

Sermsang Power Corporation Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Sermuang Power Corporation Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Sermuang Power Corporation Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sermuang Power Corporation Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sermuang Power Corporation Public Company Limited and its subsidiaries and of Sermuang Power Corporation Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Project costs of power plant under construction

As described in the Note 12 to the consolidated financial statements, the subsidiaries carried out construction of the power plant in overseas. Project costs during the construction phase comprised construction costs, other direct costs and related borrowing costs. As at 31 December 2020, the Group had power plant under construction of Baht 1,690 million. These power plant under construction were significant to the statement of financial position. The management needs to exercise substantial judgement with respect to the identification and recording of these project costs and the capitalization of borrowing costs. I therefore draw attention to the audit of this matter.

I directed and supervised the work of the component auditor related to power plant under construction to obtain sufficient and appropriate audit evidence on the following:

- The recording of purchase and payment transactions related to the power plant under construction
- Examination the representative samples of power plant under construction transactions against supporting documents for the additions occurring during the year
- Testing the calculation and the recording of the borrowing costs capitalised to power plant under construction during the construction phase
- Examination whether the capitalisation of power plant under construction was in line with the criteria under Thai Financial Reporting Standards.

In addition, I reviewed the disclosure of information related to power plant under construction in the notes to financial statements.

Other Information

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

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

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

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Group'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 or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.

Sirikorn Plernpissiri
Certified Public Accountant (Thailand) No. 5234

EY Office Limited
Bangkok: 25 February 2021

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

| | Note | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|------|-----------------------------------|-----------------------|-------------------------------|----------------------|
| | | 2020 | 2019 | 2020 | 2019 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 1,364,333,687 | 915,457,307 | 445,830,775 | 78,932,699 |
| Short-term restricted bank deposits | 8 | 152,261,974 | 283,149,094 | 54,659 | 95,654,411 |
| Trade and other receivables | 7, 9 | 429,675,513 | 360,392,040 | 270,875,961 | 221,036,485 |
| Inventory | | 345,131 | - | - | - |
| Revenue Department receivable | | 208,002,490 | - | - | - |
| Unbilled Receivables | | 886,870 | - | - | - |
| Short-term loans to related parties | 7 | 8,960,220 | - | 22,868,664 | 426,856,783 |
| Other current financial assets | 14 | 5,300,000 | - | - | - |
| Other current assets | | 10,703,734 | 29,809,819 | - | 2,202,123 |
| Total current assets | | 2,180,469,619 | 1,588,808,260 | 739,630,059 | 824,682,501 |
| Non-current assets | | | | | |
| Long-term restricted bank deposits | 10 | 715,749,388 | 159,037,379 | 370,623,588 | 17,158,042 |
| Revenue Department receivable | | 18,139,580 | 17,411,891 | - | - |
| Long-term loans to related parties | | | | | |
| - net of current portion | 7 | - | - | 2,865,519,852 | 2,649,597,067 |
| Other non-current financial assets | 14 | 32,086,947 | - | - | - |
| Long-term investments | | - | 26,040,947 | - | - |
| Investments in subsidiaries | 11 | - | - | 2,843,986,059 | 2,486,055,120 |
| Property, plant and equipment | 12 | 10,593,941,737 | 9,722,103,991 | 634,710 | 791,280 |
| Right-of-use assets | 20 | 766,489,330 | - | - | - |
| Intangible assets | 13 | 1,048,217,395 | 1,045,829,832 | 12,852 | 31,102 |
| Prepaid rental | | - | 119,062,238 | - | - |
| Deferred tax assets | 24 | 5,445,483 | 968,806 | 627,416 | 436,781 |
| Other non-current assets | | 743,491,321 | 365,863,367 | - | - |
| Total non-current assets | | 13,923,561,181 | 11,456,318,451 | 6,081,404,477 | 5,154,069,392 |
| Total assets | | 16,104,030,800 | 13,045,126,711 | 6,821,034,536 | 5,978,751,893 |

