743	0.668	1.843

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Changes in Equity

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

		Consolidated financial statements										
		Owners of the parent										
								Other components of equity				
								Other comprehensive income (expense)				
						Retained earnings (deficits)						
	Notes	Issued and paid-up share capital	Premium on share capital	Surplus from business combination under common control	Share-based payment	Legal reserve	Unappropriated	Cash flow hedge reserve	Translation differences	Total other components of equity	Non-controlling interests	Total equity
Opening balance as of 1 January 2017		30,456,920	7,157,230	(1,978,582)	-	905,200	2,158,914	(546,545)	(981,974)	(1,528,519)	709,842	37,881,005
Proceeds from shares issued	23	26,630	34,885	-	-	-	-	-	-	-	-	61,515
Legal reserve	24	-	-	-	-	241,000	(241,000)	-	-	-	-	-
Reserve for share-based payment	25	-	-	-	33,378	-	-	-	-	-	-	33,378
Distribution to the parent	25	-	-	-	(10,446)	-	-	-	-	-	-	(10,446)
Dividend paid	30	-	-	-	-	-	(1,675,715)	-	-	-	-	(1,675,715)
Total comprehensive income (expense) for the year		-	-	-	-	-	4,154,634	187,054	(915,305)	(728,251)	68,695	3,495,078
Closing balance as of 31 December 2017		30,483,550	7,192,115	(1,978,582)	22,932	1,146,200	4,396,833	(359,491)	(1,897,279)	(2,256,770)	778,537	39,784,815
Opening balance as of 1 January 2016		12,971,995	307,850	(1,978,582)	-	602,200	(58,072)	(853,290)	(146,902)	(1,000,192)	624,422	11,469,621
Proceeds from shares issued	23	17,484,925	6,849,380	-	-	-	-	-	-	-	-	24,334,305
Legal reserve	24	-	-	-	-	303,000	(303,000)	-	-	-	-	-
Reserve for share-based payment	25	-	-	-	5,601	-	-	-	-	-	-	5,601
Distribution to the parent	25	-	-	-	(5,601)	-	-	-	-	-	-	(5,601)
Dividend paid	30	-	-	-	-	-	(1,606,123)	-	-	-	-	(1,606,123)
Total comprehensive income (expense) for the year		-	-	-	-	-	4,126,109	306,745	(835,072)	(528,327)	85,420	3,683,202
Closing balance as of 31 December 2016		30,456,920	7,157,230	(1,978,582)	-	905,200	2,158,914	(546,545)	(981,974)	(1,528,519)	709,842	37,881,005

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Changes in Equity

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

		Separate financial statements					
					Retained earnings (deficits)		
	Notes	Issued and paid-up share capital	Premium on share capital	Share-based payment	Legal reserve	Unappropriated	Total equity
Opening balance as of 1 January 2017		30,456,920	7,157,230	-	905,200	2,280,014	40,799,364
Proceeds from shares issued	23	26,630	34,885	-	-	-	61,515
Legal reserve	24	-	-	-	241,000	(241,000)	-
Reserve for share-based payment	25	-	-	33,378	-	-	33,378
Distribution to the parent	25	-	-	(10,446)	-	-	(10,446)
Dividend paid	30	-	-	-	-	(1,675,715)	(1,675,715)
Total comprehensive income (expense) for the year		-	-	-	-	2,036,670	2,036,670
Closing balance as of 31 December 2017		30,483,550	7,192,115	22,932	1,146,200	2,399,969	41,244,766
Opening balance as of 1 January 2016		12,971,995	307,850	-	602,200	(185,459)	13,696,586
Proceeds from shares issued	23	17,484,925	6,849,380	-	-		24,334,305
Legal reserve	24	-	-	-	303,000	(303,000)	-
Reserve for share-based payment	25	-	-	5,601	-	-	5,601
Distribution to the parent	25	-	-	(5,601)	-	-	(5,601)
Dividend paid	30	-	-	-	-	(1,606,123)	(1,606,123)
Total comprehensive income (expense) for the year		-	-	-	-	4,374,596	4,374,596
Closing balance as of 31 December 2016		30,456,920	7,157,230	-	905,200	2,280,014	40,799,364

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Cash Flows

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from operating activities					
Profit for the year before income taxes		4,604,026	4,667,282	2,048,576	4,255,624
Adjustment to reconcile profit before income taxes to cash receipts (payments) from operations					
- Depreciation and amortization		509,933	428,221	565	544
- Allowance for doubtful debt		81,877	-	-	-
- Provision for slow-moving of spare parts and supplies		1,469	1,572	-	-
- Interest income		(48,557)	(94,346)	(190,627)	(75,298)
- Interest expenses		101,702	419,926	62,245	407,776
- Other financial costs		3,904	-	3,904	-
- Share of profit from an associate and joint ventures	14	(3,682,246)	(3,513,183)	-	-
- Dividend income from subsidiaries and joint ventures	31		-	(2,433,060)	(5,007,852)
- Dividend income from other companies	15	(20,650)	(15,885)	-	-
- Net losses (gains) on disposal of property, plant and equipment	16	(795)			
- Losses on disposal of subsidiaries		301	148	5	24
- Write-off property, plant and equipment	16	17,862	42,745	-	-
- Share-based payment	25	22,932	-	22,932	-
- Gains on disposal of other investments	15	-	3,820	-	-
- Net unrealized (gains) losses on exchange rate		84,306	(270,175)	148,728	36,189
Cash flow before changes in working capital		1,676,064	1,670,125	(336,732)	(382,993)
Changes in working capital (net of effects from acquisition and disposal of subsidiaries)					-
- Trade accounts receivable and note receivables		(147,580)	262,345	-	-
- Amounts due from related parties		(366)	(5,740)	(5,097)	(1,384)
- Advances to related parties		123,385	10,325	(5,129)	1,791
- Fuel and spare part and supplies		18,781	(80,778)	-	-
- Other current assets		231,834	28,893	(88)	84,101
- Other non-current assets		(859,214)	138,861	(16,103)	(7,463)
- Trade accounts payable		195,438	84,004	-	-
- Advances from and amounts due to related parties		1,904	(4,610)	-	(4,347)
- Employee benefit obligations		(4,189)	3,986	(4,189)	3,256
- Other current liabilities		(246,601)	(10,559)	(20,515)	20,253
Cash generated (payment) from operations		989,456	2,096,852	(387,853)	(286,786)
- Interest paid		(98,468)	(468,909)	(61,924)	(459,014)
- Income tax paid		(288,596)	(533,035)	-	-
Net cash receipts (payments) from operating activities		602,392	1,094,908	(449,777)	(745,800)

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Cash Flows

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

	Notes	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
Cash flows from investing activities					
Net cash receipts (payments) from restricted deposits at financial institutions		(12,583)	8,621	-	-
Net cash receipts (payments) from short-term investments		149,065	1,445,993	-	-
Cash receipts from short-term loans to related parties		28,533	130,191	837,390	60,000
Cash payments for short-term loans to related parties		-	(198,749)	(2,606,347)	(4,680,706)
Cash payments for long-term loans to related parties		-	-	(544,505)	-
Cash receipts for short-term loans to other companies		-	624,537	-	-
Cash payments for short-term loans to other companies		(273,540)	(1,315,279)	-	-
Cash payments for long-term loans to other companies		(493,936)	(841,142)	-	-
Cash payments for purchase of investments in joint ventures and an associate	14	(993)	(8,287,909)	(993)	(7,045,097)
Cash payments for purchase of investments in subsidiaries		-	-	-	(451,250)
Net cash payments from business combination	32	(18,508)	(31,063)	-	-
Cash receipts from disposal of other investments	15	-	42,294	-	-
Cash payments for purchase of other investments		(326,511)	(862,327)	-	-
Cash payments for purchase of plant and equipment	16	(2,547,736)	(2,963,509)	(891)	(276)
Cash receipts from disposal of plant and equipment	16	941	174	141	12
Interest received		58,909	53,072	15,065	49,993
Cash receipts from dividends from subsidiaries and joint ventures		2,660,000	3,058,601	2,660,499	3,058,183
Cash receipts from dividends from other companies	15	20,650	15,885	-	-
Advances for project development of power plant		(907,858)	(1,041,443)	-	-
Net cash payments from investing activities		(1,663,567)	(10,162,053)	360,359	(9,009,141)

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Statement of Cash Flows

Banpu Power Public Company Limited
As of 31 December 2017

(Baht'000)

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from financing activities					
Cash receipts from short-term loans from financial institutions		5,732,678	3,943,432	4,970,000	3,281,046
Cash payments for short-term loans from financial institutions		(5,868,141)	(1,936,075)	(5,260,000)	(1,241,974)
Cash receipts from short-term loans from related parties	31	-	11,487,023	-	11,487,023
Cash payments for short-term loans from related parties	31	-	(26,369,830)	-	(26,580,986)
Cash payments for short-term loans from other company		-	(704,028)	-	-
Cash receipts from long-term loans from financial institutions		2,850,155	-	2,100,000	-
Cash payments for long-term loans from financial institutions	21	(80,893)	(49,797)	-	-
Cash payments for other finance costs		(21,673)	-	(21,673)	-
Cash receipts from additional share capital	23	-	24,334,305	-	24,334,305
Cash receipts from the exercise rights to purchase the Company's ordinary shares under BPP-W and BPP-ESOP		124,219	-	124,219	-
Dividend paid to shareholders		(1,675,715)	(1,606,123)	(1,675,715)	(1,606,123)
Net cash receipts from financing activities		1,060,630	9,098,907	236,831	9,673,291
Net increase (decrease) in cash and cash equivalents		(545)	31,762	147,413	(81,650)
Exchange differences on cash and cash equivalents		(23,042)	(38,592)	-	-
Cash and cash equivalents at beginning of the year		1,152,784	1,159,614	60,589	142,239
Cash and cash equivalents at end of the year		1,129,197	1,152,784	208,002	60,589
Non-cash transactions					
Significant non-cash transactions for the year ended 31 December are as follows:					
Net purchase consideration for business combination					
- Payable for purchase of investments		-	131,846	-	-
Other payables for purchase of property, plant and equipment		668,303	615,676	51	-

The notes to the consolidated and separate financial statements on page 27 - 77 are an integral part of these financial statements.

Notes to the consolidated and separate financial statements

For the year ended 31 December 2017

1. General information

Banpu Power Public Company Limited (the Company) is a public company which was established and located in Thailand. The address of the Company's registered office is 1550, Thanapoom Tower 26th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 28 October 2016.

The Company is a subsidiary of Banpu Public Company Limited (the Parent) who holds 78.64% of the Company's shares.

For reporting purposes, the Company and its subsidiaries are referred to as the Group. Nature of businesses of each company was described in Note 14.

The Group is engaged in investments in power businesses in Thailand and overseas.

These consolidated and company financial statements were authorised by Board of Directors on 21 February 2018.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5

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

2.2 Revised financial reporting and the accounting standards and related interpretations ("the accounting standards")

2.2.1 The accounting standards are effective for annual periods beginning on or after 1 January 2017

The Group adopted the accounting standards, which are effective for annual periods beginning on or after

1 January 2017. There is no significant impact to the financial statements being present from the adoption of those standards by the Group.

