

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

Financial statements for the year ended
31 December 2023
and
Independent Auditor's Report



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

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

Independent Auditor's Report

To the Shareholders of TPI Polene Power Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of TPI Polene Power Public Company Limited and its subsidiaries (the "Group") and of TPI Polene Power Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2023, 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 2023 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.

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

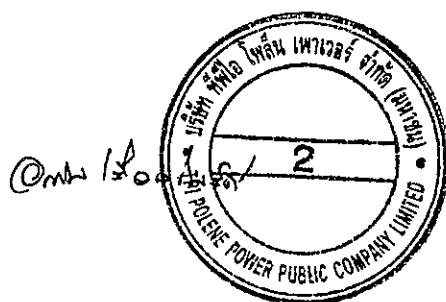
(Thanyalux Keadkeaw)
Certified Public Accountant
Registration No. 8179

KPMG Phoomchai Audit Ltd.
Bangkok
19 February 2024

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	5	2,433,813	2,002,864	2,297,746	1,860,263
Other current financial assets	8, 28	1,985,491	1,133,812	1,985,491	953,799
Trade accounts receivable	4, 6	1,726,988	1,574,312	1,726,988	1,574,312
Other receivables		254,923	230,159	254,923	228,601
Short-term loan to related party	4	-	-	-	-
Receivables and advances to related parties	4	77,278	91,655	77,278	91,655
Inventories	7	1,823,979	1,930,758	1,823,979	1,930,758
Other current assets		179,822	37,954	179,590	37,729
Total current assets		8,482,294	7,001,514	8,345,995	6,677,117
Non-current assets					
Other non-current financial assets	28	487,022	486,173	487,022	486,173
Investments in subsidiaries	9	-	-	421,996	330,398
Investment in joint venture	9	253,158	249,894	253,158	249,894
Property, plant and equipment	10	48,025,209	41,652,496	48,023,263	41,648,122
Right-of-use assets	11	1,686,810	518,324	1,686,810	518,324
Advances for machine and equipment		683,475	529,616	683,475	529,616
Deferred tax assets	25	76,170	82,244	76,170	82,244
Other non-current assets		73,037	59,112	73,037	59,112
Total non-current assets		51,284,881	43,577,859	51,704,931	43,903,883
Total assets		59,767,175	50,579,373	60,050,926	50,581,000



Polene

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

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
(in thousand Baht)					
Current liabilities					
Trade accounts payable	4, 13, 28	335,810	743,174	335,810	743,174
Other payables	14	2,040,429	998,422	2,040,110	998,275
Payables and advances from related parties	4	147,481	178,196	147,481	178,196
Current portion of lease liabilities	11, 12, 28	40,053	25,290	40,053	25,290
Current portion of debentures	12, 28	4,000,000	3,000,000	4,000,000	3,000,000
Interest payable		135,195	72,686	137,724	72,698
Income tax payable		411	230	-	-
Other current liabilities	15	91,674	97,057	91,630	97,053
Total current liabilities		6,791,053	5,115,055	6,792,808	5,114,686
Non-current liabilities					
Lease liabilities	11, 12, 28	1,695,784	536,668	1,695,784	536,668
Debentures	12, 28	17,936,600	13,216,600	18,218,600	13,218,600
Non-current provisions for employee benefits	16	142,149	146,622	142,149	146,622
Total non-current liabilities		19,774,533	13,899,890	20,056,533	13,901,890
Total liabilities		26,565,586	19,014,945	26,849,341	19,016,576

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

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
Liabilities and equity	Note	2023	2022	2023	2022
<i>(in thousand Baht)</i>					
Equity					
Share capital:					
Authorised share capital					
<i>(8,400 million ordinary shares, par value at Baht 1 per share)</i>		<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>
Issued and paid share capital					
<i>(8,400 million ordinary shares, par value at Baht 1 per share)</i>		8,400,000	8,400,000	8,400,000	8,400,000
Shares premium:					
Shares premium on ordinary shares		14,580,886	14,580,886	14,580,886	14,580,886
Retained earnings					
Appropriated					
Legal reserve	17	840,000	840,000	840,000	840,000
Unappropriated		9,380,699	7,743,538	9,380,699	7,743,538
Other component of equity		-	-	-	-
Equity attribute to owners of the Company		<u>33,201,585</u>	<u>31,564,424</u>	<u>33,201,585</u>	<u>31,564,424</u>
Non-controlling interests		<u>4</u>	<u>4</u>	<u>-</u>	<u>-</u>
Total equity		<u>33,201,589</u>	<u>31,564,428</u>	<u>33,201,585</u>	<u>31,564,424</u>
Total liabilities and equity		<u>59,767,175</u>	<u>50,579,373</u>	<u>60,050,926</u>	<u>50,581,000</u>

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

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of comprehensive income

		Consolidated financial statements		Separate financial statements	
		Year ended		Year ended	
		31 December		31 December	
	Note	2023	2022	2023	2022
		(in thousand Baht)			
Revenue					
Revenue from sale of power and goods	18	8,260,380	6,588,032	8,260,380	6,588,032
Revenue from adders	18	2,729,434	3,611,942	2,729,434	3,611,942
		<u>10,989,814</u>	<u>10,199,974</u>	<u>10,989,814</u>	<u>10,199,974</u>
Cost of sales of power and goods	7	(6,978,410)	(7,184,501)	(6,978,410)	(7,184,501)
Gross profit		<u>4,011,404</u>	<u>3,015,473</u>	<u>4,011,404</u>	<u>3,015,473</u>
Net foreign exchange gain		42,766	6,729	42,766	6,729
Investment income		120,588	52,325	118,931	44,817
Other income	19	177,360	366,467	177,360	366,467
Profit before expenses		<u>4,352,118</u>	<u>3,440,994</u>	<u>4,350,461</u>	<u>3,433,486</u>
Distribution costs	20	(65,127)	(64,573)	(65,127)	(64,573)
Administrative expenses	21	(472,280)	(459,194)	(464,108)	(454,208)
Total expenses		<u>(537,407)</u>	<u>(523,767)</u>	<u>(529,235)</u>	<u>(518,781)</u>
Profit from operations		<u>3,814,711</u>	<u>2,917,227</u>	<u>3,821,226</u>	<u>2,914,705</u>
Finance costs	24	(147,867)	(90,286)	(147,867)	(90,318)
Share of profit (loss) of subsidiaries accounted for using equity method	9	-	-	(7,402)	2,054
Share of profit (loss) of joint venture accounted for using equity method	9	3,264	(106)	3,264	(106)
Profit before income tax expense		<u>3,670,108</u>	<u>2,826,835</u>	<u>3,669,221</u>	<u>2,826,335</u>
Tax expense	25	(16,947)	(14,051)	(16,060)	(13,551)
Profit for the year		<u><u>3,653,161</u></u>	<u><u>2,812,784</u></u>	<u><u>3,653,161</u></u>	<u><u>2,812,784</u></u>

