

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

Financial statements for the year ended  
31 December 2022  
and  
Independent Auditor's Report

## **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 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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, actions taken to eliminate threats or safeguards applied.

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.

(Bunyarit Thanormcharoen)  
Certified Public Accountant  
Registration No. 7900

KPMG Phoomchai Audit Ltd.  
Bangkok  
10 February 2023

# 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   | 2022                 | 2021              | 2022                 | 2021              |
| <i>(in thousand Baht)</i>                   |        |                      |                   |                      |                   |
| <b>Current assets</b>                       |        |                      |                   |                      |                   |
| Cash and cash equivalents                   | 5      | 2,002,864            | 929,343           | 1,860,263            | 785,733           |
| Trade accounts receivable                   | 4, 6   | 1,574,312            | 2,561,002         | 1,574,312            | 2,561,002         |
| Other receivables                           |        | 230,159              | 229,658           | 228,601              | 228,091           |
| Short-term loan to related party            | 4      | -                    | 230,624           | -                    | 230,624           |
| Receivables and advances to related parties | 4      | 91,655               | 56,281            | 91,655               | 56,281            |
| Inventories                                 | 7      | 1,930,758            | 1,590,800         | 1,930,758            | 1,590,800         |
| Other current financial assets              | 29, 35 | 1,133,812            | 3,495,237         | 953,799              | 3,493,237         |
| Other current assets                        |        | 37,954               | 12,316            | 37,729               | 12,065            |
| <b>Total current assets</b>                 |        | <b>7,001,514</b>     | <b>9,105,261</b>  | <b>6,677,117</b>     | <b>8,957,833</b>  |
| <b>Non-current assets</b>                   |        |                      |                   |                      |                   |
| Other non-current financial assets          | 29, 35 | 486,173              | 670,890           | 486,173              | 490,443           |
| Investments in subsidiaries                 | 9      | -                    | -                 | 330,398              | 331,820           |
| Investment in joint venture                 | 9      | 249,894              | -                 | 249,894              | -                 |
| Property, plant and equipment               | 10     | 41,652,496           | 37,808,799        | 41,648,122           | 37,804,425        |
| Right-of-use assets                         | 11     | 518,324              | 620,585           | 518,324              | 620,585           |
| Advances for machine and equipment          |        | 529,616              | 131,814           | 529,616              | 131,814           |
| Deferred tax assets                         | 25     | 82,244               | 94,013            | 82,244               | 94,013            |
| Other non-current assets                    |        | 59,112               | 53,988            | 59,112               | 53,988            |
| <b>Total non-current assets</b>             |        | <b>43,577,859</b>    | <b>39,380,089</b> | <b>43,903,883</b>    | <b>39,527,088</b> |
| <b>Total assets</b>                         |        | <b>50,579,373</b>    | <b>48,485,350</b> | <b>50,581,000</b>    | <b>48,484,921</b> |

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       |
| <b>Liabilities and equity</b>                | <i>Note</i> | 2022                 | 2021              | 2022                 | 2021              |
| <i>(in thousand Baht)</i>                    |             |                      |                   |                      |                   |
| <b><i>Current liabilities</i></b>            |             |                      |                   |                      |                   |
| Trade accounts payable                       | 4, 13, 29   | 743,174              | 430,396           | 743,174              | 430,396           |
| Other payables                               | 14          | 998,422              | 306,882           | 998,275              | 306,673           |
| Payables and advances from related parties   | 4           | 178,196              | 47,604            | 178,196              | 47,570            |
| Current portion of lease liabilities         | 11, 12, 29  | 25,290               | 20,241            | 25,290               | 20,241            |
| Current portion of debentures                | 12, 29      | 3,000,000            | 4,000,000         | 3,000,000            | 4,000,000         |
| Interest payable                             |             | 72,686               | 66,130            | 72,698               | 66,130            |
| Income tax payable                           |             | 230                  | 43,958            | -                    | 43,795            |
| Other current liabilities                    | 15          | 97,057               | 143,250           | 97,053               | 143,231           |
| <b>Total current liabilities</b>             |             | <b>5,115,055</b>     | <b>5,058,461</b>  | <b>5,114,686</b>     | <b>5,058,036</b>  |
| <b><i>Non-current liabilities</i></b>        |             |                      |                   |                      |                   |
| Lease liabilities                            | 11, 12, 29  | 536,668              | 630,204           | 536,668              | 630,204           |
| Debentures                                   | 12, 29      | 13,216,600           | 11,523,600        | 13,218,600           | 11,523,600        |
| Non-current provisions for employee benefits | 16          | 146,622              | 151,657           | 146,622              | 151,657           |
| Decommissioning costs                        | 4           | -                    | 269,607           | -                    | 269,607           |
| <b>Total non-current liabilities</b>         |             | <b>13,899,890</b>    | <b>12,575,068</b> | <b>13,901,890</b>    | <b>12,575,068</b> |
| <b>Total liabilities</b>                     |             | <b>19,014,945</b>    | <b>17,633,529</b> | <b>19,016,576</b>    | <b>17,633,104</b> |

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       |
| <b>Liabilities and equity</b>   | <i>Note</i> | 2022                 | 2021              | 2022                 | 2021              |
| <i>(in thousand Baht)</i>   |             |                      |                   |                      |                   |
| <b>Equity</b>   |             |                      |                   |                      |                   |
| 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   | 17          | 840,000              | 840,000           | 840,000              | 840,000           |
| Unappropriated  |             | 7,743,538            | 7,030,754         | 7,743,538            | 7,030,754         |
| Other component of equity   |             | -                    | 177               | -                    | 177               |
| <b>Equity attribute to owners of the Company</b>                      |             | <b>31,564,424</b>    | <b>30,851,817</b> | <b>31,564,424</b>    | <b>30,851,817</b> |
| Non-controlling interests   |             | 4                    | 4                 | -                    | -                 |
| <b>Total equity</b>   |             | <b>31,564,428</b>    | <b>30,851,821</b> | <b>31,564,424</b>    | <b>30,851,817</b> |
|   |             |                      |                   |                      |                   |
| <b>Total liabilities and equity</b>                                   |             | <b>50,579,373</b>    | <b>48,485,350</b> | <b>50,581,000</b>    | <b>48,484,921</b> |

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          |                   |
|  | <i>Note</i> | 2022                      | 2021              | 2022                 | 2021              |
|  |             | <i>(in thousand Baht)</i> |                   |                      |                   |
| <b>Revenue</b>   |             |                           |                   |                      |                   |
| Revenue from sale of power and goods                                 | 18, 26      | 6,588,032                 | 6,104,727         | 6,588,032            | 6,104,727         |
| Revenue from adders  | 18, 26      | 3,611,942                 | 4,969,105         | 3,611,942            | 4,969,105         |
|  |             | <b>10,199,974</b>         | <b>11,073,832</b> | <b>10,199,974</b>    | <b>11,073,832</b> |
| Cost of sales of power and goods                                     | 7           | (7,184,501)               | (6,186,729)       | (7,184,501)          | (6,186,729)       |
| <b>Gross profit</b>  |             | <b>3,015,473</b>          | <b>4,887,103</b>  | <b>3,015,473</b>     | <b>4,887,103</b>  |
|  |             |                           |                   |                      |                   |
| Net foreign exchange gain  |             | 6,729                     | -                 | 6,729                | -                 |
| Investment income  |             | 52,325                    | 43,846            | 44,817               | 36,669            |
| Other income   | 19          | 366,467                   | 240,582           | 366,467              | 240,582           |
| <b>Profit before expenses</b>  |             | <b>3,440,994</b>          | <b>5,171,531</b>  | <b>3,433,486</b>     | <b>5,164,354</b>  |
|  |             |                           |                   |                      |                   |
| Distribution costs   | 20          | (64,573)                  | (65,443)          | (64,573)             | (65,443)          |
| Administrative expenses  | 21          | (459,194)                 | (581,808)         | (454,208)            | (576,519)         |
| Net foreign exchange loss  |             | -                         | (15,030)          | -                    | (15,030)          |
| <b>Total expenses</b>  |             | <b>(523,767)</b>          | <b>(662,281)</b>  | <b>(518,781)</b>     | <b>(656,992)</b>  |
|  |             |                           |                   |                      |                   |
| <b>Profit from operations</b>  |             | <b>2,917,227</b>          | <b>4,509,250</b>  | <b>2,914,705</b>     | <b>4,507,362</b>  |
| Finance costs  | 24          | (90,286)                  | (207,786)         | (90,318)             | (207,786)         |
| Share of profit of subsidiaries accounted<br>for using equity method | 9           | -                         | -                 | 2,054                | 1,534             |
| Share of loss of joint venture accounted<br>for using equity method  | 9           | (106)                     | -                 | (106)                | -                 |
| <b>Profit before income tax expense</b>                              |             | <b>2,826,835</b>          | <b>4,301,464</b>  | <b>2,826,335</b>     | <b>4,301,110</b>  |
| Tax expense  | 25          | (14,051)                  | (110,134)         | (13,551)             | (109,780)         |
| <b>Profit for the year</b>   |             | <b>2,812,784</b>          | <b>4,191,330</b>  | <b>2,812,784</b>     | <b>4,191,330</b>  |

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<br>financial statements |                  | Separate<br>financial statements |                  |
|--|--------------------------------------|------------------|----------------------------------|------------------|
|  | Year ended<br>31 December            |                  | Year ended<br>31 December        |                  |
| Note   | 2022                                 | 2021             | 2022                             | 2021             |
|  | <i>(in thousand Baht)</i>            |                  |                                  |                  |
| <b>Other comprehensive income (expense)</b>  |                                      |                  |                                  |                  |
| <i>Items that will be reclassified subsequently<br/>to profit or loss</i>                          |                                      |                  |                                  |                  |
| Exchange differences on translating<br>foreign operations  | (177)                                | 353              | -                                | -                |
| Share of other comprehensive income (expense)<br>of subsidiaries accounted for using equity method | -                                    | -                | (177)                            | 353              |
| <b>Total items that will be reclassified<br/>subsequently to profit or loss</b>                    | <b>(177)</b>                         | <b>353</b>       | <b>(177)</b>                     | <b>353</b>       |
| <b>Other comprehensive income (expense) for the year,<br/>net of tax</b>                           | <b>(177)</b>                         | <b>353</b>       | <b>(177)</b>                     | <b>353</b>       |
| <b>Total comprehensive income for the year</b>   | <b>2,812,607</b>                     | <b>4,191,683</b> | <b>2,812,607</b>                 | <b>4,191,683</b> |
| <b>Profit attributable to:</b>   |                                      |                  |                                  |                  |
| Owners of the parent   | 2,812,784                            | 4,191,330        | 2,812,784                        | 4,191,330        |
| Non-controlling interests  | -                                    | -                | -                                | -                |
| <b>Profit for the year</b>   | <b>2,812,784</b>                     | <b>4,191,330</b> | <b>2,812,784</b>                 | <b>4,191,330</b> |
| <b>Total comprehensive income attributable to:</b>   |                                      |                  |                                  |                  |
| Owners of the parent   | 2,812,607                            | 4,191,683        | 2,812,607                        | 4,191,683        |
| Non-controlling interests  | -                                    | -                | -                                | -                |
| <b>Total comprehensive income for the year</b>   | <b>2,812,607</b>                     | <b>4,191,683</b> | <b>2,812,607</b>                 | <b>4,191,683</b> |
| <b>Basic earnings per share <i>(in Baht)</i></b>   | <b>0.335</b>                         | <b>0.499</b>     | <b>0.335</b>                     | <b>0.499</b>     |

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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 changes in equity**

| Consolidated financial statements                           |      |                                     |               |                   |                |                     |   |                              |              |
|---|------|-------------------------------------|---------------|-------------------|----------------|---------------------|---|------------------------------|--------------|
|   | Note | Issued and paid-up<br>share capital | Share premium | Retained earnings |                | Other components    | Equity attributable<br>to owners of<br>the parent | Non-controlling<br>interests | Total equity |
|   |      |                                     |               | Legal reserve     | Unappropriated | of equity           |   |                              |              |
|   |      |                                     |               |                   |                | Translation reserve |   |                              |              |
| (in thousand Baht)  |      |                                     |               |                   |                |                     |   |                              |              |
| Year ended 31 December 2021                                 |      |                                     |               |                   |                |                     |   |                              |              |
| Balance at 1 January 2021                                   |      | 8,400,000                           | 14,580,886    | 840,000           | 5,107,424      | (176)               | 28,928,134  | 4                            | 28,928,138   |
| Transaction with owners, recorded directly in equity        |      |                                     |               |                   |                |                     |   |                              |              |
| Contributions by and distributions to owners                |      |                                     |               |                   |                |                     |   |                              |              |
| Dividends   | 28   | -                                   | -             | -                 | (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 for the year                           |      |                                     |               |                   |                |                     |   |                              |              |
| Profit  |      | -                                   | -             | -                 | 4,191,330      | -                   | 4,191,330   | -                            | 4,191,330    |
| Other comprehensive income                                  |      | -                                   | -             | -                 | -              | 353                 | 353   | -                            | 353          |
| Total comprehensive income 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.