2.2.2 The accounting standards are effective for annual periods beginning on or after 1 January 2018 which The Group has not yet adopted these standards.

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

- TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.
- TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:
  - A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
  - An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
  - Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
  - Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.
- TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale according to TFRS 5 (revised 2017), except for the summarised financial information.

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

2.3 Group accounting - Investments in subsidiaries, associates and joint arrangements

2.3.1 Subsidiaries

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

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

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

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

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

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

A list of the Group's subsidiaries is shown in Note 14.

2.3.2 Transactions with non-controlling interests

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

2.3.3 Disposal of subsidiaries

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

2.3.4 Business combination under common control

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

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

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

2.3.5 Associates

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

A list of the Group's associates is shown in Note 14.

2.3.6 Joint operations

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

<u>Joint operations</u>
A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

<u>Joint venture</u>
A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method in the consolidated financial statements.

A list of the Group's joint ventures is shown in Note 14.

2.3.7 Accounting under equity method

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

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

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

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

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

2.3.8 Separate financial statement

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

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

2.4 Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

c) Group companies

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and

- All resulting exchange differences are recognised in other comprehensive income.

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

2.5 Cash and cash equivalents

In the consolidated and separate statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.6 Trade accounts receivable and notes receivable

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

Notes receivable are notes received from customers which issued from financial institutions from sales of electricity and steam of subsidiaries in People's Republic of China in the ordinary course of business.If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

2.7 Fuel and spare parts

Fuel and spare parts which are not met conditions of property, plant and equipment are stated at lower of cost or net realisable value.

Cost of fuel and spare parts are determined by the weighted average method. Fuel comprises coal and diesel.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of fuel and spare parts, such as import duties and transportation charges, less all attributable discounts and allowances. Allowance for obsolete, slow-moving and defective spare parts are reviewed on a specific case.

2.8 Accounting for derivative financial instruments and hedging activities

The Group recognises derivative financial instruments at fair value on the date a derivative contract is entered into and recognises changes to fair value are recognised through profit or loss.

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

2.9 Other investments

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

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities with in 12 months from the statement of financial position date which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than twelve months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- Investments in non-marketable equity securities are classified as general investments.

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

Available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date. The unrealised gains and losses of available for sales investments are recognised in equity.

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

General investments are carried at cost less impairment.

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

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

2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequently, all plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment (if any).

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

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

Assets of the Company and subsidiaries

Power plants and components of power plants	30 years
Building and building improvements	5 to 30 years
Machinery and equipment	30 years
Furniture	3 to 5 years
Office equipment and tools	3 and 5 years
Motor vehicles	5 years

Assets of joint ventures

Land improvement	10 years or according to lease agreement period
Components of power plants	The shorter of power purchase agreement period or estimated useful lives
Building and building improvements	10 to 25 years
Machinery and equipment	5 to 25 years
Furniture	5 years
Office equipment and tools	3 to 5 years
Motor vehicles	3 and 5 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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

2.11 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated statement of financial position as an intangible assets. Goodwill on acquisitions of interests in joint ventures or associates is included in interests in joint ventures and investments in associates and is tested for impairment as part of the overall balance.

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

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

2.12 Intangible assets

2.12.1 Computer software

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 5 years.

2.12.2 Right in long-term power purchase agreement and right to operate the power plants

The right in long-term power purchase agreement and right to operate the power plants arising on acquisition of subsidiaries are amortised over the periods of the power purchase agreement and estimated useful life of the power plants.

2.13 Impairment of assets

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

2.14 Long-term leases

The determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement, and not merely the legal form. It requires an assessment of whether (a) the fulfilment of the arrangement is dependent on the use of specific assets and (b) the arrangement conveys a right to use such assets.

If the arrangement is a lease or contains a lease, payments and other consideration required by the arrangement shall be separated into those for the lease and those for other elements (e.g. for services and the cost of inputs) on the basis of their relative fair values. The lease element of the arrangement shall be classified as a finance lease or an operating lease.

Leases - where a Group is the lessee

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Assets acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

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

2.15 Borrowings

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

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

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

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

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

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

2.16 Employee benefits

The Group operates various post-employment benefits schemes. The Group has both defined contribution plans and defined benefit.

Defined contribution

The Group operates a provident fund that is funded by payments from employees and by the Group which are managed by trustee. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the provident fund are charged to the profit and loss in the year to which they are due.

Furthermore, the Group contributes to a defined contribution retirement benefit plan on a monthly basis administered by the People's Republic of China government. The relevant government agencies undertake to assume the retirement benefit obligation payable to all existing and future retired employees under this plan and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to this plan are recognised as an expense in profit or loss when incurred.

Retirement benefits

Employees are entitled to receive benefits on reaching normal retirement age under the labour law applicable in Thailand and countries, which the Group has the operation, or such other dates of entitlement as may be agreed between the Group and employees. Retirement benefits depend on one or more factors such as age, years of service and compensation.

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

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

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

2.17 Provisions

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

2.18 Share-based payment

The Company operates a number of equity-settled, its share-based compensation plans, under which the Company receives services from employees as consideration for its equity instruments (warrants). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the warrants granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability,sales growth targets and remaining an employee of the entity over a specified time period); and
- Excluding the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of warrants that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of warrants that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the warrants are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of warrants over its equity instruments to the employees of the Parent is treated as a distribution to owner both in the consolidated and separate financial statements and recognised directly to equity at fair value of the warrants as of the grant date.

2.19 Current and deferred income taxes

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

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

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

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

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

2.20 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

2.21 Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services net of value-added tax, rebates, discounts and transportation. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Sales of electricity and steam are shown net of output tax and discount. Sales will be recognised upon transmission of electricity and steam at delivery points stipulated in Power Purchase Agreement and Steam Purchase Agreement.

Service income is recognised when services are rendered.

Other revenues earned by the Group are recognised on the following bases:
- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the right to receive payment is established.

2.22 Dividends

Dividends payable are recorded in the consolidated and company's financial statements in the period in which they are approved by the Board of Directors or Shareholders.

2.23 Segment reporting

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

2.24 Group accounting policies for joint ventures' business operations other than above accounting policies

2.24.1 Long-term leases

Leases - where a Group company is the lessor

Leases in which a significant portion of risks and rewards of ownership are retained by the lessee are classified as finance lease. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance lease income (interest income from finance leases) is recognised over the term of the lease using the netinvestment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Leases in which a significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term.

2.24.2 Provisions

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

2.24.3 Revenue recognition

Finance lease income under power purchase agreements is recognised on an effective interest method over the period of the agreements. Rental income from operating lease under power purchase agreements is recognised on a straight-line basis over the period of the agreements.

Service income under finance and operating lease agreements related to power purchase agreements, which comprises servicing income and fuel cost received from leases with respect to the leased assets, is recognised when the services have been rendered.

Contingent rents are recognised in the income statement in the period in which they are incurred. Contingent rent is that portion of lease payments that is not fixed in amount but varies based on a future factor, such as the amount of use or production.

3 Reclassification

Comparative figures have been reclassified to conform with the changes in presentation in the current year as following:

(Baht'000)

	Consolidated financial statements		
	As previously reported	Effects of reclassification	After reclassification
Right to operate the power plants, net	-	139,274	139,274
Other non-current assets	1,699,984	(139,274)	1,560,710

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates, coal price and oil price. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

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

4.2 Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar, Japanese Yen and Chinese Yuan. The Group does not use forward foreign exchange contracts and currency swaps contracts to hedge their exposure to foreign currency risk in connection with their measurement currency under fund restructuring consideration plan to reduce foreign exchange risk.

4.3 Interest rate risk

The Group manages interest rate risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. The Group allocates its debt portfolio in either short and long term contracts or loans with fixed and floating interest rates corresponding to their types of investments. The Group does not enter into interest rate swap contract.

4.4 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. Derivative counter parties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

4.5 Liquidity risk

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

5. Critical accounting estimates and judgments

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

The Group makes estimates and assumptions concerning the future. The results of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions thathave a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year which are fair value estimates and useful lives of intangible assets acquired from business combination.

Fair value and useful lives of intangible assets acquired from business combination

The Group applies the acquisition method to account for business combinations. Intangible assets acquired in a business combination are required to be recognised separately from goodwill and amortised over their useful life if they are separately transferable and their fair value can be reliably estimated. The Group has separately recognised intangible assets as the right in long-term power purchase agreement and the right to operate the power plants (see note 32.1 and 32.2).

The fair value estimates of these acquired intangible assets is based on valuation techniques. The valuation models require significant judgments and assumptions made by the management. Key assumptions used for the valuation includes electricity tariffs, assumed capacity of the power plants, profit growth rates, expected changes to operating expenditures, capital structure and discounted rate.The management must also make assumptions about the useful life of the acquired intangible assets.

6. Capital risk management

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

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

7. Segment information

The Group has one operating segment which is power business. Therefore, the Group presents the segment information based on geographical segment and considers the net profit (loss) from operating before interest expense and income taxes for each segment.

The segment information are as follow:

(Baht'000)

	Consolidated financial statements							
	Power business							
	People's Republic of China	Thailand	Lao People's Democratic Republic	Japan	Head office	Total	Eliminated entries	Total
For the year ended 31 December 2017								
Sales	6,419,213	64	-	-	-	6,419,277	-	6,419,277
Cost of sales	(4,879,311)	(51)	-	-	-	(4,879,362)	-	(4,879,362)
Gross profit	1,539,902	13	-	-	-	1,539,915	-	1,539,915
Gross profit margin (%)	24%	20%				24%		24%
Share of profit (loss) from joint ventures and an associate	(36,359)	1,486,897	2,234,646	(2,017)	(921)	3,682,246	-	3,682,246
Administrative expenses	(617,688)	(27)	-	(45,676)	(237,087)	(900,478)	-	(900,478)
Interest income	124,925	1	-	22	286,159	411,107	(362,550)	48,557
Profit (loss) from operating before interest expenses and income taxes	1,010,780	1,486,884	2,234,646	(47,671)	48,151	4,732,790	(362,550)	4,370,240
Net losses on exchange rate								(84,844)
Others								420,332
Interest expenses								(101,702)
Income taxes								(361,815)
Non-controlling interests								(87,577)
Profit for the year - owner of the parent								4,154,634
Total segmented assets	14,649,719	-	-	29,196	-	14,678,915	-	14,678,915
Total unallocated assets								33,018,731
Total assets								47,697,646

(Baht'000)

	Consolidated financial statements							
	Power business							
	People's Republic of China	Thailand	Lao People's Democratic Republic	Japan	Head office	Total	Eliminated entries	Total
For the year ended 31 December 2016								
Sales	5,541,542	104	-	-	-	5,541,646	-	5,541,646
Cost of sales	(3,604,610)	(70)	-	-	-	(3,604,680)	-	(3,604,680)
Gross profit	1,936,932	34	-	-	-	1,936,966	-	1,936,966
Gross profit margin (%)	35%	33%				35%		35%
Share of profit (loss) from joint ventures	(18,606)	2,064,152	1,473,917	(6,280)	-	3,513,183	-	3,513,183
Administrative expenses	(584,008)	(375)	-	(1,737)	(338,193)	(924,313)	-	(924,313)
Interest income	136,577	5	-	1	121,066	257,649	(163,303)	94,346
Profit (loss) from operating before interest expenses and income taxes	1,470,895	2,063,816	1,473,917	(8,016)	(217,127)	4,783,485	(163,303)	4,620,182
Net losses on exchange rate								(21,259)
Others								488,285
Interest expenses								(419,926)
Income taxes								(394,507)
Non-controlling interests								(134,649)
Profit for the year - owner of the parent								4,138,126
Total segmented assets	11,260,254	3,232	-	61,793	-	11,325,279	-	11,325,279
Total unallocated assets								31,637,577
Total assets								42,962,856

8. Cash and cash equivalents

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	192	365	5	5
Deposits held at call with banks	1,129,005	1,152,419	207,997	60,584
Total cash and cash equivalents	1,129,197	1,152,784	208,002	60,589

As at 31 December 2017, the interest rates on deposits held at call with banks were 0.01% to 1.30% per annum (2016: 0.00% to 1.25% per annum).

