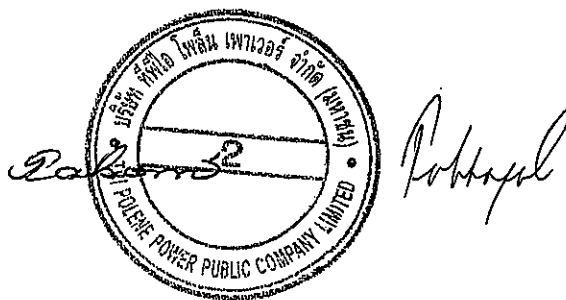


**TPI Polene Power Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report





KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent Auditor's Report

To the Shareholders of TPI Polene Power Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of TPI Polene Power Public Company Limited and its subsidiaries (the "Group") and of TPI Polene Power Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Based on my consideration and professional judgement, I have determined that there are no key audit matters to communicate in my report.



Emphasis of Matter

Without modifying my opinion, I draw attention to note 3(b) to the financial statements describing the effect of the change in the Company's accounting policy adoption from 1 January 2020. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2019 after making the adjustments described in note 3(b).

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. 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 those charged with governance and request that the correction be made.

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

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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



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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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



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

A handwritten signature in black ink, appearing to read 'Bunyarit'.

(Bunyarit Thanormcharoen)
Certified Public Accountant
Registration No. 7900

KPMG Phoomchai Audit Ltd.
Bangkok
10 February 2021

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate		
		financial statements		financial statements		
		31 December	31 December	31 December	31 December	1 January
		2020	2019	2020	2019	2019
					(Restated)	(Restated)
(in thousand Baht)						
Current assets						
Cash and cash equivalents	6	1,790,584	689,556	1,649,322	551,434	259,124
Trade accounts receivable	5, 31	2,425,686	2,148,276	2,425,686	2,148,276	1,530,704
Other receivables		148,498	54,585	146,931	53,027	104,526
Short-term loan to related party	5	-	-	-	801	-
Receivables and advances to related parties	5	40,139	61,001	40,139	61,027	35,857
Inventories	7	1,248,860	1,052,505	1,248,860	1,052,505	587,732
Other current financial assets	31	1,496,238	2,650,696	1,496,238	2,650,696	3,960,652
Other current assets		8,062	10,467	7,807	10,446	12,196
Total current assets		7,158,067	6,667,086	7,014,983	6,528,212	6,490,791
Non-current assets						
Other non-current financial assets	31	188,049	186,532	5,183	5,261	5,337
Investment in subsidiaries	8	-	-	329,933	319,986	190,911
Property, plant and equipment	9	35,605,612	30,770,444	35,601,238	30,770,444	24,642,820
Right-of-use assets	3, 10	650,619	-	650,619	-	-
Leasehold rights		-	-	-	-	113
Advances for plant and equipment		58,590	116,238	58,590	116,238	106,953
Deferred tax assets	27	82,262	91,011	82,262	91,011	91,699
Other non-current assets		31,953	21,263	31,953	21,263	12,483
Total non-current assets		36,617,085	31,185,488	36,759,778	31,324,203	25,050,316
Total assets		43,775,152	37,852,574	43,774,761	37,852,415	31,541,107

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate		
		financial statements		financial statements		
		31 December	31 December	31 December	31 December	1 January
		2020	2019	2020	2019	2019
					(Restated)	(Restated)
		(in thousand Baht)				
<i>Current liabilities</i>						
Short-term loans from financial institutions	11, 31	239,625	-	239,625	-	-
Trade accounts payable	5, 12	432,516	439,833	432,516	439,833	377,095
Other payables	13	791,216	1,583,960	791,009	1,583,898	1,611,326
Payables and advances from related parties	5	66,227	93,985	66,197	93,891	79,792
Current portion of lease liabilities	3, 10, 11	14,849	-	14,849	-	-
Current portion of debentures	11, 31	4,000,000	-	4,000,000	-	-
Interest payable		53,238	34,860	53,238	34,860	14,531
Income tax payable		47,466	35,555	47,316	35,555	35,622
Other current liabilities	14	139,057	146,076	139,057	146,076	118,708
Total current liabilities		5,784,194	2,334,269	5,783,807	2,334,113	2,237,074
<i>Non-current liabilities</i>						
Lease liabilities	3, 10, 11	645,181	-	645,181	-	-
Debentures	11, 31	8,000,000	8,000,000	8,000,000	8,000,000	4,000,000
Non-current provisions for employee benefits	15	152,705	151,119	152,705	151,119	87,698
Decommissioning costs	5, 16	264,934	256,855	264,934	256,855	167,958
Total non-current liabilities		9,062,820	8,407,974	9,062,820	8,407,974	4,255,656
Total liabilities		14,847,014	10,742,243	14,846,627	10,742,087	6,492,730

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate		
		financial statements		financial statements		
		31 December	31 December	31 December	31 December	1 January
Liabilities and equity	Note	2020	2019	2020	2019	2019
					(Restated)	(Restated)
<i>(in thousand Baht)</i>						
Equity						
Share capital:	17					
Authorised share capital						
<i>(8,400 million ordinary shares, par value at Baht 1 per share)</i>		<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>
Issued and paid share capital						
<i>(8,400 million ordinary shares, par value at Baht 1 per share)</i>		8,400,000	8,400,000	8,400,000	8,400,000	8,400,000
Shares premium:						
Shares premium on ordinary shares		14,580,886	14,580,886	14,580,886	14,580,886	14,580,886
Retained earnings						
Appropriated						
Legal reserve	18	840,000	763,640	840,000	763,640	533,356
Unappropriated		5,107,424	3,365,960	5,107,424	3,365,960	1,534,043
Other component of equity		<u>(176)</u>	<u>(158)</u>	<u>(176)</u>	<u>(158)</u>	<u>92</u>
Equity attribute to owners of the Company		<u>28,928,134</u>	<u>27,110,328</u>	<u>28,928,134</u>	<u>27,110,328</u>	<u>25,048,377</u>
Non-controlling interests		<u>4</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity		<u>28,928,138</u>	<u>27,110,331</u>	<u>28,928,134</u>	<u>27,110,328</u>	<u>25,048,377</u>
Total liabilities and equity		<u>43,775,152</u>	<u>37,852,574</u>	<u>43,774,761</u>	<u>37,852,415</u>	<u>31,541,107</u>

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2020	2019	2020	2019
					(Restated)
		(in thousand Baht)			
Revenue					
Revenue from sale of power and goods	19, 28	6,333,227	6,338,038	6,333,227	6,338,038
Revenue from adders	19, 28	4,786,123	4,233,163	4,786,123	4,233,163
		11,119,350	10,571,201	11,119,350	10,571,201
Cost of sales of power and goods		(6,027,657)	(5,529,730)	(6,027,657)	(5,529,730)
Gross profit		5,091,693	5,041,471	5,091,693	5,041,471
Net foreign exchange gain		-	91,637	-	91,637
Investment income	20	42,860	78,694	35,427	75,671
Other income	21	281,792	164,293	281,765	164,270
Total income		5,416,345	5,376,095	5,408,885	5,373,049
Distribution costs	22	(66,437)	(75,679)	(66,437)	(75,679)
Administrative expenses	23	(432,729)	(432,150)	(432,477)	(424,442)
Net foreign exchange loss		(3,991)	-	(3,991)	-
Total expenses		(503,157)	(507,829)	(502,905)	(500,121)
Profit from operations		4,913,188	4,868,266	4,905,980	4,872,928
Finance costs	26	(285,182)	(159,476)	(285,350)	(159,476)
Share of profit (loss) of subsidiaries		-	-	7,006	(4,662)
Profit before income tax expense		4,628,006	4,708,790	4,627,636	4,708,790
Tax expense	27	(122,181)	(101,982)	(121,812)	(101,982)
Profit for the year		4,505,825	4,606,808	4,505,824	4,606,808

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended		Year ended	
		31 December		31 December	
		2020	2019	2020	2019
					(Restated)
(in thousand Baht)					
Other comprehensive income (expense)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(18)	(250)	-	-
Share of other comprehensive income (expense) of subsidiaries		-	-	(18)	(250)
Total items that will be reclassified subsequently to profit or loss		(18)	(250)	(18)	(250)
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans	15	-	(30,759)	-	(30,759)
Income tax relating to items that will not be reclassified	27	-	6,152	-	6,152
Total items that will not be reclassified to profit or loss		-	(24,607)	-	(24,607)
Other comprehensive income (expense) for the year, net of tax		(18)	(24,857)	(18)	(24,857)
Total comprehensive income for the year		4,505,807	4,581,951	4,505,806	4,581,951
Profit attributable to:					
Owners of the parent		4,505,824	4,606,808	4,505,824	4,606,808
Non-controlling interests		1	-	-	-
Profit for the year		4,505,825	4,606,808	4,505,824	4,606,808
Total comprehensive income (expense) attributable to:					
Owners of the parent		4,505,806	4,581,951	4,505,806	4,581,951
Non-controlling interests		1	-	-	-
Total comprehensive income (expense) for the year		4,505,807	4,581,951	4,505,806	4,581,951
Basic earnings per share (in Baht)	29	0.536	0.548	0.536	0.548

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements								
	Note	Retained earnings			Other components of equity			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translation reserve	Equity attributable to owners of the parent	
								Non-controlling interests
(in thousand Baht)								
Year ended 31 December 2019		8,400,000	14,580,886	533,356	1,534,043	92	25,048,377	25,048,377
Balance at 1 January 2019								
Transaction with owners, recorded directly in equity								
Contributions by and distributions to owners of the parent								
Dividends	30	-	-	-	(2,520,000)	-	(2,520,000)	(2,520,000)
Total contributions by and distributions to owners of the parent		-	-	-	(2,520,000)	-	(2,520,000)	(2,520,000)
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	3
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	3
Total transactions with owners, recorded directly in equity		-	-	-	(2,520,000)	-	(2,520,000)	(2,519,997)
Comprehensive income (expense) for the year								
Profit		-	-	-	4,606,808	-	4,606,808	4,606,808
Other comprehensive income (expense)		-	-	-	(24,607)	(250)	(24,857)	(24,857)
Total comprehensive income (expense) for the year		-	-	-	4,582,201	(250)	4,581,951	4,581,951
Transfer to legal reserve	18	-	-	230,284	(230,284)	-	-	-
Balance at 31 December 2019		8,400,000	14,580,886	763,640	3,365,960	(158)	27,110,328	27,110,331

The accompanying notes form an integral part of the financial statements.