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

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|---------------|-------------------------------|---------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Liabilities and shareholders' equity | | | | | |
| Current liabilities | | | | | |
| Short-term loan from bank | 16 | 251,034,000 | 361,770,026 | 251,034,000 | 361,770,026 |
| Trade and other payables | 7, 15 | 117,143,886 | 208,658,232 | 40,875,299 | 41,512,922 |
| Construction revenue received in advance | | 557,001 | - | - | - |
| Retention payable | | 5,549,654 | 6,293,579 | - | - |
| Share acquisition payable to subsidiary's former shareholders | | 9,259,301 | 9,280,570 | - | - |
| Share capital payable from a subsidiary's capital reduction | | - | 71,414,265 | - | - |
| Short-term loan from non-controlling interest of the subsidiary | | - | 12,061,600 | - | - |
| Short-term loans from related parties | 7 | - | - | 101,057,277 | 103,145,175 |
| Current portion of lease liabilities | 20 | 29,848,998 | 225,531 | - | - |
| Current portion of long-term loans | 18 | 1,138,818,819 | 686,088,914 | 343,184,486 | 343,159,923 |
| Other current financial liabilities | 19 | 289,972 | - | - | - |
| Other current liabilities | | 10,644,396 | 12,074,925 | 315,000 | 315,000 |
| Total current liabilities | | 1,563,146,027 | 1,367,867,642 | 736,466,062 | 849,903,046 |
| Non-current liabilities | | | | | |
| Lease liabilities - net of current portion | 20 | 582,811,363 | 917,226 | - | - |
| Long-term debentures | 17 | 793,903,674 | - | 793,903,674 | - |
| Long-term loans - net of current portion | 18 | 8,386,928,145 | 7,666,372,460 | 1,051,360,917 | 1,308,229,764 |
| Deferred tax liabilities | 24 | 21,493,150 | 3,961,859 | - | - |
| Other non-current financial liabilities | 19 | 201,583,605 | - | - | - |
| Other non-current liabilities | | 12,171,928 | 9,021,411 | 3,137,075 | 2,183,906 |
| Loss in excess of cost over investments in subsidiaries accounted for under equity method | 11 | - | - | 31,065,355 | 41,411,734 |
| Total non-current liabilities | | 9,998,891,865 | 7,680,272,956 | 1,879,467,021 | 1,351,825,404 |
| Total liabilities | | 11,562,037,892 | 9,048,140,598 | 2,615,933,083 | 2,201,728,450 |

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

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|----------------|-------------------------------|---------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 922,000,000 ordinary shares of Baht 1 each | | 922,000,000 | 922,000,000 | 922,000,000 | 922,000,000 |
| Issued and paid up | | | | | |
| 922,000,000 ordinary shares of Baht 1 each | | 922,000,000 | 922,000,000 | 922,000,000 | 922,000,000 |
| Share premium | | 1,511,209,678 | 1,511,209,678 | 1,511,209,678 | 1,511,209,678 |
| Surplus on business combination | | | | | |
| under common control | | 33,098,414 | 33,098,414 | 33,098,414 | 33,098,414 |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | 21 | 92,200,000 | 92,200,000 | 92,200,000 | 92,200,000 |
| Unappropriated | | 2,036,245,692 | 1,402,274,314 | 2,036,245,692 | 1,402,274,314 |
| Other components of shareholders' equity | | (389,652,331) | (183,758,963) | (389,652,331) | (183,758,963) |
| Equity attributable to owners of the Company | | 4,205,101,453 | 3,777,023,443 | 4,205,101,453 | 3,777,023,443 |
| Non-controlling interests of the subsidiaries | | 336,891,455 | 219,962,670 | - | - |
| Total shareholders' equity | | 4,541,992,908 | 3,996,986,113 | 4,205,101,453 | 3,777,023,443 |
| Total liabilities and shareholders' equity | | 16,104,030,800 | 13,045,126,711 | 6,821,034,536 | 5,978,751,893 |