9. Restricted deposits at financial institutions

As of 31 December 2017, restricted deposits at financial institutions amounting to CNY 4.40 million or equivalent to Baht 22.08 million represent deposits held at bank as reserve for serving of bank acceptance bills provided by bank for a subsidiary in People's Republic of China (2016: CNY 1.85 millionor equivalent to THB 9.50 million).

10. Short-term investments

As of 31 December 2017, short-term investments represent fixed deposits at financial institutions in People's Republic of China with maturities within 180 days which bear interest at the rates of 2.30% to 3.35% per annum (2016: 1.10% to 3.50% per annum).

11. Trade accounts receivable and note receivables

As of 31 December, trade accounts receivable and note receivables consist of:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivable - third parties	1,196,831	997,687	-	-
Note receivables	13,671	30,791	-	-
Total trade accounts receivable and note receivables	1,210,502	1,028,478	-	-

Note receivables represent note receivables from sales of power and steam of subsidiaries in People's Republic of China which are issued by a financial institution to guarantee the possessors to get money on the maturity date of note receivables. Note receivables are unsecured and non-interest bearing.

Trade accounts receivable and note receivables are aged as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivable and note receivables under credit term	801,838	771,751	-	-
Trade accounts receivable due for payment				
- Less than 3 months	396,532	256,626	-	-
- Over 3 months but less than 6 months	12,132	101	-	-
- Over 6 months but less than 12 months	-	-	-	-
- Over 12 months	-	-	-	-
Total trade accounts receivable and note receivables	1,210,502	1,028,478	-	-

12. Loans to other companies

Loans to other companies are mainly used for solar power projects in People's Republic of China.

Short-term loans

As of 31 December 2017, short-term loans to other companies are CNY loans amounting to CNY 51.40 million or equivalent to THB 257.75 million (2016: CNY 130 million or equivalent to THB 669.47 million and THB 0.20 million), bearing interest rates at the rates of 4.35% per annum. The repayments are due within 12 months.

Long-term loan

As of 31 December 2017, no outstanding balance of long-term loan to other company. During the year ended 31 December 2017, long-term loan to other company had been reclassified to long-term loan to related parties from business combination.

13. Other current assets

Other current assets consist of:

(Baht'000)

	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
Prepaid expenses	33,922	18,516	3,724	2,352
Advance for prepayment	6,244	3,862	11	17
Accrued interest income	7,529	21,269	-	-
Value added tax receivables	210,713	262,275	151	811
Prepaid income tax	8,058	43,722	571	1,533
Others	45,896	59,965	344	-
Total other current assets	312,362	409,609	4,801	4,713

14. Investments in subsidiaries, an associate and joint ventures

Investments in subsidiaries, an associate and joint ventures are as follows:

(Baht'000)

	Consolidated financial information		Separate financial information	
	2017	2016	2017	2016
Subsidiaries				
Banpu Coal Power Ltd.	-	-	5,921,587	5,921,587
Banpu Renewable Energy Co., Ltd.	-	-	955,647	955,647
Banpu Power International Limited	-	-	10,527,673	10,527,673
Banpu Power (Japan) Co., Ltd.	-	-	4,815	-
Total investments in subsidiaries - cost method	-	-	17,409,722	17,404,907
Joint ventures				
BLCP Power Ltd.	6,089,171	6,089,171	-	-
Hongsa Power Company Limited	13,092,534	13,092,534	13,092,534	13,092,534
Phu Fai Mining Company Limited	836	836	836	836
Aizu Energy Pte. Ltd.	758,979	469,901	-	-
Shanxi Luguang Power Co., Ltd.	1,081,413	1,176,457	-	-
Associate				
PT. ITM Banpu Power	993	-	993	-
Total investments in joint ventures and an associate - cost method	21,023,926	20,828,899	13,094,363	13,093,370
Add Cumulative equity account of investments in an associate and joint ventures	(2,623,983)	(3,560,638)	-	-
Total investments in an associate and joint ventures	18,399,943	17,268,261	13,094,363	13,093,370

As of 31 December 2017, under the condition of loans for project finance of joint ventures, the Group pledges its investments in a subsidiary and three joint ventures with a cost of THB 12,010.76 million and USD 370.82 million (2016: THB 12,010.76 million and USD 370.82 million), as collateral for loans from financial institutions of such joint ventures.

14.1 Changes in investments in subsidiaries, an associate and joint ventures

Movements of investments in subsidiaries, an associate and joint ventures for the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements (Equity method)		Separate financial statements (Cost method)	
	2017	2016	2017	2016
Opening balance	17,268,261	8,823,890	30,498,277	23,001,930
Additions of investments	290,071	8,287,909	5,808	7,496,347
Dividend received from joint ventures	(2,459,628)	(3,616,248)	-	-
Add Share of profit from joint ventures and an associate	3,682,246	3,513,183	-	-
Share of other comprehensive income				
(expense) from joint ventures and an associate				
- Cash flow hedge reserve	187,054	306,745	-	-
- Remeasurements of post-employment benefit obligations	-	(9,098)	-	-
- Translation differences	(568,061)	(38,120)	-	-
Closing balance	18,399,943	17,268,261	30,504,085	30,498,277

a) Additional investments

Consolidated financial statements

During the year ended 31 December 2017, the Group had additionally invested in Aizu Energy Pte. Ltd., a joint venture, in the same percentage of shareholding, the Group has converted short-term loans to a related party amounting to JPY 943.86 million or equivalent to THB 289.08 million to the investment in such joint venture.

During the year ended 31 December 2017, the Group had invested in PT. ITM Banpu Power, an associate, with a cost of USD 0.03 million or equivalent to THB 0.99 million. The Group has direct shareholding owning 30% of registered share capital in such associate. The Group has paid the whole amount for such shareholding.

Separate financial statements

On 16 January 2017, the Company has restructured its investments by purchasing Banpu Power (Japan) Co., Ltd. from Banpu Renewable Energy Co., Ltd., a subsidiary, with a cost of THB 4.82 million. The Company has direct shareholding owning 100.00% of registered share capital in such subsidiary. The Company has fully paid for these investments by converting short-term loans to such subsidiary.

During the year ended 31 December 2017, the Company had invested in PT. ITM Banpu Power, an associate, with a cost of USD 0.03 million or equivalent to THB 0.99 million. The Company has direct shareholding owning 30% of registered share capital in such associate. The Company has paid the whole amount for such shareholding.

b) Dividend income from joint ventures

During the year ended 31 December 2017, dividend income from joint ventures represented the dividend income from BLCP Power Limited and Hongsa Power Company Limited amounting to THB 1,499.63 million and THB 960 million, respectively. Regarding dividend income from Hongsa Power Company Limited, the Company has provided a standby letter of credit to the lenders of Hongsa Power Company Limited in the same amount of dividend received

Furthermore, on 24 January 2018, the Company has provided standby letters of credit, issued by commercial banks under the Company name, amounting to USD 11 million (or equivalent to THB 351 million) and amounting to THB 354 million for guarantee the long-term loans from financial institution of BLCP Power Limited.

14.2 Investments in subsidiaries

List of subsidiaries of the Group is disclosed in Note 14.4.

As of 31 December 2017 and 2016, the group had the following subsidiary that has significant non-controlling interests as follows;

Name of company	Country	Business	Proportion of ordinary shares held by the Group (%)	Proportion of shares held by non-cotrolling interests (%)
Zouping Peak CHP Co., Ltd.	People's Republic of China	Power and steam production and trading	70.00	30.00

Summarized financial information on subsidiaries with material non-controlling interests

Set out below are the summarized financial information for a subsidiary that has non-controlling interests that is material to the Group. The information below is the amount before inter-company eliminations.

Summarized statements of financial position

(Baht'000)

	Zouping Peak CHP Co., Ltd.	
As of 31 December	**2017**	**2016**
Current assets	999,364	936,585
Current liabilities	1,209,611	706,768
Current net assets	(210,247)	229,817
Non-current assets	3,061,455	2,144,976
Non-current liabilities	247,185	-
Non-current net assets	2,814,270	2,144,976
Net assets	2,604,023	2,374,793
Accumulated non-controlling interests	781,207	712,438

Significant restrictions

As of 31 December 2017, restricted deposits at bank amounting to CNY 4.40 million or equivalent to THB 22.08 million represent deposits held at bank as reserve for serving of bank acceptance bills provided by bank for a subsidiary in People's Republic of China (2016: CNY 1.85 million or equivalent to THB 9.50 million).

Summarized statements of comprehensive income

(Baht'000)

For the years ended 31 December	Zouping Peak CHP Co., Ltd. 2017	Zouping Peak CHP Co., Ltd. 2016
Revenue	2,667,353	2,362,853
Profit before income tax	391,456	579,883
Income tax expense	(99,533)	(131,054)
Post-tax profit from continuing operations	291,923	448,829
Other comprehensive income (expense)	(43,809)	(680,381)
Total comprehensive income (expense)	248,114	(231,552)
Total comprehensive income (expense) allocated to non-controlling interests	74,434	(69,466)
Dividend paid to non-controlling interests	-	-

Summarized statement of cash flows

(Baht'000)

For the years ended 31 December	Zouping Peak CHP Co., Ltd. 2017	Zouping Peak CHP Co., Ltd. 2016
Cash flow from operating activities		
Cash generated from operations	600,172	736,112
Interest paid	(22,563)	(6,493)
Income tax paid	(97,291)	(203,813)
Net cash generated from operating activities	480,318	525,806
Net cash used in investing activities	(1,180,227)	(229,304)
Net cash generated from (used in) financing activities	591,340	(586,491)
Net decrease in cash and cash equivalents	(108,569)	(289,989)
Cash and cash equivalents at beginning of year	125,179	437,476
Exchange losses on cash and cash equivalents	(2,990)	(22,308)
Cash and cash equivalents at end of year	13,620	125,179

The information above is the amount before inter-company eliminations.