TPY Polene Power Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
	Note	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity			Total equity
				Legal reserve	Unappropriated	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests		
<i>(in thousand Baht)</i>										
Year ended 31 December 2020		8,400,000	14,580,886	763,640	3,365,960	(158)	27,110,328	3	27,110,331	
Balance at 1 January 2020										
Transaction with owners, recorded directly in equity										
Contributions by and distributions to owners of the parent										
Dividends	30	-	-	-	(2,688,000)	-	(2,688,000)	-	(2,688,000)	
Total contributions by and distributions to owners of the parent		-	-	-	(2,688,000)	-	(2,688,000)	-	(2,688,000)	
Total transactions with owners, recorded directly in equity										
Comprehensive income (expense) for the year										
Profit		-	-	-	4,505,824	-	4,505,824	1	4,505,825	
Other comprehensive income (expense)		-	-	-	-	(18)	(18)	-	(18)	
Total comprehensive income (expense) for the year		-	-	-	4,505,824	(18)	4,505,806	1	4,505,807	
Transfer to legal reserve	18	-	-	76,360	(76,360)	-	-	-	-	
Balance at 31 December 2020		8,400,000	14,580,886	840,000	5,107,424	(176)	28,928,134	4	28,928,138	

The accompanying notes form an integral part of the financial statements.

Separate financial statements

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of changes in equity

		Separate financial statements				Other components of equity		
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Share of other comprehensive income of subsidiaries using equity method	Total equity	
	Note			(in thousand Baht)				
Year ended 31 December 2020								
Balance at 1 January 2020 - as reported		8,400,000	14,580,886	763,640	3,371,260	-	27,115,786	
Impact of changes in accounting policies	3	-	-	-	(5,300)	(158)	(5,458)	
Balance at 1 January 2020 - restated		8,400,000	14,580,886	763,640	3,365,960	(158)	27,110,328	
Transaction with owners, recorded directly in equity								
Contributions by and distributions to owners								
Dividends	30	-	-	-	(2,688,000)	-	(2,688,000)	
Total contributions by and distributions to owners		-	-	-	(2,688,000)	-	(2,688,000)	
Comprehensive income (expense) for the year								
Profit		-	-	-	4,505,824	-	4,505,824	
Other comprehensive income (expense)		-	-	-	-	(18)	(18)	
Total comprehensive income (expense) for the year		-	-	-	4,505,824	(18)	4,505,806	
Transfer to legal reserve	18	-	-	76,360	(76,360)	-	-	
Balance at 31 December 2020		8,400,000	14,580,886	840,000	5,107,424	(176)	28,928,134	

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2020	2019	2020	2019
				(Restated)
	(in thousand Baht)			
Cash flows from operating activities				
Profit for the year	4,505,825	4,606,808	4,505,824	4,606,808
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	875,925	806,873	875,925	806,873
Interest income	(28,819)	(63,570)	(21,386)	(60,523)
Finance costs	285,182	159,476	285,350	159,476
Unrealised gain on foreign exchange	(5,659)	(55,368)	(5,632)	(55,368)
Reversal of loss on inventories devaluation	(3,985)	-	(3,985)	-
Gain on disposal equipment	-	(14)	-	(14)
(Gain) loss on fair value adjustment	3,980	(7,979)	3,980	(7,979)
Share of (profit) loss of subsidiaries accounted for using equity method	-	-	(7,006)	4,662
Provision for employee benefits	2,978	37,408	2,978	37,408
Tax expense	122,181	101,982	121,812	101,982
	<u>5,757,608</u>	<u>5,585,616</u>	<u>5,757,860</u>	<u>5,593,325</u>
Changes in operating assets and liabilities				
Trade accounts receivable	(277,410)	(617,572)	(277,410)	(617,572)
Other receivables	(99,232)	48,994	(99,063)	48,835
Receivables and advances to related parties	7,898	(25,156)	7,924	(25,170)
Inventories	(192,370)	(464,773)	(192,370)	(464,773)
Other current assets	(3,185)	1,729	(2,951)	1,750
Other non-current assets	(10,690)	(8,780)	(10,690)	(8,780)
Trade accounts payable	(7,317)	62,738	(7,317)	62,738
Other payables	(222,759)	42,515	(222,904)	42,538
Payables and advances from related parties	(27,758)	14,161	(27,694)	14,099
Other current liabilities	(7,019)	27,368	(7,019)	27,368
Provisions for employee benefits	(1,392)	(4,746)	(1,392)	(4,746)
Net cash generated from operating	<u>4,916,374</u>	<u>4,662,094</u>	<u>4,916,974</u>	<u>4,669,612</u>
Taxes paid	(101,521)	(95,209)	(101,302)	(95,209)
Corporate income tax refund received	<u>5,590</u>	<u>-</u>	<u>5,590</u>	<u>-</u>
Net cash from operating activities	<u>4,820,443</u>	<u>4,566,885</u>	<u>4,821,262</u>	<u>4,574,403</u>

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2020	2019	2020	2019
				(Restated)
	(in thousand Baht)			
Cash flows from investing activities				
Interest received	34,632	64,730	26,624	63,262
Acquisition of property, plant and equipment	(5,930,795)	(6,380,163)	(5,926,421)	(6,380,163)
Proceeds from sale of equipment	-	30	-	30
Advances payment for machine	(137,688)	(496,795)	(137,688)	(496,795)
Decrease in equity and debt instruments	1,150,978	1,317,935	1,150,478	1,317,935
Increase in other long-term investments	-	(181,331)	-	-
Cash outflow on loan to related party	(695,000)	-	(695,000)	(800)
Proceeds from repayment of loans to related party	695,000	-	695,800	-
Net cash outflow on acquisition of subsidiary	(2,959)	(105,988)	(2,959)	(105,988)
Cash outflow on addition investment in subsidiaries	-	-	-	(27,999)
Net cash used in investing activities	(4,885,832)	(5,781,582)	(4,889,166)	(5,630,518)
Cash flows from financing activities				
Proceeds from short-term loans from financial institutions	341,529	-	341,529	-
Repayment of short-term loans from financial institutions	(105,000)	-	(105,000)	-
Proceeds from short-term loan from related party	-	-	105,000	-
Repayment of short-term loan from related party	-	-	(105,000)	-
Payment of lease liabilities				
(2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(12,625)	-	(12,625)	-
Finance costs paid	(369,912)	(131,568)	(370,080)	(131,568)
Dividends paid to owners of the Company	(2,688,000)	(2,520,000)	(2,688,000)	(2,520,000)
Proceeds from issue of debentures	4,000,000	4,000,000	4,000,000	4,000,000
Net cash from financing activities	1,165,992	1,348,432	1,165,824	1,348,432

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2020	2019	2020	2019
				(Restated)
	(in thousand Baht)			
Net increase in cash and cash equivalents, before effect of exchange rates	1,100,603	133,735	1,097,920	292,317
Effect of exchange rate changes	(50)	(257)	(32)	(7)
Cash and cash equivalents from changes in holding of investments in subsidiary	475	105,914	-	-
Net increase in cash and cash equivalents	1,101,028	239,392	1,097,888	292,310
Cash and cash equivalents at 1 January	689,556	450,164	551,434	259,124
Cash and cash equivalents at 31 December	1,790,584	689,556	1,649,322	551,434
Non-cash transactions				
Other payables - plant and equipment	791,009	1,360,994	791,009	1,360,994
Advances for plant and equipment	58,590	116,238	58,590	116,238

The accompanying notes form an integral part of the financial statements.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Change in accounting policies
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Inventories
8	Investment in subsidiaries
9	Property, plant and equipment
10	Leases
11	Interest-bearing liabilities
12	Trade accounts payable
13	Other payables
14	Other current liabilities
15	Non-current provisions for employee benefits
16	Decommissioning costs
17	Share capital
18	Reserves
19	Segment information and disaggregation of revenue
20	Investment income
21	Other income
22	Distribution costs
23	Administrative expenses
24	Employee benefit expenses
25	Expenses by nature
26	Finance costs
27	Income tax
28	Promotional privileges
29	Basic earnings per share
30	Dividends
31	Financial instruments
32	Capital management
33	Commitments with non-related parties
34	Litigation
35	Other

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the audit committee, as appointed by the Board of Directors of the Company on 10 February 2021.

1 General information

TPI Polene Power Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/56, TPI Tower, Chan Tat Mai Road, Tungmahamek, Sathorn, Bangkok.

The Company was listed on the Stock Exchange of Thailand (“SET”) on 5 April 2017.

The ultimate parent company during the financial year was TPI Polene Public Company Limited, “parent company”, which is incorporated in Thailand and is the major shareholder and the parent of the Company and owned 70.24% of the Company’s issued and paid-up share capital.

The principal business of the Company are manufacturing and distributing electricity and refuse derived fuel (RDF), organics waste and distributing diesel and natural gas 12 stations. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 9.

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations which have no material impact on the financial statements and TFRS 16 *Leases* disclosed impact from changes to significant accounting policies in note 3(a).