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

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
Note	2023	2022	2023	2022
	(in thousand Baht)			
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	-	(177)	-	-
Share of other comprehensive expense of subsidiaries accounted for using equity method	-	-	-	(177)
Total items that will be reclassified subsequently to profit or loss	-	(177)	-	(177)
Other comprehensive expense for the year, net of tax	-	(177)	-	(177)
Total comprehensive income for the year	<u>3,653,161</u>	<u>2,812,607</u>	<u>3,653,161</u>	<u>2,812,607</u>
Profit attributable to:				
Owners of parent	3,653,161	2,812,784	3,653,161	2,812,784
Non-controlling interests	-	-	-	-
Profit for the year	<u>3,653,161</u>	<u>2,812,784</u>	<u>3,653,161</u>	<u>2,812,784</u>
Total comprehensive income attributable to:				
Owners of the parent	3,653,161	2,812,607	3,653,161	2,812,607
Non-controlling interests	-	-	-	-
Total comprehensive income for the year	<u>3,653,161</u>	<u>2,812,607</u>	<u>3,653,161</u>	<u>2,812,607</u>
Basic earnings per share (in Baht)	26 <u>0.435</u>	<u>0.335</u>	<u>0.435</u>	<u>0.335</u>

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 of equity				
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translation reserve	Equity attributable to owners of the parent		Non-controlling interests
	Note								
(in thousand Baht)									
Year ended 31 December 2022		8,400,000	14,580,886	840,000	7,030,754	177	30,851,817	4	30,851,821
Balance at 1 January 2022		-	-	-	(2,100,000)	-	(2,100,000)	-	(2,100,000)
Transaction with owners, recorded directly in equity		-	-	-	(2,100,000)	-	(2,100,000)	-	(2,100,000)
Dividends to owners of the Company	27	-	-	-	-	-	-	-	-
Total transactions with owners, recorded directly in equity		-	-	-	(2,100,000)	-	(2,100,000)	-	(2,100,000)
Comprehensive income for the year		-	-	-	2,812,784	-	2,812,784	-	2,812,784
Profit		-	-	-	-	-	(177)	-	(177)
Other comprehensive expense		-	-	-	-	(177)	(177)	-	-
Total comprehensive income (expense) for the year		-	-	-	2,812,784	(177)	2,812,607	-	2,812,607
Balance at 31 December 2022		8,400,000	14,580,886	840,000	7,743,538	-	31,564,424	4	31,564,428

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			Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (in thousand Baht)		
Year ended 31 December 2023							
Balance at 1 January 2023		8,400,000	14,580,886	840,000	7,743,538	31,564,424	31,564,428
Transaction with owners, recorded directly in equity							
Dividends to owners of the Company	27	-	-	-	(2,016,000)	(2,016,000)	(2,016,000)
Total transaction with owners, recorded directly in equity		-	-	-	(2,016,000)	(2,016,000)	(2,016,000)
Comprehensive income for the year							
Profit		-	-	-	3,653,161	3,653,161	3,653,161
Total comprehensive income (expense) for the year		-	-	-	3,653,161	3,653,161	3,653,161
Balance at 31 December 2023		8,400,000	14,580,886	840,000	9,380,699	33,201,585	33,201,589

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

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

	Separate financial statements					
	Retained earnings			Other components of equity		Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Share of other comprehensive income (loss) of subsidiaries using equity method	
				(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						
Dividends to owners of the Company	-	-	-	(2,100,000)	-	(2,100,000)
Total transaction with owner, recored directly in equity	-	-	-	(2,100,000)	-	(2,100,000)
Comprehensive income for the year						
Profit	-	-	-	2,812,784	-	2,812,784
Other comprehensive 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 changes in equity

		Separate financial statements				
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Total equity
				Legal reserve (in thousand Baht)	Unappropriated	
Year ended 31 December 2023						
Balance at 1 January 2023		8,400,000	14,580,886	840,000	7,743,538	31,564,424
Transaction with owners, recorded directly in equity						
Dividends to owners of the Company	27	-	-	-	(2,016,000)	(2,016,000)
Total transaction with owners, recorded directly in equity		-	-	-	(2,016,000)	(2,016,000)
Comprehensive income for the year						
Profit		-	-	-	3,653,161	3,653,161
Total comprehensive income (expense) for the year		-	-	-	3,653,161	3,653,161
Balance at 31 December 2023		8,400,000	14,580,886	840,000	9,380,699	33,201,585

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

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2023	2022	2023	2022
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the year	3,653,161	2,812,784	3,653,161	2,812,784
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation	1,017,110	996,835	1,017,110	996,835
Interest income	(115,614)	(48,332)	(113,955)	(40,826)
Finance costs	147,867	90,286	147,867	90,318
Reversal of loss on inventories devaluation	-	(14,554)	-	(14,554)
(Gain) loss on disposal and write-off of equipment	3,021	(38)	3,021	(38)
Reversal of cancellation of provision for decommissioning	-	(75,550)	-	(75,550)
Unrealised gain on foreign exchange	(36,326)	(16,216)	(36,326)	(16,216)
Gain on fair value adjustment	(663)	-	(663)	-
Gain from the dissolution of subsidiary	-	-	-	(206)
Share of (profit) loss of subsidiaries accounted for using equity method	-	-	7,402	(2,054)
Share of (profit) loss of joint venture accounted for using equity method	(3,264)	106	(3,264)	106
Tax expense	16,947	14,051	16,060	13,551
	4,682,239	3,759,372	4,690,413	3,764,150
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(152,676)	986,690	(152,676)	986,690
Other receivables	(23,983)	(646)	(23,983)	(647)
Receivables and advances to related parties	14,377	(35,374)	14,377	(35,374)
Inventories	106,779	(325,404)	106,779	(325,404)
Other current assets	(141,868)	(25,638)	(141,861)	(25,664)
Other non-current assets	(13,925)	(5,124)	(13,925)	(5,124)
Trade accounts payable	(407,364)	312,778	(407,364)	312,778
Other payables	1,078,339	707,745	1,078,167	707,807
Payables and advances from related parties	(30,715)	130,592	(30,715)	130,626
Other current liabilities	(5,383)	(46,193)	(5,423)	(46,178)
Provisions for employee benefits	(4,473)	(5,035)	(4,473)	(5,035)
Net cash generated from operations	5,101,347	5,453,763	5,109,316	5,458,625
Taxes paid	(10,692)	(46,010)	(9,986)	(45,577)
Net cash from operating activities	5,090,655	5,407,753	5,099,330	5,413,048