14.3 Investments in joint ventures

Set out below are the joint ventures, which are material to the Group. The joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and has voting right in proportion of the ordinary shares.

(Baht'000)

Name of company	Country	Business	Measurement method	Percent of ownership interest 2017	Percent of ownership interest 2016
BLCP Power Ltd.	Thailand	Power production and trading	Equity	50.00	50.00
Hongsa Power Company Limited	Lao PDR	Power concession	Equity	40.00	40.00

Commitments and contingent liabilities in respect of joint ventures

As of 31 December, the Group has commitments relating to investment in joint ventures as disclosed in Note 33.2. Significant commitments in the ownership proportion of joint ventures of the Group are as follows:

(Million Baht)

	Consolidated financial statements	
	2017	2016
Letter of Guarantee	68	68
Letter of Credit	-	6
Commitments on significant contracts	20,381	21,641
Total	20,449	21,715

Summarized financial information for joint ventures

Set out below are the summarized financial information which are significant joint ventures and accounted for using the equity method.

Summarized statements of financial position

(Baht'000)

	BLCP Power Limited		Hongsa Power Company Limited		Total	
As of 31 December	2017	2016	2017	2016	2017	2016
Current assets						
Cash and cash equivalents	95,236	66,684	8,222,194	9,276,231	8,317,430	9,342,915
Deposits at financial institutions used as collateral	6,965,123	7,741,135	2,163,866	2,620,640	9,128,989	10,361,775
Current portion of finance lease receivable, net	3,578,988	3,666,888	4,647,928	4,193,804	8,226,916	7,860,692
Other current assets	4,739,742	5,353,202	4,640,696	2,581,317	9,380,438	7,934,519
Total current assets	15,379,089	16,827,909	19,674,684	18,671,992	35,053,773	35,499,901
Non-current assets						
Finance lease receivable, net	10,518,065	14,678,049	83,434,189	90,125,980	93,952,254	104,804,029
Property, plant and equipment, net	1,873,572	1,227,012	2,739,006	1,583,558	4,612,578	2,810,570
Other assets	3,250,607	2,672,193	9,271,131	8,973,460	12,521,738	11,645,653
Total non-current assets	15,642,244	18,577,254	95,444,326	100,682,998	111,086,570	119,260,252
Current liabilities						
Current portion of long-term loans, net	2,868,769	2,970,783	5,159,474	5,059,426	8,028,243	8,030,209
Other current liabilities (including trade payables)	17,311,041	17,596,811	2,598,818	2,183,178	19,909,859	19,779,989
Total current liabilities	20,179,810	20,567,594	7,758,292	7,242,604	27,938,102	27,810,198
Non-current liabilities						
Long-term loans, net	2,140,516	5,191,890	75,695,927	83,248,413	77,836,443	88,440,303
Other liabilities	896,335	857,954	1,291,863	1,758,682	2,188,198	2,616,636
Total non-current liabilities	3,036,851	6,049,844	76,987,790	85,007,095	80,024,641	91,056,939
Net assets	7,804,672	8,787,725	30,372,928	27,105,291	38,177,600	35,893,016

Summarized statements of comprehensive income

(Baht'000)

For the years ended 31 December	BLCP Power Limited		Hongsa Power Company Limited		Total	
	2017	2016	2017	2016	2017	2016
Sales and services	14,969,435	16,408,637	20,841,071	15,366,655	35,810,506	31,775,292
Cost of sales and services	(11,338,729)	(11,474,496)	(7,373,125)	(5,730,858)	(18,711,854)	(17,205,354)
Depreciation and amortisation	(118,251)	(121,855)	(121,618)	(79,091)	(239,869)	(200,946)
Interest income	74,293	72,599	123,807	129,131	198,100	201,730
Interest expense (not included other finance cost)	(316,131)	(446,045)	(5,445,831)	(5,943,485)	(5,761,962)	(6,389,530)
Net unrealised gains (losses) on exchange rate	(952,609)	(70,541)	534,519	1,428,385	(418,090)	1,357,844
Profit before income tax	2,433,651	4,484,454	5,200,002	3,416,956	7,633,653	7,901,410
Income tax expense	540,141	(356,150)	-	-	540,141	(356,150)
Profit for the year	2,973,792	4,128,304	5,200,002	3,416,956	8,173,794	7,545,260
Other comprehensive income (expense)	(957,590)	(53,106)	467,635	744,114	(489,955)	691,008
Total comprehensive income (expense)	2,016,202	4,075,198	5,667,637	4,161,070	7,683,839	8,236,268
Dividends from joint ventures	2,999,255	4,915,293	2,400,000	2,893,804	5,399,255	7,809,097

The information above reflects the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures (and not the Group's share of those amounts).

Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interest in joint ventures.

(Baht'000)

	BLCP Power Limited		Hongsa Power Company Limited		Total	
	2017	2016	2017	2016	2017	2016
Opening net assets	8,787,725	9,627,820	27,105,291	8,523,357	35,893,016	18,151,177
Increase investment	-	-	-	17,314,668	-	17,314,668
Dividend paid	(2,999,255)	(4,915,293)	(2,400,000)	(2,893,804)	(5,399,255)	(7,809,097)
Profit for the year	2,973,792	4,128,304	5,200,002	3,416,956	8,173,794	7,545,260
Other comprehensive income (expense)	(957,590)	(53,106)	467,635	744,114	(489,955)	691,008
Closing net assets	7,804,672	8,787,725	30,372,928	27,105,291	38,177,600	35,893,016
Ownership percentage in joint ventures (%)	50	50	40	40		
Interests in joint ventures	3,902,336	4,393,863	12,149,171	10,842,116	16,051,507	15,235,979
Impact of changes in functional currency of joint venture	82,911	82,911	216,053	216,053	298,964	298,964
Closing carrying value	3,985,247	4,476,774	12,365,224	11,058,169	16,350,471	15,534,943

Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

(Baht'000)

	Consolidated financial statements	
	2017	2016
Aggregate carrying amount of individually immaterial joint ventures, which are accounted for using equity method	2,049,472	1,733,318
Aggregate amounts of the reporting entity's share of:		
Profit for the year	115,349	82,249
Other comprehensive income (expense)	(89,265)	(11,566)
Total comprehensive income	26,084	70,683

14.4 List of subsidiaries, an associate and joint ventures

Name of company	Country	Business	Percentage of direct shareholding 2017	Percentage of direct shareholding 2016
Direct shareholding				
Subsidiaries				
- Banpu Coal Power Limited	Thailand	Investment in power	99.99	99.99
- Banpu Renewable Energy Co., Ltd.	Thailand	Investment in renewable energy	99.99	99.99
- Banpu Power International Co., Ltd.	Republic of Mauritius	Investment in power	100.00	100.00
- Banpu Power (Japan) Co., Ltd.	Thailand	Investment in renewable energy	100.00	-
Joint arrangement - Joint ventures				
- Hongsa Power Company Limited	Lao People's Democratic Republic	Power concession	40.00[1]	40.00[1]
- Phu Fai Mining Company Limited	Lao People's Democratic Republic	Mining concession	37.50[1]	37.50[1]
An associate				
- PT. ITM Banpu Power	Republic of Indonesia	Investment in power	30.00	30.00
Indirect - shareholding				
1) **Banpu Coal Power Limited** and a joint venture				
BLCP Power Limited	Thailand	Power production and trading	50.00[1]	50.00[1]
2) **Banpu Renewable Energy Co., Ltd.** and subsidiaries and a joint venture are as follows;				
Subsidiaries				
- Banpu Renewable Singapore Pte. Ltd.	Singapore	Investment in renewable energy	100.00	100.00
- Akira Energy Limited and subsidiaries	Hong Kong	Investment in power	100.00	100.00
- Akira Energy (South) Limited	Hong Kong	Investment in power	100.00	100.00
- Macao Deyuan Limited	People's Republic of China	Investment in power	100.00	100.00

Name of company	Country	Business	Percentage of direct shareholding 2017	Percentage of direct shareholding 2016
- BPP Renewable Investment (China) Co., Ltd. and subsidiaries	People's Republic of China	Investment in renewable energy	100.00	100.00
- Anqiu Huineng New Energy Co.,Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Weifang Tian'en Jinshan Comprehensive Energy Co.,Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Dongping Haoyuan Solar Power Generation Co.,Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Anqiu City Hui'en PV. Technology Co.,Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Jiaxing Deyuan Technology Co.,Ltd	People's Republic of China	Solar power generation	100.00	100.00
Joint arrangement - Joint venture				
- Aizu Energy Pte. Ltd.	Singapore	Investment in renewable energy	75.00[1]	75.00[1]
3) Banpu Power International Co.,Ltd.				
and subsidiaries and a joint venture are as follows;				
Subsidiaries				
- Banpu Power Investment Co., Ltd. and subsidiaries are as follows	Singapore	Investment in power	100.00	100.00
Subsidiaries				
- Shijiazhuang Chengfeng Cogen Co.,Ltd.	People's Republic of China	Power and steam production and trading	100.00	100.00
- Zouping Peak Pte. Ltd. and a subsidiary	Singapore	Investment in power	100.00	100.00
- Zouping Peak CHP Co.,Ltd.	People's Republic of China	Power and steam production and trading	70.00	70.00
- Banpu Investment (China) Co.,Ltd. and a subsidiary	People's Republic of China	Investment in power	100.00	100.00
- Tangshan Banpu Heat & Power Co.,Ltd.	People's Republic of China	Power and steam production and trading	12.08[2]	12.08[2]
- Banpu Power Trading (Shandong) Co.,Ltd	People's Republic of China	Power trading	100.00	100.00
- Banpu Power Trading (Hebei) Co.,Ltd.	People's Republic of China	Power trading	100.00	100.00
- Pan-Western Energy Corporation LLC and a subsidiary	Cayman Islands	Investment in power	100.00	100.00
- Tangshan Banpu Heat & Power Co.,Ltd.	People's Republic of China	Power and steam production and trading	87.92[2]	87.92[2]
Joint arrangement - Joint venture				
- Shanxi Lu Guang Power Co.,Ltd.	People's Republic of China	Power and steam production and trading	30.00[1]	30.00[1]

[1] Shareholder agreement of joint ventures of the Group has determined the management structure includingstrategic financial decision and operation which has voting right from the shareholders or the representative of each parties. The Group classifies as investments in joint ventures.

[2] The Group holds investments in Tangshan Banpu Heat & Power Co., Ltd. 100% of registered shares by Banpu Investment (China) Co., Ltd. and Pan-Western Energy Corporation LLC in the proportion of 12.08% and 87.92%, respectively.