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b) Functional and presentation currency

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

(c) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 4(i) and 10	Leases: <ul style="list-style-type: none">- whether an arrangement contains a lease;- whether the Group is reasonably certain to exercise extension options;- whether the Group exercise termination options;- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.
------------------	---

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 4(i)	Determining the incremental borrowing rate to measure lease liabilities;
Note 15	Measurement of defined benefit obligations: key actuarial assumptions;
Note 16	Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
Note 27	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
Note 31	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

3 Change in accounting policies

(a) TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Increase in right-of-use assets	642,426	642,426
Decrease in advances to related parties	(12,964)	(12,964)
Increase in lease liabilities	(629,462)	(629,462)
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	866,397	866,397
Service agreement that does not qualify	(1,276)	(1,276)
Extension option of the lease term	136,780	136,780
	1,001,901	1,001,901
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	629,462	629,462
Finance lease liabilities recognised as at 31 December 2019	-	-
Lease liabilities recognised at 1 January 2020	629,462	629,462
Weighted-average incremental borrowing rate (<i>% per annum</i>)	3.9	3.9

Right-of-use assets and lease liabilities shown above were presented as part of Energy & Utilities and Petrol & gas stations segments, respectively.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(b) Changes in accounting policy for investments in subsidiaries in separate financial statements

The Company changed the accounting policy for recognition and subsequent measurement of investments in the separate financial statements from the cost method to the equity method. Under the cost method the investments are carried at cost and only dividends received by the Company from the subsidiaries are recognised in profit. Under the equity method investments in subsidiaries are initially recognised at cost. Subsequently the carrying value of the investments are adjusted for the Company's share in profit or loss, other comprehensive income and dividends received. As the Company has significantly expanded its business through investment in subsidiaries, the Company believes that the equity method better reflects the rights of its shareholders to profit and loss, other comprehensive income and accumulated equity from subsidiaries than the cost method. The change in this accounting policy is carried out in accordance with Thai Accounting Standard No. 27, Separate Financial Statements. The Company has applied this policy since 1 January 2020 and retrospectively adjusted the previous periods' separate financial statements for comparison purpose as follows;

	Separate financial statements					
	At 1 January 2019			At 31 December 2019		
	As reported	Impact of changes in accounting policies	Restated	As reported	Impact of changes in accounting policies	Restated
			(in thousand Baht)			
Statement of financial position						
Non-current assets						
Investments in subsidiaries	191,457	(546)	190,911	325,444	(5,458)	319,986
	<u>191,457</u>	<u>(546)</u>	<u>190,911</u>	<u>325,444</u>	<u>(5,458)</u>	<u>319,986</u>
Equity						
Retained earnings - unappropriated	1,534,681	(638)	1,534,043	3,371,260	(5,300)	3,365,960
Other components of equity	-	92	92	-	(158)	(158)
	<u>1,534,681</u>	<u>(546)</u>	<u>1,534,135</u>	<u>3,371,260</u>	<u>(5,458)</u>	<u>3,365,802</u>

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements					
	At 1 January 2019			At 31 December 2019		
	As reported	Impact of changes in accounting policies	Restated	As reported	Impact of changes in accounting policies	Restated
			(in thousand Baht)			
Statement of comprehensive income						
Share of profit (loss) of subsidiaries	-	(638)	(638)	-	(4,662)	(4,662)
Profit for the year	3,699,597	(638)	3,698,959	4,611,470	(4,662)	4,606,808
Share of other comprehensive income (loss) of subsidiaries using equity method	-	92	92	-	(250)	(250)
Other comprehensive income (expense) for the year, net of tax	(8,708)	92	(8,616)	(24,607)	(250)	(24,857)
Total comprehensive income (loss) for the year	3,690,889	(546)	3,690,343	4,586,863	(4,912)	4,581,951
Earnings per share (basic) (in Baht)	0.440	-	0.440	0.549	(0.001)	0.548

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group")

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

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

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

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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

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

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

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

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

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

Loss of control

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

Transactions eliminated on consolidation

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

(b) Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the equity method.

Interest in subsidiaries is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence, control or joint control ceases.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(c) Foreign currencies

Foreign currency transactions

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

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

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

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

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

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

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

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Accounting policies applicable before 1 January 2020

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

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

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(e) Cash and cash equivalents

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

(f) Trade and other accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated as follows:

- 1) Finished goods: Diesel and natural gas are calculated using the first in first out principle.
- 2) Inventories other than those mentioned in 1) are calculated using the weighted average cost principle.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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

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

(h) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

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

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

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

Subsequent costs

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

Depreciation

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

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

Buildings and other constructions	20 and 30 years
Machinery	5 - 30 years
Tools and factory equipment	3 - 20 years
Furniture, fixtures and office equipment	3 - 10 years
Vehicles	10 years

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

No depreciation is provided on land, assets under construction and installation and major spare parts have not been issued.

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

(i) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(i) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversal of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(k) Impairment of non-financial assets

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

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

Reversal of impairment

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

(l) Interest-bearing liabilities

Interest-bearing liabilities are recognised at cost.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

A defined benefit plans is a post-employment benefit plan. The Group's net obligation in respect of defined benefit legal severance pay plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

Short-term employee benefits

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

(o) Provisions

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

Decommissioning costs

The Group recorded provision for decommissioning cost whenever it is probable that there is an obligation as a result of the past event and reliable amount of obligation.

Decommissioning costs is based on discounting the expected future cash flows of provision for decommissioning costs. The estimates of decommissioning costs have been determined based on reviews and estimates by the Group's own engineers and managerial judgment.

(p) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

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

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

(q) Revenue

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied and price as stipulated in the contract. Incomes from the sale of electricity to Electricity Generating Authority of Thailand (“EGAT”) is entitled to receive ADDER for the period of 7 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(r) Investment income

Investment income comprises rental income and interest income from investments and bank deposits.

Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Interest income

Interest income is recognised in profit or loss as it accrues.

(s) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

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

(t) Income tax

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

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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

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

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

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

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

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

(u) *Earnings per share*

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

(v) *Related parties*

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

5 Related parties

Relationships with subsidiaries are described in notes 8. Key management and other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
TPI Polene Public Co., Ltd.	Thailand	Parent, 70.24% shareholding, some common directors
TPI Polene Power Investment Co., Ltd.	Cambodia	Subsidiary, 100.00% shareholding, some common directors
TPI Polene Power (On Nut) Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
TPI Polene Power (International) Co., Ltd. (Formerly Zenith International Power Co., Ltd.)	Thailand	Subsidiary, 99.99% shareholding, some common directors
TPI Deep Sea Port Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
TPI Olefins Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, some common directors
TPI Polene Power (Songkhla) Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding, some common directors
TPI Solar Power Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding, some common directors
TPI Wind Power Co., Ltd.	Thailand	Subsidiary, 99.97% shareholding, some common directors
TPI Polene Bio Organics Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
TPI Service Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
TPI Refinery (1997) Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Name of entities	Country of incorporation/ nationality	Nature of relationships
TPI Healthcare Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
TPI Bio Pharmaceuticals Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
TPI Commercial Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
TPI Concrete Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
TPI All Seasons Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
Thai Propoxide Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
Thai Nitrate Co., Ltd.	Thailand	Subsidiary of the parent's company and some common directors
Polene Plastic Co., Ltd.	Thailand	Indirect subsidiary of the parent's company and some common directors
United Grain Industry Co., Ltd.	Thailand	Associate of the parent's company and some common directors
BUI Life Insurance Public Co., Ltd.	Thailand	Associate of the parent's company and some common directors
Thai Plastic Film Co., Ltd.	Thailand	Indirect associate of the parent's company and some common directors
Thai Plastic Products Co., Ltd.	Thailand	Indirect associate of the parent's company and some common directors
Pornchai Enterprise Co., Ltd.	Thailand	Some common directors
Bangkok Union Insurance Public Co., Ltd.	Thailand	Some common directors
Hong Yiah Seng Real Estates and Investment Co., Ltd.	Thailand	Some common directors
Saraburi Ginning Mill Co., Ltd.	Thailand	Some common directors
Leophairatana Enterprise Co., Ltd.	Thailand	Some common directors
Rayong Forest Co., Ltd.	Thailand	Some common directors

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Name of entities	Country of incorporation/ nationality	Nature of relationships
TPI Holding Co., Ltd.	Thailand	Some common directors

The pricing policies for transactions are explained further below:

Transactions	Pricing policies
Sale of goods and electricity power	Market price / agreed price
Purchase of goods and services fee	Market price / agreed price
Sale of assets	Book value / agreed price
Acquisition of investments	Book value
Other income	Agreed price
Shared service expense	Agreed price
Rental	Agreed price
Insurance premium	Market price
Interest income	1.65% and 2.13%
Interest expense	MLR - 1.5% and 3.90%

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent company				
Sale of goods and electricity power	2,046,236	2,205,902	2,046,236	2,205,902
Purchase of goods and services fee	2,556,264	2,691,055	2,556,264	2,691,055
Acquisition of investment (see note 8)	-	105,988	-	105,988
Other income	3,821	4,010	3,821	4,010
Interest income	2,005	-	2,005	-
Shared service expense - cost of sale	93,779	93,779	93,779	93,779
Shared service expense - administrative expense	38,221	38,221	38,221	38,221
Dividend paid	1,888,000	1,770,000	1,888,000	1,770,000
Administrative expenses	-	759	-	759
Interest expense	17,967	-	17,967	-
Subsidiaries				
Interest income	-	-	-	3
Interest expense	-	-	168	-
Other related parties				
Sale of goods	1,006	1,539	1,006	1,539
Purchase of goods	5,426	4,747	5,426	4,747
Acquisition of investment (see note 8)	2,959	-	2,959	-
Other income	184	10	184	10
Dividend paid	439	411	439	411
Insurance premium	82,967	70,861	82,967	70,861
Administrative expenses	589	8,505	589	8,505
Interest expense	7,008	-	7,008	-

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	45,217	45,631	45,217	45,631
Post-employment benefits	52	441	52	441
Total key management personnel compensation	45,269	46,072	45,269	46,072