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	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	67,839	36,972	64,622	29,458
Acquisition of property, plant and equipment	(5,845,798)	(4,194,287)	(5,845,709)	(4,194,287)
Proceeds from sale of equipment	209	52	209	52
Advances payment for machine and equipment	(920,053)	(665,669)	(920,053)	(665,669)
(Increase) decrease in equity and debt instruments	(804,871)	2,558,271	(984,884)	2,555,837
Cash outflow on loans to related party	(1,600,000)	(700,000)	(1,600,000)	(700,000)
Proceeds from repayment of loans to related party	1,600,000	930,000	1,600,000	930,000
Proceeds from dissolution of subsidiary, net of cash received	-	-	-	3,505
Cash paid for investment in a subsidiary	-	-	(99,000)	-
Acquisition of interest in joint venture	-	(250,000)	-	(250,000)
Net cash used in investing activities	<u>(7,502,674)</u>	<u>(2,284,661)</u>	<u>(7,784,815)</u>	<u>(2,291,104)</u>
<i>Cash flows from financing activities</i>				
Payment of lease liabilities	(63,055)	(44,191)	(63,055)	(44,191)
Finance costs paid	(797,971)	(598,214)	(797,971)	(598,234)
Proceeds from issuing debentures	8,720,000	4,693,000	9,000,000	4,695,000
Repayment of debentures	(3,000,000)	(4,000,000)	(3,000,000)	(4,000,000)
Dividends paid to owners of the Company	(2,016,000)	(2,100,000)	(2,016,000)	(2,100,000)
Net cash from (used in) financing activities	<u>2,842,974</u>	<u>(2,049,405)</u>	<u>3,122,974</u>	<u>(2,047,425)</u>

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

TPI Polene Power Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	Year ended		Year ended	
	31 December		31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates changes	430,955	1,073,687	437,489	1,074,519
Effect of exchange rate changes	(6)	(166)	(6)	11
Net increase (decrease) in cash and cash equivalents	430,949	1,073,521	437,483	1,074,530
Cash and cash equivalents at 1 January	2,002,864	929,343	1,860,263	785,733
Cash and cash equivalents at 31 December	2,433,813	2,002,864	2,297,746	1,860,263
<i>Non-cash transactions</i>				
Other payables - plant and equipment	1,542,161	519,957	1,542,161	519,957
Advances for machine and equipment	683,475	529,616	683,475	529,616
Acquisitions of right-of-use assets under lease agreements	1,266,933	11,881	1,266,933	11,881

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 2023

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

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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 19 February 2024.

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 2023 and 2022 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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

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.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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

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

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

(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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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.

(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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

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

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

(d.3) Write offs

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

(d.4) Interest

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

(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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(g) Inventories

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

Cost is calculated as follows:

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

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

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

(h) Property, plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(i) Leases

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

As a lessee

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which 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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(j) *Impairment of non-financial assets*

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

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

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

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.

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

(l) Provisions

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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.

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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

4 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.

Relationships with 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:

Name of entities	Country of incorporation	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.
TPI Polene Public Co., Ltd.	Thailand	Related party under common control
Pornchai Enterprise Co., Ltd.	Thailand	Some common directors
BUI Life Insurance Public 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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Parent company				
Sale of goods and electricity power	2,931,354	1,963,366	2,931,354	1,963,366
Purchase of goods and services fee	3,041,667	3,136,637	3,041,667	3,136,637
Other income	4,899	5,213	4,899	5,213
Shared service expense - cost of sale	93,779	93,779	93,779	93,779
Shared service expense - administrative expense	38,221	38,221	38,221	38,221
Interest income	3,531	2,920	3,531	2,920
Interest expense	23,453	14,969	23,453	14,969
Dividend paid	1,416,000	1,475,000	1,416,000	1,475,000
Subsidiaries				
Interest expense	-	-	11,761	32
Joint venture				
Acquisition of investment	-	250,000	-	250,000
Other related parties				
Sale of goods	5,103	2,413	5,103	2,413
Purchase of goods	49,999	13,309	49,999	13,309
Other income	145	1,246	145	1,246
Maintenance service expense	285	495	285	495
Dividend paid	329	343	329	343
Selling expense	-	5,288	-	5,288
Insurance premium	139,885	120,787	139,885	120,787
Administrative expenses	-	246	-	246
Interest income	-	2,851	-	2,851
Interest expense	17,728	14,509	17,728	14,509
Key management personnel				
Key management personnel compensation				
Short-term employee benefits <i>(including director's remuneration)</i>	59,278	55,176	59,278	55,176
Total key management personnel compensation	59,278	55,176	59,278	55,176

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable</i>				
Parent company	492,790	262,060	492,790	262,060
Other related parties				
TPI Polene Bio Organics Co., Ltd.	1	3	1	3
TPI Concrete Co., Ltd.	558	1,127	558	1,127
TPI All Seasons Co., Ltd.	20	23	20	23
Thai Nitrate Co., Ltd.	2	1	2	1
Bangkok Union Insurance Public Co., Ltd.	14	33	14	33
BUI Life Insurance Public Co., Ltd.	3	-	3	-
Total	493,388	263,247	493,388	263,247
Less allowance for expected credit loss	-	-	-	-
Net	493,388	263,247	493,388	263,247

	Interest rate		Separate financial statements			
	Year ended 31 December 2022	2023	1 January 2023	Increase	Decrease	31 December 2023
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
<i>Short-term loans to related party</i>						
Parent company	1.45	1.60 - 2.45	-	1,600,000	(1,600,000)	-
Accrued interest			-	1,600,000	(1,600,000)	-
Total			-	3,531	(3,531)	-
Less allowance for expected credit loss			-	1,603,531	(1,603,531)	-
Net			-			-

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Receivables and advance to related parties</i>				
Parent company	6,880	7,255	6,880	7,255
Joint venture				
E&T Renewable Energy Co., Ltd.	-	148	-	148
Other related parties				
TPI Polene Bio Organics Co., Ltd.	14	40	14	40
BUI Life Insurance Public Co., Ltd.	706	715	706	715
Bangkok Union Insurance Public Co., Ltd.	69,678	83,497	69,678	83,497
Total	77,278	91,655	77,278	91,655
Less allowance for expected credit loss	-	-	-	-
Net	77,278	91,655	77,278	91,655

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Trade accounts payable</i>				
Parent company	30,511	406,099	30,511	406,099
Other related parties				
TPI Polene Bio Organics Co., Ltd.	266	187	266	187
TPI Healthcare Co., Ltd.	221	2,005	221	2,005
TPI Bio Pharmaceuticals Co., Ltd.	26	9	26	9
Total	31,024	408,300	31,024	408,300

