

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

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report



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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 2021, 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 2021 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.



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 blue ink, appearing to read 'Bunyarit'.

(Bunyarit Thanormcharoen)
Certified Public Accountant
Registration No. 7900

KPMG Phoomchai Audit Ltd.
Bangkok
17 February 2022

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
Assets	Note	2021	2020	2021	2020
(in thousand Baht)					
Current assets					
Cash and cash equivalents	5	929,343	1,790,584	785,733	1,649,322
Trade accounts receivable	4, 6	2,561,002	2,425,686	2,561,002	2,425,686
Other receivables		229,658	148,498	228,091	146,931
Short-term loan to related party	4	230,624	-	230,624	-
Receivables and advances to related parties	4	56,281	40,139	56,281	40,139
Inventories	7	1,590,800	1,248,860	1,590,800	1,248,860
Other current financial assets		3,980,578	1,496,238	3,978,578	1,496,238
Other current assets		12,316	8,062	12,065	7,807
Total current assets		9,590,602	7,158,067	9,443,174	7,014,983
Non-current assets					
Other non-current financial assets	30	185,549	188,049	5,102	5,183
Investment in subsidiaries	9	-	-	331,820	329,933
Property, plant and equipment	10	37,808,799	35,605,612	37,804,425	35,601,238
Right-of-use assets	11	620,585	650,619	620,585	650,619
Advances for machine and equipment		131,814	58,590	131,814	58,590
Deferred tax assets	26	94,013	82,262	94,013	82,262
Other non-current assets		53,988	31,953	53,988	31,953
Total non-current assets		38,894,748	36,617,085	39,041,747	36,759,778
Total assets		48,485,350	43,775,152	48,484,921	43,774,761

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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
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Current liabilities					
Short-term loans from financial institutions	12, 30	-	239,625	-	239,625
Trade accounts payable	4, 13	430,396	432,516	430,396	432,516
Other payables	14	306,882	791,216	306,673	791,009
Payables and advances from related parties	4	47,604	66,227	47,570	66,197
Current portion of lease liabilities	11, 12	20,241	14,849	20,241	14,849
Current portion of debentures	12, 30	4,000,000	4,000,000	4,000,000	4,000,000
Interest payable		66,130	53,238	66,130	53,238
Income tax payable		43,958	47,466	43,795	47,316
Other current liabilities	15	143,250	139,057	143,231	139,057
Total current liabilities		5,058,461	5,784,194	5,058,036	5,783,807
Non-current liabilities					
Lease liabilities	11, 12	630,204	645,181	630,204	645,181
Debentures	12, 30	11,523,600	8,000,000	11,523,600	8,000,000
Non-current provisions for employee benefits	16	151,657	152,705	151,657	152,705
Decommissioning costs	4, 17	269,607	264,934	269,607	264,934
Total non-current liabilities		12,575,068	9,062,820	12,575,068	9,062,820
Total liabilities		17,633,529	14,847,014	17,633,104	14,846,627

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
Liabilities and equity	Note	2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Equity					
Share capital:					
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>
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
Shares premium:					
Shares premium on ordinary shares		14,580,886	14,580,886	14,580,886	14,580,886
Retained earnings					
Appropriated					
Legal reserve	18	840,000	840,000	840,000	840,000
Unappropriated		7,030,754	5,107,424	7,030,754	5,107,424
Other component of equity		<u>177</u>	<u>(176)</u>	<u>177</u>	<u>(176)</u>
Equity attribute to owners of the Company		30,851,817	28,928,134	30,851,817	28,928,134
Non-controlling interests		<u>4</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total equity		<u>30,851,821</u>	<u>28,928,138</u>	<u>30,851,817</u>	<u>28,928,134</u>
Total liabilities and equity		<u>48,485,350</u>	<u>43,775,152</u>	<u>48,484,921</u>	<u>43,774,761</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	2021	2020	2021	2020
		(in thousand Baht)			
Revenue					
Revenue from sale of power and goods	19, 27	6,104,727	6,333,227	6,104,727	6,333,227
Revenue from adders	19, 27	4,969,105	4,786,123	4,969,105	4,786,123
		11,073,832	11,119,350	11,073,832	11,119,350
Cost of sales of power and goods		(6,186,729)	(6,027,657)	(6,186,729)	(6,027,657)
Gross profit		4,887,103	5,091,693	4,887,103	5,091,693
Investment income		43,846	42,860	36,669	35,427
Other income	20	240,582	281,792	240,582	281,765
Total income		5,171,531	5,416,345	5,164,354	5,408,885
Distribution costs	21	(65,443)	(66,437)	(65,443)	(66,437)
Administrative expenses	22	(581,808)	(432,729)	(576,519)	(432,477)
Net foreign exchange loss		(15,030)	(3,991)	(15,030)	(3,991)
Total expenses		(662,281)	(503,157)	(656,992)	(502,905)
Profit from operations		4,509,250	4,913,188	4,507,362	4,905,980
Finance costs	25	(207,786)	(285,182)	(207,786)	(285,350)
Share of profit of subsidiaries		-	-	1,534	7,006
Profit before income tax expense		4,301,464	4,628,006	4,301,110	4,627,636
Tax expense	26	(110,134)	(122,181)	(109,780)	(121,812)
Profit for the year		4,191,330	4,505,825	4,191,330	4,505,824

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 financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2021	2020	2021	2020
		(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		353	(18)	-	-
Share of other comprehensive income (expense) of subsidiaries		-	-	353	(18)
Total items that will be reclassified subsequently to profit or loss		353	(18)	353	(18)
Other comprehensive income (expense) for the year, net of tax		353	(18)	353	(18)
Total comprehensive income for the year		4,191,683	4,505,807	4,191,683	4,505,806
Profit attributable to:					
Owners of the parent		4,191,330	4,505,824	4,191,330	4,505,824
Non-controlling interests		-	1	-	-
Profit for the year		4,191,330	4,505,825	4,191,330	4,505,824
Total comprehensive income (expense) attributable to:					
Owners of the parent		4,191,683	4,505,806	4,191,683	4,505,806
Non-controlling interests		-	1	-	-
Total comprehensive income (expense) for the year		4,191,683	4,505,807	4,191,683	4,505,806
Basic earnings per share (in Baht)	28	0.499	0.536	0.499	0.536

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	Issued and paid-up share capital	Share premium	Retained earnings			Other components of equity			Equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Translation reserve						
(in thousand Baht)												
Year ended 31 December 2020												
Balance at 1 January 2020		8,400,000	14,580,886	763,640	3,365,960	(158)			27,110,328	3		27,110,331
Transaction with owners, recorded directly in equity												
Contributions by and distributions to owners of the parent												
Dividends	29	-	-	-	(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.