15 Other investments, net

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cost method				
General investments				
Goudou Kaisha SFJ	116,252	123,937	-	-
Goudou Kaisha MNP	215,656	220,114	-	-
Goudou Kaisha YMG	690,551	733,904	-	-
Goudou Kaisha Sirius Solar Japan 8	301,774	-	-	-
Goudou Kaisha Woodlake	561,817	-	-	-
Goudou Kaisha Univergy 100	275,702	-	-	-
Goudou Kaisha Sirius Solar Japan 11	437,925	-	-	-
Goudou Kaisha Univergy 49	158,409	-	-	-
Renewable Japan Co.,Ltd.	7,061	-	-	-
Total other investments	2,765,147	1,077,955	-	-

(Baht'000)

	Consolidated financial statements
	General invesments
As of 1 January 2016	
Cost	220,630
Less Allowance for impairments - general investments	-
Other investments, net	220,630
For the year ended 31 December 2016	
Opening net book value	220,630
Addition from business acquisition	11,886
Addition investments	906,652
Written-off - Cost	(14,324)
Disposal of investment, net	(46,114)
Translation differences	(775)
Closing net book value	1,077,955
As of 31 December 2016	
Cost	1,077,955
Less Allowance for impairments - general investments	-
Other investments, net	1,077,955

(Baht'000)

	Consolidated financial statements
	General invesments
As of 31 December 2016	
Cost	1,077,955
Less Allowance for impairments - general investments	-
Other investments, net	1,077,955
For the year ended 31 December 2017	
Opening net book value	1,077,955
Addition investments	928,535
Additions from transfer advances for project development of power plant	900,000
Translation differences	(141,343)
Closing net book value	2,765,147
As of 31 December 2017	
Cost	2,765,147
Less Allowance for impairments - general investments	-
Other investments, net	2,765,147

During the end of year 2017, the Group had entered into the Tokumei Kumiai ("TK") Investment Agreement to develop five additional solar power plants projects which are Goudou Kaisha Sirius Solar Japan 8, Goudou Kaisha Woodlake, Goudou Kaisha Univergy 100, Goudou Kaisha Sirius Solar Japan 11 and Goudou Kaisha Univergy 49 totalling JPY 5,988.92 million or equivalent to THB 1,812.85 million and additionally invested in Goudou Kaisha MNP, totalling JPY 28.50 million or equivalent to THB 8.63 million. Also, the Group has acquired an investment in Renewable Japan Co., Ltd., which is registered in Japan, with a cost of THB 7.06 million. Such subsidiary has direct shareholding in such company, owning 0.04% of registered share capital.

Dividend income from other company

Consolidated financial statements

During 2017, dividend income from other company are dividend income from Goudou Kaisha SFJ amounting to JPY 67.33 million or equivalent to THB 20.65 million (2016: Goudou Kaisha SFJ JPY 48.58 million or equivalent to THB 15.88 million).

16 Property, plant and equipment, net

(Baht'000)

	Consolidated financial statements						
	Building and infrastructures	Machinery and equipment	Furniture and office equipment	Tools	Motor vehicles	Construction in progress	Total
At of 1 January 2016							
Cost	3,085,925	7,676,432	16,826	28,646	68,411	511,057	11,387,297
Less Accumulated depreciation	(1,594,376)	(3,804,411)	(12,864)	(21,567)	(41,089)	-	(5,474,307)
Net book amount	1,491,549	3,872,021	3,962	7,079	27,322	511,057	5,912,990
For the year ended 31 December 2016							
Opening net book amount	1,491,549	3,872,021	3,962	7,079	27,322	511,057	5,912,990
Additions	7,218	65,392	2,724	5,257	7,993	898,841	987,425
Additions from business acquisition	-	2,455,244	-	-	-	-	2,455,244
Disposals - Net book value	-	-	(36)	-	(286)	-	(322)
Written-off - Net book value	(295)	(37,402)	(26)	-	-	(5,022)	(42,745)
Transfer in (out)	88,542	477,290	33	-	84	(565,949)	-
Depreciation charge	(73,389)	(296,184)	(2,978)	(9,890)	(10,707)	-	(393,148)
Translation differences	(103,603)	(335,833)	2,320	9,350	(1,862)	(46,586)	(476,214)
Closing net book amount	1,410,022	6,200,528	5,999	11,796	22,544	792,341	8,443,230
At of 31 December 2016							
Cost	2,971,387	9,951,095	21,847	44,260	61,386	792,341	13,842,316
Less Accumulated depreciation	(1,561,365)	(3,750,567)	(15,848)	(32,464)	(38,842)	-	(5,399,086)
Net book amount	1,410,022	6,200,528	5,999	11,796	22,544	792,341	8,443,230

Property, plant and equipment, net (continued)

(Baht'000)

	Consolidated financial statements						
	Building and infrastructures	Machinery and equipment	Furniture and office equipment	Tools	Motor vehicles	Construction in progress	Total
For the year ended 31 December 2017							
Opening net book amount	1,410,022	6,200,528	5,999	11,796	22,544	792,341	8,443,230
Additions	594,395	1,689,564	4,173	4,717	7,188	300,325	2,600,362
Additions from business acquisition	-	1,514,549	-	-	-	368,804	1,883,353
Disposals - Net book value	-	(2,879)	(146)	-	-	-	(3,025)
Written-off - Net book value	(3,825)	(14,037)	-	-	-	-	(17,862)
Transfer in (out)	362,979	(395,364)	-	-	-	(156,627)	(189,012)
Depreciation charge	(91,254)	(354,054)	(2,680)	(5,469)	(9,279)	-	(462,736)
Translation differences	(39,412)	(192,712)	(135)	(308)	(587)	(27,694)	(260,848)
Closing net book amount	2,232,905	8,445,595	7,211	10,736	19,866	1,277,149	11,993,462
At of 31 December 2017							
Cost	3,848,272	12,422,865	24,439	47,620	63,254	1,277,149	17,683,599
Less Accumulated depreciation	(1,615,367)	(3,977,270)	(17,228)	(36,884)	(43,388)	-	(5,690,137)
Net book amount	2,232,905	8,445,595	7,211	10,736	19,866	1,277,149	11,993,462

Property, plant and equipment, net (continued)

(Baht'000)

	Separate financial statements
	Furniture and office equipment
At of 1 January 2016	
Cost	1,925
Less Accumulated depreciation	(702)
Net book amount	1,223
For the year ended 31 December 2016	
Opening net book amount	1,223
Additions	276
Disposals - Net book value	(35)
Depreciation charge	(544)
Closing net book amount	920
At of 31 December 2016	
Cost	2,084
Less Accumulated depreciation	(1,164)
Net book amount	920
For the year ended 31 December 2017	
Opening net book amount	920
Additions	942
Disposals - Net book value	(146)
Depreciation charge	(565)
Closing net book amount	1,151
At of 31 December 2017	
Cost	2,737
Less Accumulated depreciation	(1,586)
Net book amount	1,151

17 Deferred income taxes and income tax

Corporate income tax for the years ended 31 December 2017 and 2016 are calculated based on the net profit (tax base) which excludes the interests in joint ventures. The rates are as follows:

	2017	2016
Thailand	20.0%	20.0%
People's Republic of China	25.0%	25.0%
Mauritius Island	15.0%	15.0%
Singapore	17.0%	17.0%
Hong Kong Special Administrative Region of the People's Republic of China	16.5%	16.5%
Macau Special Administrative Region of the People's Republic of China	12.0%	-

17.1 Deferred income tax assets and liabilities

17.1.1 The analysis of current portion and non-current portion of deferred tax assets and liabilities is as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred income tax assets:				
Deferred income tax asset to be recovered within 12 months	198,683	36,760	-	29,381
Deferred income tax asset to be recovered after 12 months	570,540	782,193	115,830	98,355
	769,223	818,953	115,830	127,736
Deferred income tax liabilities:				
Deferred income tax liability to be recovered within 12 months	(22,320)		-	-
Deferred income tax liability to be recovered after 12 months	(119,701)	(109,460)	-	-
	(142,021)	(109,460)	-	-
Deferred income taxes, net	627,202	709,493	115,830	127,736

Deferred income tax assets are recognised for tax loss carry forwards only to the extent that realisation of the related tax benefit through the future taxable profit is probable. The Company did not recognise deferred income tax assets of THB 264.07 million (31 December 2016: THB 210.91 million) in respect of losses amounting to THB 1,320.37 million (31 December 2016: THB 1,054.55 million) that can be carried forward against future taxable income. These tax losses will be expired in 2022 (31 December 2016: tax loss will be expired in 2021).

17.1.2 The movements of deferred income tax assets and liabilities are as follows:

(Baht'000)

	Consolidated financial statements					
	As of 1 January 2017	Charged to profit or loss	Charged to other comprehensive income or expense	Arising from business combination	Translation differences	As of 31 December 2017
Deferred income tax assets:						
Employee benefit obligation	6,496	(838)	-	-	-	5,658
Loss carry forward	121,240	(10,690)	-	-	-	110,550
Bond Interest	-	(378)	-	-	-	(378)
Depreciation of building and machinery	623,913	(23,173)	-	-	(15,967)	584,773
Accrued expense and others	67,304	3,142	-	-	(1,826)	68,620
Total	818,953	(31,937)	-	-	(17,793)	769,223
Deferred income tax liabilities:						
Fair value uplift from the business combination	(78,627)	-	-	(16,579)	4,937	(90,269)
Amortisation of fair value of plant and equipment from the acquisition of power plants	29,973	2,791	-	-	(3,077)	29,687
Connection fee	(56,918)	(22,737)	-	-	2,104	(77,551)
Others	(3,888)	-	-	-	-	(3,888)
Total	(109,460)	(19,946)	-	(16,579)	3,964	(142,021)
Net	709,493	(51,883)	-	(16,579)	(13,829)	627,202

The movements of deferred income tax assets and liabilities are as follows:

(Baht'000)

	Consolidated financial statements					
	As of 1 January 2016	Charged to profit or loss	Charged to other comprehensive income or expense	Arising from business combination	Translation differences	As of 31 December 2017
Deferred income tax assets:						
Employee benefit obligation	5,116	651	729	-	-	6,496
Loss carry forward	-	121,240	-	-	-	121,240
Depreciation of building and machinery	767,497	(21,862)	-	-	(121,722)	623,913
Accrued expense and others	(2,625)	2,180	-	-	67,749	67,304
Total	769,988	102,209	729	-	(53,973)	818,953
Deferred income tax liabilities:						
Fair value uplift from the business combination	(45,769)	-	-	(33,185)	327	(78,627)
Amortisation of fair value of plant and equipment from the acquisition of power plants	27,115	2,858	-	-	-	29,973
Connection fee	(35,677)	(27,267)	-	-	6,026	(56,918)
Others	(1,478)	-	-	-	(2,410)	(3,888)
Total	(55,809)	(24,409)	-	(33,185)	3,943	(109,460)
Net	714,179	77,800	729	(33,185)	(50,030)	709,493

(Baht'000)

	Separate financial statements			
	As of 1 January 2017	Charged to profit or loss	Charged to other comprehensive income or expense	As of 31 December 2017
Deferred income tax assets:				
Employee benefit obligation	6,496	(838)	-	5,658
Loss carry forward	121,240	(10,690)	-	110,550
Bond interest	-	(378)	-	(378)
Total	127,736	(11,906)	-	115,830

(Baht'000)