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Payables and advance from related parties</i>				
Parent company	143,310	176,228	143,310	176,228
Other related parties				
TPI Polene Bio Organics Co., Ltd.	43	41	43	41
TPI Concrete Co., Ltd.	3,238	546	3,238	546
TPI All Seasons Co., Ltd.	-	3	-	3
Pornchai Enterprise Co., Ltd.	124	1,377	124	1,377
Bangkok Union Insurance Public Co., Ltd.	693	-	693	-
TPI Healthcare Co., Ltd.	58	1	58	1
Master Achieve (Thailand) Co., Ltd.	15	-	15	-
Total	147,481	178,196	147,481	178,196

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Current portion of lease liabilities</i>				
Parent company	21,935	5,198	21,935	5,198
Other related parties				
United Grain Industry Co., Ltd.	2,738	3,485	2,738	3,485
Pornchai Enterprise Co., Ltd.	3,444	4,785	3,444	4,785
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,268	1,219	1,268	1,219
Saraburi Ginning Mill Co., Ltd.	1,268	1,219	1,268	1,219
Leophairatana Enterprise Co., Ltd.	3,803	3,658	3,803	3,658
Total	34,456	19,564	34,456	19,564

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Lease liabilities</i>				
Parent company	1,606,751	417,853	1,606,751	417,853
Other related parties				
United Grain Industry Co., Ltd.	78,527	96,562	78,527	96,562
Pornchai Enterprise Co., Ltd.	641	3,641	641	3,641
Hong Yiah Seng Real Estates and Investment Co., Ltd.	653	1,920	653	1,920
Saraburi Ginning Mill Co., Ltd.	653	1,920	653	1,920
Leophairatana Enterprise Co., Ltd.	1,958	5,761	1,958	5,761
Total	1,689,183	527,657	1,689,183	527,657

<i>Balances with related parties</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Debentures</i>				
<i>Subsidiaries</i>				
TPI Distribution Center Co., Ltd.	-	-	2,000	2,000
TPI Polene Power (International) Co., Ltd.	-	-	100,000	-
TPI Biomass Power Co., Ltd.	-	-	180,000	-
Other related parties				
Thai Nitrate Co., Ltd.	310,400	310,400	310,400	310,400
Total	310,400	310,400	592,400	312,400

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Significant agreements with related parties

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

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Non-cancellable operating lease commitments				
Within one year	5,132	8,841	5,132	8,841
After one year but within five years	744	5,423	744	5,423
Total	5,876	14,264	5,876	14,264

- (b) 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.
- (c) 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.
- (d) On 1 October 2023, the Company entered into land lease agreements with the parent company in order to operate "Electricity Production Project from Solar Energy at Kaeng Khoi District of TPI Polene Power" for the period of 30 years from 1 October 2023 to 30 September 2053 whereby the Company agree to pay annually fee as specified in the agreement.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Cash on hand	181	401	181	401
Cash at banks - current accounts	6,221	59,268	6,105	58,999
Cash at banks - savings accounts	928,702	1,943,195	792,751	1,800,863
Highly liquid short-term investments	1,498,709	-	1,498,709	-
Total	2,433,813	2,002,864	2,297,746	1,860,263

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

6 Trade account receivables

At 31 December	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
		(in thousand Baht)			
Trade account receivables - related parties					
Within credit terms		493,356	263,234	493,356	263,234
Overdue:					
1 - 30 days		32	13	32	13
Total		493,388	263,247	493,388	263,247
Less allowance for expected credit loss		-	-	-	-
Net	4	493,388	263,247	493,388	263,247
Trade account receivables - other parties					
Within credit terms		1,233,393	1,310,412	1,233,393	1,310,412
Overdue:					
1 - 30 days		207	644	207	644
31 - 60 days		-	9	-	9
Total		1,233,600	1,311,065	1,233,600	1,311,065
Less allowance for expected credit loss		-	-	-	-
Net		1,233,600	1,311,065	1,233,600	1,311,065
Net total		1,726,988	1,574,312	1,726,988	1,574,312

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<i>(in thousand Baht)</i>				
Finished goods	24,936	24,344	24,936	24,344
Work in process	684,058	779,826	684,058	779,826
Raw materials, package and chemical	200,028	164,141	200,028	164,141
Spare parts and supplies	902,652	961,050	902,652	961,050
Goods in transit	12,305	1,397	12,305	1,397
	1,823,979	1,930,758	1,823,979	1,930,758
Less allowance for declining in value	-	-	-	-
Net	1,823,979	1,930,758	1,823,979	1,930,758
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	6,978,410	7,199,055	6,978,410	7,199,055
- Reversal of write-down	-	(14,554)	-	(14,554)
Net total	6,978,410	7,184,501	6,978,410	7,184,501

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

8 Marketable financial assets

<i>Marketable debt and equity securities</i>	Consolidated and Separate financial statements			
	At 1 January	Increase (decrease) (in thousand Baht)	Fair value adjustment	At 31 December
2023				
<i>Current financial assets</i>				
Debt securities measured at				
- FVTPL	-	300,000	663	300,663
Total	-	300,000	663	300,663
2022				
<i>Current financial assets</i>				
Debt securities measured at				
- FVTPL	2,045,797	(2,045,797)	-	-
Total	2,045,797	(2,045,797)	-	-

9 Investments in subsidiaries and joint venture

Investments in subsidiaries

<i>Material movement Year end 31 December</i>	Separate financial statements	
	2023	2022
	(in thousand Baht)	
<i>Subsidiaries</i>		
At 1 January	330,398	331,820
Increase capital of TPI Solar Power Co., Ltd.	99,000	-
Derecognition of investment in subsidiary	-	(3,299)
Share of net profit (loss) of subsidiaries	(7,402)	2,054
Share of other comprehensive expense of subsidiary	-	(177)
At 31 December	421,996	330,398

On 9 February 2023, the Company paid for the newly issued ordinary shares of TPI Solar Power Company Limited which is the subsidiary of the Company of Baht 100 per share for 990,000 shares, amounting to Baht 99 million

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Investments in subsidiaries as at 31 December 2023 and 2022 Dividend income from those investments for the years then ended, were as follows:

	Type of business	Separate financial statements										Dividend Income for the year
		Ownership interest		Paid-up capital		Cost		At equity method		2022	2023	
		2023	2022	2023	2022	2023	2022	2023	2022			
Subsidiaries												
TPI Biomass Power Co., Ltd.	Generates electricity from waste and biomass (dormant)	99.99	99.99	187,500	187,500	187,500	187,500	185,549	191,603	-	-	
TPI Polene Power (International) Co., Ltd.	Investing in alternative energy business (dormant)	99.99	99.99	100,000	100,000	105,988	105,988	105,456	107,744	-	-	
TPI Deep Sea Port Co., Ltd.	Port business operation (dormant)	99.99	99.99	25,000	25,000	24,999	24,999	25,137	25,005	-	-	
TPI Distribution Center 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	3,198	3,200	-	-	
TPI Smart City Co., Ltd.	Operates all types of communities and industrial estates (dormant)	99.97	99.97	1,000	1,000	1,000	1,000	941	949	-	-	
TPI Solar Power Co., Ltd.	Generate electricity from solar energy (dormant)	99.99	99.97	100,000	1,000	100,000	1,000	100,773	948	-	-	
TPI Wind Power Co., Ltd.	Generate electricity from wind energy (dormant)	99.97	99.97	1,000	1,000	1,000	1,000	942	949	-	-	
Total				423,446	324,446	421,996	330,398			-	-	