**TPI Polene Power Public Company Limited and its Subsidiaries**
**Statement of changes in equity**

| Consolidated financial statements |                    |               |                   |                |                     |                     |                 |              |
|-----------------------------------|--------------------|---------------|-------------------|----------------|---------------------|---------------------|-----------------|--------------|
|                                   |                    |               | Retained earnings |                | Other components    |                     |                 |              |
|                                   |                    |               |                   |                |                     | Equity attributable |                 |              |
|                                   |                    |               |                   |                |                     | to owners of        | Non-controlling |              |
| Note                              | Issued and paid-up | Share premium | Legal reserve     | Unappropriated | Translation reserve | the parent          | interests       | Total equity |
|                                   | share capital      |               |                   |                |                     |                     |                 |              |
|                                   |                    |               |                   |                |                     |                     |                 |              |
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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 changes in equity**

|  |      |                                     | Separate financial statements |               |                | Other components  |              |
|--|------|-------------------------------------|-------------------------------|---------------|----------------|---|--------------|
|  |      |                                     | Retained earnings             |               | of equity      |   |              |
|  | Note | Issued and paid-up<br>share capital | Share premium                 | Legal reserve | Unappropriated | Share of other<br>comprehensive<br>income of<br>subsidiaries using<br>equity method | Total equity |
| (in thousand Baht)                                   |      |                                     |                               |               |                |   |              |
| Year ended 31 December 2021                          |      |                                     |                               |               |                |   |              |
| Balance at 1 January 2021                            |      | 8,400,000                           | 14,580,886                    | 840,000       | 5,107,424      | (176)   | 28,928,134   |
| Transaction with owners, recorded directly in equity |      |                                     |                               |               |                |   |              |
| Contributions by and distributions to owners         |      |                                     |                               |               |                |   |              |
| Dividends  | 28   | -                                   | -                             | -             | (2,268,000)    | -   | (2,268,000)  |
| Total contributions by and distributions to owners   |      | -                                   | -                             | -             | (2,268,000)    | -   | (2,268,000)  |
| Comprehensive income for the year                    |      |                                     |                               |               |                |   |              |
| Profit   |      | -                                   | -                             | -             | 4,191,330      | -   | 4,191,330    |
| Other comprehensive income                           |      | -                                   | -                             | -             | -              | 353   | 353          |
| Total comprehensive income for the year              |      | -                                   | -                             | -             | 4,191,330      | 353   | 4,191,683    |
| Balance at 31 December 2021                          |      | 8,400,000                           | 14,580,886                    | 840,000       | 7,030,754      | 177   | 30,851,817   |

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

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

**Statement of changes in equity**

|  |      | Separate financial statements       |               |               |                | Other components  |              |
|--|------|-------------------------------------|---------------|---------------|----------------|---|--------------|
|  |      | Retained earnings                   |               |               |                | of equity   |              |
|  | Note | Issued and paid-up<br>share capital | Share premium | Legal reserve | Unappropriated | Share of other<br>comprehensive<br>income of<br>subsidiaries using<br>equity method | Total equity |
| (in thousand Baht)                                   |      |                                     |               |               |                |   |              |
| Year ended 31 December 2022                          |      |                                     |               |               |                |   |              |
| Balance at 1 January 2022                            |      | 8,400,000                           | 14,580,886    | 840,000       | 7,030,754      | 177   | 30,851,817   |
| Transaction with owners, recorded directly in equity |      |                                     |               |               |                |   |              |
| Contributions by and distributions to owners         |      |                                     |               |               |                |   |              |
| Dividends  | 28   | -                                   | -             | -             | (2,100,000)    | -   | (2,100,000)  |
| Total contributions by and distributions to owners   |      | -                                   | -             | -             | (2,100,000)    | -   | (2,100,000)  |
| Comprehensive income for the year                    |      |                                     |               |               |                |   |              |
| Profit   |      | -                                   | -             | -             | 2,812,784      | -   | 2,812,784    |
| Other comprehensive income (expense)                 |      | -                                   | -             | -             | -              | (177)   | (177)        |
| Total comprehensive income (expense) for the year    |      | -                                   | -             | -             | 2,812,784      | (177)   | 2,812,607    |
| Balance at 31 December 2022                          |      | 8,400,000                           | 14,580,886    | 840,000       | 7,743,538      | -   | 31,564,424   |

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          |                  |
|  | 2022                 | 2021             | 2022                 | 2021             |
|  | (in thousand Baht)   |                  |                      |                  |
| <b><i>Cash flows from operating activities</i></b>                 |                      |                  |                      |                  |
| Profit for the year  | 2,812,784            | 4,191,330        | 2,812,784            | 4,191,330        |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> |                      |                  |                      |                  |
| Depreciation   | 996,835              | 917,058          | 996,835              | 917,058          |
| Interest income  | (48,332)             | (28,212)         | (40,826)             | (21,035)         |
| Finance costs  | 90,286               | 207,786          | 90,318               | 207,786          |
| Reversal of loss on inventories devaluation                        | (14,554)             | (5,961)          | (14,554)             | (5,961)          |
| Gain on disposal of equipment                                      | (38)                 | (37)             | (38)                 | (37)             |
| Reversal of cancellation of provision for decommissioning          | (75,550)             | -                | (75,550)             | -                |
| Unrealised (gain) loss on foreign exchange                         | (16,216)             | 3,964            | (16,216)             | 3,964            |
| Gain on fair value adjustment                                      | -                    | (11,095)         | -                    | (11,095)         |
| Gain from the dissolution of subsidiary                            | -                    | -                | (206)                | -                |
| Share of profit of subsidiaries                                    |                      |                  |                      |                  |
| accounted for using equity method                                  | -                    | -                | (2,054)              | (1,534)          |
| Share of loss of joint venture                                     |                      |                  |                      |                  |
| accounted for using equity method                                  | 106                  | -                | 106                  | -                |
| Tax expense  | 14,051               | 110,134          | 13,551               | 109,780          |
|  | 3,759,372            | 5,384,967        | 3,764,150            | 5,390,256        |
| <b><i>Changes in operating assets and liabilities</i></b>          |                      |                  |                      |                  |
| Trade accounts receivable  | 986,690              | (135,316)        | 986,690              | (135,316)        |
| Other receivables  | (646)                | (80,811)         | (647)                | (80,811)         |
| Receivables and advances to related parties                        | (35,374)             | (16,142)         | (35,374)             | (16,142)         |
| Inventories  | (325,404)            | (335,979)        | (325,404)            | (335,979)        |
| Other current assets   | (25,638)             | (4,254)          | (25,664)             | (4,258)          |
| Other non-current assets   | (5,124)              | (22,035)         | (5,124)              | (22,035)         |
| Trade accounts payable   | 312,778              | (2,120)          | 312,778              | (2,120)          |
| Other payables   | 707,745              | (488,342)        | 707,807              | (488,344)        |
| Payables and advances from related parties                         | 130,592              | (18,623)         | 130,626              | (18,627)         |
| Other current liabilities  | (46,193)             | 4,193            | (46,178)             | 4,174            |
| Provisions for employee benefits                                   | (5,035)              | (1,048)          | (5,035)              | (1,048)          |
| Net cash generated from operations                                 | 5,453,763            | 4,284,490        | 5,458,625            | 4,289,750        |
| Taxes paid   | (46,010)             | (125,393)        | (45,577)             | (125,052)        |
| <b>Net cash from operating activities</b>                          | <b>5,407,753</b>     | <b>4,159,097</b> | <b>5,413,048</b>     | <b>4,164,698</b> |

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

# TPI Polene Power Public Company Limited and its Subsidiaries

## Statement of cash flows

|   | <b>Consolidated</b>         |                    | <b>Separate</b>             |                    |
|---|-----------------------------|--------------------|-----------------------------|--------------------|
|   | <b>financial statements</b> |                    | <b>financial statements</b> |                    |
|   | Year ended                  |                    | Year ended                  |                    |
|   | 31 December                 |                    | 31 December                 |                    |
|   | 2022                        | 2021               | 2022                        | 2021               |
|   | <i>(in thousand Baht)</i>   |                    |                             |                    |
| <b><i>Cash flows from investing activities</i></b>            |                             |                    |                             |                    |
| Interest received   | 36,972                      | 35,493             | 29,458                      | 28,316             |
| Acquisition of property, plant and equipment                  | (4,194,287)                 | (2,671,732)        | (4,194,287)                 | (2,671,732)        |
| Proceeds from sale of equipment                               | 52                          | 149                | 52                          | 149                |
| Advances payment for machine and equipment                    | (665,669)                   | (150,776)          | (665,669)                   | (150,776)          |
| (Increase) decrease in equity and debt instruments            | 2,558,271                   | (2,478,999)        | 2,555,837                   | (2,479,418)        |
| Cash outflow on loan to related party                         | (700,000)                   | (2,138,960)        | (700,000)                   | (2,138,960)        |
| Proceeds from repayment of loans to related party             | 930,000                     | 1,908,960          | 930,000                     | 1,908,960          |
| Proceeds from dissolution of subsidiary, net of cash received | -                           | -                  | 3,505                       | -                  |
| Acquisition of interest in joint venture                      | (250,000)                   | -                  | (250,000)                   | -                  |
| <b>Net cash used in investing activities</b>                  | <b>(2,284,661)</b>          | <b>(5,495,865)</b> | <b>(2,291,104)</b>          | <b>(5,503,461)</b> |
| <b><i>Cash flows from financing activities</i></b>            |                             |                    |                             |                    |
| Repayment of short-term loans from financial institutions     | -                           | (240,000)          | -                           | (240,000)          |
| Payment of lease liabilities                                  | (44,191)                    | (16,821)           | (44,191)                    | (16,821)           |
| Finance costs paid  | (598,214)                   | (523,649)          | (598,234)                   | (523,649)          |
| Proceeds from issuing debentures                              | 4,693,000                   | 7,523,600          | 4,695,000                   | 7,523,600          |
| Repayment of debentures                                       | (4,000,000)                 | (4,000,000)        | (4,000,000)                 | (4,000,000)        |
| Dividends paid to owners of the Company                       | (2,100,000)                 | (2,268,000)        | (2,100,000)                 | (2,268,000)        |
| <b>Net cash from (used in) financing activities</b>           | <b>(2,049,405)</b>          | <b>475,130</b>     | <b>(2,047,425)</b>          | <b>475,130</b>     |

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



# TPI Polene Power Public Company Limited and its Subsidiaries

## Statement of cash flows

|   | <b>Consolidated</b>         |                  | <b>Separate</b>             |                  |
|---|-----------------------------|------------------|-----------------------------|------------------|
|   | <b>financial statements</b> |                  | <b>financial statements</b> |                  |
|   | Year ended                  |                  | Year ended                  |                  |
|   | 31 December                 |                  | 31 December                 |                  |
|   | 2022                        | 2021             | 2022                        | 2021             |
|   | <i>(in thousand Baht)</i>   |                  |                             |                  |
| Net increase (decrease) in cash and cash equivalents,       |                             |                  |                             |                  |
| before effect of exchange rates changes                     | 1,073,687                   | (861,638)        | 1,074,519                   | (863,633)        |
| Effect of exchange rate changes                             | (166)                       | 397              | 11                          | 44               |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>1,073,521</b>            | <b>(861,241)</b> | <b>1,074,530</b>            | <b>(863,589)</b> |
| Cash and cash equivalents at 1 January                      | 929,343                     | 1,790,584        | 785,733                     | 1,649,322        |
| <b>Cash and cash equivalents at 31 December</b>             | <b>2,002,864</b>            | <b>929,343</b>   | <b>1,860,263</b>            | <b>785,733</b>   |

### *Non-cash transactions*

|                                      |         |         |         |         |
|--------------------------------------|---------|---------|---------|---------|
| Provision for decommissioning costs  |         |         |         |         |
| capitalised in assets                | -       | 238,950 | -       | 238,950 |
| Other payables - plant and equipment | 519,957 | 50,030  | 519,957 | 50,030  |
| Advances for machine and equipment   | 529,616 | 131,814 | 529,616 | 131,814 |

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 2022**

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**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the audit committee, as appointed by the Board of Directors of the Company on 10 February 2023.

## **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 2022 and 2021 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, 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 that are described in each note 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”) and the Group’s interests in joint venture.

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

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

when control is lost. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

The Group recognised investments in joint venture 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 joint control ceases.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

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 joint venture 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 asset 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

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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.

**(b) *Investments in subsidiaries and joint venture***

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

Interest in subsidiaries and joint venture are 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 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 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.

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**(d) Financial instruments**

*(d.1) Classification and measurement*

Debt securities issued by the Group 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 plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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

*(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.

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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.

*(e) Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which have maturities 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 the ECLs rates. 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.

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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.

*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, assets under construction and major spare parts have not been issued.

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.



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*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 are recognised as expenses on a straight-line basis over the respective lease terms.

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. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

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.

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.

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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.

An impairment loss of asset recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

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

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.

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**(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 a 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.
- 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 and cost of sale for the estimated products to be returned.

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*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 it relates 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 venture to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, 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 earnings per share 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 joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that is under common control or under the same significant influence as the Group; or a person or entity over which the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making.