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

<i>Trade accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent company	900,199	558,089	900,199	558,089
Other related parties				
TPI Polene Bio Organics Co., Ltd.	1	2	1	2
TPI Concrete Co., Ltd.	31	62	31	62
TPI All Seasons Co., Ltd.	27	26	27	26
Thai Nitrate Co., Ltd.	2	1	2	1
United Grain Industry Co., Ltd.	-	1	-	1
Bangkok Union Insurance Public Co., Ltd.	5	9	5	9
BUI Life Insurance Public Co., Ltd.	3	12	3	12
Total	900,268	558,202	900,268	558,202
<i>Less allowance for expected credit loss</i>				
<i>(2019: allowance for doubtful accounts)</i>	-	-	-	-
Net	900,268	558,202	900,268	558,202
<i>Expected credit losses (2019: Bad and doubtful debts) for the year</i>	-	-	-	-

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Interest rate	Separate financial statements			
<i>Short-term loans to related party</i>	31 December (% per annum)	1 January	Increase	Decrease	31 December
			<i>(in thousand Baht)</i>		
2020					
Parent company	1.650	-	695,000	(695,000)	-
Subsidiary					
TPI Polene Power (Onnut) Co., Ltd.	2.125	800	-	(800)	-
		800	695,000	(695,800)	-
Accrued interest		1	2,005	(2,006)	-
Total		801	697,005	(697,806)	-
<i>Less allowance for expected credit loss (2019: Allowance for doubtful account)</i>		-			-
Net		801			-
2019					
Subsidiary					
TPI Polene Power (Onnut) Co., Ltd.	2.125	-	800	-	800
		-	800	-	800
Accrued interest		-	3	(2)	1
Total		-	803	(2)	801
<i>Less allowance for expected credit loss (2019: Allowance for doubtful account)</i>		-			-
Net		-			801

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Expected credit losses (2019: Bad and doubtful debts expense) of loans to for the year	-	-	-	-

Receivables and advance to related parties	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Parent company	3,508	16,086	3,508	16,086
Subsidiaries				
TPI Deep Sea Port Co., Ltd.	-	-	-	7
TPI Polene Power (Songkhla) Co., Ltd.	-	-	-	7
TPI Solar Power Co., Ltd.	-	-	-	6
TPI Wind Power Co., Ltd.	-	-	-	6
Other related parties				
TPI Polene Bio Organics Co., Ltd.	2	2	2	2
United Grain Industry Co., Ltd.	-	2,138	-	2,138
BUI Life Insurance Public Co., Ltd.	749	881	749	881
Bangkok Union Insurance Public Co., Ltd.	35,634	41,648	35,634	41,648

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Receivables and advance to related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Pornchai Enterprise Co., Ltd.	246	246	246	246
Total	40,139	61,001	40,139	61,027
Less allowance for expected credit loss (2019: Allowance for doubtful account)	-	-	-	-
Net	40,139	61,001	40,139	61,027
Expected credit losses (2019: Bad and doubtful debts) for the:	-	-	-	-

Trade accounts payable - related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Parent company	166,918	209,560	166,918	209,560
Other related parties				
TPI Polene Bio Organics Co., Ltd.	870	518	870	518
TPI Healthcare Co., Ltd.	1,174	2,313	1,174	2,313
TPI Bio Pharmaceuticals Co., Ltd.	64	39	64	39
Total	169,026	212,430	169,026	212,430

	Interest rate		Separate financial statements			
	31 December 2019	31 December 2020	31 December 2019	Increase	Decrease	31 December 2020
<i>Short-term loans from related party</i>	(% per annum)			(in thousand Baht)		
Subsidiary						
TPI Polene Power (International) Co., Ltd.	-	MLR-1.5	-	105,000	(105,000)	-
Total			-	105,000	(105,000)	-
Less allowance for expected credit loss (2019: Allowance for doubtful account)			-			-
Net			-			-

Payables and advance from related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Parent company	64,000	93,525	63,970	93,431
Other related parties				
TPI Concrete Co., Ltd.	1,357	433	1,357	433
TPI Polene Bio Organics Co., Ltd.	151	22	151	22
Pornchai Enterprise Co., Ltd.	4	4	4	4
Bangkok Union Insurance Public Co., Ltd	504	1	504	1
TPI Healthcare Co., Ltd.	211	-	211	-
Total	66,227	93,985	66,197	93,891

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Current portion of lease liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent company	3,639	-	3,639	-
Other related parties				
United Grain Industry Co., Ltd.	1,485	-	1,485	-
Pornchai Enterprise Co., Ltd.	378	-	378	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,128	-	1,128	-
Saraburi Ginning Mill Co., Ltd.	1,128	-	1,128	-
Leophairatana Enterprise Co., Ltd.	3,384	-	3,384	-
Total	11,142	-	11,142	-

Lease liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent company	464,238	-	464,238	-
Other related parties				
United Grain Industry Co., Ltd.	153,679	-	153,679	-
Pornchai Enterprise Co., Ltd.	162	-	162	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	4,312	-	4,312	-
Saraburi Ginning Mill Co., Ltd.	4,312	-	4,312	-
Leophairatana Enterprise Co., Ltd.	12,936	-	12,936	-
Total	639,639	-	639,639	-

Significant agreements with related parties

- (a) The Company entered into several land, office building and factory building lease agreements with related parties for 3 years to 30 years were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Non-cancellable operating lease commitments				
Within one year	589	589	589	589
After one year but within five years	98	688	98	688
Total	687	1,277	687	1,277

- (b) Several land rental agreements specified that the Company has to decommission the assets from rental area at the end of contract, causing the Company to set up the decommissioning costs as at 31 December 2020 in amount of Baht 265 million (2019: Baht 257 million) (see note 16).

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

- (c) The Company entered into an electricity supply contract with parent company. The parent company will provide the waste heat to the Company that will be used in the manufacturing process for electricity. The Company shall supply the electricity solely to the parent company based on certain percentage as specified in the agreement. The agreement shall remain in full force and effect so long as, unless it is terminated by mutual agreement in writing of both parties.
- (d) On 1 April 2016, the Company entered into sale & purchase and service agreement with the parent company. The parent company will provide services related to infrastructure, human resources, purchase and sale of goods and resources and other services whereby the Company agree to pay fee as specified in agreement. The initial period of the contract is for 3 years which commenced on 1 April 2016 and shall continue for consecutive period of three years, unless earlier terminated by either party.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	476	482	476	482
Cash at banks - current accounts	4,652	7,096	1,289	3,924
Cash at banks - savings accounts	1,784,570	668,472	1,646,671	533,522
Cash at banks - savings accounts (Private Funds)	886	13,506	886	13,506
Total	1,790,584	689,556	1,649,322	551,434

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	23,621	28,568	23,621	28,568
Work in process	474,580	321,062	474,580	321,062
Raw materials, package and chemical	100,666	114,633	100,666	114,633
Spare parts and supplies	668,363	612,742	668,363	612,742
Goods in transit	2,145	-	2,145	-
	1,269,375	1,077,005	1,269,375	1,077,005
Less allowance for declining in value	(20,515)	(24,500)	(20,515)	(24,500)
Net	1,248,860	1,052,505	1,248,860	1,052,505
Inventories recognised as an expense in				
‘cost of sales of goods’:				
- Cost	6,031,642	5,529,730	6,031,642	5,529,730
- Reversal of write-down	(3,985)	-	(3,985)	-
Net total	6,027,657	5,529,730	6,027,657	5,529,730

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

8 Investment in subsidiaries

		Separate financial statements	
	Note	2020	2019 (Restated)
		(in thousand Baht)	
Subsidiaries			
At 1 January - as reported		325,444	191,457
Impact of changes in accounting policies	3		
- Change in accounting policy for investments in subsidiaries in separate financial statements		(5,458)	(546)
At 1 January - restated		319,986	190,911
Acquisition		2,959	133,987
Share of net profit (loss) of subsidiaries		7,006	(4,662)
Share of other comprehensive income of subsidiaries		(18)	(250)
At 31 December		329,933	319,986

TPI Polene Power Investment Company Limited

On 23 January 2018, TPI Polene Power Investment Company Limited ("TPIPP") called for 100% paid-up share capital and the Company fully paid share capital amounting to USD 125,000 or equivalent to Baht 3.96 million.

On 26 December 2019, the Board of Directors' meeting pass the resolution to approve the Company to register the dissolution and liquidation of TPIPP.

As at 31 December 2020, the registering of dissolution is in the process.

TPI Polene Power (International) Co., Ltd. (formerly Zenith International Power Co., Ltd.)

On 30 August 2019, the Company's Board of Directors' meeting passed the resolution to approve the acquisition of shares in TPI Polene Power (International) Co., Ltd. (formerly Zenith International Power Co., Ltd.), the main objective is to restructure the shareholding of the Group to support business expansion. Thereafter, on 24 September 2019, the Company obtained control of that company by acquiring 999,980 shares or equivalent to 99.99% of the paid-up share capital at the price of Baht 105.99 per share, in the amount of Baht 105,987,880.20 from the Parent, thereby become a subsidiary of the Company.

TPI Deep Sea Port Co., Ltd.

In October 2019, the Company was established TPI Deep Sea Port Co., Ltd. The authorised share capital of Baht 100,000,000 with 1,000,000 ordinary shares was registered on 11 October 2019. The Company holds 999,997 shares or 99.99% of the registered capital and TPI Deep Sea Port Co., Ltd. called for 25% paid-up share capital and the Company fully paid share capital amounting to Baht 24,999,925.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

TPI Polene Power (Songkla) Co., Ltd.

In October 2019, the Company was established TPI Polene Power (Songkla) Co., Ltd. The authorised share capital of Baht 1,000,000 with 10,000 ordinary shares was registered on 4 October 2019. The Company holds 9,997 shares or 99.97% of the registered capital and TPI Polene Power (Songkla) Co., Ltd. called for 100% paid-up share capital and the Company fully paid share capital amounting to Baht 999,700.

TPI Solar Power Co., Ltd.