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Investment in joint venture

<i>Material movement</i> <i>Year ended 31 December</i>	Consolidated and Separate financial statements	
	2023	2022
	<i>(in thousand Baht)</i>	
<i>Joint venture</i>		
At 1 January	249,894	-
Acquisition	-	250,000
Share of profit (loss) of joint venture accounted for using equity method	3,264	(106)
At 31 December	<u>253,158</u>	<u>249,894</u>

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 2023

Investment in joint venture as at 31 December 2023 and 2022, 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
	2023	2022	2023	2022	2023	2022	2023	2022	
	(%)		(in thousand Baht)						
<i>Joint venture</i>									
E & T Renewable Energy Co., Ltd.	49.99	49.99	250,000	250,000	250,000	250,000	253,158	249,894	-
Total			250,000	250,000	250,000	250,000	253,158	249,894	-

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 2023

10 Property, plant and equipment

Consolidated financial statements										
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles	Major spare parts	Assets under construction and installation	Decommissioning assets	Total
						(in thousand Baht)				
Cost										
At 1 January 2022	11,031,597	1,608,321	27,323,722	259,378	58,510	645	55,658	2,391,453	238,950	42,968,234
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)
At 31 December 2022 and 1 January 2023	11,757,514	1,616,705	27,708,280	279,635	64,022	892	59,936	6,239,897	-	47,726,881
Additions	282,795	-	84,484	38,391	8,490	2,723	8,933	6,926,345	-	7,352,161
Transfers	81,926	89,524	559,303	-	-	-	-	(730,753)	-	-
Disposal	-	-	(6,933)	(52)	(629)	-	-	-	-	(7,614)
At 31 December 2023	12,122,235	1,706,229	28,345,134	317,974	71,883	3,615	68,869	12,435,489	-	55,071,428
Depreciation										
At 1 January 2022	-	200,208	4,756,995	135,825	31,262	176	-	-	34,969	5,159,435
Depreciation charge for the year	-	54,191	874,528	15,915	5,576	77	-	-	6,009	956,296
Disposals	-	-	-	(55)	(313)	-	-	-	(40,978)	(41,346)
At 31 December 2022 and 1 January 2023	-	254,399	5,631,523	151,685	36,525	253	-	-	-	6,074,385
Depreciation charge for the year	-	57,086	894,788	17,996	6,171	177	-	-	-	976,218
Disposals	-	-	(3,741)	(24)	(619)	-	-	-	-	(4,384)
At 31 December 2023	-	311,485	6,522,570	169,657	42,077	430	-	-	-	7,046,219
Net book value										
At 31 December 2022	11,757,514	1,362,306	22,076,757	127,950	27,497	639	59,936	6,239,897	-	41,652,496
At 31 December 2023	12,122,235	1,394,744	21,822,564	148,317	29,806	3,185	68,869	12,435,489	-	48,025,209

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

	Separate financial statements								Total	
	Land	Plants	Machinery	Tools and factory equipment	Furniture, fixtures and office equipment	Vehicles (in thousand Baht)	Major spare parts	Assets under construction and installation		Decommissioning assets
Cost										
At 1 January 2022	11,031,597	1,608,321	27,323,722	259,378	58,510	645	55,658	2,387,079	238,950	42,963,860
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)
At 31 December 2022 and 1 January 2023	11,757,514	1,616,705	27,708,280	279,635	64,022	892	59,936	6,235,523	-	47,722,507
Additions	282,795	-	84,484	38,391	8,490	2,723	8,933	6,928,773	-	7,354,589
Transfers	81,926	89,524	559,303	-	-	-	-	(730,753)	-	-
Disposals	-	-	(6,933)	(52)	(629)	-	-	-	-	(7,614)
At 31 December 2023	12,122,235	1,706,229	28,345,134	317,974	71,883	3,615	68,869	12,433,543	-	55,069,482
Depreciation										
At 1 January 2022	-	200,208	4,756,995	135,825	31,262	176	-	-	34,969	5,159,435
Depreciation charge for the year	-	54,191	874,528	15,915	5,576	77	-	-	6,009	956,296
Disposals	-	-	-	(55)	(313)	-	-	-	(40,978)	(41,346)
At 31 December 2022 and 1 January 2023	-	254,399	5,631,523	151,685	36,525	253	-	-	-	6,074,385
Depreciation charge for the year	-	57,086	894,788	17,996	6,171	177	-	-	-	976,218
Disposals	-	-	(3,741)	(24)	(619)	-	-	-	-	(4,384)
At 31 December 2023	-	311,485	6,522,570	169,657	42,077	430	-	-	-	7,046,219
Net book value										
At 31 December 2022	11,757,514	1,362,306	22,076,757	127,950	27,497	639	59,936	6,235,523	-	41,648,122
At 31 December 2023	12,122,235	1,394,744	21,822,564	148,317	29,806	3,185	68,869	12,433,543	-	48,023,263

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 2023 are amounted to Baht 731 million and Baht 743 million, respectively (2022: Baht 536 million and Baht 536 million, respectively), with a capitalisation in the consolidated and separate financial statements of 3.6% - 4.6% (2022: 3.0% - 4.1%).

11 Leases

<i>Right-of-use assets</i> <i>At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Land	1,671,462	496,627	1,671,462	496,627
Buildings	3,834	7,672	3,834	7,672
Vehicles	11,514	14,025	11,514	14,025
Total	1,686,810	518,324	1,686,810	518,324

In 2023, additions to the right-of-use assets of the Group and the Company were Baht 1,267 million and Baht 1,267 million, respectively (2022: Baht 11.88 million and Baht 11.88 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 rentals are payable monthly and yearly as specified in the contracts.

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Amounts recognised in profit or loss</i>				
Depreciation of right-of-use assets:				
- Land	28,813	29,996	28,813	29,996
- Buildings	5,183	4,542	5,183	4,542
- Vehicles	6,896	6,001	6,896	6,001
Interest on lease liabilities	29,615	20,553	29,615	20,553
Expenses relating to short-term leases	1,493	2,303	1,493	2,303

In 2023, total cash outflow for leases of the Group and the Company were Baht 74.18 million and Baht 74.18 million, respectively (2022: Baht 47.20 million and Baht 47.20 million, respectively).