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

Directors

Sermuang Power Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|----------------------|-------------------------------|----------------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Revenues | | | | | |
| Revenue from sale of electricity | 7 | 1,275,000,821 | 870,543,374 | - | - |
| Subsidy for adder | | 560,466,595 | 591,159,335 | - | - |
| Revenue from sale of goods | | 21,489,197 | - | - | - |
| Revenue from construction services | 7 | 3,538,605 | 11,903,005 | - | - |
| Management income | 7 | 10,037,039 | - | 29,000,000 | 29,000,000 |
| Gain on exchange rate | | 47,186,132 | - | 16,904,386 | - |
| Other income | 7 | 15,381,967 | 7,382,990 | 12,118 | 434,589 |
| Total revenues | | 1,933,100,356 | 1,480,988,704 | 45,916,504 | 29,434,589 |
| Expenses | | | | | |
| Cost of sales | 23 | 664,234,833 | 465,688,852 | - | - |
| Cost of construction | 23 | 2,507,243 | 10,100,199 | - | - |
| Loss on exchange rate | | - | 68,523,123 | - | 4,303,594 |
| Administrative expenses | 23 | 193,466,500 | 170,649,945 | 71,577,598 | 50,089,394 |
| Total expenses | | 860,208,576 | 714,962,119 | 71,577,598 | 54,392,988 |
| Operating profit (loss) | | 1,072,891,780 | 766,026,585 | (25,661,094) | (24,958,399) |
| Share of profit from investment in subsidiaries | 11.2 | - | - | 747,023,749 | 549,630,526 |
| Finance income | 7 | 2,351,376 | 4,567,176 | 107,561,856 | 92,357,688 |
| Finance cost | 7 | (287,322,039) | (201,641,427) | (92,821,423) | (71,570,831) |
| Profit before income tax expenses | | 787,921,117 | 568,952,334 | 736,103,088 | 545,458,984 |
| Income tax (expenses) | 24 | (22,520,244) | (12,333,711) | 190,634 | 217,558 |
| Profit for the year | | 765,400,873 | 556,618,623 | 736,293,722 | 545,676,542 |
| Other comprehensive income: | | | | | |
| <i>Other comprehensive income to be reclassified</i> | | | | | |
| <i>to profit or loss in subsequent periods:</i> | | | | | |
| Exchange differences on translation of | | | | | |
| financial statements in foreign currency | | (1,047,990) | (163,752,842) | (8,464,523) | (101,983,914) |
| Loss on cash flow hedges - net of income tax | | (34,651,494) | - | (34,651,494) | - |
| <i>Other comprehensive income not to be reclassified</i> | | | | | |
| <i>to profit or loss in subsequent periods</i> | | | | | |
| Actuarial gain (loss) - net of income tax | | - | (136,691) | - | (136,691) |
| Other comprehensive income for the year | | (35,699,484) | (163,889,533) | (43,116,017) | (102,120,605) |
| Total comprehensive income for the year | | 729,701,389 | 392,729,090 | 693,177,705 | 443,555,937 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 736,293,722 | 545,676,542 | 736,293,722 | 545,676,542 |
| Non-controlling interests of the subsidiaries | | 29,107,151 | 10,942,081 | - | - |
| | | 765,400,873 | 556,618,623 | 736,293,722 | 545,676,542 |

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

| | | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|--------------------|-------------------------------|--------------------|
| | Note | 2020 | 2019 | 2020 | 2019 |
| Comprehensive income attributable to: | | | | | |
| Equity holder of the Company | | 693,177,705 | 443,555,937 | 693,177,705 | 443,555,937 |
| Non-controlling interest of the subsidiaries | | 36,523,684 | (50,826,847) | - | - |
| | | <u>729,701,389</u> | <u>392,729,090</u> | <u>693,177,705</u> | <u>443,555,937</u> |
| Earnings per share | | | | | |
| Basic earnings per share | 26 | | | | |
| Profit attributable to equity holders of the Company | | | | | |
| (Baht per share) | | <u>0.80</u> | <u>0.59</u> | <u>0.80</u> | <u>0.59</u> |
| Weighted average number of ordinary shares (shares) | | 922,000,000 | 922,000,000 | 922,000,000 | 922,000,000 |