**(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 parent, ultimate parent, subsidiaries and joint venture are described in notes 1 and 9. Other related parties which the Group had significant transactions with during the year were as follows:

| <b>Name of entities</b>                              | <b>Country of incorporation</b> | <b>Nature of relationships</b>  |
|--|---------------------------------|---|
| 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                        | Sister company  |
| 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<br/>related parties</i>            | <b>Consolidated<br/>financial statements</b> |               | <b>Separate<br/>financial statements</b> |               |
|---|--|---------------|--|---------------|
| <i>Year ended 31 December</i>                                       | 2022   | 2021          | 2022                                     | 2021          |
|   | <i>(in thousand Baht)</i>                    |               |  |               |
| <b>Parent company</b>   |  |               |  |               |
| Sale of goods and electricity power                                 | 1,963,366                                    | 1,806,724     | 1,963,366                                | 1,806,724     |
| Purchase of goods and services fee                                  | 3,136,637                                    | 2,741,743     | 3,136,637                                | 2,741,743     |
| Other income  | 5,213  | 4,450         | 5,213                                    | 4,450         |
| Shared service expense - cost of sale                               | 93,779                                       | 93,779        | 93,779                                   | 93,779        |
| Shared service expense - administrative<br>expense                  | 38,221                                       | 38,221        | 38,221                                   | 38,221        |
| Interest income   | 2,920  | 1,922         | 2,920                                    | 1,922         |
| Interest expense  | 14,969                                       | 15,518        | 14,969                                   | 15,518        |
| Dividend paid   | 1,475,000                                    | 1,593,000     | 1,475,000                                | 1,593,000     |
| <b>Subsidiaries</b>   |  |               |  |               |
| Issued debenture  | -  | -             | 2,000                                    | -             |
| Interest expense  | -  | -             | 32                                       | -             |
| <b>Joint venture</b>  |  |               |  |               |
| Acquisition of investment   | 250,000                                      | -             | 250,000                                  | -             |
| <b>Other related parties</b>  |  |               |  |               |
| Sale of goods   | 2,413  | 1,169         | 2,413                                    | 1,169         |
| Purchase of goods   | 13,309                                       | 27,728        | 13,309                                   | 27,728        |
| Issued debenture  | 310,400                                      | 210,400       | 310,400                                  | 210,400       |
| Other income  | 1,246  | 64            | 1,246                                    | 64            |
| Maintenance service expense   | 495  | -             | 495                                      | -             |
| Dividend paid   | 343  | 370           | 343                                      | 370           |
| Selling expense   | 5,288  | 4,868         | 5,288                                    | 4,868         |
| Insurance premium   | 120,787                                      | 91,815        | 120,787                                  | 91,815        |
| Administrative expenses   | 246  | 589           | 246                                      | 589           |
| Interest income   | 2,851  | 1,955         | 2,851                                    | 1,955         |
| Interest expense  | 14,509                                       | 16,175        | 14,509                                   | 16,175        |
| <b>Key management personnel</b>                                     |  |               |  |               |
| Key management personnel compensation                               |  |               |  |               |
| Short-term employee benefits<br>(including director's remuneration) | 55,176                                       | 52,337        | 55,176                                   | 52,337        |
| <b>Total key management personnel<br/>compensation</b>              | <b>55,176</b>                                | <b>52,337</b> | <b>55,176</b>                            | <b>52,337</b> |

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| <i>Balances with related parties</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |                | <b>Separate</b><br><b>financial statements</b> |                |
|---|--|----------------|--|----------------|
|   | 2022   | 2021           | 2022   | 2021           |
|   | <i>(in thousand Baht)</i>                          |                |  |                |
| <i>Trade accounts receivable</i>                              |  |                |  |                |
| <b>Parent company</b>   | 262,060  | 994,489        | 262,060  | 994,489        |
| <b>Other related parties</b>                                  |  |                |  |                |
| TPI Polene Bio Organics Co., Ltd.                             | 3  | 3              | 3  | 3              |
| TPI Concrete Co., Ltd.  | 1,127  | 55             | 1,127  | 55             |
| TPI All Seasons Co., Ltd.                                     | 23   | 23             | 23   | 23             |
| Thai Nitrate Co., Ltd.  | 1  | 1              | 1  | 1              |
| Bangkok Union Insurance Public Co., Ltd.                      | 33   | 13             | 33   | 13             |
| BUI Life Insurance Public Co., Ltd.                           | -  | 7              | -  | 7              |
| <b>Total</b>  | <b>263,247</b>                                     | <b>994,591</b> | <b>263,247</b>                                 | <b>994,591</b> |
| <i>Less allowance for expected credit loss</i>                | -  | -              | -  | -              |
| <b>Net</b>  | <b>263,247</b>                                     | <b>994,591</b> | <b>263,247</b>                                 | <b>994,591</b> |

|  | <b>Interest rate</b> |      | <b>Separate financial statements</b> |                           |                  |          |
|--|----------------------|------|--------------------------------------|---------------------------|------------------|----------|
|  | Year ended           |      | 1                                    |                           |                  | 31       |
|  | 2021                 | 2022 | January                              | Increase                  | Decrease         | December |
|  | <i>(% per annum)</i> |      | 2022                                 | <i>(in thousand Baht)</i> |                  | 2022     |
| <i>Short-term loans to related party</i>       |                      |      |                                      |                           |                  |          |
| <b>Parent company</b>                          | 1.65, 1.50           | 1.45 | -                                    | 700,000                   | (700,000)        | -        |
| <b>Other related parties</b>                   |                      |      |                                      |                           |                  |          |
| Thai Nitrate Co., Ltd.                         | 1.65                 | 1.65 | 230,000                              | -                         | (230,000)        | -        |
|  |                      |      | <b>230,000</b>                       | <b>700,000</b>            | <b>(930,000)</b> | <b>-</b> |
| Accrued interest                               |                      |      | 624                                  | 5,77                      | (6,395)          | -        |
| <b>Total</b>                                   |                      |      | <b>230,624</b>                       | <b>705,77</b>             | <b>(936,395)</b> | <b>-</b> |
| <i>Less allowance for expected credit loss</i> |                      |      | -                                    |                           |                  | -        |
| <b>Net</b>                                     |                      |      | <b>230,624</b>                       |                           |                  | <b>-</b> |

# TPI Polene Power Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

| <i>Balances with related parties</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |               | <b>Separate</b><br><b>financial statements</b> |               |
|---|--|---------------|--|---------------|
|   | 2022   | 2021          | 2022   | 2021          |
|   | <i>(in thousand Baht)</i>                          |               |  |               |
| <i>Receivables and advance to related parties</i>             |  |               |  |               |
| <b>Parent company</b>   | 7,255  | 4,230         | 7,255  | 4,230         |
| <b>Joint venture</b>  |  |               |  |               |
| E&T Renewable Energy Co., Ltd.                                | 148  | -             | 148  | -             |
| <b>Other related parties</b>                                  |  |               |  |               |
| TPI Polene Bio Organics Co., Ltd.                             | 40   | 31            | 40   | 31            |
| BUI Life Insurance Public Co., Ltd.                           | 715  | 723           | 715  | 723           |
| Bangkok Union Insurance Public Co., Ltd.                      | 83,497   | 49,029        | 83,497   | 49,029        |
| Pornchai Enterprise Co., Ltd.                                 | -  | 2,268         | -  | 2,268         |
| <b>Total</b>  | <b>91,655</b>                                      | <b>56,281</b> | <b>91,655</b>                                  | <b>56,281</b> |
| <i>Less allowance for expected credit loss</i>                | -  | -             | -  | -             |
| <b>Net</b>  | <b>91,655</b>                                      | <b>56,281</b> | <b>91,655</b>                                  | <b>56,281</b> |

| <i>Expected credit losses</i><br><i>Year ended 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |      | <b>Separate</b><br><b>financial statements</b> |      |
|--|--|------|--|------|
|  | 2022   | 2021 | 2022   | 2021 |
|  | <i>(in thousand Baht)</i>                          |      |  |      |
| Trade accounts receivable                                      | -  | -    | -  | -    |
| Short-term loans to related party                              | -  | -    | -  | -    |
| Receivables and advance to related parties                     | -  | -    | -  | -    |

| <i>Balances with related parties</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |                | <b>Separate</b><br><b>financial statements</b> |                |
|---|--|----------------|--|----------------|
|   | 2022   | 2021           | 2022   | 2021           |
|   | <i>(in thousand Baht)</i>                          |                |  |                |
| <i>Trade accounts payable</i>                                 |  |                |  |                |
| <b>Parent company</b>   | 406,099  | 151,820        | 406,099  | 151,820        |
| <b>Other related parties</b>                                  |  |                |  |                |
| TPI Polene Bio Organics Co., Ltd.                             | 187  | 266            | 187  | 266            |
| TPI Healthcare Co., Ltd.                                      | 2,005  | 745            | 2,005  | 745            |
| TPI Bio Pharmaceuticals Co., Ltd.                             | 9  | 33             | 9  | 33             |
| <b>Total</b>  | <b>408,300</b>                                     | <b>152,864</b> | <b>408,300</b>                                 | <b>152,864</b> |

| <i>Balances with related parties</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |               | <b>Separate</b><br><b>financial statements</b> |               |
|---|--|---------------|--|---------------|
|   | 2022   | 2021          | 2022   | 2021          |
|   | <i>(in thousand Baht)</i>                          |               |  |               |
| <i>Payables and advance from related parties</i>              |  |               |  |               |
| <b>Parent company</b>   | 176,228  | 45,844        | 176,228  | 45,810        |
| <b>Other related parties</b>                                  |  |               |  |               |
| TPI Polene Bio Organics Co., Ltd.                             | 41   | 36            | 41   | 36            |
| TPI Concrete Co., Ltd.  | 546  | 415           | 546  | 415           |
| TPI All Seasons Co., Ltd.                                     | 3  | -             | 3  | -             |
| Pornchai Enterprise Co., Ltd.                                 | 1,377  | 382           | 1,377  | 382           |
| Bangkok Union Insurance Public Co., Ltd.                      | -  | 6             | -  | 6             |
| TPI Healthcare Co., Ltd.                                      | 1  | 921           | 1  | 921           |
| <b>Total</b>  | <b>178,196</b>                                     | <b>47,604</b> | <b>178,196</b>                                 | <b>47,570</b> |



# TPI Polene Power Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

| <i>Balances with related parties</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |               | <b>Separate</b><br><b>financial statements</b> |               |
|---|--|---------------|--|---------------|
|   | 2022   | 2021          | 2022   | 2021          |
|   | <i>(in thousand Baht)</i>                          |               |  |               |
| <i>Current portion of lease liabilities</i>                   |  |               |  |               |
| <b>Parent company</b>   | 5,198  | 4,319         | 5,198  | 4,319         |
| <b>Other related parties</b>                                  |  |               |  |               |
| United Grain Industry Co., Ltd.                               | 3,485  | 2,220         | 3,485  | 2,220         |
| Pornchai Enterprise Co., Ltd.                                 | 4,785  | 2,766         | 4,785  | 2,766         |
| Hong Yiah Seng Real Estates and Investment Co., Ltd.          | 1,219  | 1,173         | 1,219  | 1,173         |
| Saraburi Ginning Mill Co., Ltd.                               | 1,219  | 1,173         | 1,219  | 1,173         |
| Leophairatana Enterprise Co., Ltd.                            | 3,658  | 3,518         | 3,658  | 3,518         |
| <b>Total</b>  | <b>19,564</b>                                      | <b>15,169</b> | <b>19,564</b>                                  | <b>15,169</b> |

| <i>Balances with related parties</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |                | <b>Separate</b><br><b>financial statements</b> |                |
|---|--|----------------|--|----------------|
|   | 2022   | 2021           | 2022   | 2021           |
|   | <i>(in thousand Baht)</i>                          |                |  |                |
| <i>Lease liabilities</i>                                      |  |                |  |                |
| <b>Parent company</b>   | 417,853  | 449,776        | 417,853  | 449,776        |
| <b>Other related parties</b>                                  |  |                |  |                |
| United Grain Industry Co., Ltd.                               | 96,562   | 151,442        | 96,562   | 151,442        |
| Pornchai Enterprise Co., Ltd.                                 | 3,641  | 4,511          | 3,641  | 4,511          |
| Hong Yiah Seng Real Estates and Investment Co., Ltd.          | 1,920  | 3,139          | 1,920  | 3,139          |
| Saraburi Ginning Mill Co., Ltd.                               | 1,920  | 3,139          | 1,920  | 3,139          |
| Leophairatana Enterprise Co., Ltd.                            | 5,761  | 9,418          | 5,761  | 9,418          |
| <b>Total</b>  | <b>527,657</b>                                     | <b>621,425</b> | <b>527,657</b>                                 | <b>621,425</b> |

### *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:

|  | <b>Consolidated</b><br><b>financial statements</b> |               | <b>Separate</b><br><b>financial statements</b> |               |
|--|--|---------------|--|---------------|
|  | 2022   | 2021          | 2022   | 2021          |
|  | <i>(in thousand Baht)</i>                          |               |  |               |
| <i>Non-cancellable operating lease commitments</i> |  |               |  |               |
| Within one year                                    | 8,466  | 5,119         | 8,466  | 5,119         |
| After one year but within five years               | 3,834  | 6,195         | 3,834  | 6,195         |
| <b>Total</b>                                       | <b>12,300</b>                                      | <b>11,314</b> | <b>12,300</b>                                  | <b>11,314</b> |

- (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. Subsequently, on 30 September 2022, both parties agreed to cancel the terms of the delivery of the leased assets and decommission of the agreements.