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

12 Interest-bearing liabilities

	Consolidated financial statements					
	Secured	2023 Unsecured	Total (in thousand Baht)	Secured	2022 Unsecured	Total
Current						
Current portion of lease liabilities	-	40,053	40,053	-	25,290	25,290
Current portion of debentures	-	4,000,000	4,000,000	-	3,000,000	3,000,000
Non-Current						
Lease liabilities	-	1,695,784	1,695,784	-	536,668	536,668
Debentures	-	17,936,600	17,936,600	-	13,216,600	13,216,600
Total interest-bearing liabilities	-	23,672,437	23,672,437	-	16,778,558	16,778,558

	Separate financial statements					
	Secured	2023 Unsecured	Total (in thousand Baht)	Secured	2022 Unsecured	Total
Current						
Current portion of lease liabilities	-	40,053	40,053	-	25,290	25,290
Current portion of debentures	-	4,000,000	4,000,000	-	3,000,000	3,000,000
Non-Current						
Lease liabilities	-	1,695,784	1,695,784	-	536,668	536,668
Debentures	-	18,218,600	18,218,600	-	13,218,600	13,218,600
Total interest-bearing liabilities	-	23,954,437	23,954,437	-	16,780,558	16,780,558

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

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Within 1 year	4,040,053	3,025,290	4,040,053	3,025,290
1 - 5 years	18,059,072	13,281,570	18,341,072	13,283,570
After 5 years	1,573,312	471,698	1,573,312	471,698
Total	23,672,437	16,778,558	23,954,437	16,780,558

As at 31 December 2023 and 2022, 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 2023

Debentures

As at 31 December 2023, the Group and the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 21,937 million and Baht 22,219 million, respectively (2022: Baht 16,217 million and Baht 16,219 million, respectively) as follows:

Debentures no.	Consolidated financial statements						
	The period to maturity within one year			The period to maturity over one year			Total
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	
1/2020	4,000,000	-	-	4,000,000	4,000,000	4,000,000	3 years 11 months 19 July 2024
1/2021	-	3,000,000	-	-	-	3,000,000	2 years 6 months 10 December 2023
2/2021	-	-	4,523,600	4,523,600	4,523,600	4,523,600	4 years 3 months 12 February 2026
1/2022	-	-	4,693,000	4,693,000	4,693,000	4,693,000	5 years 11 August 2027
1/2023 tranche 1	-	-	2,860,000	-	2,860,000	-	3 years 6 months 18 July 2026
1/2023 tranche 2	-	-	2,860,000	-	2,860,000	-	5 years 18 January 2028
2/2023	-	-	3,000,000	-	3,000,000	-	4 years 9 months 18 August 2028
Total	4,000,000	3,000,000	17,936,600	13,216,600	21,936,600	16,216,600	

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

Debentures no.	The period to maturity within one year		Separate financial statements				Interest Rate (% p.a.)	Term	Maturity date
	The period to maturity over one year		Total						
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2022				
1/2020	4,000,000	-	-	4,000,000	4,000,000	4,000,000	3.90	3 years 11 months	19 July 2024
1/2021	-	3,000,000	-	-	-	3,000,000	3.00	2 years 6 months	10 December 2023
2/2021	-	-	4,523,600	4,523,600	4,523,600	4,523,600	3.55	4 years 3 months	12 February 2026
1/2022	-	-	4,695,000	4,695,000	4,695,000	4,695,000	4.10	5 years	11 August 2027
1/2023 tranche 1	-	-	3,000,000	-	3,000,000	-	4.15	3 years 6 months	18 July 2026
1/2023 tranche 2	-	-	3,000,000	-	3,000,000	-	4.60	5 years	18 January 2028
2/2023	-	-	3,000,000	-	3,000,000	-	4.10	4 years 9 months	18 August 2028
Total	4,000,000	3,000,000	18,218,600	13,218,600	22,218,600	16,218,600			

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

13 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
			(in thousand Baht)		
Related parties	4	31,024	408,300	31,024	408,300
Other parties		304,786	334,874	304,786	334,874
Total		335,810	743,174	335,810	743,174

14 Other payables

		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
			(in thousand Baht)		
Retention payable		901,360	418,296	901,360	418,296
Other payables - Machine		817,947	204,412	817,947	204,412
Accrued expenses		294,032	279,513	293,712	279,366
Deposit from sales and guarantee		5,267	4,674	5,267	4,674
Others		21,823	91,527	21,824	91,527
Total		2,040,429	998,422	2,040,110	998,275

15 Other current liabilities

		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
			(in thousand Baht)		
Payable to Revenue Department	1	-	-	1	-
Suspend output tax		80,055	85,149	80,055	85,149
Others		11,618	11,908	11,574	11,904
Total		91,674	97,057	91,630	97,053

16 Non-current provisions for employee benefits

		Consolidated financial statements		Separate financial statements	
At 31 December		2023	2022	2023	2022
			(in thousand Baht)		
Post-employment benefits					
Defined benefit plan		142,149	146,622	142,149	146,622

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 and interest rate risk.

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
At 1 January	146,622	151,657	146,622	151,657
Recognised in profit or loss				
Current service cost and interest on obligation	-	-	-	-
Recognised in other comprehensive income:				
Actuarial loss	-	-	-	-
Other				
Benefit paid	(4,473)	(5,035)	(4,473)	(5,035)
At 31 December	142,149	146,622	142,149	146,622

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(%)</i>			
Discount rate	3.41	3.61	3.41	3.61
Future salary growth	2.50	3.50	2.50	3.50

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

At 31 December 2023, the weighted-average duration of the defined benefit obligation was 23 years (2022: 24 years).

Sensitivity analysis

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

Effect to the defined benefit obligation At 31 December	Consolidated and separate financial statements			
	1% increase in assumption		1% decrease in assumption	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Discount rate	(13,130)	(13,744)	13,275	16,352
Future salary growth	15,516	14,058	(11,424)	(12,039)

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

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.