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

Sernsang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

| Consolidated financial statements | | | | | | | | | | | | |
|--|---|---------------|--|--------------------------------|----------------------------------|---|---------------|-------------------------|--|--|---|----------------------------|
| Equity attributable to owners of the Company | | | | | | | | | | | | |
| Note | <div>Other components of shareholders' equity</div> | | | | | | | | | | | |
| | <div>Other comprehensive income</div> | | | | | | | | | | | |
| | Issued and paid-up share capital | Share premium | Surplus on business combination under common control | Retained earnings | | Exchange differences on translation of financial statements in foreign currency | | Cash flow hedge reserve | Total other components of shareholder's equity | Total equity attributable to owners of the company | Non-controlling interests of subsidiaries | Total shareholder's equity |
| | | | | Appropriated Statutory reserve | Unappropriated Retained earnings | | Acturial loss | | | | | |
| Balance as at 1 January 2019 | 922,000,000 | 1,511,209,678 | 33,098,414 | 64,814,985 | 1,084,056,548 | (81,311,591) | (326,767) | - | (81,638,358) | 3,533,541,267 | 324,604,861 | 3,858,146,128 |
| Profit for the year | - | - | - | - | 545,676,542 | - | - | - | - | 545,676,542 | 10,942,081 | 556,618,623 |
| Other comprehensive income for the year | - | - | - | - | - | (101,983,914) | (136,691) | - | (102,120,605) | (102,120,605) | (61,768,928) | (163,889,533) |
| Total comprehensive income for the year | - | - | - | - | 545,676,542 | (101,983,914) | (136,691) | - | (102,120,605) | 443,555,937 | (50,826,847) | 392,729,090 |
| Statutory reserve | 21 | - | - | 27,385,015 | (27,385,015) | - | - | - | - | - | - | - |
| Dividend payment | 22 | - | - | - | (200,073,761) | - | - | - | - | (200,073,761) | - | (200,073,761) |
| Increase in non-controlling interests from the increase in share capital of subsidiaries | - | - | - | - | - | - | - | - | - | - | 19,381,081 | 19,381,081 |
| Capital reduction of a subsidiary | - | - | - | - | - | - | - | - | - | - | (73,196,425) | (73,196,425) |
| Balance as at 31 December 2019 | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 1,402,274,314 | (183,295,505) | (463,458) | - | (183,758,963) | 3,777,023,443 | 219,962,670 | 3,996,986,113 |
| Balance as at 1 January 2020 | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 1,402,274,314 | (183,295,505) | (463,458) | - | (183,758,963) | 3,777,023,443 | 219,962,670 | 3,996,986,113 |
| Cumulative effect of change in accounting policy | 4 | - | - | - | (902,905) | - | - | (162,777,351) | (162,777,351) | (163,680,256) | - | (163,680,256) |
| Balance as at 1 January 2020 - as restated | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 1,401,371,409 | (183,295,505) | (463,458) | (162,777,351) | (346,536,314) | 3,613,343,187 | 219,962,670 | 3,833,305,857 |
| Profit for the year | - | - | - | - | 736,293,722 | - | - | - | - | 736,293,722 | 29,107,151 | 765,400,873 |
| Other comprehensive income for the year | - | - | - | - | - | (8,464,523) | - | (34,651,494) | (43,116,017) | (43,116,017) | 7,416,533 | (35,699,484) |
| Total comprehensive income for the year | - | - | - | - | 736,293,722 | (8,464,523) | - | (34,651,494) | (43,116,017) | 693,177,705 | 36,523,684 | 729,701,389 |
| Dividend payment | 22 | - | - | - | (101,419,439) | - | - | - | - | (101,419,439) | (2,305,004) | (103,724,443) |
| Increase in non-controlling interests from the increase in share capital of subsidiaries | - | - | - | - | - | - | - | - | - | - | 82,710,105 | 82,710,105 |
| Balance as at 31 December 2020 | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 2,036,245,692 | (191,760,028) | (463,458) | (197,428,845) | (389,652,331) | 4,205,101,453 | 336,891,455 | 4,541,992,900 |