# TPI Polene Power Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

- (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

|   | <b>Consolidated<br/>financial statements</b> |                       | <b>Separate<br/>financial statements</b> |                       |
|---|--|-----------------------|--|-----------------------|
|   | 2022   | 2021                  | 2022                                     | 2021                  |
|   | <i>(in thousand Baht)</i>                    |                       |  |                       |
| Cash on hand  | 401  | 550                   | 401                                      | 550                   |
| Cash at banks - current accounts                    | 59,268                                       | 29,399                | 58,999                                   | 25,692                |
| Cash at banks - savings accounts                    | 1,943,195                                    | 897,853               | 1,800,863                                | 757,950               |
| Cash at banks - savings accounts<br>(Private Funds) | -  | 1,541                 | -  | 1,541                 |
| <b>Total</b>  | <b><u>2,002,864</u></b>                      | <b><u>929,343</u></b> | <b><u>1,860,263</u></b>                  | <b><u>785,733</u></b> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**6 Trade account receivables**

| <i>At 31 December</i>                                     | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | 2022   | 2021             | 2022                                     | 2021             |
|   | <i>(in thousand Baht)</i>                    |                  |  |                  |
| <b><i>Trade account receivables - related parties</i></b> |  |                  |  |                  |
| Within credit terms                                       | 263,234                                      | 57,099           | 263,234                                  | 57,099           |
| Overdue:  |  |                  |  |                  |
| 1 - 30 days   | 13   | 186,103          | 13                                       | 186,103          |
| 31 - 60 days  | -  | 37,041           | -  | 37,041           |
| 61 - 90 days  | -  | 128,339          | -  | 128,339          |
| More than 90 days   | -  | 586,009          | -  | 586,009          |
| <b>Total</b>  | <b>263,247</b>                               | <b>994,591</b>   | <b>263,247</b>                           | <b>994,591</b>   |
| <i>Less allowance for expected credit loss</i>            | -  | -                | -  | -                |
| <b>Net</b>  | <b>263,247</b>                               | <b>994,591</b>   | <b>263,247</b>                           | <b>994,591</b>   |
| <b><i>Trade account receivables - other parties</i></b>   |  |                  |  |                  |
| Within credit terms                                       | 1,310,412                                    | 1,565,865        | 1,310,412                                | 1,565,865        |
| Overdue:  |  |                  |  |                  |
| 1 - 30 days   | 644  | 546              | 644                                      | 546              |
| 31 - 60 days  | 9  | -                | 9  | -                |
| <b>Total</b>  | <b>1,311,065</b>                             | <b>1,566,411</b> | <b>1,311,065</b>                         | <b>1,566,411</b> |
| <i>Less allowance for expected credit loss</i>            | -  | -                | -  | -                |
| <b>Net</b>  | <b>1,311,065</b>                             | <b>1,566,411</b> | <b>1,311,065</b>                         | <b>1,566,411</b> |
| <b>Net total</b>  | <b>1,574,312</b>                             | <b>2,561,002</b> | <b>1,574,312</b>                         | <b>2,561,002</b> |

**7 Inventories**

|   | <b>Consolidated<br/>financial statements</b> |                  | <b>Separate<br/>financial statements</b> |                  |
|---|--|------------------|--|------------------|
|   | 2022   | 2021             | 2022                                     | 2021             |
|   | <i>(in thousand Baht)</i>                    |                  |  |                  |
| Finished goods  | 24,344                                       | 23,641           | 24,344                                   | 23,641           |
| Work in process   | 779,826                                      | 585,823          | 779,826                                  | 585,823          |
| Raw materials, package and chemical                               | 164,141                                      | 176,045          | 164,141                                  | 176,045          |
| Spare parts and supplies  | 961,050                                      | 814,358          | 961,050                                  | 814,358          |
| Goods in transit  | 1,397  | 5,487            | 1,397                                    | 5,487            |
|   | 1,930,758                                    | 1,605,354        | 1,930,758                                | 1,605,354        |
| <i>Less allowance for declining in value</i>                      | -  | (14,554)         | -  | (14,554)         |
| <b>Net</b>  | <b>1,930,758</b>                             | <b>1,590,800</b> | <b>1,930,758</b>                         | <b>1,590,800</b> |
| Inventories recognised as an expense in 'cost of sales of goods': |  |                  |  |                  |
| - Cost  | 7,199,055                                    | 6,192,690        | 7,199,055                                | 6,192,690        |
| - Reversal of write-down  | (14,554)                                     | (5,961)          | (14,554)                                 | (5,961)          |
| <b>Net total</b>  | <b>7,184,501</b>                             | <b>6,186,729</b> | <b>7,184,501</b>                         | <b>6,186,729</b> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**8 Marketable financial assets**

| <i>Marketable equity and debt securities</i> | <b>Consolidated and Separate financial statements</b> |  |                          |                   |
|--|---|--|--------------------------|-------------------|
|  | At<br>1 January                                       | Increase<br>(decrease)<br>(in thousand Baht) | Fair value<br>adjustment | At<br>31 December |
| <b>2022</b>                                  |   |  |                          |                   |
| <b>Current financial assets</b>              |   |  |                          |                   |
| Debt securities measured at                  |   |  |                          |                   |
| - FVTPL                                      | 2,045,797   | (2,045,797)                                  | -                        | -                 |
| <b>Total</b>                                 | <b>2,045,797</b>                                      | <b>(2,045,797)</b>                           | <b>-</b>                 | <b>-</b>          |
| <b>2021</b>                                  |   |  |                          |                   |
| <b>Current financial assets</b>              |   |  |                          |                   |
| Debt securities measured at                  |   |  |                          |                   |
| - FVTPL                                      | 1,296,382   | 738,320                                      | 11,095                   | 2,045,797         |
| <b>Total</b>                                 | <b>1,296,382</b>                                      | <b>738,320</b>                               | <b>11,095</b>            | <b>2,045,797</b>  |

**9 Investments in subsidiaries and joint venture**

**Investments in subsidiaries**

|   | <b>Separate<br/>financial statements</b> |                |
|---|--|----------------|
|   | 2022                                     | 2021           |
|   | (in thousand Baht)                       |                |
| <b>Subsidiaries</b>   |  |                |
| <b>At 1 January</b>   | <b>331,820</b>                           | <b>329,933</b> |
| Derecognition of investment in subsidiary                   | (3,299)                                  | -              |
| Share of net profit of subsidiaries                         | 2,054                                    | 1,534          |
| Share of other comprehensive income (expense) of subsidiary | (177)                                    | 353            |
| <b>At 31 December</b>                                       | <b>330,398</b>                           | <b>331,820</b> |

TPI Polene Power investment Co., Ltd. in Cambodia (“TPIPPi”) has registered for dissolution. TPIPPi has closed the bank account and transferred money to the parent company in Thailand in January 2022. Therefore, the parent company recognised profit from the investment.

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Investments in subsidiaries as at 31 December 2022 and 2021, dividend income from those investments for the years then ended, were as follows:

|  |   | Separate financial statements |        |                    |         |                |                |                  |                |                     |          |
|--|---|-------------------------------|--------|--------------------|---------|----------------|----------------|------------------|----------------|---------------------|----------|
|  | Type of business  | Ownership interest            |        | Paid-up capital    |         | Cost           |                | At equity method |                | Dividend            |          |
|  |   | 2022                          | 2021   | 2022               | 2021    | 2022           | 2021           | 2022             | 2021           | Income for the year |          |
|  |   | (%)                           |        | (in thousand Baht) |         |                |                |                  |                |                     |          |
| <b>Subsidiaries</b>  |   |                               |        |                    |         |                |                |                  |                |                     |          |
| TPI Polene Power Investment Co., Ltd.  | Generate and distribute electricity in Cambodia*  | -                             | 100.00 | -                  | 3,957   | -              | 3,957          | -                | 3,476          | -                   | -        |
| TPI Biomass Power Co., Ltd.<br>(Formerly: TPI Polene Power (On Nut) Co., Ltd.) | Generates electricity from waste and biomass (dormant)  | 99.99                         | 99.99  | 187,500            | 187,500 | 187,500        | 187,500        | 191,603          | 190,166        | -                   | -        |
| TPI Polene Power (International) Co., Ltd.                                     | Investing in alternative energy business (dormant)  | 99.99                         | 99.99  | 100,000            | 100,000 | 105,988        | 105,988        | 107,744          | 107,179        | -                   | -        |
| TPI Deep Sea Port Co., Ltd.  | Port business operation (dormant)   | 99.99                         | 99.99  | 25,000             | 25,000  | 24,999         | 24,999         | 25,005           | 24,999         | -                   | -        |
| TPI Distribution Center Co., Ltd.<br>(Formerly: TPI Olefins Co., Ltd.)         | Operates business about collecting, storing, and distributing products to consumers (dormant) | 99.99                         | 99.99  | 1,000              | 1,000   | 2,959          | 2,959          | 3,200            | 3,122          | -                   | -        |
| TPI Smart City Co., Ltd.<br>(Formerly: TPI Polene Power (Songkhla) Co., Ltd.)  | Operates all types of communities and industrial estates (dormant)                            | 99.97                         | 99.97  | 1,000              | 1,000   | 1,000          | 1,000          | 949              | 960            | -                   | -        |
| TPI Solar Power Co., Ltd.  | Generate electricity from solar energy (dormant)  | 99.97                         | 99.97  | 1,000              | 1,000   | 1,000          | 1,000          | 948              | 959            | -                   | -        |
| TPI Wind Power Co., Ltd.   | Generate electricity from wind energy (dormant)   | 99.97                         | 99.97  | 1,000              | 1,000   | 1,000          | 1,000          | 949              | 959            | -                   | -        |
| <b>Total</b>   |   |                               |        |                    |         | <b>324,446</b> | <b>328,403</b> | <b>330,398</b>   | <b>331,820</b> | <b>-</b>            | <b>-</b> |

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

\*TPI Polene Power Investment Co., Ltd. has transferred the money to the parent company, therefore the parent company recognised profit from investment.

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**Investment in joint venture**

|   | <b>Consolidated and Separate<br/>financial statements</b> |          |
|---|---|----------|
|   | 2022  | 2021     |
|   | <i>(in thousand Baht)</i>                                 |          |
| <b><i>Joint venture</i></b>   |   |          |
| <b>At 1 January</b>   | -   | -        |
| Acquisition   | 250,000   | -        |
| Share of loss of joint venture<br>accounted for using equity method | (106)   | -        |
| <b>At 31 December</b>   | <b>249,894</b>  | <b>-</b> |

On 1 October 2022, the Company entered into a memorandum of understanding with Electricity Generating Public Co., Ltd. (“EGCO”) are incorporated in Thailand, in order to invest in E&T Renewable Energy Co., Ltd., a new joint venture established in Thailand. The purpose of the joint venture are manufacturing and distributing electricity. The Company and EGCO equally invested 49.99% in the joint venture and paid an initial authorised share capital in 25% of the authorised share capital of Baht 500 million.

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

Investment in joint venture as at 31 December 2022 and 2021, dividend income from those investments for the years then ended, were as follows:

| Consolidated and Separate financial statements |  |                    |      |                 |      |                |          |                  |          |                              |          |
|--|--|--------------------|------|-----------------|------|----------------|----------|------------------|----------|------------------------------|----------|
| Type of business                               |  | Ownership interest |      | Paid-up capital |      | Cost           |          | At equity method |          | Dividend Income for the year |          |
|  |  | 2022               | 2021 | 2022            | 2021 | 2022           | 2021     | 2022             | 2021     | 2022                         | 2021     |
|  |  | (%)                |      |                 |      |                |          |                  |          | (in thousand Baht)           |          |
| <i>Joint venture</i>                           |  |                    |      |                 |      |                |          |                  |          |                              |          |
| E & T Renewable Energy Co., Ltd.               | Generate electricity from renewable energy | 49.99              | -    | 250,000         | -    | 250,000        | -        | 249,894          | -        | -                            | -        |
| <b>Total</b>                                   |  |                    |      |                 |      | <b>250,000</b> | <b>-</b> | <b>249,894</b>   | <b>-</b> | <b>-</b>                     | <b>-</b> |

No dividend distribution from investments in joint venture held by the Group and the Company during years ended 31 December 2022 and 2021.

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

Joint venture was incorporated in Thailand.

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**10 Property, plant and equipment**

|   | Consolidated financial statements |                  |                   |                                   |   |            |                      |   |                           |                   |
|---|-----------------------------------|------------------|-------------------|-----------------------------------|---|------------|----------------------|---|---------------------------|-------------------|
|   | Land                              | Plants           | Machinery         | Tools and<br>factory<br>equipment | Furniture,<br>fixtures and<br>office<br>equipment<br>(in thousand Baht) | Vehicles   | Major spare<br>parts | Assets under<br>construction<br>and<br>installation | Decommissioning<br>assets | Total             |
| <b>Cost</b>                                       |                                   |                  |                   |                                   |   |            |                      |   |                           |                   |
| At 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)           |
| <b>At 31 December 2021 and<br/>1 January 2022</b> | <b>11,031,597</b>                 | <b>1,608,321</b> | <b>27,323,722</b> | <b>259,378</b>                    | <b>58,510</b>   | <b>645</b> | <b>55,658</b>        | <b>2,391,453</b>                                    | <b>238,950</b>            | <b>42,968,234</b> |
| Additions   | 725,627                           | 10               | 49,387            | 20,326                            | 5,644   | 247        | 4,278                | 4,192,460   | -                         | 4,997,979         |
| Transfers   | 290                               | 8,374            | 335,171           | -                                 | 181   | -          | -                    | (344,016)   | -                         | -                 |
| Disposal  | -                                 | -                | -                 | (69)                              | (313)   | -          | -                    | -   | (238,950)                 | (239,332)         |
| <b>At 31 December 2022</b>                        | <b>11,757,514</b>                 | <b>1,616,705</b> | <b>27,708,280</b> | <b>279,635</b>                    | <b>64,022</b>   | <b>892</b> | <b>59,936</b>        | <b>6,239,897</b>                                    | <b>-</b>                  | <b>47,726,881</b> |
| <b>Depreciation</b>                               |                                   |                  |                   |                                   |   |            |                      |   |                           |                   |
| At 1 January 2021                                 | -                                 | 146,643          | 3,957,468         | 121,954                           | 27,467  | 116        | -                    | -   | 26,935                    | 4,280,583         |
| Depreciation charge<br>for the year               | -                                 | 53,565           | 799,527           | 13,881                            | 4,721   | 60         | -                    | -   | 8,034                     | 879,788           |
| Disposals   | -                                 | -                | -                 | (10)                              | (926)   | -          | -                    | -   | -                         | (936)             |
| <b>At 31 December 2021 and<br/>1 January 2022</b> | <b>-</b>                          | <b>200,208</b>   | <b>4,756,995</b>  | <b>135,825</b>                    | <b>31,262</b>   | <b>176</b> | <b>-</b>             | <b>-</b>  | <b>34,969</b>             | <b>5,159,435</b>  |
| Depreciation charge<br>for the year               | -                                 | 54,191           | 874,528           | 15,915                            | 5,576   | 77         | -                    | -   | 6,009                     | 956,296           |
| Disposals   | -                                 | -                | -                 | (55)                              | (313)   | -          | -                    | -   | (40,978)                  | (41,346)          |
| <b>At 31 December 2022</b>                        | <b>-</b>                          | <b>254,399</b>   | <b>5,631,523</b>  | <b>151,685</b>                    | <b>36,525</b>   | <b>253</b> | <b>-</b>             | <b>-</b>  | <b>-</b>                  | <b>6,074,385</b>  |