In October 2019, the Company was established TPI Solar Power Co., Ltd. The authorised share capital of Baht 1,000,000 with 10,000 ordinary shares was registered on 4 October 2019. The Company holds 9,997 shares or 99.97% of the registered capital and TPI Solar Power Co., Ltd. called for 100% paid-up share capital and the Company fully paid share capital amounting to Baht 999,700.

TPI Wind Power Co., Ltd.

In October 2019, the Company was established TPI Wind Power Co., Ltd. The authorised share capital of Baht 1,000,000 with 10,000 ordinary shares was registered on 4 October 2019. The Company holds 9,997 shares or 99.97% of the registered capital and TPI Wind Power Co., Ltd. called for 100% paid-up share capital and the Company fully paid share capital amounting to Baht 999,700.

TPI Olefins Co., Ltd.

On 27 March 2020, the Company's Board of Directors' meeting passed the resolution to approve the acquisition of shares in TPI Olefins Co., Ltd., the main objective is to operate electricity business and related business. Thereafter, on 4 April 2020, the Company obtained control of that company by acquiring 99,993 shares or equivalent to 99.99% of the paid-up share capital at the price of Baht 29.596 per share, in the amount of Baht 2.96 million from the related party, thereby become a subsidiary of the Company.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Investments in subsidiaries as at 31 December 2020 and 2019, dividend income from those investments for the years then ended, were as follows:

	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend Income for the year
		2020	2019	2020	2019	2020	2019	2020	2019	
									(Restated)	

All subsidiaries were incorporated in Thailand, except TPI Polene Power Investment Co., Ltd. which was incorporated in Cambodia.

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

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

9 Property, plant and equipment

	Consolidated financial statements									
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
						(in thousand Baht)				
<i>Cost</i>										
At 1 January 2019	1,481,340	926,335	15,466,917	202,134	29,493	263	20,166	8,990,979	158,105	27,275,732
Additions	4,100,911	-	48,063	18,350	7,244	204	33,279	2,645,031	81,318	6,934,400
Transfers	-	639,216	8,536,788	-	6,289	-	-	(9,182,293)	-	-
Disposals	-	-	-	-	(30)	-	-	-	-	(30)
At 31 December 2019 and										
1 January 2020	5,582,251	1,565,551	24,051,768	220,484	42,996	467	53,445	2,453,717	239,423	34,210,102
Additions	3,962,977	-	38,864	22,365	6,910	117	147,065	1,497,795	-	5,676,093
Transfers	-	19,089	199,477	-	3,193	-	-	(221,759)	-	-
At 31 December 2020	9,545,228	1,584,640	24,290,109	242,849	53,099	584	200,510	3,729,753	239,423	39,886,195

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Consolidated financial statements											
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Major spare parts	Assets under construction and installation	Decommissioning assets	Total	
Depreciation											
At 1 January 2019	-	42,725	2,466,070	94,085	18,966	24	-	-	11,042	2,632,912	
Depreciation charge for the year	-	50,961	728,172	15,893	3,874	41	-	-	7,819	806,760	
Disposals	-	-	-	-	(14)	-	-	-	-	(14)	
At 31 December 2019 and 1 January 2020	-	93,686	3,194,242	109,978	22,826	65	-	-	18,861	3,439,658	
Depreciation charge for the year	-	52,957	763,226	11,976	4,641	51	-	-	8,074	840,925	
At 31 December 2020	-	146,643	3,957,468	121,954	27,467	116	-	-	26,935	4,280,583	
Net book value											
At 1 January 2019	1,481,340	883,610	13,000,847	108,049	10,527	239	20,166	8,990,979	147,063	24,642,820	
At 31 December 2019 and 1 January 2020	5,582,251	1,471,865	20,857,526	110,506	20,170	402	53,445	2,453,717	220,562	30,770,444	
At 31 December 2020	9,545,228	1,437,997	20,332,641	120,895	25,632	468	200,510	3,729,753	212,488	35,605,612	

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Separate financial statements							Total	
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment (in thousand Baht)	Major spare parts	Assets under construction and installation		Decommissioning assets
<i>Cost</i>									
At 1 January 2019	1,481,340	926,335	15,466,917	202,134	29,493	20,166	8,990,979	158,105	27,275,732
Additions	4,100,911	-	48,063	18,350	7,244	33,279	2,645,031	81,318	6,934,400
Transfers	-	639,216	8,536,788	-	6,289	-	(9,182,293)	-	-
Disposals	-	-	-	-	(30)	-	-	-	(30)
At 31 December 2019 and 1 January 2020	5,582,251	1,565,551	24,051,768	220,484	42,996	53,445	2,453,717	239,423	34,210,102
Additions	3,962,977	-	38,864	22,365	6,910	147,065	1,493,421	-	5,671,719
Transfers	-	19,089	199,477	-	3,193	-	(221,759)	-	-
At 31 December 2020	9,545,228	1,584,640	24,290,109	242,849	53,099	200,510	3,725,379	239,423	39,881,821

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<i>Depreciation</i>										
At 1 January 2019	-	42,725	2,466,070	94,085	18,966	24	-	-	11,042	2,632,912
Depreciation charge for the year	-	50,961	728,172	15,893	3,874	41	-	-	7,819	806,760
Disposals	-	-	-	-	(14)	-	-	-	-	(14)
At 31 December 2019 and 1 January 2020	-	93,686	3,194,242	109,978	22,826	65	-	-	18,861	3,439,658
Depreciation charge for the year	-	52,957	763,226	11,976	4,641	51	-	-	8,074	840,925
At 31 December 2020	-	146,643	3,957,468	121,954	27,467	116	-	-	26,935	4,280,583
<i>Net book value</i>										
At 1 January 2019	1,481,340	883,610	13,000,847	108,049	10,527	239	20,166	8,990,979	147,063	24,642,820
At 31 December 2019 and 1 January 2020	5,582,251	1,471,865	20,857,526	110,506	20,170	402	53,445	2,453,717	220,562	30,770,444
At 31 December 2020	9,545,228	1,437,997	20,332,641	120,895	25,632	468	200,510	3,725,379	212,488	35,601,238

The original cost of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 934 million (2019: Baht 932 million).

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory of the Group and the Company as at 31 December 2020 are amounted to Baht 114 million and Baht 114 million, respectively (2019: Baht 61 million and Baht 61 million, respectively), with a capitalisation in the consolidated and separate financial statements of 2% - 3.9% (2019: 3.5% - 3.9%).

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

10 Leases

As a lessee

<i>At 31 December 2020</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
<i>Right-of-use assets</i>		
Land	641,073	641,073
Buildings	530	530
Vehicles	9,016	9,016
Total	650,619	650,619

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 43.19 million and Baht 43.19 million, respectively.

The Group leases a number of land, buildings and vehicles for 2-30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<i>For the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land	31,477	-	31,477	-
- Buildings	377	-	377	-
- Vehicles	3,146	-	3,146	-
Interest on lease liabilities	25,205	-	25,205	-
Expenses relating to short-term leases	8,844	-	8,844	-
Lease expense	-	40,022	-	40,022
Contingent rent expense	-	865,120	-	865,120

In 2020, total cash outflow for leases of the Group and the Company were Baht 37.83 million and Baht 37.83 million, respectively.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

11 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Current				
Short-term loans from financial institutions	239,625	-	239,625	-
Current debentures	4,000,000	-	4,000,000	-
Lease liabilities (2019: Finance lease liabilities)	14,849	-	14,849	-
Total interest-bearing liabilities - current	4,254,474	-	4,254,474	-
Non-Current				
Debentures	8,000,000	8,000,000	8,000,000	8,000,000
Lease liabilities (2019: Finance lease liabilities)	645,181	-	645,181	-
Total interest-bearing liabilities - non-current	8,645,181	8,000,000	8,645,181	8,000,000
Total	12,899,655	8,000,000	12,899,655	8,000,000

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Within 1 year	4,254,474	-	4,254,474	-
1 - 5 years	8,066,789	8,000,000	8,066,789	8,000,000
After 5 years	578,392	-	578,392	-
Total	12,899,655	8,000,000	12,899,655	8,000,000

As at 31 December 2020 and 2019, the Company has no unutilised credit facilities.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Debentures

As at 31 December 2020, the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 12,000 million (31 December 2019: Baht 8,000 million) as follows:

Issued Date	Consolidated and Separate financial statements						Interest Rate (% p.a.)	Term
	The period to maturity within one year		The period to maturity over one year		Total			
	2020	2019	2020	2019	2020	2019		
	(in thousand Baht)							
28 November 2018	4,000,000	-	-	4,000,000	4,000,000	4,000,000	3.90	3 years
9 August 2019	-	-	4,000,000	4,000,000	4,000,000	4,000,000	3.50	3 years 3 months
19 August 2020	-	-	4,000,000	-	4,000,000	-	3.90	3 years 11 months
Total	4,000,000	-	8,000,000	8,000,000	12,000,000	8,000,000		

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

12 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related parties	4	169,026	212,430	169,026	212,430
Other parties		263,490	227,403	263,490	227,403
Total		432,516	439,833	432,516	439,833

13 Other payables

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Retention payable	407,525	1,058,706	407,525	1,058,706
Other payables - Machine	167,502	363,225	167,502	363,225
Accrued expenses	76,875	78,859	76,732	78,797
Deposit from sales and guarantee	6,023	6,799	6,023	6,799
Others	133,291	76,371	133,227	76,371
Total	791,216	1,583,960	791,009	1,583,898

14 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Payable to Revenue Department	33,092	36,578	33,092	36,578
Suspend output tax	99,306	103,450	99,306	103,450
Others	6,659	6,048	6,659	6,048
Total	139,057	146,076	139,057	146,076

15 Non-current provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits	152,705	151,119	152,705	151,119
 <i>Year ended 31 December</i>				
Statement of comprehensive income:				
Recognised in profit or loss:				
Post-employment benefits	2,978	37,408	2,978	37,408
 Recognised in other comprehensive income:				
Actuarial losses recognised in the year	-	30,759	-	30,759

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Defined benefit plan

The Group operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations.