	Separate financial statements			
	As of 1 January 2016	Charged to profit or loss	Charged to other comprehensive income or expense	As of 31 December 2016
Deferred income tax assets:				
Employee benefit obligation	5,116	651	729	6,496
Loss carry forward	-	121,240	-	121,240
Total	5,116	121,891	729	127,736

17.2 Income taxes

17.2.1 Income taxes for the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax	305,742	469,062	-	-
Withholding tax from dividends	4,190	3,245	-	-
Deferred tax	51,883	(77,800)	11,906	(121,891)
Total income taxes	361,815	394,507	11,906	(121,891)

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

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit before taxes	4,604,026	4,667,282	2,048,576	4,255,624
Tax calculated at a tax rate of 20%	920,805	933,457	409,715	851,125
Tax effect of:				
Income not subject to tax	(800,860)	(716,027)	(486,612)	(1,001,570)
Expenses not deductible for tax purpose	38,604	418	6,169	108
Additional deductible expenses for tax purpose	-	(39,924)	-	(39,924)
Withholding tax from dividends	4,190	3,245	-	-
Recognition of previously unrecognised tax losses	(3,231)	(121,240)	-	(121,240)
Tax losses for which no deferred income tax asset was recognised	118,562	237,979	71,944	189,610
Write-off deferred tax assets	10,690	-	10,690	-
Tax effect from different tax rates of foreign entities	68,015	98,607	-	-
Others	5,040	(2,008)	-	-
Income taxes	361,815	394,507	11,906	(121,891)

Weighted average effective tax rate of the Group is 7.86% (2016: 8.45%)

18 Other non-current assets

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Value added tax	510,888	83,720	98,807	83,720
Withholding tax	-	-	1,017	-
Advances for project development of power plants	292,807	1,002,960	-	-
Accrued income	607,856	144,613	-	-
Deposit	7,460	10,557	-	-
Land lease right, net	409,529	299,298	-	-
Right in long-term power purchase agreement	-	11,039	-	-
Others	14,441	8,523	3	4
Total other non-current assets	1,842,981	1,560,710	99,827	83,724

19 Short-term loans from financial institutions

As of 31 December 2017, short-term loans from China financial institutions represent CNY loans of CNY 114.39 million or equivalent to THB 573.60 million and those from Thai financial institutions represent Baht loans of THB 1,750.00 million (2016: CNY 76.76 million or equivalent to THB 395.30 million and Baht loans of THB 2,040 million). These loans bear interest at the rates of 1.70% to 5.22% per annum (2016: 1.80% to 4.35% perannum) and will be repaid within 1 year.

The fair value of short-term loans from financial institutions approximated their carrying amount, as short-term borrowings had a short period of maturity.

20 Other current liabilities

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accrued expenses	616,896	577,772	72,539	32,212
Advance from customers	285,494	400,929	-	-
Accrued bonus	98,438	106,109	13,798	12,467
Advance from other companies	75	37,340	-	-
Value added tax payable	11,588	3,385	81	736
Withholding tax payable	15,753	7,734	4,970	3,462
Accrued expense for investment purchase	158,306	130,247	-	-
Other payables for purchase of plant and equipment	668,303	615,676	51	-
Total other current liabilities	1,854,853	1,879,192	91,439	48,877

21 Long-term loans from financial institutions, net

Long-term loans from financial institutions consist of:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Long-term local currency loans	2,100,000	-	2,100,000	-
Long-term foreign currency loans	815,487	161,238	-	-
Less Deferred financing service fee	(17,769)	-	(17,769)	-
Less Current portion of long-term loans from financial institutions	(347,607)	(53,746)	-	-
Long-term loans from financial institutions	2,550,111	107,492	2,082,231	-

Movement of long-term loans from financial institutions are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Opening balance	161,238	212,922	-	-
Additions	2,850,155	-	2,100,000	-
Repayment	(80,893)	(49,797)	-	-
Deferred financing service fees	(21,010)	-	(21,010)	-
Amortisation of deferred financing service fees	3,241	-	3,241	-
Net losses (gains) on exchange rate	(8,965)	11,828	-	-
Translation differences	(6,048)	(13,715)	-	-
Closing balance	2,897,718	161,238	2,082,231	-

As of 31 December, long-term loans from financial institutions are unsecured liabilities as detailed below.

		2017		2016			
No.	Currency	Original currency (Million)	Million Baht	Original currency (Million)	Million Baht	Interest rate	Due of loan payment
1	Baht	2,100.00	2,100.00	-	-	THBFIX plus applicable fixed margin	Repayment every 6 months commencing 27 June 2019 to expired agreement on 27 December 2021
2	USD	3.00	98.04	4.50	161.24	BBA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 24 December 2016 to expired agreement on 24 December 2018
3	CNY	72.65	364.32		-	BBA LIBOR plus applicable fixed margin	Repayment every 3 months commencing 21 February 2018 to expired agreement on 21 August 2020
4	CNY	62.67	314.26	-	-	BBA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 11 June 2018 to expired agreement on 9 June 2020
5	CNY	7.75	38.86	-	-	BBA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 11 June 2018 to expired agreement on 9 June 2020
			2,915.48		161.24		

Weighted average effective interest rate of long-term loans from financial institutions of the Group is as follows:

(percentage)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
THB	0.97	-	0.97	-
USD	4.69	3.85	-	-
CNY	4.87	-	-	-

Interest rate risk of long-term loans of the Group is as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Within 1 year	347,607	53,746	-	-
Later than 1 year but not later than 5 years	2,567,880	107,492	2,100,000	-
Total loans	2,915,487	161,238	2,100,000	-

The fair value of long-term borrowings approximated their carrying amount, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the market borrowing rate as at the reporting date and are within level 2 of the fair value hierarchy.

Maturities of long-term loans from financial institutions are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Within 1 year	347,607	53,746	-	-
Later than 1 year but not later than 5 years	2,567,880	107,492	2,100,000	-
Total loans	2,915,487	161,238	2,100,000	-

22 Employee benefit obligations

Movements of employee benefit obligations are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Opening balance	32,483	25,578	32,483	25,578
Current service costs and interest expense	2,997	3,040	2,997	3,040
Payment during the year	(6,006)	-	(6,006)	-
Transfer employee benefit obligations from the Parent	(1,180)	216	(1,180)	216
Remeasurements				
- Gains from change in demographic assumptions	-	(2,386)	-	(2,386)
- Losses from change in financial assumptions	-	581	-	581
- Losses from change in experience assumptions	-	5,454	-	5,454
Closing balance	28,294	32,483	28,294	32,483

Principal actuarial assumptions according to the actuarial technique are as follows:

	Consolidated and Separate financial statements	
	2017	2016
Discount rate	3.10%	3.10%
Salary increase rate	6.00%	6.00%
Turnover rate	6.80%	6.80%
Normal retirement age	60 years	60 years

Sensitivity analysis for each significant assumptions according to the actuarial technique of the Group are as follows:

	Consolidated and Separate financial statements					
	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2017	2016	2017	2016	2017	2016
Discount rate	1%	1%	Decrease by 5%	Decrease by 6%	Decrease by 6%	Increase by 7%
Salary increase rate	1%	1%	Increase by 6%	Increase by 6%	Increase by 5%	Decrease by 6%
Turnover rate	1%	1%	Decrease by 1%	Decrease by 1%	Decrease by 1%	Increase by 1%

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

As of 31 December 2017, the weighted average duration of the defined obligations of the Group is 13 years. (2016: 13 years)

23 Share capital and premium on share capital

	Number of registered shares (Share)	Issued and paid-up share capital			
		Number of shares (Share)	Ordinary shares (Baht'000)	Premium on share capital (Baht'000)	Total (Baht'000)
As of 1 January 2017	3,095,692,000	3,045,692,000	30,456,920	7,157,230	37,614,150
Less Decrease of registered share capital	(21,200,000)	-	-	-	-
Add Increase of registered share capital	30,000,000	-	-	-	-
Warrant exercised	-	2,663,000	26,630	34,885	61,515
As of 31 December 2017	3,104,492,000	3,048,355,000	30,483,550	7,192,115	37,675,665

At the Annual General Shareholders' meeting on 3 April 2017, the shareholders approved the decrease in the Company's registered share capital of THB 212,000,000 from previous registered share capital of THB 30,956,920,000 to THB 30,744,920,000 by reduced 21,200,000 registered share capital at par value of THB 10 each which had not been paid-up. The reduction was in compliance with the cancellation of the warrants issued to the selected directors and employees of Banpu group (BPP-W). Also, the shareholders approved the increase in the Company's registered share capital of 30,000,000 shares at par value of THB 10 each by issuing and offering the right to purchase the ordinary shares to the directors and employees of the Company and subsidiaries under BPP-ESOP and registered with the Ministry of Commerce on 25 April 2017.

Change in number of registered shares and warrant issuance to shareholders of the Company

During the year ended 31 December 2017, warrants issued under BPP-W and BPP-ESOP have been exercised and the Company has received the additional paid-up share capital as follows;

Exercise date	Number of warrants exercised (Unit)	Number of ordinary shares issued (Share)	Ordinary shares (Baht'000)	Date registered the additional paid-up share capital with the Ministry of Commerce	Effective date as registered securities of SET
30 June 2017	2,543,000	2,543,000	25,430	5 July 2017	7 July 2017
29 September 2017	120,000	120,000	1,200	4 October 2017	6 October 2017
Total	2,663,000	2,663,000	26,630		

24 Legal reserve

(Baht'000)

	Consolidated and separate financial statements
As of 1 January 2017	905,200
Appropriation during the period	241,000
As of 31 December 2017	1,146,200

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside statutory reserve of at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve reaches not less than 10 percent of the registered capital. The legal reserve is non-distributable.

25 Share-based payment

At the Annual General Shareholders' meeting on 3 April 2017, the shareholders approved the issuance of the ordinary shares to the directors and employees of the Company and subsidiaries ("BPP-ESOP") based on their position, duty, and responsibility towards the Company and its subsidiaries. The terms and condition of the rights to purchase ordinary shares are summarised in the following table:

Descriptions	Detail		
Number of issued and offered shares	Not exceeding 30,000,000 shares. 18,300,000 shares to be allocated and not exceeding 11,700,000 shares which the ad-hoc Compensation Committee will consider and allocate as appropriate.		
Term of the plan	Not exceeding 5 years from the date of approval by the shareholders' meeting of the Company. The offering will be completed within 19 October 2021.		
Period of the offering	The Company will make the primary offering within 1 year from the approval date by the shareholders' meeting.		
Exercise price, period and conditions	**Exercise price (Baht per share)**	**Exercise period**	**Number of exercised shares**
	23.10	The date of issue and offering ordinary shares - 19 Oct 2021	10% of the total allocated shares
	25.20	From 19 October 2017 to 19 October 2021	15% of the total allocated shares
	27.30	From 19 October 2018 to 19 October 2021	20% of the total allocated shares
	29.40	From 19 October 2019 to 19 October 2021	25% of the total allocated shares
	31.50	From 19 October 2020 to 19 October 2021	30% of the total allocated shares
Subscription dates	ESOP can exercise 4 times a year on the last business day of March, June, September and December from the first exercise date, except for the last exercise date, which is 19 October 2021.		