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of changes in equity

	Consolidated financial statements							Non-controlling interests	Total equity
	Note	Issued and paid-up share capital	Share premium	Other components of equity			Equity attributable to owners of the parent		
				Legal reserve	Unappropriated	Translation reserve			
Year ended 31 December 2021									
Balance at 1 January 2021		8,400,000	14,580,886	840,000	5,107,424	(170)	28,928,134	4	28,928,138
Transaction with owners, recorded directly in equity									
Contributions by and distributions to owners of the parent									
Dividends	29	-	-	-	(2,268,000)	-	(2,268,000)	-	(2,268,000)
Total contributions by and distributions to owners of the parent		-	-	-	(2,268,000)	-	(2,268,000)	-	(2,268,000)
Total transactions with owners, recorded directly in equity		-	-	-	(2,268,000)	-	(2,268,000)	-	(2,268,000)
Comprehensive income (expense) for the year									
Profit		-	-	-	4,191,330	-	4,191,330	-	4,191,330
Other comprehensive income (expense)		-	-	-	-	353	353	-	353
Total comprehensive income (expense) for the year		-	-	-	4,191,330	353	4,191,683	-	4,191,683
Balance at 31 December 2021		8,400,000	14,580,886	840,000	7,030,754	177	30,851,817	4	30,851,821

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

Statement of changes in equity

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					Total equity
		Retained earnings			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	

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	
	2021	2020	2021	2020
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	4,191,330	4,505,825	4,191,330	4,505,824
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	917,058	875,925	917,058	875,925
Interest income	(28,212)	(28,819)	(21,035)	(21,386)
Finance costs	207,786	285,182	207,786	285,350
Unrealised (gain) loss on foreign exchange	3,964	(5,659)	3,964	(5,632)
Reversal of loss on inventories devaluation	(5,961)	(3,985)	(5,961)	(3,985)
Gain on disposal of equipment	(37)	-	(37)	-
(Gain) loss on fair value adjustment	(11,095)	3,980	(11,095)	3,980
Share of profit of subsidiaries				
accounted for using equity method	-	-	(1,534)	(7,006)
Provision for employee benefits	-	2,978	-	2,978
Tax expense	110,134	122,181	109,780	121,812
	<u>5,384,967</u>	<u>5,757,608</u>	<u>5,390,256</u>	<u>5,757,860</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(135,316)	(277,410)	(135,316)	(277,410)
Other receivables	(80,811)	(99,232)	(80,811)	(99,063)
Receivables and advances to related parties	(16,142)	7,898	(16,142)	7,924
Inventories	(335,979)	(192,370)	(335,979)	(192,370)
Other current assets	(4,254)	(3,185)	(4,258)	(2,951)
Other non-current assets	(22,035)	(10,690)	(22,035)	(10,690)
Trade accounts payable	(2,120)	(7,317)	(2,120)	(7,317)
Other payables	(488,342)	(222,759)	(488,344)	(222,904)
Payables and advances from related parties	(18,623)	(27,758)	(18,627)	(27,694)
Other current liabilities	4,193	(7,019)	4,174	(7,019)
Provisions for employee benefits	(1,048)	(1,392)	(1,048)	(1,392)
Net cash generated from operating activities	<u>4,284,490</u>	<u>4,916,374</u>	<u>4,289,750</u>	<u>4,916,974</u>
Taxes paid	(125,393)	(101,521)	(125,052)	(101,302)
Corporate income tax refund received	-	5,590	-	5,590
Net cash from operating activities	<u>4,159,097</u>	<u>4,820,443</u>	<u>4,164,698</u>	<u>4,821,262</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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	35,493	34,632	28,316	26,624
Acquisition of property, plant and equipment	(2,671,732)	(5,930,795)	(2,671,732)	(5,926,421)
Proceeds from sale of equipment	149	-	149	-
Advances payment for machine and equipment	(150,776)	(137,688)	(150,776)	(137,688)
(Increase) decrease in equity and debt instruments	(2,478,999)	1,150,978	(2,479,418)	1,150,478
Cash outflow on loan to related party	(2,138,960)	(695,000)	(2,138,960)	(695,000)
Proceeds from repayment of loans to related party	1,908,960	695,000	1,908,960	695,800
Net cash outflow on acquisition of subsidiary	-	(2,959)	-	(2,959)
Net cash used in investing activities	(5,495,865)	(4,885,832)	(5,503,461)	(4,889,166)
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institutions	-	341,529	-	341,529
Repayment of short-term loans from financial institutions	(240,000)	(105,000)	(240,000)	(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	(16,821)	(12,625)	(16,821)	(12,625)
Finance costs paid	(523,649)	(369,912)	(523,649)	(370,080)
Dividends paid to owners of the Company	(2,268,000)	(2,688,000)	(2,268,000)	(2,688,000)
Proceeds from issuing debentures	7,523,600	4,000,000	7,523,600	4,000,000
Repayment of debentures	(4,000,000)	-	(4,000,000)	-
Net cash from financing activities	475,130	1,165,992	475,130	1,165,824

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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates changes	(861,638)	1,100,603	(863,633)	1,097,920
Effect of exchange rate changes	397	(50)	44	(32)
Cash and cash equivalents from changes in				
holding of investments in subsidiary	-	475	-	-
Net increase (decrease) in cash and cash equivalents	(861,241)	1,101,028	(863,589)	1,097,888
Cash and cash equivalents at 1 January	1,790,584	689,556	1,649,322	551,434
Cash and cash equivalents at 31 December	929,343	1,790,584	785,733	1,649,322
<i>Non-cash transactions</i>				
Provision for decommissioning costs				
capitalised in assets	238,950	239,423	238,950	239,423
Other payables - plant and equipment	50,030	481,910	50,030	481,910
Advances for machine and equipment	131,814	58,590	131,814	58,590

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 2021

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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 17 February 2022.

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 2021 and 2020 are given in note 9.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in each notes have been applied consistently to all periods presented in these financial statements.

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.

3 Significant accounting policies

(a) Basis of consolidation

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

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.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities, any related non-controlling interests and other components of equity of the subsidiary. 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.

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Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

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

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates 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.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

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

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration, and equity interests issued by the Group. 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.