**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

|                       | <b>Consolidated financial statements</b> |                  |                   |                                   |   |            |                      |   |                           |                   |
|-----------------------|--|------------------|-------------------|-----------------------------------|---|------------|----------------------|---|---------------------------|-------------------|
|                       | Land                                     | Plants           | Machinery         | Tools and<br>factory<br>equipment | Furniture,<br>fixtures and<br>office<br>equipment | Vehicles   | Major spare<br>parts | Assets under<br>construction<br>and<br>installation | Decommissioning<br>assets | Total             |
| <i>Net book value</i> |  |                  |                   |                                   |   |            |                      |   |                           |                   |
| At 31 December 2021   | <u>11,031,597</u>                        | <u>1,408,113</u> | <u>22,566,727</u> | <u>123,553</u>                    | <u>27,248</u>                                     | <u>469</u> | <u>55,658</u>        | <u>2,391,453</u>                                    | <u>203,981</u>            | <u>37,808,799</u> |
| At 31 December 2022   | <u>11,757,514</u>                        | <u>1,362,306</u> | <u>22,076,757</u> | <u>127,950</u>                    | <u>27,497</u>                                     | <u>639</u> | <u>59,936</u>        | <u>6,239,897</u>                                    | <u>-</u>                  | <u>41,652,496</u> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

|   | Separate financial statements |                  |                   |                                   |   |            |                      |   |                           |                   |
|---|-------------------------------|------------------|-------------------|-----------------------------------|---|------------|----------------------|---|---------------------------|-------------------|
|   | Land                          | Plants           | Machinery         | Tools and<br>factory<br>equipment | Furniture,<br>fixtures and<br>office<br>equipment | Vehicles   | Major spare<br>parts | Assets under<br>construction<br>and<br>installation | Decommissioning<br>assets | Total             |
|   | (in thousand Baht)            |                  |                   |                                   |   |            |                      |   |                           |                   |
| <b>Cost</b>                                       |                               |                  |                   |                                   |   |            |                      |   |                           |                   |
| At 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)           |
| <b>At 31 December 2021 and<br/>1 January 2022</b> | <b>11,031,597</b>             | <b>1,608,321</b> | <b>27,323,722</b> | <b>259,378</b>                    | <b>58,510</b>                                     | <b>645</b> | <b>55,658</b>        | <b>2,387,079</b>                                    | <b>238,950</b>            | <b>42,963,860</b> |
| Additions   | 725,627                       | 10               | 49,387            | 20,326                            | 5,644   | 247        | 4,278                | 4,192,460   | -                         | 4,997,979         |
| Transfers   | 290                           | 8,374            | 335,171           | -                                 | 181   | -          | -                    | (344,016)   | -                         | -                 |
| Disposals   | -                             | -                | -                 | (69)                              | (313)   | -          | -                    | -   | (238,950)                 | (239,332)         |
| <b>At 31 December 2022</b>                        | <b>11,757,514</b>             | <b>1,616,705</b> | <b>27,708,280</b> | <b>279,635</b>                    | <b>64,022</b>                                     | <b>892</b> | <b>59,936</b>        | <b>6,235,523</b>                                    | <b>-</b>                  | <b>47,722,507</b> |
| <b>Depreciation</b>                               |                               |                  |                   |                                   |   |            |                      |   |                           |                   |
| At 1 January 2021                                 | -                             | 146,643          | 3,957,468         | 121,954                           | 27,467  | 116        | -                    | -   | 26,935                    | 4,280,583         |
| Depreciation charge<br>for the year               | -                             | 53,565           | 799,527           | 13,881                            | 4,721   | 60         | -                    | -   | 8,034                     | 879,788           |
| Disposals   | -                             | -                | -                 | (10)                              | (926)   | -          | -                    | -   | -                         | (936)             |
| <b>At 31 December 2021 and<br/>1 January 2022</b> | <b>-</b>                      | <b>200,208</b>   | <b>4,756,995</b>  | <b>135,825</b>                    | <b>31,262</b>                                     | <b>176</b> | <b>-</b>             | <b>-</b>  | <b>34,969</b>             | <b>5,159,435</b>  |
| Depreciation charge<br>for the year               | -                             | 54,191           | 874,528           | 15,915                            | 5,576   | 77         | -                    | -   | 6,009                     | 956,296           |
| Disposals   | -                             | -                | -                 | (55)                              | (313)   | -          | -                    | -   | (40,978)                  | (41,346)          |
| <b>At 31 December 2022</b>                        | <b>-</b>                      | <b>254,399</b>   | <b>5,631,523</b>  | <b>151,685</b>                    | <b>36,525</b>                                     | <b>253</b> | <b>-</b>             | <b>-</b>  | <b>-</b>                  | <b>6,074,385</b>  |
| <b>Net book value</b>                             |                               |                  |                   |                                   |   |            |                      |   |                           |                   |
| At 31 December 2021                               | <u>11,031,597</u>             | <u>1,408,113</u> | <u>22,566,727</u> | <u>123,553</u>                    | <u>27,248</u>                                     | <u>469</u> | <u>55,658</u>        | <u>2,387,079</u>                                    | <u>203,981</u>            | <u>37,804,425</u> |
| At 31 December 2022                               | <u>11,757,514</u>             | <u>1,362,306</u> | <u>22,076,757</u> | <u>127,950</u>                    | <u>27,497</u>                                     | <u>639</u> | <u>59,936</u>        | <u>6,235,523</u>                                    | <u>-</u>                  | <u>41,648,122</u> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2022**

The original cost of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2022 amounted to Baht 953 million (2021: Baht 947 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 2022 are amounted to Baht 536 million and Baht 536 million, respectively (2021: Baht 334 million and Baht 334 million, respectively), with a capitalisation in the consolidated and separate financial statements of 3% - 4.1% (2021: 2% - 3.9%).

## **11 Leases**

| <i>Right-of-use assets</i><br><i>At 31 December</i> | <b>Consolidated</b><br><b>financial statements</b> |                | <b>Separate</b><br><b>financial statements</b> |                |
|---|--|----------------|--|----------------|
|   | 2022   | 2021           | 2022   | 2021           |
|   | <i>(in thousand Baht)</i>                          |                |  |                |
| Land  | 496,627  | 600,170        | 496,627  | 600,170        |
| Buildings   | 7,672  | 7,019          | 7,672  | 7,019          |
| Vehicles  | 14,025   | 13,396         | 14,025   | 13,396         |
| <b>Total</b>  | <b>518,324</b>                                     | <b>620,585</b> | <b>518,324</b>                                 | <b>620,585</b> |

In 2022, additions to the right-of-use assets of the Group and the Company were Baht 11.88 million and Baht 11.88 million, respectively (2021: Baht 7.23 million and Baht 7.23 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*

The Group has extension options on property leases exercisable up to one year before the end of the contract period. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options and will regularly reassess so.

| <i>Year ended 31 December</i>               | <b>Consolidated</b><br><b>financial statements</b> |        | <b>Separate</b><br><b>financial statements</b> |        |
|---|--|--------|--|--------|
|   | 2022   | 2021   | 2022   | 2021   |
|   | <i>(in thousand Baht)</i>                          |        |  |        |
| <i>Amounts recognised in profit or loss</i> |  |        |  |        |
| Depreciation of right-of-use assets:        |  |        |  |        |
| - Land                                      | 29,996   | 30,463 | 29,996   | 30,463 |
| - Buildings                                 | 4,542  | 1,928  | 4,542  | 1,928  |
| - Vehicles                                  | 6,001  | 4,879  | 6,001  | 4,879  |
| Interest on lease liabilities               | 20,553   | 25,508 | 20,553   | 25,508 |
| Expenses relating to short-term leases      | 2,303  | 3,113  | 2,303  | 3,113  |

In 2022, total cash outflow for leases of the Group and the Company were Baht 47.20 million and Baht 47.20 million, respectively (2021: Baht 42.35 million and Baht 42.35 million, respectively).

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**12 Interest-bearing liabilities**

| Consolidated financial statements         |          |                   |                                    |          |                   |                   |
|---|----------|-------------------|------------------------------------|----------|-------------------|-------------------|
|   | Secured  | 2022<br>Unsecured | Total<br><i>(in thousand Baht)</i> | Secured  | 2021<br>Unsecured | Total             |
| <b>Current</b>                            |          |                   |                                    |          |                   |                   |
| Current portion of lease liabilities      | -        | 25,290            | 25,290                             | -        | 20,241            | 20,241            |
| Current portion of debentures             | -        | 3,000,000         | 3,000,000                          | -        | 4,000,000         | 4,000,000         |
| <b>Non-Current</b>                        |          |                   |                                    |          |                   |                   |
| Lease liabilities                         | -        | 536,668           | 536,668                            | -        | 630,204           | 630,204           |
| Debentures                                | -        | 13,216,600        | 13,216,600                         | -        | 11,523,600        | 11,523,600        |
| <b>Total interest-bearing liabilities</b> | <b>-</b> | <b>16,778,558</b> | <b>16,778,558</b>                  | <b>-</b> | <b>16,174,045</b> | <b>16,174,045</b> |
| <b>Separate financial statements</b>      |          |                   |                                    |          |                   |                   |
|   | Secured  | 2022<br>Unsecured | Total<br><i>(in thousand Baht)</i> | Secured  | 2021<br>Unsecured | Total             |
| <b>Current</b>                            |          |                   |                                    |          |                   |                   |
| Current portion of lease liabilities      | -        | 25,290            | 25,290                             | -        | 20,241            | 20,241            |
| Current portion of debentures             | -        | 3,000,000         | 3,000,000                          | -        | 4,000,000         | 4,000,000         |
| <b>Non-Current</b>                        |          |                   |                                    |          |                   |                   |
| Lease liabilities                         | -        | 536,668           | 536,668                            | -        | 630,204           | 630,204           |
| Debentures                                | -        | 13,218,600        | 13,218,600                         | -        | 11,523,600        | 11,523,600        |
| <b>Total interest-bearing liabilities</b> | <b>-</b> | <b>16,780,558</b> | <b>16,780,558</b>                  | <b>-</b> | <b>16,174,045</b> | <b>16,174,045</b> |

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

|               | <b>Consolidated<br/>financial statements</b> |                   | <b>Separate<br/>financial statements</b> |                   |
|---------------|--|-------------------|--|-------------------|
|               | 2022   | 2021              | 2022                                     | 2021              |
|               | <i>(in thousand Baht)</i>                    |                   |  |                   |
| Within 1 year | 3,025,290                                    | 4,020,241         | 3,025,290                                | 4,020,241         |
| 1 - 5 years   | 13,281,570                                   | 11,586,283        | 13,283,570                               | 11,586,283        |
| After 5 years | 471,698                                      | 567,521           | 471,698                                  | 567,521           |
| <b>Total</b>  | <b>16,778,558</b>                            | <b>16,174,045</b> | <b>16,780,558</b>                        | <b>16,174,045</b> |

As at 31 December 2022 and 2021, the Group and the Company have no unutilised credit facilities.

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**Debentures**

As at 31 December 2022, the Group and the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 16,217 million and Baht 16,219 million, respectively (2021: Baht 15,524 million and Baht 15,524 million, respectively) as follows:

| <b>Consolidated financial statements</b> |   |                         |   |                          |                          |                          |                           |                   |
|--|---|-------------------------|---|--------------------------|--------------------------|--------------------------|---------------------------|-------------------|
| Issued Date                              | The period to maturity within<br>one year |                         | The period to maturity over<br>one year |                          | Total                    |                          | Interest Rate<br>(% p.a.) | Term              |
|  | 31 December<br>2022                       | 31 December<br>2021     | 31 December<br>2022                     | 31 December<br>2021      | 31 December<br>2022      | 31 December<br>2021      |                           |                   |
|  | <i>(in thousand Baht)</i>                 |                         |   |                          |                          |                          |                           |                   |
| 9 August 2019                            | -   | 4,000,000               | -                                       | -                        | -                        | 4,000,000                | 3.50                      | 3 years 3 months  |
| 19 August 2020                           | -   | -                       | 4,000,000                               | 4,000,000                | 4,000,000                | 4,000,000                | 3.90                      | 3 years 11 months |
| 10 June 2021                             | 3,000,000                                 | -                       | -                                       | 3,000,000                | 3,000,000                | 3,000,000                | 3.00                      | 2 years 6 months  |
| 12 November 2021                         | -   | -                       | 4,523,600                               | 4,523,600                | 4,523,600                | 4,523,600                | 3.55                      | 4 years 3 months  |
| 11 August 2022                           | -   | -                       | 4,693,000                               | -                        | 4,693,000                | -                        | 4.10                      | 5 years           |
| <b>Total</b>                             | <b><u>3,000,000</u></b>                   | <b><u>4,000,000</u></b> | <b><u>13,216,600</u></b>                | <b><u>11,523,600</u></b> | <b><u>16,216,600</u></b> | <b><u>15,523,600</u></b> |                           |                   |
| <b>Separate financial statements</b>     |   |                         |   |                          |                          |                          |                           |                   |
| Issued Date                              | The period to maturity within<br>one year |                         | The period to maturity over<br>one year |                          | Total                    |                          | Interest Rate<br>(% p.a.) | Term              |
|  | 31 December<br>2022                       | 31 December<br>2021     | 31 December<br>2022                     | 31 December<br>2021      | 31 December<br>2022      | 31 December<br>2021      |                           |                   |
|  | <i>(in thousand Baht)</i>                 |                         |   |                          |                          |                          |                           |                   |
| 9 August 2019                            | -   | 4,000,000               | -                                       | -                        | -                        | 4,000,000                | 3.50                      | 3 years 3 months  |
| 19 August 2020                           | -   | -                       | 4,000,000                               | 4,000,000                | 4,000,000                | 4,000,000                | 3.90                      | 3 years 11 months |
| 10 June 2021                             | 3,000,000                                 | -                       | -                                       | 3,000,000                | 3,000,000                | 3,000,000                | 3.00                      | 2 years 6 months  |
| 12 November 2021                         | -   | -                       | 4,523,600                               | 4,523,600                | 4,523,600                | 4,523,600                | 3.55                      | 4 years 3 months  |
| 11 August 2022                           | -   | -                       | 4,695,000                               | -                        | 4,695,000                | -                        | 4.10                      | 5 years           |
| <b>Total</b>                             | <b><u>3,000,000</u></b>                   | <b><u>4,000,000</u></b> | <b><u>13,218,600</u></b>                | <b><u>11,523,600</u></b> | <b><u>16,218,600</u></b> | <b><u>15,523,600</u></b> |                           |                   |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**13 Trade accounts payable**

|                 |             | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|-----------------|-------------|--|----------------|--|----------------|
|                 | <i>Note</i> | 2022   | 2021           | 2022                                     | 2021           |
|                 |             | <i>(in thousand Baht)</i>                    |                |  |                |
| Related parties | 4           | 408,300                                      | 152,864        | 408,300                                  | 152,864        |
| Other parties   |             | 334,874                                      | 277,532        | 334,874                                  | 277,532        |
| <b>Total</b>    |             | <b>743,174</b>                               | <b>430,396</b> | <b>743,174</b>                           | <b>430,396</b> |