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 2023

(a) Reportable segment results

Year ended 31 December	Consolidated financial statement				Reportable segment profit before interest, tax and depreciation	
	Revenue from external customers		Inter-segment revenue	Total segment revenue	2023	2022
	2023	2022	2023	2022		
			<i>(in thousand Baht)</i>			
Energy & Utilities	10,361,431	9,618,401	-	10,361,431	4,821,880	3,878,373
Petrol and gas stations	628,383	581,573	-	628,383	13,205	35,583
Total	10,989,814	10,199,974	-	10,989,814	4,835,085	3,913,956
Finance costs					(147,867)	(90,286)
Depreciation					(1,017,110)	(996,835)
Profit before income tax expense for the year					3,670,108	2,826,835

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 2023

<i>Year ended 31 December</i>	Consolidated financial statements	
	Reportable segment	
	profit (loss) before tax	
	2023	2022
	<i>(in thousand Baht)</i>	
Energy & Utilities	3,682,854	2,812,574
Petrol and gas stations	(12,746)	14,261
Total	3,670,108	2,826,835
Elimination of inter-segment (profit) loss	-	-
Profit before income tax expense for the year	3,670,108	2,826,835

(b) *Reportable segment financial position*

	Segment assets	
	2023	2022
	<i>(in thousand Baht)</i>	
Energy & Utilities	54,476,668	46,493,705
Petrol and gas stations	69,037	77,590
	54,545,705	46,571,295
Unallocated assets	5,221,470	4,008,078
Total assets	59,767,175	50,579,373

(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 10,384 million (2022: Baht 9,644 million) of the Group's total revenues.

19 Other income

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Revenue from machine rental	125,261	216,756	125,261	216,756
Waste disposal service income	7,348	58,823	7,348	58,823
Others	44,751	90,888	44,751	90,888
Total	177,360	366,467	177,360	366,467

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

20 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Personnel expenses	32,791	29,737	32,791	29,737
Utilities expenses	9,804	9,107	9,804	9,107
Rental	1,200	1,300	1,200	1,300
Depreciation	9,242	9,161	9,242	9,161
Others	12,090	15,268	12,090	15,268
Total	65,127	64,573	65,127	64,573

21 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Personnel expenses	110,353	95,068	110,353	95,068
Shared service expenses	52,071	51,852	51,814	51,724
Professional fees	16,259	13,926	8,363	9,090
Registration fees	49,972	44,144	49,960	44,137
Depreciation	9,937	37,997	9,937	37,997
Insurance expenses	17,638	9,831	17,638	9,831
Donation	43,346	48,556	43,343	48,553
Others	172,704	157,820	172,700	157,808
Total	472,280	459,194	464,108	454,208

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Management				
Wages and salaries	34,414	28,038	34,414	28,038
Others	24,863	27,138	24,864	27,138
	59,277	55,176	59,278	55,176
Employee				
Wages and salaries	659,452	589,986	659,452	589,986
Others	49,366	48,188	49,366	48,188
	708,818	638,174	708,818	638,174
Total	768,096	693,350	768,096	693,350

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(in thousand Baht)			
Included in cost of sales of goods:				
Changes in inventories of finished goods and work in progress	(95,176)	194,706	(95,176)	194,706
Raw materials and consumables used	4,635,219	4,741,224	4,635,219	4,741,224
Employee benefit expenses	624,952	568,545	624,952	568,545
Depreciation	997,931	949,677	997,931	949,677
Included in distribution costs:				
Employee benefit expenses	32,791	29,737	32,791	29,737
Depreciation	9,242	9,161	9,242	9,161
Included in administrative expenses:				
Employee benefit expenses	110,353	95,068	110,353	95,068
Depreciation	9,937	37,997	9,937	37,997

24 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
		(in thousand Baht)			
Interest expense:					
Debentures		849,177	601,643	860,938	601,675
Lease	11	29,615	20,553	29,615	20,553
Total interest expense		878,792	622,196	890,553	622,228
Other		-	3,914	-	3,914
		878,792	626,110	890,553	626,142
Less amounts included in the cost of qualifying assets:					
- Construction contracts work in progress	10	(730,925)	(535,824)	(742,686)	(535,824)
Net		147,867	90,286	147,867	90,318

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

25 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	10,873	500	9,986	-
Adjustment for prior years	-	1,782	-	1,782
	<u>10,873</u>	<u>2,282</u>	<u>9,986</u>	<u>1,782</u>
Deferred tax expense				
Movements in temporary differences	6,074	11,769	6,074	11,769
Total income tax expense	<u>16,947</u>	<u>14,051</u>	<u>16,060</u>	<u>13,551</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>	<i>(in thousand Baht)</i>		
Profit before income tax expense	3,670,108	2,826,835		
Income tax using the Thai corporation tax rate	20	734,022	20	565,367
Double allowance and deduction		(15,517)		(42,365)
Profit was derived from promoted activities		(703,363)		(541,197)
Expenses not deductible for tax purposes		3,565		3,121
Current year losses for which no deferred tax asset was recognised		-		27,343
Recognition of previously unrecognised tax losses		(1,760)		-
Under provided in prior years		-		1,782
Total	<u>0.5</u>	<u>16,947</u>	<u>0.5</u>	<u>14,051</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>	<i>(in thousand Baht)</i>		
Profit before income tax expense	3,669,221	2,826,335		
Income tax using the Thai corporation tax rate	20	733,844	20	565,267
Double allowance and deduction		(15,517)		(42,365)
Profit was derived from promoted activities		(703,363)		(541,197)
Expenses not deductible for tax purposes		2,856		2,721
Current year losses for which no deferred tax asset was recognised		-		27,343
Recognition of previously unrecognised tax losses		(1,760)		-
Under provided in prior years		-		1,782
Total	<u>0.4</u>	<u>16,060</u>	<u>0.5</u>	<u>13,551</u>

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

<i>Deferred tax assets and liabilities</i> <i>At 31 December</i>	Consolidated and Separate financial statements			
	Assets		Liabilities	
	2023	2022	2023	2022
		<i>(in thousand Baht)</i>		
Total	76,170	82,244	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	<u>76,170</u>	<u>82,244</u>	<u>-</u>	<u>-</u>

Movements in deferred tax balances are as follows:

	Consolidated and Separate financial statements			
		<u>(Charged) / Credited to</u>		
	At 1	Profit or loss	Other comprehensive income	At 31
<i>Deferred tax</i>	January	<i>(in thousand Baht)</i>		December
<i>2023</i>				
<i>Deferred tax assets</i>				
Property, plant and equipment	50,439	(6,258)	-	44,181
Provisions for employee benefits	23,078	(895)	-	22,183
Lease liabilities	8,727	1,079	-	9,806
Total	<u>82,244</u>	<u>(6,074)</u>	<u>-</u>	<u>76,170</u>
Net	82,244	(6,074)	-	76,170

	Consolidated and Separate financial statements			
		(Charged) / Credited to		
	At 1	Profit or loss	Other comprehensive income	At 31
	January	(in thousand Baht)		December
2022				
Deferred tax assets				
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
Total	94,033	(11,789)	-	82,244
Deferred tax liabilities				
Revaluation on fair value of financial assets	(20)	20	-	-
Total	(20)	20	-	-
Net	94,013	(11,769)	-	82,244