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
At 1 January	151,119	87,698	151,119	87,698
Include in profit or loss:				
Current service cost and interest on obligation	2,978	37,408	2,978	37,408
Included in other comprehensive income				
Actuarial loss	-	30,759	-	30,759
Other				
Benefit paid	(1,392)	(4,746)	(1,392)	(4,746)
At 31 December	152,705	151,119	152,705	151,119

Actuarial gains and losses recognised in other comprehensive income were mainly arose from the change of employee turnover, discount rate and future salary growth.

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Discount rate	2.00	2.00	2.00	2.00
Future salary growth	2.46	6.66	2.46	6.66

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

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 27 years (2019: 27 years).

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Sensitivity analysis

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

	Consolidated Financial statements		Separate Financial statements	
	<i>(in thousand Baht)</i>			
	Increase	Decrease	Increase	Decrease
At 31 December 2020				
Discount rate (1% movement)	(12,218)	14,367	(12,218)	14,367
Future salary growth (1% movement)	11,814	(10,191)	11,814	(10,191)
At 31 December 2019				
Discount rate (1% movement)	(20,390)	24,996	(20,390)	24,996
Future salary growth (1% movement)	21,733	(18,337)	21,733	(18,337)

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

16 Decommissioning costs

	Consolidated and Separate financial statements <i>(in thousand Baht)</i>
At 1 January 2019	167,958
Provisions made	88,897
At 31 December 2019 and 1 January 2020	256,855
Provisions made	8,079
At 31 December 2020	264,934
At 31 December 2019 and 1 January 2020	
Non-current	256,855
At 31 December 2020	
Non-current	264,934

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

17 Share capital

	Par value per share (in Baht)	2020		2019	
		Number	Amount (thousand shares / thousand Baht)	Number	Amount
<i>Authorised</i>					
At 31 December					
- ordinary shares	1	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>
<i>Issued and paid</i>					
At 1 January					
- ordinary shares	1	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>
At 31 December					
- ordinary shares	1	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>

18 Reserves

Reserves comprise:

Appropriations of profit

Legal reserve

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

As at 31 December 2020, the Company allocated profit from operation to legal reserve in amount of Baht 76 million, the total legal reserve are Baht 840 million. (2019: the Company allocated profit from operation to legal reserve in amount of Baht 230 million, the total legal reserve are Baht 764 million)

Other components of equity

Currency translation differences

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

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

19 Segment information and disaggregation of revenue

The Group comprises the following main business segments:

- Energy & Utilities
- Petrol and gas stations

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

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(a) Reportable segment results

	Consolidated financial statement					Reportable segment profit (loss) before interest, tax and depreciation
	Revenue from external customers		Inter-segment revenue		Total segment revenue	
<i>For the year ended 31 December</i>	2020	2019	2020	2019	2020	2019
				<i>(in thousand Baht)</i>		
Energy & Utilities	10,586,783	9,851,493	-	10,586,783	9,851,493	5,562,808
Petrol and gas stations	532,567	719,708	-	532,567	719,708	2,976
Total	11,119,350	10,571,201	-	11,119,350	10,571,201	5,565,784
Finance costs					(285,182)	(159,476)
Depreciation					(875,925)	(806,873)
Others					95,596	109,355
Profit before income tax expense for the year					4,628,006	4,708,790

The Group was incorporated both domestic and international. There are no material revenues derived from, or assets located in, foreign countries, and timing of revenue recognition of the Group is at a point in time.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

<i>For the year ended 31 December</i>	Consolidated financial statements	
	Reportable segment	
	profit (loss) before tax	
	2020	2019
	<i>(in thousand Baht)</i>	
Energy & Utilities	4,655,122	4,713,032
Petrol and gas stations	(27,125)	(4,265)
Total	4,627,997	4,708,767
Elimination of inter-segment (profit) loss	9	23
Profit (loss) before income tax expense for the year	4,628,006	4,708,790

(b) Reportable segment financial position

	Segment assets	
	2020	2019
	<i>(in thousand Baht)</i>	
Energy & Utilities	40,146,047	34,198,184
Petrol and gas stations	72,703	52,198
	40,218,750	34,250,382
Unallocated assets	3,556,402	3,602,192
Total assets	43,775,152	37,852,574

Geographical segments

The Group was incorporated both domestic and international. There are no material revenues derived from, or assets located in, foreign countries.

Major customer

Revenues from 2 customers of the Group's represents approximately Baht 10,611 million (2019: Baht 9,882 million) of the Group's total revenues.

20 Investment income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Interest income	28,819	63,570	21,386	60,523
Others	14,041	15,124	14,041	15,148
Total	42,860	78,694	35,427	75,671

21 Other income

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other income-claim insurance	99,587	43,048	99,587	43,048
Revenue from machine rental	141,363	94,317	141,363	94,317
Others	40,842	26,928	40,815	26,905
Total	281,792	164,293	281,765	164,270

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

22 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Personnel expenses	28,205	31,100	28,205	31,100
Utilities expenses	8,355	10,921	8,355	10,921
Rental	1,455	10,159	1,455	10,159
Depreciation	9,643	2,976	9,643	2,976
Others	18,779	20,523	18,779	20,523
Total	66,437	75,679	66,437	75,679

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Personnel expenses	69,430	71,709	69,429	71,709
Shared service expenses	41,884	40,316	41,760	40,213
Professional fees	15,076	38,062	14,999	38,002
Registration fees	26,400	27,705	26,392	20,301
Depreciation	2,512	17,186	2,512	17,186
Insurance expenses	3,690	3,170	3,690	3,170
Donation	65,052	62,901	65,052	62,901
Others	208,685	171,101	208,643	170,960
Total	432,729	432,150	432,477	424,442

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Management				
Wages and salaries	24,498	25,485	24,498	25,485
Defined benefit plans	52	441	52	441
Others	20,718	20,146	20,718	20,146
	45,268	46,072	45,268	46,072
Employee				
Wages and salaries	515,544	524,919	515,544	524,919
Defined benefit plans	2,926	12,295	2,926	12,295
Others	43,955	46,044	43,955	46,044
	562,425	583,258	562,425	583,258
Total	607,693	629,330	607,693	629,330

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Defined contribution plans

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging 3% of their basic salaries and by the Company at rates ranging 3% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

25 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
Included in cost of sales of goods:				
Changes in inventories of finished goods and work in progress	148,571	266,242	148,571	266,242
Raw materials and consumables used	3,838,801	3,299,697	3,838,801	3,299,697
Employee benefit expenses	510,059	526,521	510,059	526,521
Depreciation	863,770	786,711	863,770	786,711
Included in distribution costs:				
Employee benefit expenses	28,205	31,100	28,205	31,100
Depreciation	9,643	2,976	9,643	2,976
Included in administrative expenses:				
Employee benefit expenses	69,429	71,709	69,429	71,709
Depreciation	2,512	17,186	2,512	17,186

26 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
		(in thousand Baht)			
Interest expense:					
Short-term loans from financial institutions		11,670	-	11,838	-
Debentures		354,510	211,616	354,510	211,616
Lease		25,205	-	25,205	-
Total interest expense		391,385	211,616	391,553	211,616
Other		8,080	8,374	8,080	8,374
		399,465	219,990	399,633	219,990
Less amounts included in the cost of qualifying assets:					
- Construction contracts work in progress	10	(114,283)	(60,514)	(114,283)	(60,514)
Net		285,182	159,476	285,350	159,476

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

27 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	107,512	98,129	107,143	98,129
Adjustment for prior years	5,921	(2,987)	5,921	(2,987)
	<u>113,433</u>	<u>95,142</u>	<u>113,064</u>	<u>95,142</u>
Deferred tax expense				
Movements in temporary differences	8,748	6,840	8,748	6,840
Total income tax expense	<u>122,181</u>	<u>101,982</u>	<u>121,812</u>	<u>101,982</u>

Consolidated and separate financial statements						
<i>Income tax</i>	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Recognised in other comprehensive income						
Defined benefit plan actuarial gains (losses)	-	-	-	(30,759)	6,152	(24,607)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,759)</u>	<u>6,152</u>	<u>(24,607)</u>

Reconciliation of effective tax rate				
Consolidated financial statements				
	Rate (%)	2020 <i>(in thousand Baht)</i>	Rate (%)	2019 <i>(in thousand Baht)</i>
Profit before income tax expense		4,628,006		4,708,790
Income tax using the Thai corporation tax rate	20	925,601	20	941,758
Double allowance and deduction		(31,646)		(24,507)
Profit was derived from promoted activities		(812,608)		(822,148)
Expenses not deductible for tax purposes		34,913		9,866
Under (over) provided in prior years		5,921		(2,987)
Total	<u>2.6</u>	<u>122,181</u>	<u>2.2</u>	<u>101,982</u>

Reconciliation of effective tax rate				
Separate financial statements				
	Rate (%)	2020 <i>(in thousand Baht)</i>	Rate (%)	2019 <i>(in thousand Baht)</i>
Profit before income tax expense		4,627,636		4,713,452
Income tax using the Thai corporation tax rate	20	925,527	20	942,690
Double allowance and deduction		(31,941)		(24,507)
Profit was derived from promoted activities		(812,608)		(822,148)
Expenses not deductible for tax purposes		34,913		8,934
Under (over) provided in prior years		5,921		(2,987)
Total	<u>2.6</u>	<u>121,812</u>	<u>2.2</u>	<u>101,982</u>

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

<i>Deferred tax assets and liabilities</i> <i>At 31 December</i>	Consolidated and Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
		(in thousand Baht)		
Total	82,322	92,388	(60)	(1,377)
Set off of tax	(60)	(1,377)	60	1,377
Net deferred tax assets	<u>82,262</u>	<u>91,011</u>	<u>-</u>	<u>-</u>