**14 Other payables**

|                                  |  | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|----------------------------------|--|--|----------------|--|----------------|
|                                  |  | 2022   | 2021           | 2022                                     | 2021           |
|                                  |  | <i>(in thousand Baht)</i>                    |                |  |                |
| Retention payable                |  | 418,296                                      | 116,468        | 418,296                                  | 116,468        |
| Other payables - Machine         |  | 204,412                                      | 34,722         | 204,412                                  | 34,722         |
| Accrued expenses                 |  | 279,513                                      | 104,939        | 279,366                                  | 104,794        |
| Deposit from sales and guarantee |  | 4,674  | 3,789          | 4,674                                    | 3,789          |
| Others                           |  | 91,527                                       | 46,964         | 91,527                                   | 46,900         |
| <b>Total</b>                     |  | <b>998,422</b>                               | <b>306,882</b> | <b>998,275</b>                           | <b>306,673</b> |

**15 Other current liabilities**

|                               |  | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|-------------------------------|--|--|----------------|--|----------------|
|                               |  | 2022   | 2021           | 2022                                     | 2021           |
|                               |  | <i>(in thousand Baht)</i>                    |                |  |                |
| Payable to Revenue Department |  | -  | 30,615         | -  | 30,615         |
| Suspend output tax            |  | 85,149                                       | 101,896        | 85,149                                   | 101,896        |
| Others                        |  | 11,908                                       | 10,739         | 11,904                                   | 10,720         |
| <b>Total</b>                  |  | <b>97,057</b>                                | <b>143,250</b> | <b>97,053</b>                            | <b>143,231</b> |

**16 Non-current provisions for employee benefits**

|                          |  | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|--------------------------|--|--|----------------|--|----------------|
| <i>At 31 December</i>    |  | 2022   | 2021           | 2022                                     | 2021           |
|                          |  | <i>(in thousand Baht)</i>                    |                |  |                |
| Post-employment benefits |  |  |                |  |                |
| Defined benefit plan     |  | <b>146,622</b>                               | <b>151,657</b> | <b>146,622</b>                           | <b>151,657</b> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
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***Defined benefit plan***

The Group and the Company 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.

| <b><i>Present value of the defined benefit obligations</i></b> | <b>Consolidated financial statements</b> |                | <b>Separate financial statements</b> |                |
|--|--|----------------|--------------------------------------|----------------|
|  | 2022                                     | 2021           | 2022                                 | 2021           |
|  | <i>(in thousand Baht)</i>                |                |                                      |                |
| At 1 January   | 151,657                                  | 152,705        | 151,657                              | 152,705        |
| <b><i>Recognised in profit or loss</i></b>                     |  |                |                                      |                |
| Current service cost and interest on obligation                | -  | -              | -                                    | -              |
| <b><i>Recognised in other comprehensive income:</i></b>        |  |                |                                      |                |
| Actuarial loss   | -  | -              | -                                    | -              |
| <b><i>Other</i></b>  |  |                |                                      |                |
| Benefit paid   | (5,035)                                  | (1,048)        | (5,035)                              | (1,048)        |
| <b>At 31 December</b>  | <b>146,622</b>                           | <b>151,657</b> | <b>146,622</b>                       | <b>151,657</b> |

| <b><i>Principal actuarial assumptions</i></b> | <b>Consolidated financial statements</b> |      | <b>Separate financial statements</b> |      |
|---|--|------|--------------------------------------|------|
|   | 2022                                     | 2021 | 2022                                 | 2021 |
|   | <i>(%)</i>                               |      |                                      |      |
| Discount rate                                 | 3.61                                     | 2.88 | 3.61                                 | 2.88 |
| Future salary growth                          | 3.50                                     | 2.35 | 3.50                                 | 2.35 |

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

At 31 December 2022, the weighted-average duration of the defined benefit obligation was 24 years (2021: 25 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.

| <b><i>Effect to the defined benefit obligation</i></b> | <b>Consolidated and separate financial statements</b> |         |                           |         |
|--|---|---------|---------------------------|---------|
|  | 1% increase in assumption                             |         | 1% decrease in assumption |         |
| <b><i>At 31 December</i></b>                           | 2022  | 2021    | 2022                      | 2021    |
|  | <i>(in thousand Baht)</i>                             |         |                           |         |
| Discount rate  | (13,744)  | (9,574) | 16,352                    | 11,176  |
| Future salary growth                                   | 14,058  | 9,011   | (12,039)                  | (7,794) |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2022**

**17 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.

**18 Segment information and disaggregation of revenue**

Management determined that the Group has two reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments.

- Energy & Utilities
- Petrol and gas stations

Each segment's 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. Inter-segment pricing is determined on an arm’s length basis.



**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**(a) Reportable segment results**

| <i>Year ended 31 December</i>                        | <b>Consolidated financial statement</b> |                          |                              |                 |                              |                          | <b>Reportable segment profit (loss) before interest, tax and depreciation</b> |                         |
|--|---|--------------------------|------------------------------|-----------------|------------------------------|--------------------------|---|-------------------------|
|  | <b>Revenue from external customers</b>  |                          | <b>Inter-segment revenue</b> |                 | <b>Total segment revenue</b> |                          | 2022  | 2021                    |
|  | 2022                                    | 2021                     | 2022                         | 2021            | 2022                         | 2021                     |   |                         |
|  | <i>(in thousand Baht)</i>               |                          |                              |                 |                              |                          |   |                         |
| Energy & Utilities                                   | 9,618,401                               | 10,557,354               | -                            | -               | 9,618,401                    | 10,557,354               | 3,878,373   | 5,413,022               |
| Petrol and gas stations                              | 581,573                                 | 516,478                  | -                            | -               | 581,573                      | 516,478                  | 35,583  | 13,286                  |
| <b>Total</b>   | <b><u>10,199,974</u></b>                | <b><u>11,073,832</u></b> | <b><u>-</u></b>              | <b><u>-</u></b> | <b><u>10,199,974</u></b>     | <b><u>11,073,832</u></b> | <b><u>3,913,956</u></b>   | <b><u>5,426,308</u></b> |
| Finance costs  |   |                          |                              |                 |                              |                          | (90,286)  | (207,786)               |
| Depreciation   |   |                          |                              |                 |                              |                          | (996,835)   | (917,058)               |
| <b>Profit before income tax expense for the year</b> |   |                          |                              |                 |                              |                          | <b><u>2,826,835</u></b>   | <b><u>4,301,464</u></b> |

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

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

| <i>Year ended 31 December</i>                               | <b>Consolidated financial statements</b> |                  |
|---|--|------------------|
|   | <b>Reportable segment</b>                |                  |
|   | <b>profit (loss) before tax</b>          |                  |
|   | 2022                                     | 2021             |
|   | <i>(in thousand Baht)</i>                |                  |
| Energy & Utilities  | 2,812,574                                | 4,334,902        |
| Petrol and gas stations                                     | 14,261                                   | (33,435)         |
| <b>Total</b>  | <b>2,826,835</b>                         | <b>4,301,467</b> |
| Elimination of inter-segment (profit) loss                  | -  | (3)              |
| <b>Profit (loss) before income tax expense for the year</b> | <b>2,826,835</b>                         | <b>4,301,464</b> |

**(b) Reportable segment financial position**

|                         | <b>Segment assets</b>     |                   |
|-------------------------|---------------------------|-------------------|
|                         | 2022                      | 2021              |
|                         | <i>(in thousand Baht)</i> |                   |
| Energy & Utilities      | 46,493,705                | 42,956,956        |
| Petrol and gas stations | 77,590                    | 74,742            |
|                         | <b>46,571,295</b>         | <b>43,031,698</b> |
| Unallocated assets      | 4,008,078                 | 5,453,652         |
| <b>Total assets</b>     | <b>50,579,373</b>         | <b>48,485,350</b> |

**(c) Geographical segments**

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

**(d) Major customer**

Revenues from 2 customers of the Group's represents approximately Baht 9,644 million (2021: Baht 10,580 million) of the Group's total revenues.

**19 Other income**

|                               | <b>Consolidated</b>         |                | <b>Separate</b>             |                |
|-------------------------------|-----------------------------|----------------|-----------------------------|----------------|
|                               | <b>financial statements</b> |                | <b>financial statements</b> |                |
|                               | 2022                        | 2021           | 2022                        | 2021           |
|                               | <i>(in thousand Baht)</i>   |                |                             |                |
| Revenue from machine rental   | 216,756                     | 183,155        | 216,756                     | 183,155        |
| Waste disposal service income | 58,823                      | 14,997         | 58,823                      | 14,997         |
| Others                        | 90,888                      | 42,430         | 90,888                      | 42,430         |
| <b>Total</b>                  | <b>366,467</b>              | <b>240,582</b> | <b>366,467</b>              | <b>240,582</b> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**20 Distribution costs**

|                    | <b>Consolidated<br/>financial statements</b> |               | <b>Separate<br/>financial statements</b> |               |
|--------------------|--|---------------|--|---------------|
|                    | 2022   | 2021          | 2022                                     | 2021          |
|                    | <i>(in thousand Baht)</i>                    |               |  |               |
| Personnel expenses | 29,737                                       | 29,059        | 29,737                                   | 29,059        |
| Utilities expenses | 9,107  | 7,857         | 9,107                                    | 7,857         |
| Rental             | 1,300  | 1,425         | 1,300                                    | 1,425         |
| Depreciation       | 9,161  | 9,210         | 9,161                                    | 9,210         |
| Others             | 15,268                                       | 17,892        | 15,268                                   | 17,892        |
| <b>Total</b>       | <b>64,573</b>                                | <b>65,443</b> | <b>64,573</b>                            | <b>65,443</b> |

**21 Administrative expenses**

|                         | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|-------------------------|--|----------------|--|----------------|
|                         | 2022   | 2021           | 2022                                     | 2021           |
|                         | <i>(in thousand Baht)</i>                    |                |  |                |
| Personnel expenses      | 95,068                                       | 81,485         | 95,068                                   | 81,485         |
| Shared service expenses | 51,852                                       | 46,579         | 51,724                                   | 46,451         |
| Professional fees       | 13,926                                       | 25,823         | 9,090                                    | 20,674         |
| Registration fees       | 44,144                                       | 33,423         | 44,137                                   | 33,418         |
| Depreciation            | 37,997                                       | 4,286          | 37,997                                   | 4,286          |
| Insurance expenses      | 9,831  | 659            | 9,831                                    | 659            |
| Donation                | 48,556                                       | 143,465        | 48,553                                   | 143,465        |
| Others                  | 157,820                                      | 246,088        | 157,808                                  | 246,081        |
| <b>Total</b>            | <b>459,194</b>                               | <b>581,808</b> | <b>454,208</b>                           | <b>576,519</b> |

**22 Employee benefit expenses**

|                    | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|--------------------|--|----------------|--|----------------|
|                    | 2022   | 2021           | 2022                                     | 2021           |
|                    | <i>(in thousand Baht)</i>                    |                |  |                |
| <b>Management</b>  |  |                |  |                |
| Wages and salaries | 28,038                                       | 27,666         | 28,038                                   | 27,666         |
| Others             | 27,138                                       | 24,671         | 27,138                                   | 24,671         |
|                    | <b>55,176</b>                                | <b>52,337</b>  | <b>55,176</b>                            | <b>52,337</b>  |
| <b>Employee</b>    |  |                |  |                |
| Wages and salaries | 589,986                                      | 542,709        | 589,986                                  | 542,709        |
| Others             | 48,188                                       | 43,018         | 48,188                                   | 43,018         |
|                    | <b>638,174</b>                               | <b>585,727</b> | <b>638,174</b>                           | <b>585,727</b> |
| <b>Total</b>       | <b>693,350</b>                               | <b>638,064</b> | <b>693,350</b>                           | <b>638,064</b> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

*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.