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

Sermasang Power Corporation Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

| Separate financial statements | | | | | | | | | | | |
|--|--------------------|---------------|----------------------|-------------------|----------------|---------------------|-------------|---------------|----------------------|---------------|--|
| Other components of shareholders' equity | | | | | | | | | | | |
| Other comprehensive income | | | | | | | | | | | |
| Exchange difference | | | | | | | | | | | |
| on translation of | | | | | | | | | | | |
| financial statement | | | | | | | | | | | |
| Actuarial | | | | | | | | | | | |
| Cash flow hedge | | | | | | | | | | | |
| Total other | | | | | | | | | | | |
| components of | | | | | | | | | | | |
| shareholders' equity | | | | | | | | | | | |
| Total | | | | | | | | | | | |
| shareholders' | | | | | | | | | | | |
| equity | | | | | | | | | | | |
| Note | Issued and paid up | Share | Surplus on | Retained earnings | | in foreign currency | gain (loss) | reserve | shareholders' equity | equity | |
| | share capital | premium | under common control | Appropriated | Unappropriated | | | | | | |
| Balance as at 1 January 2019 | 922,000,000 | 1,511,209,678 | 33,098,414 | 64,814,985 | 1,084,056,548 | (81,311,591) | (326,767) | - | (81,638,358) | 3,533,541,267 | |
| Profit for the year | - | - | - | - | 545,676,542 | - | - | - | - | 545,676,542 | |
| Other comprehensive income for the year | - | - | - | - | - | (101,983,914) | (136,691) | - | (102,120,605) | (102,120,605) | |
| Total comprehensive income for the year | - | - | - | - | 545,676,542 | (101,983,914) | (136,691) | - | (102,120,605) | 443,555,937 | |
| Statutory reserve | 21 | - | - | - | 27,385,015 | (27,385,015) | - | - | - | - | |
| Dividend payment | - | - | - | - | (200,073,761) | - | - | - | - | (200,073,761) | |
| Balance as at 31 December 2019 | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 1,402,274,314 | (183,295,505) | (463,458) | - | (183,758,963) | 3,777,023,443 | |
| Balance as at 1 January 2020 | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 1,402,274,314 | (183,295,505) | (463,458) | - | (183,758,963) | 3,777,023,443 | |
| Cumulative effect of change in accounting policy | 4 | - | - | - | (902,905) | - | - | (162,777,351) | (162,777,351) | (163,680,256) | |
| Balance as at 1 January 2020 - as restated | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 1,401,371,409 | (183,295,505) | (463,458) | (162,777,351) | (346,536,314) | 3,613,343,187 | |
| Profit for the year | - | - | - | - | 736,293,722 | - | - | - | - | 736,293,722 | |
| Other comprehensive income for the year | - | - | - | - | - | (8,464,523) | - | (34,651,494) | (43,116,017) | (43,116,017) | |
| Total comprehensive income for the year | - | - | - | - | 736,293,722 | (8,464,523) | - | (34,651,494) | (43,116,017) | 693,177,705 | |
| Dividend payment | 22 | - | - | - | (101,419,439) | - | - | - | - | (101,419,439) | |
| Balance as at 31 December 2020 | 922,000,000 | 1,511,209,678 | 33,098,414 | 92,200,000 | 2,036,245,692 | (191,760,028) | (463,458) | (197,428,845) | (389,652,331) | 4,205,101,453 | |

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

Sermuang Power Corporation Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|----------------------|--------------------------------------|---------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from operating activities | | | | |
| Profit before tax | 787,921,117 | 568,952,334 | 736,103,088 | 545,458,984 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 497,131,681 | 317,458,095 | 246,163 | 241,409 |
| Allowance for impairment of long-term investment | - | 619,708 | - | - |
| Loss on disposal of property plant and equipment | 6,991,848 | 94,941 | - | - |
| Provision for long-term employee benefits | 1,609,580 | 2,265,410 | 953,171 | 1,087,788 |
| Share of profit from investment in subsidiaries | - | - | (747,023,749) | (549,630,526) |
| Unrealised loss (gain) on exchange rate | (38,529,559) | 3,700,189 | (11,456,405) | - |
| Unrealised loss (gain) on fair value adjustments of other current financial liabilities | (612,933) | - | - | - |
| Finance income | (2,351,376) | (4,567,176) | (107,561,856) | (92,357,688) |
| Finance cost | 287,322,038 | 201,641,427 | 92,821,423 | 71,570,831 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | 1,539,482,396 | 1,090,164,928 | (35,918,165) | (23,629,202) |
| Operating assets (increase) decrease | | | | |
| Trade and other receivables | (72,001,845) | 50,459,399 | (5,904,877) | 5,815,003 |
| Unbilled Receivables | (886,870) | 32,011,994 | - | - |
| Inventory | (345,131) | - | - | - |
| Other current financial assets and other current assets | 19,106,085 | (19,728,432) | 2,202,124 | (2,202,123) |
| Revenue Department receivable | (209,012,731) | 63,608,521 | - | 767,922 |
| Other non-current assets | 123,561,348 | (91,785,523) | - | - |
| Operating liabilities increase (decrease) | | | | |
| Trade and other payables | 32,107,227 | (45,335,561) | (5,336,112) | 3,958,279 |
| Construction revenue received in advance | 557,001 | - | - | - |
| Retention payable | (743,925) | 974,954 | - | - |
| Other current liabilities | (1,430,521) | 403,311 | - | (840,000) |
| Other non-current liabilities | 1,540,935 | 1,595,067 | - | - |
| Cash flows from (used in) operating activities | 1,431,933,969 | 1,082,368,658 | (44,957,030) | (16,130,121) |
| Cash paid for income tax | (4,840,627) | (13,104,982) | (660,193) | (1,243,467) |
| Net cash flows from (used in) operating activities | 1,427,093,342 | 1,069,263,676 | (45,617,223) | (17,373,588) |