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

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(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.

(c) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

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 until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

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.

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Notes to the financial statements
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(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

Debt investments measured at FVOCI are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss 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 measured at FVOCI are subsequently measured at fair value. Dividend income is recognised as income in profit or loss on the date on which the Group's right to receive payment is established, 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.

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(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive 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 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.3) Write offs

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.

(d.4) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

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(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition. Bank overdrafts that are repayable on demand are a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Trade accounts receivable

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(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.

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

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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss.

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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 when 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 on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

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

(i) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly 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 prepaid lease payments, 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 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 all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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.

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The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. 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.

As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss 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 other income in the accounting period in which they are earned.

(j) *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.

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

The recoverable amount 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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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.

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(k) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which 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 Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

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.

(l) 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.

(m) 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.

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 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.

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- Level 3: inputs for the asset or liability that are based on unobservable input.

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

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

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.

(n) Revenue from contracts with customers

Revenue recognition

Revenue is recognised when a customer obtains control of the goods 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 or other sales taxes and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers. For the sales that permit the customers to return the goods, the Group estimates the returns based on the historical return data, does not recognise revenue for this transaction and remains recognition of inventory for the estimated products to be returned.

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.

(o) Income tax

Income tax expense for the year comprises current and deferred tax, which is 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 recognised in respect of the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the 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.

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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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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. 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.

(p) *Earnings per share*

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 period.

(q) *Related parties*

A related party is a person or entity that has direct or indirect 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 has significant influence over the financial and managerial decision-making of a person or entity.

(r) *Segment information*

Segment results that are reported to the Group's 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 insert unallocated items, e.g. corporate assets.

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4 Related parties

Relationships with subsidiaries are described in notes 9. 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
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 Holding Co., Ltd.	Thailand	Some common directors

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Parent company				
Sale of goods and electricity power	1,806,724	2,046,236	1,806,724	2,046,236
Purchase of goods and services fee	2,741,743	2,556,264	2,741,743	2,556,264
Other income	4,450	3,821	4,450	3,821
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
Interest income	1,922	2,005	1,922	2,005
Dividend paid	1,593,000	1,888,000	1,593,000	1,888,000
Interest expense	15,518	17,967	15,518	17,967
Subsidiaries				
Interest expense	-	-	-	168
Other related parties				
Sale of goods	1,169	1,006	1,169	1,006
Purchase of goods	27,728	5,426	27,728	5,426
Acquisition of investment	-	2,959	-	2,959
Issued debenture	210,400	-	210,400	-
Other income	64	184	64	184
Dividend paid	370	439	370	439
Insurance premium	91,815	82,967	91,815	82,967
Administrative expenses	589	589	589	589
Interest income	1,955	-	1,955	-
Interest expense	16,175	7,008	16,175	7,008
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	52,337	45,217	52,337	45,217
Post-employment benefits	-	52	-	52
Total key management personnel compensation	52,337	45,269	52,337	45,269

TPI Polene Power Public Company Limited and its Subsidiaries
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Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Parent company	994,489	900,199	994,489	900,199
Other related parties				
TPI Polene Bio Organics Co., Ltd.	3	1	3	1
TPI Concrete Co., Ltd.	55	31	55	31
TPI All Seasons Co., Ltd.	23	27	23	27
Thai Nitrate Co., Ltd.	1	2	1	2
Bangkok Union Insurance Public Co., Ltd.	13	5	13	5
BUI Life Insurance Public Co., Ltd.	7	3	7	3
Total	994,591	900,268	994,591	900,268
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	994,591	900,268	994,591	900,268

	Interest rate		Separate financial statements			
	31 December 2020	31 December 2021	31 December 2020	Increase Decrease		31 December 2021
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
Short-term loans to related party						
Parent company	-	1.65, 1.50	-	1,400,000	(1,400,000)	-
Other related parties						
TPI Refinery (1997) Co., Ltd	-	3.805	-	420,160	(420,160)	-
Thai Nitrate Co., Ltd.	-	1.65	-	318,800	(88,800)	230,000
			-	2,138,960	(1,908,960)	230,000
Accrued interest			-	3,877	(3,253)	624
Total			-	2,142,837	(1,912,213)	230,624
<i>Less allowance for expected credit loss</i>			-			-
Net			-			230,624

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Notes to the financial statements

For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Receivables and advance to related parties				
Parent company	4,230	3,508	4,230	3,508
Other related parties				
TPI Polene Bio Organics Co., Ltd.	31	2	31	2
BUI Life Insurance Public Co., Ltd.	723	749	723	749
Bangkok Union Insurance Public Co., Ltd.	49,029	35,634	49,029	35,634
Pornchai Enterprise Co., Ltd.	2,268	246	2,268	246
Total	56,281	40,139	56,281	40,139
Less allowance for expected credit loss	-	-	-	-
Net	56,281	40,139	56,281	40,139

Expected credit losses for the year ended 31 December

Trade accounts receivable	-	-	-	-
Short-term loans to related party	-	-	-	-
Receivables and advance to related parties	-	-	-	-

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Trade accounts payable				
Parent company	151,820	166,918	151,820	166,918
Other related parties				
TPI Polene Bio Organics Co., Ltd.	266	870	266	870
TPI Healthcare Co., Ltd.	745	1,174	745	1,174
TPI Bio Pharmaceuticals Co., Ltd.	33	64	33	64
Total	152,864	169,026	152,864	169,026

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Payables and advance from related parties				
Parent company	45,844	64,000	45,810	63,970
Other related parties				
TPI Polene Bio Organics Co., Ltd.	36	151	36	151
TPI Concrete Co., Ltd.	415	1,357	415	1,357
Pornchai Enterprise Co., Ltd.	382	4	382	4
Bangkok Union Insurance Public Co., Ltd.	6	504	6	504
TPI Healthcare Co., Ltd.	921	211	921	211
Total	47,604	66,227	47,570	66,197

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Current portion of lease liabilities				
Parent company	4,319	3,639	4,319	3,639
Other related parties				
United Grain Industry Co., Ltd.	2,220	1,485	2,220	1,485
Pornchai Enterprise Co., Ltd.	2,766	378	2,766	378
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,173	1,128	1,173	1,128
Saraburi Ginning Mill Co., Ltd.	1,173	1,128	1,173	1,128
Leophairatana Enterprise Co., Ltd.	3,518	3,384	3,518	3,384
Total	15,169	11,142	15,169	11,142

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Lease liabilities				
Parent company	449,776	464,238	449,776	464,238
Other related parties				
United Grain Industry Co., Ltd.	151,442	153,679	151,442	153,679
Pornchai Enterprise Co., Ltd.	4,511	162	4,511	162
Hong Yiah Seng Real Estates and Investment Co., Ltd.	3,139	4,312	3,139	4,312
Saraburi Ginning Mill Co., Ltd.	3,139	4,312	3,139	4,312
Leophairatana Enterprise Co., Ltd.	9,418	12,936	9,418	12,936
Total	621,425	639,639	621,425	639,639

Significant agreements with related parties

- (a) The Company entered into office building services agreement with related party for 3 years. The detail was as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Non-cancellable operating lease commitments				
Within one year	5,119	589	5,119	589
After one year but within five years	6,195	98	6,195	98
Total	11,314	687	11,314	687

- (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 2021 in amount of Baht 270 million (2020: Baht 265 million) (see note 17).