**23 Expenses by nature**

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

|   | <b>Consolidated<br/>financial statements</b> |           | <b>Separate<br/>financial statements</b> |           |
|---|--|-----------|--|-----------|
|   | 2022   | 2021      | 2022                                     | 2021      |
|   | <i>(in thousand Baht)</i>                    |           |  |           |
| <b><i>Included in cost of sales of goods:</i></b>             |  |           |  |           |
| Changes in inventories of finished goods and work in progress | 194,706                                      | 111,263   | 194,706                                  | 111,263   |
| Raw materials and consumables used                            | 4,741,224                                    | 3,964,705 | 4,741,224                                | 3,964,705 |
| Employee benefit expenses                                     | 568,545                                      | 527,520   | 568,545                                  | 527,520   |
| Depreciation  | 949,677                                      | 903,562   | 949,677                                  | 903,562   |
| <b><i>Included in distribution costs:</i></b>                 |  |           |  |           |
| Employee benefit expenses                                     | 29,737                                       | 29,059    | 29,737                                   | 29,059    |
| Depreciation  | 9,161  | 9,210     | 9,161                                    | 9,210     |
| <b><i>Included in administrative expenses:</i></b>            |  |           |  |           |
| Employee benefit expenses                                     | 95,068                                       | 81,485    | 95,068                                   | 81,485    |
| Depreciation  | 37,997                                       | 4,286     | 37,997                                   | 4,286     |

**24 Finance costs**

|  |      | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|--|------|--|----------------|--|----------------|
|  | Note | 2022   | 2021           | 2022                                     | 2021           |
|  |      | <i>(in thousand Baht)</i>                    |                |  |                |
| <b><i>Interest expense:</i></b>                                |      |  |                |  |                |
| Short-term loans from financial institutions                   |      | -  | 375            | -  | 375            |
| Debentures   |      | 601,643                                      | 510,442        | 601,675                                  | 510,442        |
| Lease  | 11   | 20,553                                       | 25,508         | 20,553                                   | 25,508         |
| <b>Total interest expense</b>                                  |      | <b>622,196</b>                               | <b>536,325</b> | <b>622,228</b>                           | <b>536,325</b> |
| Other  |      | 3,914  | 5,145          | 3,914                                    | 5,145          |
|  |      | <b>626,110</b>                               | <b>541,470</b> | <b>626,142</b>                           | <b>541,470</b> |
| <i>Less amounts included in the cost of qualifying assets:</i> |      |  |                |  |                |
| - Construction contracts work in progress                      | 10   | (535,824)                                    | (333,684)      | (535,824)                                | (333,684)      |
| <b>Net</b>   |      | <b>90,286</b>                                | <b>207,786</b> | <b>90,318</b>                            | <b>207,786</b> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

**25 Income tax**

| <i>Income tax recognised in profit or loss</i> | <b>Consolidated<br/>financial statements</b> |                | <b>Separate<br/>financial statements</b> |                |
|--|--|----------------|--|----------------|
|  | 2022   | 2021           | 2022                                     | 2021           |
|  | <i>(in thousand Baht)</i>                    |                |  |                |
| <b>Current tax expense</b>                     |  |                |  |                |
| Current year                                   | 500  | 115,964        | -  | 115,610        |
| Adjustment for prior years                     | 1,782  | 5,921          | 1,782                                    | 5,921          |
|  | <u>2,282</u>                                 | <u>121,885</u> | <u>1,782</u>                             | <u>121,531</u> |
| <b>Deferred tax expense</b>                    |  |                |  |                |
| Movements in temporary differences             | 11,769                                       | (11,751)       | 11,769                                   | (11,751)       |
| <b>Total income tax expense</b>                | <u>14,051</u>                                | <u>110,134</u> | <u>13,551</u>                            | <u>109,780</u> |

**Reconciliation of effective tax rate**

|  | <b>Consolidated financial statements</b> |               |                           |                |
|--|--|---------------|---------------------------|----------------|
|  | 2022                                     | 2021          | 2022                      | 2021           |
|  | <i>(in thousand Baht)</i>                |               | <i>(in thousand Baht)</i> |                |
| Profit before income tax expense                                   | Rate (%)                                 | 2,826,835     | Rate (%)                  | 4,301,464      |
| Income tax using the Thai corporation tax rate                     | 20                                       | 565,367       | 20                        | 860,293        |
| Double allowance and deduction                                     |  | (42,365)      |                           | (22,297)       |
| Profit was derived from promoted activities                        |  | (541,197)     |                           | (744,126)      |
| Expenses not deductible for tax purposes                           |  | 3,121         |                           | 10,343         |
| Current year losses for which no deferred tax asset was recognised |  | 27,343        |                           | -              |
| Under provided in prior years                                      |  | 1,782         |                           | 5,921          |
| <b>Total</b>   | <u>0.5</u>                               | <u>14,051</u> | <u>2.6</u>                | <u>110,134</u> |

**Reconciliation of effective tax rate**

|  | <b>Separate financial statements</b> |               |                           |                |
|--|--------------------------------------|---------------|---------------------------|----------------|
|  | 2022                                 | 2021          | 2022                      | 2021           |
|  | <i>(in thousand Baht)</i>            |               | <i>(in thousand Baht)</i> |                |
| Profit before income tax expense                                   | Rate (%)                             | 2,826,335     | Rate (%)                  | 4,301,110      |
| Income tax using the Thai corporation tax rate                     | 20                                   | 565,267       | 20                        | 860,222        |
| Double allowance and deduction                                     |                                      | (42,365)      |                           | (22,297)       |
| Profit was derived from promoted activities                        |                                      | (541,197)     |                           | (744,126)      |
| Expenses not deductible for tax purposes                           |                                      | 2,721         |                           | 10,060         |
| Current year losses for which no deferred tax asset was recognised |                                      | 27,343        |                           | -              |
| Under provided in prior years                                      |                                      | 1,782         |                           | 5,921          |
| <b>Total</b>   | <u>0.5</u>                           | <u>13,551</u> | <u>2.6</u>                | <u>109,780</u> |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

| <i>Deferred tax assets and liabilities</i><br><i>At 31 December</i> | <b>Consolidated and Separate financial statements</b> |                           |                    |          |
|---|---|---------------------------|--------------------|----------|
|   | <b>Assets</b>   |                           | <b>Liabilities</b> |          |
|   | 2022  | 2021                      | 2022               | 2021     |
|   |   | <i>(in thousand Baht)</i> |                    |          |
| Total   | 82,244  | 94,033                    | -                  | (20)     |
| Set off of tax  | -   | (20)                      | -                  | 20       |
| <b>Net deferred tax assets</b>                                      | <b>82,244</b>   | <b>94,013</b>             | <b>-</b>           | <b>-</b> |

Movements in deferred tax balances are as follows:

|   | <b>Consolidated and Separate financial statements</b> |                           |                                   |                            |
|---|---|---------------------------|-----------------------------------|----------------------------|
|   | <b>(Charged) / Credited to</b>                        |                           |                                   | <b>At 31 December 2022</b> |
|   | <b>At 1 January 2022</b>                              | <b>Profit or loss</b>     | <b>Other comprehensive income</b> |                            |
|   |   | <i>(in thousand Baht)</i> |                                   |                            |
| <b><i>Deferred tax assets</i></b>             |   |                           |                                   |                            |
| Property, plant and equipment                 | 47,940  | 2,499                     | -                                 | 50,439                     |
| Inventories                                   | 2,911   | (2,911)                   | -                                 | -                          |
| Provisions for employee benefits              | 24,085  | (1,007)                   | -                                 | 23,078                     |
| Provisions for decommissioning costs          | 13,125  | (13,125)                  | -                                 | -                          |
| Lease liabilities                             | 5,972   | 2,755                     | -                                 | 8,727                      |
| <b>Total</b>                                  | <b>94,033</b>   | <b>(11,789)</b>           | <b>-</b>                          | <b>82,244</b>              |
| <b><i>Deferred tax liabilities</i></b>        |   |                           |                                   |                            |
| Revaluation on fair value of financial assets | (20)  | 20                        | -                                 | -                          |
| <b>Total</b>                                  | <b>(20)</b>   | <b>20</b>                 | <b>-</b>                          | <b>-</b>                   |
| <b>Net</b>                                    | <b>94,013</b>   | <b>(11,769)</b>           | <b>-</b>                          | <b>82,244</b>              |

|   | <b>Consolidated and Separate financial statements</b> |                           |                                   |                            |
|---|---|---------------------------|-----------------------------------|----------------------------|
|   | <b>(Charged) / Credited to</b>                        |                           |                                   | <b>At 31 December 2021</b> |
|   | <b>At 1 January 2021</b>                              | <b>Profit or loss</b>     | <b>Other comprehensive income</b> |                            |
|   |   | <i>(in thousand Baht)</i> |                                   |                            |
| <b><i>Deferred tax assets</i></b>             |   |                           |                                   |                            |
| 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                      |
| <b>Total</b>                                  | <b>82,322</b>   | <b>11,711</b>             | <b>-</b>                          | <b>94,033</b>              |
| <b><i>Deferred tax liabilities</i></b>        |   |                           |                                   |                            |
| Revaluation on fair value of financial assets | (60)  | 40                        | -                                 | (20)                       |
| <b>Total</b>                                  | <b>(60)</b>   | <b>40</b>                 | <b>-</b>                          | <b>(20)</b>                |
| <b>Net</b>                                    | <b>82,262</b>   | <b>11,751</b>             | <b>-</b>                          | <b>94,013</b>              |

**TPI Polene Power Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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Deferred tax assets arising from unused tax losses that has not been recognised in the consolidated and separate financial statements as at 31 December 2022 amounting to Baht 27 million and Baht 27 million, respectively.

The tax losses expire in 2027. The deductible temporary differences do not expire under current tax legislation. The Group has not recognised these items as deferred tax assets.

## **26 Promotional privileges**

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

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

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

Summary of revenue from promoted and non-promoted businesses:

|                | <b>Consolidated and Separate financial statements</b> |                                |                   |                        |                                |                   |
|----------------|---|--------------------------------|-------------------|------------------------|--------------------------------|-------------------|
|                | <b>2022</b>   |                                |                   | <b>2021</b>            |                                |                   |
|                | Promoted<br>businesses                                | Non-<br>promoted<br>businesses | Total             | Promoted<br>businesses | Non-<br>promoted<br>businesses | Total             |
|                | <i>(in thousand Baht)</i>                             |                                |                   |                        |                                |                   |
| Domestic sales | 9,185,600   | 1,014,374                      | 10,199,974        | 9,439,078              | 1,634,754                      | 11,073,832        |
| <b>Total</b>   | <b>9,185,600</b>                                      | <b>1,014,374</b>               | <b>10,199,974</b> | <b>9,439,078</b>       | <b>1,634,754</b>               | <b>11,073,832</b> |

# TPI Polene Power Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2022

### 27 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2022 and 2021 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:

|  | <b>Consolidated<br/>financial statements</b> |                         | <b>Separate<br/>financial statements</b> |                         |
|--|--|-------------------------|--|-------------------------|
|  | 2022   | 2021                    | 2022                                     | 2021                    |
|  | <i>(in thousand Baht / thousand shares)</i>  |                         |  |                         |
| <b>Profit attributable to ordinary shareholders of the Company (basic)</b>           | <b><u>2,812,784</u></b>                      | <b><u>4,191,330</u></b> | <b><u>2,812,784</u></b>                  | <b><u>4,191,330</u></b> |
| <b>Weighted average number of ordinary shares outstanding (basic) at 31 December</b> | <b><u>8,400,000</u></b>                      | <b><u>8,400,000</u></b> | <b><u>8,400,000</u></b>                  | <b><u>8,400,000</u></b> |
| <b>Earnings per share (basic) (in Baht)</b>  | <b><u>0.335</u></b>                          | <b><u>0.499</u></b>     | <b><u>0.335</u></b>                      | <b><u>0.499</u></b>     |

### 28 Dividends

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.

At the annual general meeting of the shareholders of the Company held on 19 April 2022, the shareholders approved the appropriation of 2021 annual dividend at Baht 0.25 per share for the 8,400 million common shares, amounting to Baht 2,100 million. After a deduction of the interim dividends of Baht 0.12 per share which were paid to the Company's shareholders in 2021, the remaining dividends of Baht 0.13 per share, totalling Baht 1,092 million. The dividend was paid to the shareholders on 12 May 2022.

At the Board of Director's meeting of the Company held on 26 August 2022, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 June 2022, 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 23 September 2022.