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

Sermsang Power Corporation Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------------|--------------------------------------|------------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from investing activities | | | | |
| Short-term restricted bank deposits | 130,887,120 | 155,772,512 | 95,599,752 | 139,416,335 |
| Long-term restricted bank deposits | (556,712,009) | (62,304,035) | (364,018,946) | (17,148,015) |
| Other current financial assets | (5,300,000) | - | - | - |
| Other non - current financial assets | (6,046,000) | - | - | - |
| Short-term loans to related parties | (8,960,220) | - | (59,476,979) | (318,494,101) |
| Long-term loans to related parties | - | - | 262,750,972 | (554,518,721) |
| Investment in subsidiaries | - | - | (528,549,648) | (691,099,621) |
| Long-term investment | - | (9,582,000) | - | - |
| Paid for capital reduction of subsidiary | (71,374,000) | - | - | - |
| Dividend income from investment in subsidiaries | - | - | 700,499,805 | 219,999,951 |
| Share acquisition payable to subsidiary's existing shareholders | - | (108,223,081) | - | - |
| Construction Payable | (125,277,425) | (247,916,786) | - | - |
| Advance payment for construction | (523,627,834) | - | - | - |
| Right-of-use assets under lease agreements | (39,604,539) | - | - | - |
| Acquisition of property, plant and equipment | (966,038,371) | (2,081,603,746) | (71,342) | (10,457) |
| Acquisition of intangible assets | (2,189,304) | (173,290,083) | - | - |
| Subsidy from the government | 2,179,672 | 115,260,366 | - | - |
| Interest income | 2,351,376 | 4,567,176 | 64,520,078 | 1,346,665 |
| Net cash flows used in investing activities | (2,169,711,534) | (2,407,319,677) | 171,253,692 | (1,220,507,964) |
| Cash flows from financing activities | | | | |
| Cash receipt from short-term loan from bank | 563,562,137 | 361,770,026 | 563,562,137 | 361,770,026 |
| Repayment of short-term loans from bank | (667,729,649) | - | (667,729,649) | - |
| Repayment of short-term loans from related parties | - | - | (2,087,898) | (2,950,000) |
| Repayment of short-term loans from non-controlling interest | (12,107,900) | - | - | - |
| Cash receipt from short-term loans from non-controlling interest | - | 12,061,600 | - | - |
| Payment of lease liabilities | (28,154,748) | (116,044) | - | - |
| Cash receipt from long-term loans from bank | 1,634,487,651 | 1,771,470,073 | 88,300,000 | 868,000,000 |
| Repayment of long-term loans from bank | (786,042,456) | (515,443,166) | (348,000,000) | - |
| Cash received from debentures | 800,000,000 | - | 800,000,000 | - |
| Cash paid for expenses related to debentures issuance | (6,401,440) | - | (6,401,440) | - |
| Proceeds from increase in share capital of non-controlling interest | 82,710,104 | 19,381,081 | - | - |
| Cash payment of interest and fee expenses | (292,158,673) | (258,169,333) | (84,962,104) | (66,743,460) |
| Dividend paid to shareholders | (101,419,439) | (200,073,761) | (101,419,439) | (200,073,761) |
| Divident paid from a subsidiaries to non-controlling interest | (2,305,004) | - | - | - |
| Net cash flows from financing activities | 1,184,440,583 | 1,190,880,476 | 241,261,607 | 960,002,805 |
| Translation adjustments | 7,053,989 | (62,497,110) | - | - |
| Net decrease in cash and cash equivalents | 448,876,380 | (209,672,635) | 366,898,076 | (277,878,747) |
| Cash and cash equivalents at beginning of year | 915,457,307 | 1,125,129,942 | 78,932,699 | 356,811,446 |
| Cash and cash equivalents at end of year | 1,364,333,687 | 915,457,307 | 445,830,775 | 78,932,699 |
| | - | - | - | - |