The Group has no legal or constructive obligation to repurchase or settle the rights to purchase ordinary shares in cash.

The Company recognised and presented the rights to purchase ordinary shares for the selected directors and employees of Banpu group under BPP-W and the rights to purchase ordinary shares for the directors and employees of the Company and subsidiaries under BPP-ESOP totalling of Baht 22.93 million in the statement of changes in equity for the year ended 31 December 2017.

The number of the rights to purchase ordinary shares and the related weighted average exercise prices are as follows:

	Consolidated and Separate financial statements	
	Weighted average exercise price Baht per share	Unit
At 1 January 2017	28.35	28,800,000
Granted during the period*	28.35	18,300,000
Exercised during the period	23.94	(5,189,700)
At 31 December 2017	28.90	41,910,300

*For share-based payment to the directors and employees of the Company and subsidiaries under BPP-ESOP, the weighted average fair value of granted the rights during the period determined using the Black-Scholes valuation model was Baht 2.11 per unit. The significant inputs into the model were a weighted average share price of Baht 25.75 at the grant date, exercise price was Baht 23.10 to Baht 31.50, volatility of 20%, dividend yield of 4.60%, an expected life of 5 years, and an annual risk-free interest rate of 2.13%.

As of on 31 December 2017, the Company received additional paid-up share capital from the exercise right under BPP-W and BPP-ESOP as follows;

Exercise date	Number of warrants exercised (Unit)	Number of ordinary shares issued (Share)	Ordinary shares (Baht'000)	Date registered the additional paid-up share capital with the Ministry of Commerce	Effective date as registered securities of SET
30 June 2017	2,543,000	2,543,000	25,430	5 July 2017	7 July 2017
29 September 2017	120,000	120,000	1,200	4 October 2017	6 October2017
29 December 2017	2,526,700	2,526,700	25,267	5 January 2018	9 January 2018
Total	5,189,700	5,189,700	51,897		

26 Other components of equity

Movements of other components of shareholders' equity for the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements		
	Share of other comprehensive income (expense) from joint ventures	Translation differences	Total
Opening balance as of 1 January 2016, net of taxes	(853,290)	(146,902)	(1,000,192)
Share of other comprehensive income	306,745	-	306,745
Translation differences	-	(835,072)	(835,072)
Closing balance as of 31 December 2016, net of taxes	(546,545)	(981,974)	(1,528,519)
Opening balance as of 1 January 2017, net of taxes	(546,545)	(981,974)	(1,528,519)
Share of other comprehensive income	187,054	-	187,054
Translation differences	-	(915,305)	(915,305)
Closing balance as at 31 December 2017, net of taxes	(359,491)	(1,897,279)	(2,256,770)

27 Non-controlling interests

Movements of non-controlling interests for the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements	
	2017	2016
Opening balance	709,842	624,422
Share of net profit from subsidiaries	87,577	134,649
Translation differences	(18,882)	(49,229)
Closing balance	778,537	709,842

28 Expenses by nature

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Staff costs	865,661	690,426	130,380	88,475
Depreciation and amortisation	500,944	428,221	565	544
Operating leases	38,796	28,269	1,722	1,704
Professional fee	95,681	439,991	48,657	384,125
Management fee	117,000	108,000	165,163	108,000

29 Earnings per share

29.1 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issued and paid-up during the year.

Basic earnings per share for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders of the Company (Baht'000)	4,154,634	4,138,126	2,036,670	4,377,515
Weighted average ordinary shares (Thousand shares)	3,046,975	2,374,656	3,046,975	2,374,656
Basic earnings per share (Baht)	1.364	1.743	0.668	1.843

29.2 Diluted earnings per share

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: the Company's warrants. A calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings (numerator).

Diluted earnings per share for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders of the Company (Baht'000)	4,154,634	4,138,126	2,036,670	4,377,515
Weighted average ordinary shares (Thousand shares)	3,046,975	2,374,656	3,046,975	2,374,656
Adjustment for: assumed conversion of warrants	588	60	588	60
Weighted average number of ordinary				
shares for diluted earnings per share	3,047,563	2,374,716	3,047,563	2,374,716
Diluted earnings per share (Baht)	1.363	1.743	0.668	1.843

30 Dividend paid

At the Board of Directors' meeting on 25 August 2016, the board approved a payment of interim dividends of 2016 at THB 0.67 per share for 2,397,199,500 shares, totalling of THB 1,606.12 million. Such dividend was paid to the shareholders on 13 September 2016.

At the Annual General Shareholders' meeting on 3 April 2017, the shareholders approved a payment of final dividends of 2016 of THB 0.25 per share for 3,045,692,000 shares, totalling of THB 761.42 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling of THB 0.09 million. Such dividend was paid to the shareholders on 26 April 2017.

At the Board of Directors' meeting on 30 August 2017, the shareholders approved a payment of interim dividends of 2017 of THB 0.30 per share for 3,048,235,000 shares, totalling of THB 914.47 million.The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling of THB 0.09 million. Such dividend was paid to the shareholders on 27 September 2017.

31 Related party transactions

The Company is controlled by Banpu Public Company Limited (the Parent), which is domiciled in Thailand. The Parent holds 78.64% of the Company's shareholding.

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

The pricing policies for transactions between the Parent, subsidiaries, joint ventures and related parties are set out below:

- Management income represents fee charged to the Parent, joint ventures, and related parties for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the conditions in agreement.
- Management expenses represent fee charged from the Parent for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the conditions in agreement.
- For loans, borrowing, interest income and interest expenses, the Group charges interest by considering the average cost of borrowings and market interest rate.
- Advance to/from related parties represent the advance payment for related parties which will be reimbursed within the normal credit term

The following significant transactions were carried out with related parties:

31.1 Transactions during the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Purchase	72,223	-	-	-
Dividend income from a subsidiary	-	-	1,473,060	3,849,032
Dividend income from joint ventures	-	-	960,000	1,158,820
Total dividend income from related parties	-	-	2,433,060	5,007,852
Interest income				
- Subsidiaries	-	-	189,890	73,490
- Joint venture	4,093	6,025	-	-
Total interest income from related parties	4,093	6,025	189,890	73,490
Interest expense				
- The Parent	-	400,214	-	400,214
- Subsidiary	-	-	-	3,580
Total interest expense to related parties	-	400,214	-	403,794
Management fee				
- The Parent	31,066	30,960	-	-
- Joint ventures	39,519	39,451	35,991	35,479
- Related parties	112,987	137,570	-	-
Total management fee charged to related parties	183,572	207,981	35,991	35,479
Management expenses to the Parent	117,000	108,000	165,163	108,000

31.2 Amounts due from related parties as of 31 December consist of:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Interest receivable				
- Subsidiaries	-	-	200,032	26,171
- Joint venture	-	6,366	-	-
Total Interest receivables	-	6,366	200,032	26,171
Other receivables - joint ventures	11,806	6,708	11,806	6,709
Other receivables - related parties	1,634	-	-	-
Total amount due from related parties	13,440	13,074	211,838	32,880
Dividend receivables - current				
- Subsidiaries	-	-	713,737	1,450,000
- Joint venture	714,382	1,451,267	595	1,267
	714,382	1,451,267	714,332	1,451,267
Dividend receivables - non current				
- Subsidiaries	-	-	6,225,935	5,716,612
- Joint venture	7,132,811	6,596,298	391	218
	7,132,811	6,596,298	6,226,326	5,716,830
Total dividend receivables from related parties	7,847,193	8,047,565	6,940,658	7,168,097

31.3 Advances to and loans to related parties as at 31 December consist of:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Advances to - current				
- Subsidiaries	-	-	5,148	35
- Related parties	16,154	16,528	16	-
Total advances to related parties - current	16,154	16,528	5,164	35
Advances to a joint venture - non current	179,705	378,006	-	-

Advances to a joint venture which represent in non-current asset are advances for project development of solar power plant in Japan.

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Advances to - current				
- Subsidiaries	-	-	262,880	4,943,753
- Related parties	-	238,100	-	-
Total short-term loans to related parties	-	238,100	262,880	4,943,753
Long-term loans to related parties	-	-	6,842,494	-

Short-term loans to subsidiaries are unsecured promissory notes which details are as follows:

		2017			2016			
No.	Currency	Currency in promissory note (Million)	Million Bath	Average interest rate per annum	Currency in promissory note (Million)	Million Bath	Average interest rate per annum	Repayment term
1	THB	-	-	-	3,069.15	3,069.15	1.61% to 4.33%	At call
2	USD	-	-	-	9.25	329.88	3.82% to 4.04%	At call
3	JPY	-	-	-	737.59	224.65	3.15%	At call
4	CNY	18.34	90.81	3.15 %	259.70	1,320.08	2.50% to 3.92%	At call
5	CNY	34.75	172.07	4.35 %	-	-	-	18 November 2018
Total			262.88			4,943.76		

The fair value of short-term loans to related parties approximated their carrying amount, as short-term loans to related parties had a short period of maturity.

Movements of short-term loans to related parties for the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Opening balance	238,100	185,505	4,943,753	363,000
Additions	169,034	198,749	2,606,347	5,001,803
Repayments	(28,533)	(130,191)	(837,390)	(379,673)
Reclassify to investment	(289,076)	-	(4,815)	-
Reclassify to advance	(93,744)	-	-	-
Reclassify to loans	-	-	(6,319,437)	-
Losses (gains) on exchange rate	4,219	(15,963)	(125,578)	(41,377)
Closing balance	-	238,100	262,880	4,943,753

Long-term loans to related parties are unsecured promissory notes which details are as follows:

		2017			2016			
No.	Currency	Currency in promissory note (Million)	Million Bath	Average interest rate per annum	Currency in promissory note (Million)	Million Bath	Average interest rate per annum	Repayment term
1	THB	4,315.01	4,315.01	2.30% to 2.62%	-	-	-	Repayment at the end of contract 31 October 2022
2	USD	2.32	75.38	2.62%	-	-	-	Repayment at the end of contract 31 October 2022
3	JPY	4,664.57	1,333.98	2.17% to 2.65%	-	-	-	Repayment at the end of contract 31 October 2022
4	CNY	225.80	1,118.12	2.35% to 2.62%	-	-	-	Repayment at the end of contract 31 October 2022
Total			6,842.49			-		

The fair values of long-term loans to related parties are based on discounted cash flows using a discount rate based upon the market borrowing rate as at the reporting date and are within level 2 of the fair value hierarchy. As of 31 December 2017, the fair values of long-term loans to related parties approximated their carrying amount.