Movements in deferred tax balances are as follows:

	Consolidated and Separate financial statements			
	(Charged) / Credited to			At 31 December 2020
	At 1 January 2020	Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Property, plant and equipment	63,511	(11,468)	-	52,043
Inventories	4,900	(797)	-	4,103
Provisions for employee benefits	23,977	317	-	24,294
Lease liabilities	-	1,882	-	1,882
Total	<u>92,388</u>	<u>(10,066)</u>	<u>-</u>	<u>82,322</u>
<i>Deferred tax liabilities</i>				
Revaluation on fair value of financial assets	(1,377)	1,318	-	(60)
Total	<u>(1,377)</u>	<u>1,318</u>	<u>-</u>	<u>(60)</u>
Net	<u>91,011</u>	<u>(8,748)</u>	<u>-</u>	<u>82,262</u>

	Consolidated and Separate financial statements			
	(Charged) / Credited to			At 31 December 2019
	At 1 January 2019	Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Property, plant and equipment	75,338	(11,827)	-	63,511
Inventories	4,900	-	-	4,900
Provisions for employee benefits	11,293	6,532	6,152	23,977
Revaluation on fair value of trading investment	168	(168)	-	-
Total	<u>91,699</u>	<u>(5,463)</u>	<u>6,152</u>	<u>92,388</u>
<i>Deferred tax liabilities</i>				
Revaluation on fair value of trading investment	-	(1,377)	-	(1,377)
Total	<u>-</u>	<u>(1,377)</u>	<u>-</u>	<u>(1,377)</u>
Net	<u>91,699</u>	<u>(6,840)</u>	<u>6,152</u>	<u>91,011</u>

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

28 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Company has been granted privileges by the Board of Investment relating to natural gas stations, power plants and fuel production from garbage and waste. The privileges granted include:

- (a) exemption from payment of import duty on machinery and equipment approved by the Board;
- (b) exemption from payment of corporate income tax for certain operations for a period of 8 years from the dates on which the income is first derived from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above;
- (d) a deduction of twice the actual transportation, electrical and water supply expenses for a period of 10 years from the respective revenues and a 25% reduction of the capital expenditure for the installation or the construction of the facilities in addition to the normal depreciation; and
- (e) losses occur during the period could be carried forward 5 years commencing from the expiry date of the privileges to deducted from the profit that occur after the period of exemption of cooperative income tax.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated and Separate financial statements					
	2020			2019		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Domestic sales	9,581,155	1,538,195	11,119,350	8,799,853	1,771,348	10,571,201
Total	9,581,155	1,538,195	11,119,350	8,799,853	1,771,348	10,571,201

29 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019 (Restated)
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	4,505,824	4,606,808	4,505,824	4,606,808
Weighted average number of ordinary shares outstanding (basic)	8,400,000	8,400,000	8,400,000	8,400,000
Earnings per share (basic) (in Baht)	0.536	0.548	0.536	0.548

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

30 Dividends

At the annual general meeting of the shareholders of the Company held on 19 April 2019, the shareholders approved the appropriation of 2018 annual dividend at Baht 0.40 per share, amounting to Baht 3,360 million. After a deduction of the interim dividends of Baht 0.30 per share which were paid to the Company's shareholders in 2018, the remaining dividends of Baht 0.10 per share, totalling Baht 840 million. The dividend was paid to the shareholders on 3 May 2019.

At the Board of Director's meeting of the Company held on 30 August 2019, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 June 2019, in amount of Baht 0.10 per share for the Baht 8,400 million common shares, amounting to Baht 840 million. The dividend was paid to the shareholders on 13 September 2019.

At the Board of Director's meeting of the Company held on 29 November 2019, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 September 2019, in amount of Baht 0.10 per share for the Baht 8,400 million common shares, amounting to Baht 840 million. The dividend was paid to shareholders on 27 December 2019.

At the annual general meeting of the shareholders of the Company held on 30 July 2020, the shareholders acknowledged the interim dividend payment of 2019 annual dividend at Baht 0.40 per share, amounting to Baht 3,360 million. After a deduction of the interim dividends of Baht 0.20 per share which paid to the Company's shareholders in 2019, the remaining dividends of Baht 0.20 per share, totalling Baht 1,680 million. The dividend was paid to the shareholders on 15 May 2020 and no further dividend payment shall be made from the fiscal year 2019.

At the Board of Director's meeting of the Company held on 25 August 2020, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 June 2020, in amount of Baht 0.12 per share for the Baht 8,400 million common shares, amounting to Baht 1,008 million. The dividend was paid to the shareholders on 22 September 2020.

31 Financial instruments

(a) Carrying amounts and fair values

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

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

		Consolidated financial statements				Fair value		
		Carrying amount						
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
	<i>Note</i>			<i>(in thousand Baht)</i>				
<i>At 31 December 2020</i>								
<i>Financial assets</i>								
Debt securities (Private funds)		43,774	-	43,774	-	43,774	-	43,774
Debt securities		1,252,608	188,049	1,440,657	1,252,608	188,753	-	1,441,361
Promissary Note		-	199,856	199,856	-	199,953	-	199,953
Total financial assets		<u>1,296,382</u>	<u>387,905</u>	<u>1,684,287</u>				
<i>Financial liabilities</i>								
Promissary Note	<i>II</i>	-	239,625	239,625	-	239,685	-	239,685
Debentures	<i>II</i>	-	12,000,000	12,000,000	-	12,071,092	-	12,071,092
Total financial liabilities		<u>-</u>	<u>12,239,625</u>	<u>12,239,625</u>				

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	<i>Note</i>	Carrying amount		Separate financial statements				Fair value	
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total	
At 31 December 2020									
Financial assets									
Debt securities (Private funds)		43,774	-	43,774	-	43,774	-	43,774	43,774
Debt securities		1,252,608	5,183	1,257,791	1,252,608	5,558	-	1,258,166	
Promissary Note		-	199,856	199,856	-	199,953	-	199,953	
Total financial assets		1,296,382	205,039	1,501,421					
Financial liabilities									
Promissary Note	11	-	239,625	239,625	-	239,685	-	239,685	239,685
Debentures	11	-	12,000,000	12,000,000	-	12,071,092	-	12,071,092	12,071,092
Total financial liabilities		-	12,239,625	12,239,625					

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
At 31 December 2019					
Financial assets measured at fair value					
Debt securities held for trading	1,329,349	200,249	1,129,100	-	1,329,349
Debt securities held for trading (Private funds)	1,321,347	-	1,321,347	-	1,321,347
Financial assets and financial liabilities not measured at fair value					
Debt securities held to maturity	186,532	-	187,099	-	187,099
Debentures	8,000,000	-	8,091,745	-	8,091,745
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
At 31 December 2019					
Financial assets measured at fair value					
Debt securities held for trading	1,329,349	200,249	1,129,100	-	1,329,349
Debt securities held for trading (Private funds)	1,321,347	-	1,321,347	-	1,321,347
Financial assets and financial liabilities not measured at fair value					
Debt securities held to maturity	5,261	-	5,667	-	5,667
Debentures	8,000,000	-	8,091,745	-	8,091,745

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Measurement of fair values

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

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

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

Valuation techniques

The following tables show the valuation techniques used in measuring Level 2 fair values.

Type	Valuation technique
Corporate debt securities	Thai Bond Market Association Government Bond Yield Curve as of the reporting date.
Corporate debt securities (Private funds)	<i>Market comparison/discounted cash flow</i> : The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.
Debenture	A valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

(b) Movement of marketable equity and debt securities

Marketable equity and debt securities	Consolidated and Separate financial statements			
	At 1 January	Increase (decrease) (in thousand Baht)	Fair value adjustment	At 31 December
2020				
<i>Current financial assets</i>				
Debt securities measured at				
- FVTPL	1,521,596	(221,234)	(3,980)	1,296,382
Total	1,521,596	(221,234)	(3,980)	1,296,382
2019				
<i>Current investments</i>				
Trading securities	2,530,465	(1,016,848)	7,979	1,521,596
Total	2,530,465	(1,016,848)	7,979	1,521,596

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(c) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(c.1.1) Trade accounts receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 19 (b).

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 30 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for impairment losses (in thousand Baht)	Trade accounts receivables	Allowance for impairment losses
<i>At 31 December 2020</i>				
Related parties				
Within credit terms	217,881	-	217,881	-
Overdue:				
1-30 days	170,283	-	170,283	-
31-60 days	138,209	-	138,209	-
More than 60 days	373,895	-	373,895	-
Total	900,268	-	900,268	-
Less allowance for impairment	-	-	-	-
Net	900,268		900,268	
Other related parties				
Within credit terms	1,525,077	-	1,525,077	-
Overdue:				
1-30 days	341	-	341	-
Total	1,525,418	-	1,525,418	-
Less allowance for impairment	-	-	-	-
Net	1,525,418		1,525,418	
Net total	2,425,686		2,425,686	

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	Consolidated financial statements (in thousand Baht)	Separate financial statements
<i>Trade accounts receivables - related parties</i>		
<i>At 31 December 2019</i>		
Within credit terms	217,446	217,446
Overdue:		
Less than 3 months	340,756	340,756
	558,202	558,202
Less allowance for doubtful accounts	-	-
Net	558,202	558,202

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements (in thousand Baht)	Separate financial statements
<i>Trade accounts receivables - other parties</i>		
<i>At 31 December 2019</i>		
Within credit terms	1,589,635	1,589,635
Overdue:		
Less than 3 months	439	439
	<u>1,590,074</u>	<u>1,590,074</u>
Less allowance for doubtful accounts	-	-
Net	<u>1,590,074</u>	<u>1,590,074</u>
Total	<u>2,148,276</u>	<u>2,148,276</u>

The Group requires various customers to provide cash, and bank guarantees as collateral.

The normal credit term granted by the Group ranges from 15 days to 30 days.