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

Sermuang Power Corporation Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------|--------------------------------------|------|
| | 2020 | 2019 | 2020 | 2019 |
| Supplemental cash flow information: | | | | |
| Non - cash transaction | | | | |
| Fixed assets increase by replacement | 2,166,412 | 764,691 | - | - |
| Transfer interest expenses to cost of plant and equipment | 53,717,908 | 74,292,186 | - | - |
| Share capital payable from a subsidiary's capital reduction | - | 71,414,265 | - | - |
| Liabilities under finance lease agreements | - | 1,258,801 | - | - |

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

Sernsang Power Corporation Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate information

Sernsang Power Corporation Public Company Limited (“the Company”) is a public company limited incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The major shareholder of the Group is a group of ordinary persons in the same family (“the group of major shareholders”) by directly held by their names or held by the company. The Company is principally engaged in investment, consultancy and provision of services for the power business to related parties. The registered office is at 325/14, Lan Luang Road, Si Yaek Mahanak, Dusit, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Serm Sang Power Corporation Public Company Limited (“the Company”) and the following subsidiary companies (“the Subsidiaries”) (collectively as “the Group”):

| Subsidiary companies | Nature of business | Country of incorporation | Percentage of shareholding | |
|--|--|-----------------------------|----------------------------|---------------------|
| | | | 31 December 2020 | 31 December 2019 |
| | | | (Percentage) | (Percentage) |
| Subsidiary companies directly held by the Company | | | | |
| Serm Sang Palang Ngan Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Sernsang Corporation Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Sernsang International Company Limited | Investment and consultancy | Thailand | 100 | 100 |
| Access Energy Company Limited | Investment and consultancy | Thailand | 100 | 100 |
| Essential Power Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Sernsang Solar Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Siam Renewable Power Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Plus Energy Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Sernsang Infinite Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Siam Clean Solutions Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Prestige Group Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Triple P Renewable Company Limited | Production and distribution of electricity | Thailand | 100 | 100 |
| Truong Thanh Tra Vinh Wind Power JSC. | Production and distribution of electricity | Vietnam | 90 | 80 |
| Subsidiary companies indirectly held by the Company | | | | |
| S. Global Power Limited | Investment and consultancy | Hong Kong | 100 | 100 |
| Surge Energy Corporation Limited | Investment and consultancy | Hong Kong | 100 | 100 |
| Access C Management Limited | Investment and consultancy | Hong Kong | 100 | 100 |
| Sernsang Sustainable Singapore Private Limited | Investment and consultancy | Singapore | 100 | 100 |
| Seijo Corporation | Investment and consultancy | Japan | 100 | 100 |
| SS Hidaka No Mori GK | Production and distribution of electricity | Japan | 87 | 87 |
| GK GSSE | Production and distribution of electricity | Japan | 90 | 90 |
| Zouen Energy GK | Production and distribution of electricity | Japan | 100 | 100 |
| Ashita Power 1 GK | Production and distribution of electricity | Japan | 100 | 100 |
| Ashita Power 2 GK | Production and distribution of electricity | Japan | 100 | 100 |
| Tenuun Gerel Construction LLC | Production and distribution of electricity | Mongolia | 75 | 75 |
| Truong Thanh Quang Ngai Power and High Technology JSC. | Production and distribution of electricity | Vietnam | 87 | 80 |
| Sea Sun Energy Partners Pte., Ltd. | Investment and consultancy | Singapore | 90 | 84 |
| PT Sea Sun Energi | Production and distribution of electricity | Indonesia | 90 | 84 |

- a) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same period and significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.2.1 Increase in investment in subsidiaries that indirectly held by the Company during the year.

During the year, the subsidiaries additionally invested in the following companies;

| (Unit: Million) | | | |
|---|-------------------|-----------|-------|
| The Company | Investment Amount | | |
| | Currency | 2020 | 2019 |
| Ashita Power 1 GK | Yen | 274.0 | 135.0 |
| Ashita Power 2 GK | Yen | 2.9 | 2.0 |
| GK GSSE | Yen | 234.3 | 478.9 |
| Sea Sun Energy Partners Pte., Ltd. | USD | 4.0 | 0.5 |
| PT Sea Sun Energi | USD | - | 0.2 |
| Truong Thanh Quang Ngai Power and High Technology JSC. | VND | 149,291.8 | - |

2.3 The separate financial statements present investments in subsidiaries under the equity method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

| | |
|--------|------------------------------------|
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |

Accounting standard:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial Instruments: Presentation |
|--------|-------------------------------------|