Movements of long-term loans to related parties for the years ended 31 December are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Opening balance	-	-	-	-
Additions	-	-	544,505	-
Reclassify to loans	-	-	6,319,437	-
Loss on exchange rate	-	-	(21,448)	-
Closing balance	-	-	6,842,494	-

31.4 Advances from and amounts due to related parties as of 31 December consist of:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Advances from the Parent	3,231	-	-	-
Advances from related party	431	1,758	-	-
Total advances from and amounts due to related parties	3,662	1,758	-	-

31.5 Key management compensation

Key management compensation for the years ended 31 December are detailed as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Salary and other short-term benefits	56,247	47,697	56,247	47,697
Post-employment benefits	1,750	4,045	1,750	4,045
Other long-term employee benefits	5,514	-	5,514	-
	63,511	51,742	63,511	51,742

In addition, the Group paid management fee to the Parent for the year ended 31 December 2017 of THB 117 million (2016: THB 108 million). Part of the fee is considered as performing key management of the Group.

32 Business combination

32.1 Investment in Thai Solar Consultant Co., Ltd.

On 19 May 2016, Banpu Renewable Energy Co., Ltd. which is a subsidiary of the Group has entered into the Share Purchase Agreement to acquire 99.99% of shareholding in Thai Solar Consultant Co., Ltd. from a third party. The Group paid THB 10 million for such shareholding. Moreover, the Group estimated and recognised a contingent consideration of THB 1.05 million being paid to the former shareholder in the consolidated statement of financial position as of 31 December 2016 as if certain conditions are achieved by the former shareholder.

The details of total purchase consideration and fair value of net assets acquired at the acquisition date are as follows:

	Consolidated financial statements
Fair value of net assets acquired	
Cash and cash equivalents	2
Short-term loans to other company	196
Goodwill	2,208
Deposit	2,825
Right in long-term power purchase agreement	11,039
Short-term loans from other company	(2,825)
Deferred tax liabilities	(2,208)
Other assets less other liabilities	(183)
Total fair value of net assets acquired	11,054
Purchase considerations	
Consideration at the acquisition date	10,000
Contingent consideration	1,054
Total purchase considerations	11,054

On 7 March 2017, such subsidiary sold the investment in Thai Solar Consultant Co., Ltd. back to the seller at the mutually agreed price because of the missing conditions under the Sale and Purchase Agreement. Consequently, the Group recognised loss on disposal of such a subsidiary at the amount of THB 0.30 million in the consolidated statement of comprehensive income for the year ended 31 December 2017.

32.2 Investment in solar power generation in the People's Republic of China

Investment addition during the year ended 31 December 2016

On 4 July 2016, BPP Renewable Investment (China) Co., Ltd. which is a subsidiary of the Group entered into a Share Purchase Agreement to acquire 100% of shareholding in Anqiu Huineng New Energy Co., Ltd. (Huineng) from a third party. The Group paid CNY 1.00 million or equivalent to THB 5.26 million for such shareholding. Also, the Group recognised a contingent consideration as share subscription payable of CNY 9.50 million or equivalent to THB 50.05 million.

On 7 September 2016, BPP Renewable Investment (China) Co., Ltd. entered into the Share Purchase Agreement to acquire 100% of shareholding in Weifang Tian'en Jinshan Comprehensive Energy Co., Ltd.

(Jinshan) from a third party. The Group has not paid any of such shareholding. Also, the Group estimated and recognised a contingent consideration as share subscription payable of CNY 9.59 million or equivalent to THB 49.71 million.

On 25 October 2016, BPP Renewable Investment (China) Co., Ltd. entered into the Share Purchase Agreement to acquire 100% of shareholding in Dongping Haoyuan Solar Power Generation Co., Ltd. (Haoyuan) from a third party. The Group paid CNY 4.00 million or equivalent to THB 20.69 million for such shareholding. Also, the Group has estimated and recognised a contingent consideration as share subscription payable of CNY 6.00 million or equivalent to THB 31.04 million.

Investment addition during the year ended 31 December 2017

On 15 March 2017, BPP Renewable Investment (China) Co., Ltd. entered into the Share Purchase Agreement to acquire 100% of shareholding in Anqiu City Hui'en PV Technology Co., Ltd. (Huien) from a third party. The Group has not paid any of such shareholding. Also, the Group has estimated and recognised a contingent consideration as share subscription payable of CNY 8.60 million or equivalent to THB 43.97 million.

On 8 February 2017, Banpu Renewable Energy Co., Ltd. which is a subsidiary of the Group entered into the Share Purchase Agreement to acquire 100% of shareholding in Macao Deyuan Energy-saving & Environmental Protection Technology Co., Ltd. (Deyuan) from a third party. Deyuan is incorporated in Macao Special Administrative Region of the People's Republic of China with the business objective of investment in solar power generation. The Group paid CNY 5.5 million or equivalent to THB 28.13 million for such shareholding.Also, the Group has estimated and recognised a contingent consideration as share subscription payable of CNY 2.00 million or equivalent to THB 10.23 million.

The details of total purchase consideration and fair value of net assets acquired at the acquisition date are as follows:

(Baht'000)

	Huineng	Jinshan	Haoyuan	Hui'en	Deyuan	Total
Fair value of net assets acquired						
Cash and cash equivalents	-	131	4,766	811	8,815	14,523
Trade accounts receivable	17,426	72,181	31,332	19,931	14,513	155,383
Property, plant and equipment	725,443	1,015,141	714,660	663,946	1,219,406	4,338,596
Intangible assets						
(Right to operate the power plants)	66,013	31,051	45,798	47,836	55,061	245,759
Trade accounts payable	(670)	-	(1,914)	-	-	(2,584)
Short term loans	-	-	(701,203)	(618,588)	(61,382)	(1,381,173)
Long term loan	-	-	-	-	(1,318,443)	(1,318,443)
Construction payable	(775,523)	(1,103,439)	(113,039)	(50,203)	-	(2,042,204)
Deferred income tax liabilities	(13,533)	(6,365)	(9,389)	(9,806)	(11,287)	(50,380)
Other assets less other liabilities	36,158	41,006	80,723	(9,961)	131,681	279,607
Total fair value of net assets acquired	55,314	49,706	51,734	43,966	38,364	239,084
Purchase considerations						
Consideration at the acquisition date	5,268	-	20,694	-	28,134	54,096
Payables for purchase of investments	50,046	49,706	31,040	43,966	10,230	184,988
Purchase considerations	55,314	49,706	51,734	43,966	38,364	239,084

During the year ended 31 December 2017, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of the above projects to comply with the measurement period for a business combination referred in TFRS 3 (revised 2016), "Business combinations". The determination of fair value does not significant impact to the consolidated financial statements for the year ended 31 December 2016.

33 Commitment, significant contracts and contingent liabilities

33.1 Letter of Guarantee

As at 31 December, the Group has obligations with banks as follows;

(Baht'000)

	Consolidated and separate financial statements	
	2017 Million (Original currency)	2016 Million (Original currency)
Letter of Guarantee		
- USD	22.00	22.00
- THB	1,365.05	400.00
- JPY	390.00	390.00

33.2 Capital commitments

As at 31 December, the group had capital expenditure and capital commitments to provide funding contracted for at the statement of financial position date but not recognised in the financial statement is as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Property, plant and equipment	945,497	1,314,711	-	-
Investments in subsidiaries*	-	560,298	-	-
Investments in a joint ventures*	1,110,977	1,140,953	-	-
Investment in solar power plants	2,370,777	317,087	-	-
	4,427,251	3,333,049	-	-

*The Group has capital commitment to provide funding if called as the proportionate of investments in accordance with the arrangement of subsidiaries and a joint venture in People's Republic of China.

33.3 Operating lease commitments

As of 31 December, the Group lease offices and warehouses under non-cancellable operating lease agreements.The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

(Baht'000)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Not later than 1 year	31,146	18,421	585	1,755
Later than 1 year but not later than 5 years	64,578	34,411	-	585
Later than 5 years	209,953	3,707	-	-
	305,677	56,539	585	2,340

33.4 Significant contracts

Chinese subsidiaries have entered into the Power Purchase Agreement and Steam Purchase Agreement with their local bureau at the agreed quantity and price according to such agreements. The agreement term is annually.

On 27 March 2017, BPP Renewable Investment (China) Co., Ltd., a subsidiary of the Group, entered into the Share Purchase Agreement to acquire 100% of shareholding in Feicheng Xingyu Solar Power PV Technology Co., Ltd., which is incorporated in the People's Republic of China. The purchase price was CNY 3 million for 10 MW of solar power plant. As at 31 December 2017, the Group has no control over such company.

33.5 Litigation

In 2007, a group of individuals and corporate entities (Plaintiffs), who were ex-developers of a coal mine and a power plant in Lao PDR (Hongsa Project), filed a civil lawsuit against the Company, Banpu International Limited, the Parent and three members of the Parent's management as defendants, based on the allegations that the Defendants had deceptively entered into a joint development agreement with the Plaintiffs for the purpose of gaining access to the information of the Hongsa Project, and had, in bad faith, misinformed the Government of Lao PDR (GOL) to terminate their Hongsa Project concessions in order that the Company could directly enter into a concession contract with the GOL. The Plaintiffs demanded the Defendants to pay damages of THB 2,000 million for the value of the Hongsa Project information, another THB 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, and THB 59,500 million for the lost profits due to the GOL having terminated the Hongsa Project concessions, totaling THB 63,500 million plus interest on this amount.

On 20 September 2012, the Civil Court issued a judgment that the Defendants did not breach the joint development agreement; the Plaintiffs breached the joint development agreement; the Defendants committed a wrongful act by using the Plaintiffs' information of the Hongsa Project (for the development of a 600-MW power plant) to develop the 1,800-MW power plant, and adjudicated that the Company and the Parent pay to the Plaintiffs compensation for damages of THB 2,000 million for the value of the information, another THB 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, totaling THB 4,000 million plus 7.5% interest per annum from the date of plaint until fully paid, and for loss of profits of THB 860 million per year for years 2015 - 2027 and THB 1,380 million per year for years 2028 - 2039, payable at each year end, totaling THB 27,740 million. The grand total of damages is THB 31,740 million. The plaints involving Banpu International Limited and the Parent's management were dismissed.

On 9 September 2014, the Civil Court announced the judgment of the Appeal Court whereby the Plaintiff's complaint was dismissed. The grounds for dismissal were that the Defendants which are the Company and Banpu Public Company Limited (the Parent) had always acted in good faith before and after the Joint Development Agreement was entered into, and that the Defendants did not commit a wrongful act against the Plaintiffs. The Appeal Court also found that it was the Plaintiffs that breached the Joint Development Agreement, and that the Defendants had no obligation to return to the Plaintiffs the documents in which the information relating to the Plaintiff's Hongsa Project contains. The Plaintiffs has filed with the Supreme Court a petition against the judgment of the Appeal Court and the Defendants submitted an answer to the Plaintiff's petition on 17 February 2015.

As of 31 December 2017, the case has yet to reach its final stage. However, a summon was issued by the Civil Court to the Company and the Parent, Banpu Public Company Limited, to hear the judgment of the Supreme Court in respect of the civil case on 6 March 2018. The management of the Company and the Parent are confident that the manner in which they undertook their dealings with regard to the Hongsa Project cannot be considered, in anyway whatsoever, as dishonest or wrongful. As a result, the Company and the Parent did not record a contingent liability in respect of this case in the consolidated and separate financial statements as of 31 December 2017.

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