(c.2) Liquidity risk

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

Consolidated and Separate financial statements					
Contractual cash flows					
			More than 1 year but less than 5 years	More than 5 years	Total
<i>At 31 December 2020</i>	Carrying amount	1 year or less	(in thousand Baht)		
<i>Non-derivative financial liabilities</i>					
Trade payables	432,516	428,998	3,518	-	432,516
Loans from financial institutions	239,625	239,625	-	-	239,625
Lease liabilities	660,030	39,927	153,424	876,905	1,070,256
Debentures	12,000,000	4,000,000	8,000,000	-	12,000,000
	<u>13,332,171</u>	<u>4,708,550</u>	<u>8,156,942</u>	<u>876,905</u>	<u>13,742,397</u>

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Consolidated and Separate financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
2020					
Current					
Short-term loans from financial institutions	1.70	239,625	-	-	239,625
Debentures	3.90	4,000,000	-	-	4,000,000
Non-current					
Debentures	3.50	-	4,000,000	-	4,000,000
Debentures	3.90	-	4,000,000	-	4,000,000
Total		4,239,625	8,000,000	-	12,239,625
2019					
Non-current					
Debentures	3.90	-	4,000,000	-	4,000,000
Debentures	3.50	-	4,000,000	-	4,000,000
Total		-	8,000,000	-	8,000,000

(c.3) Market risk

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

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases of spare parts, supplies, machines and equipment.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	3,234	3,253	81	81
Other payables	(473,491)	(1,360,994)	(473,491)	(1,360,994)
	<u>(470,257)</u>	<u>(1,357,741)</u>	<u>(473,410)</u>	<u>(1,360,913)</u>
<i>EURO</i>				
Cash and cash equivalents	7	6	7	6
Other payables	(8,419)	-	(8,419)	-
	<u>(8,412)</u>	<u>6</u>	<u>(8,412)</u>	<u>6</u>
<i>Others</i>				
Cash and cash equivalents	302	334	302	334
	<u>302</u>	<u>334</u>	<u>302</u>	<u>334</u>
Gross balance sheet exposure	<u>(478,367)</u>	<u>(1,357,401)</u>	<u>(481,520)</u>	<u>(1,360,573)</u>

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its debenture (see note 11). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

32 Capital management

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

33 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Agreements for construction, machine and equipment	<u>458,104</u>	<u>281,061</u>	<u>416,701</u>	<u>281,061</u>
<i>Other commitments</i>				
Short-term lease commitments	500	5,707	500	5,707
Unused letters of credit	97,915	498,667	97,915	498,667
Bank guarantees	117,113	10,827	117,113	10,827
Total	<u>215,528</u>	<u>515,201</u>	<u>215,528</u>	<u>515,201</u>

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Power Purchase Agreement

The Company entered into Power Purchase Agreements, which uses garbage as fuel and waste heat from the cement production process as a fuel supplement, in term of “Non-firm” with Electricity Generating Authority of Thailand (“EGAT”) for the period of 5 years since start trading month. The contracts can be extended for a period of 5 years subject to the provision of written notice to the counterparty not less than 30 days before the contracts expired. Regarding to the agreements, the Company obtained adder form base tariff of electricity for period of 7 years since start trading date. The Company has to comply with conditions as specified in the Power Purchase Agreements. At present, the Company has agreements with Electricity Generating Authority of Thailand as follows:

Power Purchase Agreement	Contracted Capacity	Start trading date
1 st agreement (7 November 2014 - 31 December 2019) 1 st agreement (extended) (1 January 2020 - 31 December 2024)	18 Megawatt	16 January 2015
2 nd agreement (13 November 2013 - 31 July 2020) 2 nd agreement (extended) (1 August 2020 - 31 July 2025)	55 Megawatt	6 August 2015
3 rd agreement (17 August 2017 - 31 March 2023)	90 Megawatt	5 April 2018

34 Litigation

On 16 December 2019, individuals in total of 222 people sued Energy Regulatory Commission (ERC) et al to the Central Administrative Court which the Company was listed as the 5th Defendant. The Plaintiffs requested that the approval of Environmental and Health Impact Assessment (EHIA) report for the project of 150 megawatts thermal power plant, the license to operate electricity generating business and the construction approval of the Company be revoked. The Plaintiffs also requested that the Court take evidence out of Court and issued an interim measure and ordering that the electricity generating system be temporarily stopped until the final decision is reached.

On 25 December 2019, the Court inquired both Parties in considering the request for interim measure and rendered its decision on 28 January 2020 denied the request for interim measure.

Subsequently, On 31 January 2020, the Court ordered to accept the complaint and request the Company to file the answers within the time limit. The case is under the preparation of answers.

On 7 December 2020, the Court sent the objection to the answer of the 5th Defendant (the Company) and requested the Company to submit additional answer to the Court within the prescribed period which shall be due on 20 February 2021, the case is under process of preparation of the additional answer.

The Company’s legal consultant considered the complaint and its appendixes and hereby opines that the Company lawfully received the license to operate the electricity generating business and the construction approval from the competent authorities. The complaint of the Plaintiffs is untrue. As the case is in the preparation for answer, the Company has causes to relieve itself of any liability generated from the complaint depending on the Central Administrative Court Decision. Moreover, the Company has pressed charges against the 222 Plaintiffs to the Muak Lek police station, Saraburi, for taking the false information to charge the person in the Court. The case is under the investigation of the police.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

35 Other

The Company purchased plots of land in Chana district, Songkhla province, to develop the Security, Prosperity, Sustainability Triangle Model City 4 project, in Chana district, Songkhla Province, as the Future Industrial City, according to the Thai Government Policy to develop and administer the southern border provinces for peace and security of the country with the cabinet approval following the motion from Southern Border Provinces Administrative Center (SBPAC) requesting the government to include Chana district, Songkhla province, specifically to be a part of southern special economic zone under Southern Border Provinces Administration Act, B.E. 2553, and the Company to propose investment plan worth Baht 396,000 million to extend prosperity to the provinces by creating employment for the people and economic benefits to such area. On May 7, 2019, the cabinet approved the development of such projects and assigned the SBPAC and other relevant authorities to proceed with the project without delay.

On March 6, 2020, the SBPAC sent a letter to the Company informing the Company that the SBPAC has proposed such issues to the Southern Corridor Strategy Development Committee (the "SCSDC") meeting no.1/2562 on October 31, 2019, in which the SCSDC approved the proposal, and thereafter on January 21, 2020 the cabinet has acknowledged and approved the SCSDC resolution. The SBPAC also coordinated with the relevant authorities involved with the private sector investment plan, i.e., the Department of Public Works and Town & Country Planning, Ministry of Interior, and Songkhla Provincial Administration Organization, to consider the change of the city plan color for the project benefits of usage, to comply with the urgent investment plan as proposed by the private sector and to have the Ministry of Energy to consider and support the production of electricity from new power plant to cope with the industrial development under the Country Power Development Plan (PDP), to be revised according to the cabinet approval allowing the private sector i.e. TPIPP, to invest and sell 3,700 MW of electricity to government enterprise (EGAT) in this Model Futuristic Advanced Industrial City, which has received approval to change the city plan color in Chana District Songkla with the proper approval from authority (Office of the energy regulatory commission) including the proposed condition for the private sector to conduct feasibility study on the Environmental Impact Assessment : EIA) and/or the Environmental and Health Impact Assessment : EHIA), as the case may be, so that the project developments could run in parallel from the year 2021 onwards.

The SBPAC has made "Strategic Environment Assessment (SEA)" according to Nation Economic Development Board (the "NEDB") which is an analytical and particularly process to support the formulation of development policies, plans and programs. The goal of which is to balance and optimize economic social and environment considerations based on the principles of sustainable development. The SCSDC, whereby the Prime Minister is the Chairman, and the Deputy Prime Minister, Gen Pravit Wongsuwan, as the authorized person to act on behalf of the Prime Minister to implement the SEA plan, approved the project of TPIPP, and the Cabinet resolved to acknowledge the resolution deemed as the Cabinet's approval of the project in accordance with the plan and policy of the Security, Prosperity, Sustainability Triangle Model City 4 project of the SBPAC. In addition, the SCSDC has resolved to expedite the Department of Public Works to change the City Plan color from green zone to purple zone, and that the Ministry of Energy, Energy Regulatory Commission ("ERC"), and state-owned enterprises to complete the PPA as soon as possible (within March 2021), and it is the Company's responsibility to complete the Environmental Impact Assessment ("EIA") and Environmental and Health Impact Assessment ("EHIA").

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

In case of mass coordination, public and civil society in 3 sub-districts of Chana District, Songkhla Province, the Company was requested to coordinate and work closely with the working group as established by the SBPAC, under the proposals of local residents to support working process of the private sector through public sector to reinforce unity of the task force to be beneficial for the economic development and the quality of local people genuinely to be in line with the objectives of the project in Chana District, Songkhla Province, as an exclusive perfect fully-integrated economic zone, which is an important mechanism to drive the development of the entire fully-integrated economy of the lower southern region, which can link to the southern border provinces and other regions of Thailand and neighboring countries, as well as to link economic development to other countries around the world. This will make the southern border provinces to be safer and be a vital part to support the solution to the unrest in the southern border provinces and to accommodate the future economic and social development, similar to other regions of Thailand in the long run. The SBPAC also requested that the Company to carry on with all related issues to strictly comply with the relevant legal issues, cabinet resolution, rules and government agencies' processes.

On January 25, 2021, Songkhla Provincial Administration Organization announced the Company as the winner of the bidding for jointly private procurement in the construction and management of solid waste disposal system, Songkhla Provincial Administration Organization by Tender Method. The winner of the bidding will receive tipping fee from waste disposal of Baht 400 per ton (adjustable upward by 10% in every 3 year) and receive revenue from electricity sales derived from waste disposal under a power purchase agreement of 7.92 MW for the period of 20 years, at the rate of Baht 5.78 per unit for the first 8 years and Baht 5.08 per unit for the next consecutive 12 years respectively.