### 29 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, but 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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|   |             | Carrying amount                         |  | Consolidated financial statements |                               |            |         | Fair value |
|---|-------------|---|--|-----------------------------------|-------------------------------|------------|---------|------------|
|   |             | Financial instruments measured at FVTPL | Financial instruments measured at amortised cost | Total                             | Level 1<br>(in thousand Baht) | Level 2    | Level 3 | Total      |
| <i>At 31 December</i>                     | <i>Note</i> |   |  |                                   |                               |            |         |            |
| <b>2022</b>                               |             |   |  |                                   |                               |            |         |            |
| <b>Financial assets</b>                   |             |   |  |                                   |                               |            |         |            |
| <b>Other current financial assets</b>     |             |   |  |                                   |                               |            |         |            |
| Investment in debt securities             | 8           | -                                       | 185,030  | 185,030                           | -                             | 185,088    | -       | 185,088    |
| <b>Other non-current financial assets</b> |             |   |  |                                   |                               |            |         |            |
| Investment in debt securities             |             | -                                       | 486,173  | 486,173                           | -                             | 439,598    | -       | 439,598    |
| <b>Total financial assets</b>             |             | <b>-</b>                                | <b>671,203</b>                                   | <b>671,203</b>                    |                               |            |         |            |
| <b>Financial liabilities</b>              |             |   |  |                                   |                               |            |         |            |
| Debentures                                | 12          | -                                       | 16,216,600                                       | 16,216,600                        | -                             | 16,177,195 | -       | 16,177,195 |
| <b>Total financial liabilities</b>        |             | <b>-</b>                                | <b>16,216,600</b>                                | <b>16,216,600</b>                 |                               |            |         |            |

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|   |             | Carrying amount                         |  | Consolidated financial statements |           |            |         |            |
|---|-------------|---|--|-----------------------------------|-----------|------------|---------|------------|
|   |             | Financial instruments measured at FVTPL | Financial instruments measured at amortised cost | Total                             | Level 1   | Level 2    | Level 3 | Total      |
| <i>At 31 December</i>                         | <i>Note</i> |   |  | <i>(in thousand Baht)</i>         |           |            |         |            |
| <b>2021</b>                                   |             |   |  |                                   |           |            |         |            |
| <b>Financial assets</b>                       |             |   |  |                                   |           |            |         |            |
| <b>Other current financial assets</b>         |             |   |  |                                   |           |            |         |            |
| Investment in debt securities (Private funds) | 8           | 43,292                                  | -  | 43,292                            | -         | 43,292     | -       | 43,292     |
| Investment in debt securities                 | 8, 35       | 2,002,505                               | 2,000  | 2,004,505                         | 2,002,505 | 2,029      | -       | 2,004,534  |
| <b>Other non-current financial assets</b>     |             |   |  |                                   |           |            |         |            |
| Investment in debt securities                 | 35          | -                                       | 670,890  | 670,890                           | -         | 656,182    | -       | 656,182    |
| <b>Total financial assets</b>                 |             | <b>2,045,797</b>                        | <b>672,890</b>                                   | <b>2,718,687</b>                  |           |            |         |            |
| <b>Financial liabilities</b>                  |             |   |  |                                   |           |            |         |            |
| Debentures                                    | 12          | -                                       | 15,523,600                                       | 15,523,600                        | -         | 15,602,098 | -       | 15,602,098 |
| <b>Total financial liabilities</b>            |             | <b>-</b>                                | <b>15,523,600</b>                                | <b>15,523,600</b>                 |           |            |         |            |

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|   |             | Carrying amount                         |  | Separate financial statements |         |            |         | Fair value |
|---|-------------|---|--|-------------------------------|---------|------------|---------|------------|
|   |             | Financial instruments measured at FVTPL | Financial instruments measured at amortised cost | Total                         | Level 1 | Level 2    | Level 3 |            |
| <i>At 31 December</i>                     | <i>Note</i> |   |  | <i>(in thousand Baht)</i>     |         |            |         |            |
| <b>2022</b>                               |             |   |  |                               |         |            |         |            |
| <b>Financial assets</b>                   |             |   |  |                               |         |            |         |            |
| <b>Other current financial assets</b>     |             |   |  |                               |         |            |         |            |
| Investment in debt securities             | 8           | -                                       | 5,017  | 5,017                         | -       | 5,045      | -       | 5,045      |
| <b>Other non-current financial assets</b> |             |   |  |                               |         |            |         |            |
| Investment in debt securities             |             | -                                       | 486,173  | 486,173                       | -       | 439,598    | -       | 439,598    |
| <b>Total financial assets</b>             |             | <b>-</b>                                | <b>491,190</b>                                   | <b>491,190</b>                |         |            |         |            |
| <b>Financial liabilities</b>              |             |   |  |                               |         |            |         |            |
| Debentures                                | 12          | -                                       | 16,218,600                                       | 16,218,600                    | -       | 16,179,195 | -       | 16,179,195 |
| <b>Total financial liabilities</b>        |             | <b>-</b>                                | <b>16,218,600</b>                                | <b>16,218,600</b>             |         |            |         |            |

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|   |       | Carrying amount                         |  | Separate financial statements |            |            |         |            |
|---|-------|---|--|-------------------------------|------------|------------|---------|------------|
|   |       | Financial instruments measured at FVTPL | Financial instruments measured at amortised cost | Total                         | Fair value |            |         |            |
| At 31 December                                | Note  |   |  |                               | Level 1    | Level 2    | Level 3 | Total      |
| (in thousand Baht)                            |       |   |  |                               |            |            |         |            |
| 2021  |       |   |  |                               |            |            |         |            |
| Financial assets                              |       |   |  |                               |            |            |         |            |
| Other current financial assets                |       |   |  |                               |            |            |         |            |
| Investment in debt securities (Private funds) | 8     | 43,292                                  | -  | 43,292                        | -          | 43,292     | -       | 43,292     |
| Investment in debt securities                 | 8, 35 | 2,002,505                               | -  | 2,002,505                     | 2,002,505  | -          | -       | 2,002,505  |
| Other non-current financial assets            |       |   |  |                               |            |            |         |            |
| Investment in debt securities                 | 35    | -                                       | 490,443  | 490,443                       | -          | 474,181    | -       | 474,181    |
| Total financial assets                        |       | 2,045,797                               | 490,443  | 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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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<br>(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 18(d).

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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 disclosed in note 6.

**(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 shows the remaining contractual maturities of financial liabilities at the reporting date.

| <b>Consolidated financial statements</b>        |                    |                   |   |                      |                   |
|---|--------------------|-------------------|---|----------------------|-------------------|
| Contractual cash flows                          |                    |                   |   |                      |                   |
| More than<br>1 year but<br>less than<br>5 years |                    |                   |   |                      |                   |
| <i>At 31 December</i>                           | Carrying<br>amount | 1 year<br>or less | More than<br>1 year but<br>less than<br>5 years | More than<br>5 years | Total             |
| <i>(in thousand Baht)</i>                       |                    |                   |   |                      |                   |
| <b>2022</b>                                     |                    |                   |   |                      |                   |
| <i>Non-derivative<br/>financial liabilities</i> |                    |                   |   |                      |                   |
| Trade payables                                  | 743,174            | 741,216           | 1,953   | 5                    | 743,174           |
| Lease liabilities                               | 561,958            | 48,179            | 143,493   | 673,379              | 865,051           |
| Debentures                                      | 16,216,600         | 3,000,000         | 13,216,600                                      | -                    | 16,216,600        |
| <b>Total</b>                                    | <b>17,521,732</b>  | <b>3,789,395</b>  | <b>13,362,046</b>                               | <b>673,384</b>       | <b>17,824,825</b> |
| <b>2021</b>                                     |                    |                   |   |                      |                   |
| <i>Non-derivative<br/>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        |
| <b>Total</b>                                    | <b>16,604,441</b>  | <b>4,472,562</b>  | <b>11,680,590</b>                               | <b>833,358</b>       | <b>16,986,510</b> |
| <b>Separate financial statements</b>            |                    |                   |   |                      |                   |
| Contractual cash flows                          |                    |                   |   |                      |                   |
| More than<br>1 year but<br>less than<br>5 years |                    |                   |   |                      |                   |
| <i>At 31 December</i>                           | Carrying<br>amount | 1 year<br>or less | More than<br>1 year but<br>less than<br>5 years | More than<br>5 years | Total             |
| <i>(in thousand Baht)</i>                       |                    |                   |   |                      |                   |
| <b>2022</b>                                     |                    |                   |   |                      |                   |
| <i>Non-derivative<br/>financial liabilities</i> |                    |                   |   |                      |                   |
| Trade payables                                  | 743,174            | 741,216           | 1,953   | 5                    | 743,174           |
| Lease liabilities                               | 561,958            | 48,179            | 143,493   | 673,379              | 865,051           |
| Debentures                                      | 16,218,600         | 3,000,000         | 13,218,600                                      | -                    | 16,218,600        |
| <b>Total</b>                                    | <b>17,523,732</b>  | <b>3,789,395</b>  | <b>13,364,046</b>                               | <b>673,384</b>       | <b>17,826,825</b> |
| <b>2021</b>                                     |                    |                   |   |                      |                   |
| <i>Non-derivative<br/>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        |
| <b>Total</b>                                    | <b>16,604,441</b>  | <b>4,472,562</b>  | <b>11,680,590</b>                               | <b>833,358</b>       | <b>16,986,510</b> |

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*(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.

| <i>Exposure to foreign currency<br/>At 31 December</i> | <b>Consolidated<br/>financial statements</b> |                 | <b>Separate<br/>financial statements</b> |                 |
|--|--|-----------------|--|-----------------|
|  | 2022   | 2021            | 2022                                     | 2021            |
|  | <i>(in thousand Baht)</i>                    |                 |  |                 |
| <b><i>United States Dollars</i></b>                    |  |                 |  |                 |
| Cash and cash equivalents                              | -  | 3,600           | -  | 90              |
| Other payables   | (484,552)                                    | (41,400)        | (484,552)                                | (41,400)        |
|  | <u>(484,552)</u>                             | <u>(37,800)</u> | <u>(484,552)</u>                         | <u>(41,310)</u> |
| <b><i>EURO</i></b>                                     |  |                 |  |                 |
| Cash and cash equivalents                              | 7  | 7               | 7  | 7               |
| Other payables   | (33,370)                                     | (8,630)         | (33,370)                                 | (8,630)         |
|  | <u>(33,363)</u>                              | <u>(8,623)</u>  | <u>(33,363)</u>                          | <u>(8,623)</u>  |
| <b><i>Others</i></b>                                   |  |                 |  |                 |
| Cash and cash equivalents                              | 332  | 336             | 332                                      | 336             |
| Other payables   | (2,035)                                      | -               | (2,035)                                  | -               |
|  | <u>(1,703)</u>                               | <u>336</u>      | <u>(1,703)</u>                           | <u>336</u>      |
| <b>Net exposure</b>                                    | <u>(519,618)</u>                             | <u>(46,087)</u> | <u>(519,618)</u>                         | <u>(49,597)</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.

### **30 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.



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**31 Commitments with non-related parties**

|  | <b>Consolidated<br/>financial statements</b> |                         | <b>Separate<br/>financial statements</b> |                         |
|--|--|-------------------------|--|-------------------------|
|  | 2022   | 2021                    | 2022                                     | 2021                    |
|  | <i>(in thousand Baht)</i>                    |                         |  |                         |
| <b><i>Capital commitments</i></b>                  |  |                         |  |                         |
| Agreements for construction, machine and equipment | <b><u>7,624,521</u></b>                      | <b><u>3,190,500</u></b> | <b><u>7,583,117</u></b>                  | <b><u>3,149,096</u></b> |
| <b><i>Other commitments</i></b>                    |  |                         |  |                         |
| Short-term lease commitments                       | 400  | 500                     | 400                                      | 500                     |
| Unused letters of credit                           | -  | 57,131                  | -  | 57,131                  |
| Bank guarantees                                    | 818,413                                      | 117,283                 | 818,413                                  | 117,283                 |
| <b>Total</b>                                       | <b><u>818,813</u></b>                        | <b><u>174,914</u></b>   | <b><u>818,813</u></b>                    | <b><u>174,914</u></b>   |

***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 from 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:

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

**32 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 due to the lack of reason to believe that the license to operate electricity generating business of the Company is unlawful.

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

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July 2020. On 7 December 2020, the Court sent the objection to the answer of the 5<sup>th</sup> 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.

### **33 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

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Minister, Gen Pravit Wongsuwan, as the authorized person to act on behalf of the Prime Minister to implement the SEA plan, approved the project of TPIPP, and the Cabinet resolved to acknowledge the resolution deemed as the Cabinet's approval of the project in accordance with the plan and policy of the Security, Prosperity, Sustainability Triangle Model City 4 project of the SBPAC. In addition, the SCSDC has resolved to expedite the Department of Public Works to change the City Plan color from green zone to purple zone, and that the Ministry of Energy, Energy Regulatory Commission ("ERC"), and state-owned enterprises to complete the PPA as soon as possible and it is the Company's responsibility to complete the Environmental Impact Assessment ("EIA") and Environmental and Health Impact Assessment ("EHIA").

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 34,690 tons of carbon dioxide equivalent, the Company has the balance of 47,366 tons of carbon dioxide equivalent.

Subsequently, on 24 May 2022, TGO has certified the reduction of greenhouse gases (carbon credit) for the Company's project for the period from 1 May 2017 to 31 December 2020, increased

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by 717,931 tons of carbon dioxide equivalent. As a result, the Company has the balance of 765,297 tons of carbon dioxide equivalent.

In 2022, the Company used approximately 2.73 million tons of all types of waste as fuel in the Company's power plants and Cement Plants of TPI Polene Public Company Limited, which can reduce greenhouse gas emissions or carbon reductions by approximately 6.34 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.

### **34 Subsequent Event**

- 1) On 18 January 2023, the Company issued the unsecured, unsubordinated debentures in registered form with debenture holders' representatives in the total amount of Baht 6,000 million, which was comprised of Tranche 1, with the maturity term of 3 years 6 months together with a fixed interest rate at 4.15% per annum, payable quarterly, in the amount of Baht 3,000 million and Tranche 2, with the maturity term of 5 years together with a fixed interest rate at 4.60% per annum, payable quarterly, in the amount of Baht 3,000 million.
- 2) At the Board of Director's meeting of the Company held on 26 January 2023, the Board of Director's meeting passed a resolution to declare the interim dividend payment from retained earnings as of 30 September 2022, in amount of Baht 0.09 per share for the Baht 8,400 million common shares, amounting to Baht 756 million and the dividend payment is scheduled on 23 February 2023.

### **35 Adjustment of accounts**

Other current financial assets disclosed in the statement of financial position as at 31 December 2021 have been adjusted to conform with the remaining period and the objective of the Company's business model.

| <b>Consolidated financial statements</b>      |                      |                                  |                     |
|---|----------------------|----------------------------------|---------------------|
| 31 December 2021                              |                      |                                  |                     |
|   | Before<br>adjustment | Adjustment<br>(in thousand Baht) | After<br>adjustment |
| <b><i>Statement of financial position</i></b> |                      |                                  |                     |
| Other current financial assets                | 3,980,578            | (485,341)                        | 3,495,237           |
| Other non-current financial assets            | 185,549              | 485,341                          | 670,890             |
|   |                      | -                                |                     |
| <b>Separate financial statements</b>          |                      |                                  |                     |
| 31 December 2021                              |                      |                                  |                     |
|   | Before<br>adjustment | Adjustment<br>(in thousand Baht) | After<br>adjustment |
| <b><i>Statement of financial position</i></b> |                      |                                  |                     |
| Other current financial assets                | 3,978,578            | (485,341)                        | 3,493,237           |
| Other non-current financial assets            | 5,102                | 485,341                          | 490,443             |
|   |                      | -                                |                     |