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

- (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.

5 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	550	476	550	476
Cash at banks - current accounts	29,399	4,652	25,692	1,289
Cash at banks - savings accounts	897,853	1,784,570	757,950	1,646,671
Cash at banks - savings accounts (Private Funds)	1,541	886	1,541	886
Total	929,343	1,790,584	785,733	1,649,322

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

6 Trade account receivables

<i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Trade account receivables - related parties</i>				
Within credit terms	57,099	217,881	57,099	217,881
Overdue:				
1 - 30 days	186,103	170,283	186,103	170,283
31 - 60 days	37,041	138,209	37,041	138,209
More than 60 days	714,348	373,895	714,348	373,895
Total	994,591	900,268	994,591	900,268
Less allowance for expected credit loss	-	-	-	-
Net	994,591	900,268	994,591	900,268
<i>Trade account receivables - other parties</i>				
Within credit terms	1,565,865	1,525,077	1,565,865	1,525,077
Overdue:				
1 - 30 days	546	341	546	341
Total	1,566,411	1,525,418	1,566,411	1,525,418
Less allowance for expected credit loss	-	-	-	-
Net	1,566,411	1,525,418	1,566,411	1,525,418
Net total	2,561,002	2,425,686	2,561,002	2,425,686

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	23,641	23,621	23,641	23,621
Work in process	585,823	474,580	585,823	474,580
Raw materials, package and chemical	176,045	100,666	176,045	100,666
Spare parts and supplies	814,358	668,363	814,358	668,363
Goods in transit	5,487	2,145	5,487	2,145
	1,605,354	1,269,375	1,605,354	1,269,375
Less allowance for declining in value	(14,554)	(20,515)	(14,554)	(20,515)
Net	1,590,800	1,248,860	1,590,800	1,248,860
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	6,192,690	6,031,642	6,192,690	6,031,642
- Reversal of write-down	(5,961)	(3,985)	(5,961)	(3,985)
Net total	6,186,729	6,027,657	6,186,729	6,027,657

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

8 Marketable financial assets

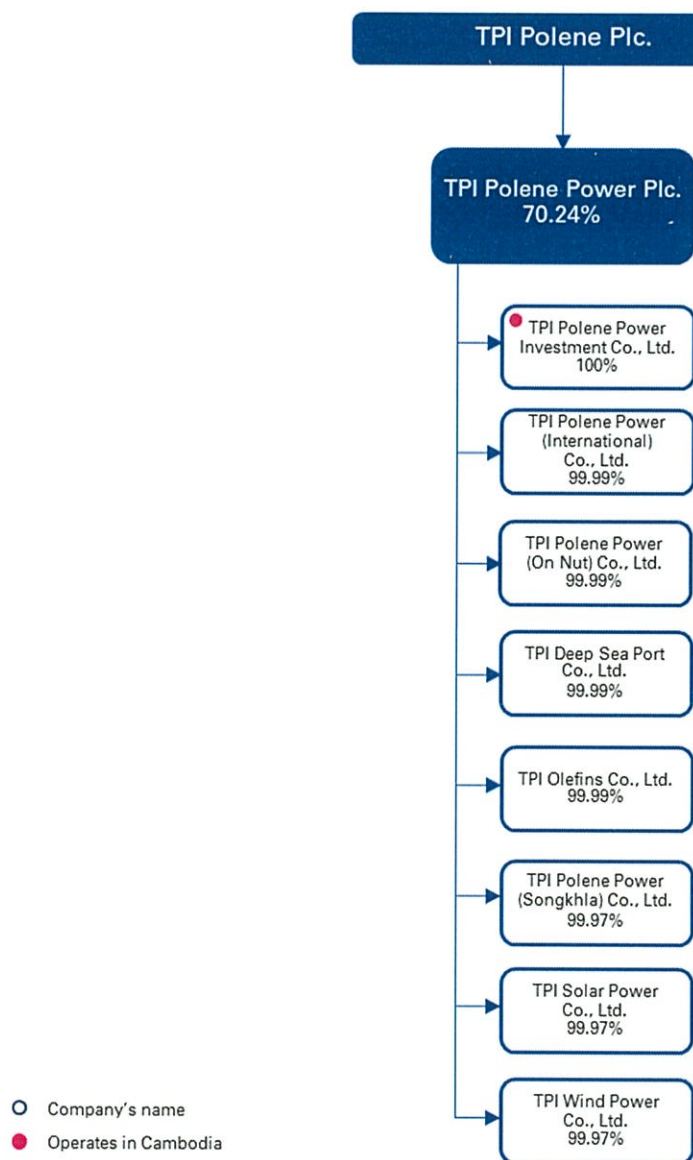
<i>Marketable equity and debt securities</i>	Consolidated and Separate financial statements			
	At 1 January	Increase (decrease) (in thousand Baht)	Fair value adjustment	At 31 December
2021				
<i>Current financial assets</i>				
Debt securities measured at				
- FVTPL	1,296,382	1,223,661	11,095	2,531,138
Total	1,296,382	1,223,661	11,095	2,531,138
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

9 Investment in subsidiaries

	Separate financial statements	
	2021	2020
	(in thousand Baht)	
Subsidiaries		
At 1 January	329,933	319,986
Acquisition	-	2,959
Share of net profit of subsidiaries	1,534	7,006
Share of other comprehensive income of subsidiaries	353	(18)
At 31 December	331,820	329,933

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Relationships with parent company and subsidiaries were as follows:



TPI Polene Power Investment Company Limited

As of 31 December 2021, the Company has registered the termination of the business, and the Company is waiting for a certificate from Cambodia's Revenue Department that the Company pays all taxes, the liquidation will be completed.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

10 Property, plant and equipment

Consolidated financial statements										
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles <i>(in thousand Baht)</i>	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<i>Cost</i>										
At 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 and 1 January 2021	9,545,228	1,584,640	24,290,109	242,849	53,099	584	200,510	3,729,753	239,423	39,886,195
Additions	1,486,369	-	20,445	16,539	4,029	61	-	1,556,117	-	3,083,560
Transfers	-	23,681	3,013,168	-	2,420	-	(144,852)	(2,894,417)	-	-
Disposal	-	-	-	(10)	(1,038)	-	-	-	(473)	(1,521)
At 31 December 2021	11,031,597	1,608,321	27,323,722	259,378	58,510	645	55,658	2,391,453	238,950	42,968,234
<i>Depreciation</i>										
At 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 and 1 January 2021	-	146,643	3,957,468	121,954	27,467	116	-	-	26,935	4,280,583
Depreciation charge for the year	-	53,565	799,527	13,881	4,721	60	-	-	8,034	879,788
Disposals	-	-	-	(10)	(926)	-	-	-	-	(936)
At 31 December 2021	-	200,208	4,756,995	135,825	31,262	176	-	-	34,969	5,159,435
<i>Net book value</i>										
At 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 and 1 January 2021	9,545,228	1,437,997	20,332,641	120,895	25,632	468	200,510	3,729,753	212,488	35,605,612
At 31 December 2021	11,031,597	1,408,113	22,566,727	123,553	27,248	469	55,658	2,391,453	203,981	37,808,799

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

Separate financial statements										
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
<i>Cost</i>										
At 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	1,493,421	-	5,671,719
Transfers	-	19,089	199,477	-	3,193	-	-	(221,759)	-	-
At 31 December 2020 and 1 January 2021	9,545,228	1,584,640	24,290,109	242,849	53,099	584	200,510	3,725,379	239,423	39,881,821
Additions	1,486,369	-	20,445	16,539	4,029	61	-	1,556,117	-	3,083,560
Transfers	-	23,681	3,013,168	-	2,420	-	(144,852)	(2,894,417)	-	-
Disposals	-	-	-	(10)	(1,038)	-	-	-	(473)	(1,521)
At 31 December 2021	11,031,597	1,608,321	27,323,722	259,378	58,510	645	55,658	2,387,079	238,950	42,963,860
<i>Depreciation</i>										
At 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 and 1 January 2021	-	146,643	3,957,468	121,954	27,467	116	-	-	26,935	4,280,583
Depreciation charge for the year	-	53,565	799,527	13,881	4,721	60	-	-	8,034	879,788
Disposals	-	-	-	(10)	(926)	-	-	-	-	(936)
At 31 December 2021	-	200,208	4,756,995	135,825	31,262	176	-	-	34,969	5,159,435
<i>Net book value</i>										
At 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 and 1 January 2021	9,545,228	1,437,997	20,332,641	120,895	25,632	468	200,510	3,725,379	212,488	35,601,238
At 31 December 2021	11,031,597	1,408,113	22,566,727	123,553	27,248	469	55,658	2,387,079	203,981	37,804,425

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

The original cost of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2021 amounted to Baht 947 million (2020: Baht 934 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 2021 are amounted to Baht 334 million and Baht 334 million, respectively (2020: Baht 114 million and Baht 114 million, respectively), with a capitalisation in the consolidated and separate financial statements of 2% - 3.9% (2020: 2% - 3.9%).

11 Leases

<i>Right-of-use assets At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Land	600,170	641,073	600,170	641,073
Buildings	7,019	530	7,019	530
Vehicles	13,396	9,016	13,396	9,016
Total	620,585	650,619	620,585	650,619

In 2021, additions to the right-of-use assets of the Group and the Company were Baht 7.23 million and Baht 7.23 million, respectively (2020: 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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land	30,463	31,477	30,463	31,477
- Buildings	1,928	377	1,928	377
- Vehicles	4,879	3,146	4,879	3,146
Interest on lease liabilities	25,508	25,205	25,508	25,205
Expenses relating to short-term leases	3,113	8,844	3,113	8,844

In 2021, total cash outflow for leases of the Group and the Company were Baht 42.35 million and Baht 42.35 million, respectively (2020: 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 2021

12 Interest-bearing liabilities

	Consolidated and Separate financial statements					
	2021			2020		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	<i>(in thousand Baht)</i>					
Current						
Short-term loans from financial institutions	-	-	-	-	239,625	239,625
Current debentures	-	4,000,000	4,000,000	-	4,000,000	4,000,000
Lease liabilities	-	20,241	20,241	-	14,849	14,849
Non-Current						
Debentures	-	11,523,600	11,523,600	-	8,000,000	8,000,000
Lease liabilities	-	630,204	630,204	-	645,181	645,181
Total interest-bearing liabilities	-	16,174,045	16,174,045	-	12,899,655	12,899,655

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Within 1 year	4,020,241	4,254,474	4,020,241	4,254,474
1 - 5 years	11,586,283	8,066,789	11,586,283	8,066,789
After 5 years	567,521	578,392	567,521	578,392
Total	16,174,045	12,899,655	16,174,045	12,899,655

As at 31 December 2021 and 2020, 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 2021

Debentures

As at 31 December 2021, the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 15,524 million (31 December 2020: Baht 12,000 million) as follows:

Issued Date	Consolidated and Separate financial statements						
	The period to maturity within one year			The period to maturity over one year			Term
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
	(in thousand Baht)						
28 November 2018	-	4,000,000	-	-	-	4,000,000	3 years
9 August 2019	4,000,000	-	-	4,000,000	4,000,000	4,000,000	3 years 3 months
19 August 2020	-	-	4,000,000	4,000,000	4,000,000	4,000,000	3 years 11 months
10 June 2021	-	-	3,000,000	-	3,000,000	-	2 years 6 months
12 November 2021	-	-	4,523,600	-	4,523,600	-	4 years 3 months
Total	4,000,000	4,000,000	11,523,600	8,000,000	15,523,600	12,000,000	

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

13 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Related parties	4	152,864	169,026	152,864	169,026
Other parties		277,532	263,490	277,532	263,490
Total		430,396	432,516	430,396	432,516