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

26 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2023 and 2022 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>3,653,161</u>	<u>2,812,784</u>	<u>3,653,161</u>	<u>2,812,784</u>
Weighted average number of ordinary shares outstanding (basic) at 31 December	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>	<u>8,400,000</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>0.435</u>	<u>0.335</u>	<u>0.435</u>	<u>0.335</u>

27 Dividends

	Approval date	Payment schedule	Dividend rate per share <i>(in Baht)</i>	Amount <i>(in million Baht)</i>
2023				
2022 Interim dividend	26 January 2023	23 February 2023	0.09	756
2022 Annual dividend	20 April 2023	11 May 2023	0.03	252
2023 Interim dividend	31 August 2023	25 September 2023	0.12	1,008
2022				
2021 Annual dividend	19 April 2022	12 May 2022	0.13	1,092
2022 Interim dividend	26 August 2022	23 September 2022	0.12	1,008

28 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.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

		Consolidated financial statements				Fair value		
		Carrying amount						
		Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
	Note							
At 31 December								
2023								
Financial assets								
Other current financial assets								
Investment in debt securities	8	300,663	-	300,663	-	300,663	-	300,663
Other non-current financial assets								
Investment in debt securities		-	487,022	487,022	-	450,900	-	450,900
Total financial assets		300,663	487,022	787,685				
Financial liabilities								
Debentures	12	-	21,936,600	21,936,600	-	22,107,167	-	22,107,167
Total financial liabilities		-	21,936,600	21,936,600				

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

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

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

		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	Total	
	<i>Note</i>			<i>(in thousand Baht)</i>					
<i>At 31 December</i>									
<i>2023</i>									
<i>Financial assets</i>									
Other current financial assets									
Investment in debt securities	8	300,663	-	300,663	-	300,663	-	300,663	
Other non-current financial assets									
Investment in debt securities		-	487,022	487,022	-	450,900	-	450,900	
Total financial assets		300,663	487,022	787,685					
<i>Financial liabilities</i>									
Debentures	12	-	22,218,600	22,218,600	-	22,394,524	-	22,394,524	
Total financial liabilities		-	22,218,600	22,218,600					

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

The following tables present valuation technique of financial instruments measured at fair value level 2:

Type	Valuation technique
Marketable debt securities	Net asset value as of the reporting date.
Corporate debt securities	Thai Bond Market Association Government Bond Yield Curve as of the reporting date.
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).

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 90 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.

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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

Consolidated financial statements					
Contractual cash flows					
			More than 1 year but less than 5 years	More than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less	(in thousand Baht)		Total
2023					
<i>Non-derivative financial liabilities</i>					
Trade payables	335,810	333,920	332	1,558	335,810
Lease liabilities	1,735,837	127,039	454,172	2,663,687	3,244,898
Debentures	21,936,600	4,000,000	17,936,600	-	21,936,600
Total	24,008,247	4,460,959	18,391,104	2,665,245	25,517,308
2022					
<i>Non-derivative 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
Total	17,521,732	3,789,395	13,362,046	673,384	17,824,825
Separate financial statements					
Contractual cash flows					
			More than 1 year but less than 5 years	More than 5 years	
<i>At 31 December</i>	Carrying amount	1 year or less	(in thousand Baht)		Total
2023					
<i>Non-derivative financial liabilities</i>					
Trade payables	335,810	333,920	332	1,558	335,810
Lease liabilities	1,735,837	127,039	454,172	2,663,687	3,244,898
Debentures	22,218,600	4,000,000	18,218,600	-	21,936,600
Total	24,290,247	4,460,959	18,673,104	2,665,245	25,517,308
2022					
<i>Non-derivative 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
Total	17,523,732	3,789,395	13,364,046	673,384	17,826,825

TPI Polene Power Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

(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 At 31 December</i>	Consolidated financial statements		Separate financial statements	
	2023	2022	2022	2021
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Cash and cash equivalents	27	-	27	-
Other payables	(1,529,762)	(484,552)	(1,529,762)	(484,552)
	<u>(1,529,735)</u>	<u>(484,552)</u>	<u>(1,529,735)</u>	<u>(484,552)</u>
<i>Euro</i>				
Cash and cash equivalents	58	7	58	7
Other payables	(11,131)	(33,370)	(11,131)	(33,370)
	<u>(11,073)</u>	<u>(33,363)</u>	<u>(11,073)</u>	<u>(33,363)</u>
<i>Others</i>				
Cash and cash equivalents	34	332	34	332
Other payables	(1,269)	(2,035)	(1,269)	(2,035)
	<u>(1,235)</u>	<u>(1,703)</u>	<u>(1,235)</u>	<u>(1,703)</u>
Net exposure	<u>(1,542,043)</u>	<u>(519,618)</u>	<u>(1,542,043)</u>	<u>(519,618)</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.

29 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.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

30 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Capital commitments				
Agreements for construction, machine and equipment	<u>6,454,672</u>	<u>7,624,521</u>	<u>6,413,269</u>	<u>7,583,117</u>
Other commitments				
Short-term lease commitments	400	400	400	400
Bank guarantees	402,678	818,413	402,678	818,413
Other agreements	25,401	-	25,401	-
Total	<u>428,479</u>	<u>818,813</u>	<u>428,479</u>	<u>818,813</u>

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:

Power Purchase Agreement	Contracted Capacity	Start trading date
1 st agreement (7 November 2014 - 31 December 2019)	18 Megawatt	16 January 2015
1 st agreement (extended) (1 January 2020 - 31 December 2024)		
2 nd agreement (13 November 2013 - 31 July 2020)	55 Megawatt	6 August 2015
2 nd agreement (extended) (1 August 2020 - 31 July 2025)		
3 rd agreement (17 August 2017 - 31 March 2023)	90 Megawatt	5 April 2018
3 rd agreement (extended) (1 April 2023 - 31 March 2028)		

31 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 July 2020.

TPI Polene Power Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2023

On 7 December 2020, the Court sent the objection to the answer of the 5th Defendant (the Company) and requested the Company to submit additional answer to the Court within the prescribed period. The Company submitted the additional answer to the Court on 12 March 2021, the case is under the Court consideration.

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

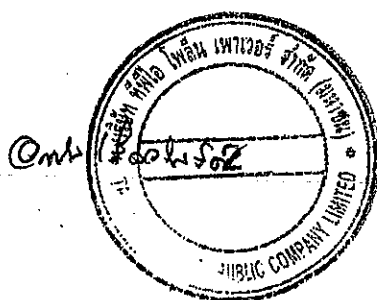
32 Other

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

On 28 April 2023 and 26 September 2023, TGO has certified carbon credit for the Company increased by 462,797 tons of carbon dioxide equivalents and 331,135 tons of carbon dioxide equivalents, respectively. As a result, the Company has the balance of 1,559,229 tons of carbon dioxide equivalent.



Pakorn