14 Other payables

		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Retention payable		116,468	407,525	116,468	407,525
Other payables - Machine		34,722	167,502	34,722	167,502
Accrued expenses		104,939	76,875	104,794	76,732
Deposit from sales and guarantee		3,789	6,023	3,789	6,023
Others		46,964	133,291	46,900	133,227
Total		306,882	791,216	306,673	791,009

15 Other current liabilities

		Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Payable to Revenue Department		30,615	33,092	30,615	33,092
Suspend output tax		101,896	99,306	101,896	99,306
Others		10,739	6,659	10,720	6,659
Total		143,250	139,057	143,231	139,057

16 Non-current provisions for employee benefits

		Consolidated financial statements		Separate financial statements	
<i>At 31 December</i>		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Non-current provisions for:					
Post-employment benefits		151,657	152,705	151,657	152,705

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2021

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.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		<i>(in thousand Baht)</i>		
At 1 January	152,705	151,119	152,705	151,119
Recognised in profit or loss				
Current service cost and interest on obligation	-	2,978	-	2,978
Recognised in other comprehensive income:				
Actuarial loss	-	-	-	-
Other				
Benefit paid	(1,048)	(1,392)	(1,048)	(1,392)
At 31 December	151,657	152,705	151,657	152,705

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
		<i>(%)</i>		
Discount rate	2.88	2.00	2.88	2.00
Future salary growth	2.35	2.46	2.35	2.46

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

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 25 years (2020: 27 years).

Sensitivity analysis

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

Effect to the defined benefit obligation At 31 December	Consolidated and separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2021	2020	2021	2020
		<i>(in thousand Baht)</i>		
Discount rate	(9,574)	(12,218)	11,176	14,367
Future salary growth	9,011	11,814	(7,794)	(10,191)

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

17 Decommissioning costs

	Consolidated and Separate financial statements (in thousand Baht)
At 1 January 2020	256,855
Provisions made	8,079
At 31 December 2020 and 1 January 2021	264,934
Provisions made	4,673
At 31 December 2021	269,607
At 31 December 2020 and 1 January 2021	
Non-current	264,934
At 31 December 2021	
Non-current	269,607

18 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.

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 2021

(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	
	2021	2020	2021	2020	2021	2020	
<i>For the year ended 31 December</i>							
Energy & Utilities	10,557,354	10,586,783	-	-	10,557,354	10,586,783	5,695,331
Petrol and gas stations	516,478	532,567	-	-	516,478	532,567	(1,814)
Total	11,073,832	11,119,350	-	-	11,073,832	11,119,350	5,693,517
Finance costs							(285,182)
Depreciation							(917,059)
Others							(15,030)
Profit before income tax expense for the year						4,301,464	4,628,006

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.

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For the year ended 31 December 2021

<i>For the year ended 31 December</i>	Consolidated financial statements	
	Reportable segment	
	profit (loss) before tax	
	2021	2020
	<i>(in thousand Baht)</i>	
Energy & Utilities	4,334,902	4,655,122
Petrol and gas stations	(33,435)	(27,125)
Total	4,301,467	4,627,997
Elimination of inter-segment (profit) loss	(3)	9
Profit (loss) before income tax expense for the year	4,301,464	4,628,006

(b) Reportable segment financial position

	Segment assets	
	2021	2020
	<i>(in thousand Baht)</i>	
Energy & Utilities	42,956,956	40,146,047
Petrol and gas stations	74,742	72,703
	43,031,698	40,218,750
Unallocated assets	5,453,652	3,556,402
Total assets	48,485,350	43,775,152

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 10,580 million (2020: Baht 10,611 million) of the Group's total revenues.

20 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Other income-claim insurance	30	99,587	30	99,587
Revenue from machine rental	183,155	141,363	183,155	141,363
Others	57,397	40,842	57,397	40,815
Total	240,582	281,792	240,582	281,765

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

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21 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Personnel expenses	29,059	28,205	29,059	28,205
Utilities expenses	7,857	8,355	7,857	8,355
Rental	1,425	1,455	1,425	1,455
Depreciation	9,210	9,643	9,210	9,643
Others	17,892	18,779	17,892	18,779
Total	65,443	66,437	65,443	66,437

22 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Personnel expenses	81,485	69,430	81,485	69,429
Shared service expenses	46,579	41,884	46,451	41,760
Professional fees	25,823	15,076	20,674	14,999
Registration fees	33,423	26,400	33,418	26,392
Depreciation	4,286	2,512	4,286	2,512
Insurance expenses	659	3,690	659	3,690
Donation	143,465	65,052	143,465	65,052
Others	246,088	208,685	246,081	208,643
Total	581,808	432,729	576,519	432,477

23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	27,666	24,498	27,666	24,498
Defined benefit plans	-	52	-	52
Others	24,671	20,718	24,671	20,718
	52,337	45,268	52,337	45,268
Employee				
Wages and salaries	542,709	515,544	542,709	515,544
Defined benefit plans	-	2,926	-	2,926
Others	43,018	43,955	43,018	43,955
	585,727	562,425	585,727	562,425
Total	638,064	607,693	638,064	607,693

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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.

24 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	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Included in cost of sales of goods:</i>				
Changes in inventories of finished goods and work in progress	111,263	148,571	111,263	148,571
Raw materials and consumables used	3,964,705	3,838,801	3,964,705	3,838,801
Employee benefit expenses	527,520	510,059	527,520	510,059
Depreciation	903,562	863,770	903,562	863,770
<i>Included in distribution costs:</i>				
Employee benefit expenses	29,059	28,205	29,059	28,205
Depreciation	9,210	9,643	9,210	9,643
<i>Included in administrative expenses:</i>				
Employee benefit expenses	81,485	69,429	81,485	69,429
Depreciation	4,286	2,512	4,286	2,512

25 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
<i>Interest expense:</i>					
Short-term loans from financial institutions		375	11,670	375	11,838
Debentures		510,442	354,510	510,442	354,510
Lease		25,508	25,205	25,508	25,205
Total interest expense		536,325	391,385	536,325	391,553
Other		5,145	8,080	5,145	8,080
		541,470	399,465	541,470	399,633
<i>Less amounts included in the cost of qualifying assets:</i>					
- Construction contracts work in progress	10	(333,684)	(114,283)	(333,684)	(114,283)
Net		207,786	285,182	207,786	285,350

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26 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	115,964	107,512	115,610	107,143
Adjustment for prior years	5,921	5,921	5,921	5,921
	<u>121,885</u>	<u>113,433</u>	<u>121,531</u>	<u>113,064</u>
Deferred tax expense				
Movements in temporary differences	(11,751)	8,748	(11,751)	8,748
Total income tax expense	<u>110,134</u>	<u>122,181</u>	<u>109,780</u>	<u>121,812</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2021		2020	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		4,301,464		4,628,006
Income tax using the Thai corporation tax rate	20	860,293	20	925,601
Double allowance and deduction		(22,297)		(31,646)
Profit was derived from promoted activities		(744,126)		(812,608)
Expenses not deductible for tax purposes		10,343		34,913
Under provided in prior years		5,921		5,921
Total	<u>2.6</u>	<u>110,134</u>	<u>2.6</u>	<u>122,181</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2021		2020	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		4,301,110		4,627,636
Income tax using the Thai corporation tax rate	20	860,222	20	925,527
Double allowance and deduction		(22,297)		(31,941)
Profit was derived from promoted activities		(744,126)		(812,608)
Expenses not deductible for tax purposes		10,060		34,913
Under provided in prior years		5,921		5,921
Total	<u>2.6</u>	<u>109,780</u>	<u>2.6</u>	<u>121,812</u>

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<i>Deferred tax assets and liabilities</i> <i>At 31 December</i>	Consolidated and Separate financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
		<i>(in thousand Baht)</i>		
Total	94,033	82,322	(20)	(60)
Set off of tax	(20)	(60)	20	60
Net deferred tax assets	94,013	82,262	-	-

Movements in deferred tax balances are as follows:

	Consolidated and Separate financial statements			
	(Charged) / Credited to			At 31 December 2021
	At 1 January 2021	Profit or loss (in thousand Baht)	Other comprehensive income	
<i>Deferred tax assets</i>				
Property, plant and equipment	46,656	1,284	-	47,940
Inventories	4,103	(1,192)	-	2,911
Provisions for employee benefits	24,294	(209)	-	24,085
Provisions for decommissioning costs	5,387	7,738	-	13,125
Lease liabilities	1,882	4,090	-	5,972
Total	82,322	11,711	-	94,033
<i>Deferred tax liabilities</i>				
Revaluation on fair value of financial assets	(60)	40	-	(20)
Total	(60)	40	-	(20)
Net	82,262	11,751	-	94,013

	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	60,952	(14,296)	-	46,656
Inventories	4,900	(797)	-	4,103
Provisions for employee benefits	23,977	317	-	24,294
Provisions for decommissioning costs	2,559	2,828	-	5,387
Lease liabilities	-	1,882	-	1,882
Total	92,388	(10,066)	-	82,322
<i>Deferred tax liabilities</i>				
Revaluation on fair value of trading investment	(1,378)	1,318	-	(60)
Total	(1,378)	1,318	-	(60)
Net	91,010	(8,748)	-	82,262

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Notes to the financial statements

For the year ended 31 December 2021

27 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 corporate 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					
	2021			2020		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	<i>(in thousand Baht)</i>					
Domestic sales	9,439,078	1,634,754	11,073,832	9,581,155	1,538,195	11,119,350
Total	9,439,078	1,634,754	11,073,832	9,581,155	1,538,195	11,119,350

28 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2021 and 2020 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	
	2021	2020	2021	2020
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	4,191,330	4,505,824	4,191,330	4,505,824
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)	0.499	0.536	0.499	0.536

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29 Dividends

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.

At the annual general meeting of the shareholders of the Company held on 21 April 2021, the shareholders approved the appropriation of 2020 annual dividend at Baht 0.27 per share for the 8,400 million common shares, amounting to Baht 2,268 million. After a deduction of the interim dividends of Baht 0.12 per share which were paid to the Company's shareholders in 2020, the remaining dividends of Baht 0.15 per share, totalling Baht 1,260 million. The dividend was paid to the shareholders on 7 May 2021.

At the Board of Director's meeting of the Company held on 27 August 2021, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 June 2021, 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 2021.

30 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.

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	<i>Note</i>	Carrying amount		Consolidated financial statements				Fair value
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	
At 31 December								
2021								
Financial assets								
Other current financial assets								
Investment in debt securities (Private funds)		43,292	-	43,292	-	43,292	-	43,292
Investment in debt securities		2,487,846	2,000	2,489,846	2,002,505	470,913	-	2,473,418
Other non-current financial assets								
Investment in debt securities		-	185,549	185,549	-	187,298	-	187,298
Total financial assets	8	2,531,138	187,549	2,718,687				
Financial liabilities								
Debentures	12	-	15,523,600	15,523,600	-	15,602,098	-	15,602,098
Total financial liabilities		-	15,523,600	15,523,600				

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		Consolidated financial statements				Fair value		
		Carrying amount						
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
	Note							
At 31 December 2020								
Financial assets								
Other current financial assets								
Investment in debt securities (Private funds)		43,774	-	43,774	-	43,774	-	43,774
Investment in debt securities		1,252,608	-	1,252,608	1,252,608	-	-	1,252,608
Promissary Note		-	199,856	199,856	-	199,953	-	199,953
Other non-current financial assets								
Investment in debt securities		-	188,049	188,049	-	188,753	-	188,753
Total financial assets	8	1,296,382	387,905	1,684,287				
Financial liabilities								
Promissary Note	12	-	239,625	239,625	-	239,685	-	239,685
Debentures	12	-	12,000,000	12,000,000	-	12,071,092	-	12,071,092
Total financial liabilities		-	12,239,625	12,239,625				

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	<i>Note</i>	Carrying amount		Separate financial statements			
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3
				<i>(in thousand Baht)</i>			
				Total	Level 1	Level 2	Level 3
							Total
At 31 December 2021							
Financial assets							
Other current financial assets							
Investment in debt securities (Private funds)		43,292	-	43,292	-	43,292	43,292
Investment in debt securities		2,487,846	-	2,487,846	2,002,505	468,884	2,471,389
Other non-current financial assets							
Investment in debt securities		-	5,102	5,102	-	5,297	5,297
Total financial assets	8	2,531,138	5,102	2,536,240			
Financial liabilities							
Debentures	12	-	15,523,600	15,523,600	-	15,602,098	15,602,098
Total financial liabilities		-	15,523,600	15,523,600			

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	<i>Note</i>	Carrying amount		Separate financial statements			
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3
<i>At 31 December</i>					<i>(in thousand Baht)</i>		
							Total
2020							
Financial assets							
Investment in debt securities (Private funds)		43,774	-	43,774	-	43,774	43,774
Investment in debt securities Promissary Note		1,252,608	-	1,252,608	1,252,608	-	1,252,608
Other non-current financial assets							
Investment in debt securities		-	199,856	199,856	-	199,953	199,953
Investment in debt securities		-	5,183	5,183	-	5,558	5,558
Total financial assets	8	1,296,382	205,039	1,501,421			
Financial liabilities							
Promissary Note	12	-	239,625	239,625	-	239,685	239,685
Debentures	12	-	12,000,000	12,000,000	-	12,071,092	12,071,092
Total financial liabilities		-	12,239,625	12,239,625			

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

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) 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.

(b.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.

(b.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).

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The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's commercial terms and conditions are offered. The Group's review includes financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 30 days. Outstanding trade receivables are regularly monitored by the Group. An impairment analysis is performed by the Group at each reporting date. The provision rates of expected credit loss are based on days past due for groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Information relevant to trade accounts receivables and contract assets are disclosed in note 6 and 19, respectively.

(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at amortised cost have low credit risk. Then the credit loss allowance assessed during the year was therefore limited to 12 months expected losses or 'low credit risk'. Marketable bonds are considered to be an investment grade credit rating published by external credit rating agencies. The credit risk of other instruments are considered to be low when the risk of default is low and the issuer has a strong capacity to meet its contractual cash flow obligations.

(b.1.3) Cash and cash equivalent

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk

(b.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.

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The following table are the remaining contractual maturities of financial liabilities at the reporting date.

Consolidated and Separate financial statements					
Contractual cash flows					
<i>At 31 December</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
2021					
<i>Non-derivative financial liabilities</i>					
Trade payables	430,396	427,269	3,127	-	430,396
Lease liabilities	650,445	45,293	153,863	833,358	1,032,514
Debentures	15,523,600	4,000,000	11,523,600	-	15,523,600
Total	16,604,441	4,472,562	11,680,590	833,358	16,986,510
2020					
<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
Total	13,332,171	4,708,550	8,156,942	876,905	13,742,397

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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>					
2021					
Current					
Debentures	3.50	4,000,000	-	-	4,000,000
Non-current					
Debentures	3.90	-	4,000,000	-	4,000,000
Debentures	3.00	-	3,000,000	-	3,000,000
Debentures	3.55	-	4,523,600	-	4,523,600
Total		4,000,000	11,523,600	-	15,523,600
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

(b.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows.

(b.3.1) Foreign currency risk

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

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<i>Exposure to foreign currency at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	3,600	3,234	90	81
Other payables	<u>(41,400)</u>	<u>(473,491)</u>	<u>(41,400)</u>	<u>(473,491)</u>
	<u>(37,800)</u>	<u>(470,257)</u>	<u>(41,310)</u>	<u>(473,410)</u>
<i>EURO</i>				
Cash and cash equivalents	7	7	7	7
Other payables	<u>(8,630)</u>	<u>(8,419)</u>	<u>(8,630)</u>	<u>(8,419)</u>
	<u>(8,623)</u>	<u>(8,412)</u>	<u>(8,623)</u>	<u>(8,412)</u>
<i>Others</i>				
Cash and cash equivalents	336	302	336	302
	<u>336</u>	<u>302</u>	<u>336</u>	<u>302</u>
Gross balance sheet exposure	<u>(46,087)</u>	<u>(478,367)</u>	<u>(49,597)</u>	<u>(481,520)</u>

(b.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 borrowings (see note 12). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates.

31 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 regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

32 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Agreements for construction, machine and equipment	<u>3,190,500</u>	<u>458,104</u>	<u>3,149,096</u>	<u>416,701</u>
<i>Other commitments</i>				
Short-term lease commitments	500	500	500	500
Unused letters of credit	57,131	97,915	57,131	97,915
Bank guarantees	<u>117,283</u>	<u>117,113</u>	<u>117,283</u>	<u>117,113</u>
Total	<u>174,914</u>	<u>215,528</u>	<u>174,914</u>	<u>215,528</u>

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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

33 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 lawyer submitted the answer to the Court on 1 July 2020. The case is under the Court consideration.

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. The Company submitted the additional answer to the Court on 12 March 2021, the case is under the Court consideration.

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.

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34 Subsequent Event

On February 17, 2022, the Company's Board of Directors' meeting no. 2/2022 passed a resolution to propose at the 2022 Annual General Shareholders' Meeting to approve the dividend payment from the Company's operating performance in 2021 at Baht 0.25 per share, totaling Baht 2,100 million or accounting 50.10% of the net profit for the year 2021. Previously, the Company made an interim dividend payment from the Company's operating performance up to June 30, 2021, totaling Baht 0.12 per share or totaling Baht 1,008 million, therefore; the remaining dividend to be paid to shareholders is Baht 0.13 per share, totaling Baht 1,092 million, payable from the Company's operating performance for the period of January 1, 2021 to December 31, 2021. The determination of list of shareholders for the right to receive dividend payment is scheduled on March 3, 2022 ("Record date") and the dividend payment is scheduled on May 12, 2022.

35 Other

- 1) 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

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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").

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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.

Subsequently, on September 29, 2021, the Company signed the contract for private investment in construction and waste management with Songkhla Provincial Administrative Organization.

- 2) The Company is a power company that produces electricity by turning community municipal solid waste to energy, which is clean and green energy. The Company has participated in the Thailand Voluntary Emission Reduction Program, according to Thai standards, which is a waste management project ("T-VER"), with the Thailand Greenhouse Gas Management Organization ("TGO").

At the end of year 2021, the Company registered with the TGO to apply for the reduction of greenhouse gases, which subsequently TGO has certified the reduction of greenhouse gases (carbon credit) for the Company's project of 82,056 tons of carbon dioxide equivalent, and after sale of 22,530 tons of carbon dioxide equivalent, the Company has the balance of 59,526 tons of carbon dioxide equivalent. The Company has been registering with the Administrative Organization to further certify the reduction of greenhouse gases (carbon credit) of 709,752 tons of carbon dioxide equivalent, for the period from 1 May 2017 to 31 December 2020.

In 2021, the Company used approximately 2.19 tons of all types of waste as fuel in the Company's power plants and Cement Plants of TPI Polene Power Public Company Limited, which can reduce greenhouse gas emissions or carbon reductions by approximately 5.08 million tons of carbon dioxide equivalent. The Company is currently applying to TGO for approval for the reduction of greenhouse gases (carbon credit) for these new projects.