Financial Reporting Standard Interpretations:

| | |
|----------|---|
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- The Group measures investment in non-listed equity instruments at fair value and classify them as financial assets at fair value through other comprehensive income.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measures them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or in loss or recognised in other components of shareholders' equity for derivatives designated as hedging instruments to hedge cash flow. The Group applies hedge accounting for certain derivatives.
- Hedge accounting - All of the Group's hedging relationships existing before TFRS 9 adoption, that are eligible under TFRS 9 requirements, remain eligible to be treated as hedging relationships. The Group has designated certain derivatives under cash flow hedge. Changes in the fair value of these derivatives are recognised in other comprehensive income. Gains and losses arising on cash flow hedges are eligible to be subsequently reclassified to profit or loss or incorporated into the initial carrying amounts of the non-financial assets.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

TFRS 16 Leases

TFRS 16 supersedes TAS 17, Leases, together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to fair value measurement of investments in non-listed equity instruments, utilisation of deferred tax assets and impairment of assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

| Consolidated financial statements | | | | |
|---|--------------|-----------|----------------|-----------|
| The effect of | | | | |
| Financial reporting standards related | | | | |
| 31 December | to financial | TFRS 16 | 1 January 2020 | |
| 2019 | instruments | | | |
| Statement of financial position | | | | |
| Assets | | | | |
| Non-current assets | | | | |
| Long-term investment | 26,041 | (26,041) | - | - |
| Other non-current financial assets | - | 26,041 | - | 26,041 |
| Property, plant and equipment | 9,722,104 | - | (1,418) | 9,720,686 |
| Intangible assets | 1,045,830 | - | (5,160) | 1,040,670 |
| Right-of-use assets | - | - | 796,613 | 796,613 |
| Prepaid rental | 119,062 | - | (119,062) | - |
| Deferred tax assets | 969 | 4,850 | - | 5,819 |
| Liabilities and shareholders' equity | | | | |
| Current liabilities | | | | |
| Current portion of lease liabilities | 226 | - | 28,736 | 28,962 |
| Other current financial liabilities | - | 903 | - | 903 |
| Non-current liabilities | | | | |
| Lease liabilities, net of current portion | 917 | - | 642,237 | 643,154 |
| Other non-current financial liabilities | - | 167,627 | - | 167,627 |
| Shareholders' equity | | | | |
| Retained earnings - unappropriated a) | 1,402,274 | (903) | - | 1,401,371 |
| Other components of shareholders' equity- loss on cash flow hedges b) | - | (162,777) | - | (162,777) |

(Unit: Thousand Baht)

| | | | | Separate financial statements | |
|--|----|--|-----------|-------------------------------|-----------|
| | | | | The effect of | |
| | | | | financial reporting | |
| | | | | standards related to | |
| | | | | financial instruments | |
| 31 December 2019 | | | | 1 January 2020 | |
| Statement of financial position | | | | | |
| Non-current assets | | | | | |
| Investment in subsidiaries | | | 2,486,055 | (163,680) | 2,322,375 |
| Shareholders' equity | | | | | |
| Retained earnings - unappropriated | a) | | 1,402,274 | (903) | 1,401,371 |
| Other components of shareholders' | | | | | |
| equity - loss on cash flow hedges | b) | | - | (162,777) | (162,777) |
| a) Recognition of derivatives at fair value through profit or loss | | | | | |
| b) Recognition of derivatives under cash flow hedge | | | | | |

4.1 Financial instruments

As at 1 January 2020, the Group classify and measure financial assets and financial liabilities under TFRS 9 requirements. Financial assets and financial liabilities are measured at amortised cost which do not have any impact to the financial statements, except for the long-term investments which are classified as non-current financial asset and measuring at fair value through other comprehensive income and derivative which are classified and measured at fair value. The fair value of derivative was negative amounting Baht 168.5 million.

4.2 Leases

Upon initial application of TFRS 16, the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

| | (Unit: Thousand Baht) | |
|--|-----------------------------------|-------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Operating lease commitments as at 31 December 2019 | 857,778 | 840 |
| Less: Short-term leases and leases of low-value assets | (840) | (840) |
| Less: Deferred interest expenses | (185,965) | - |
| Increase in lease liabilities due to the adoption of TFRS 16 | 670,973 | - |
| Liabilities under finance lease agreements as at | | |
| 31 December 2019 | 1,143 | - |
| Lease liabilities as at 1 January 2020 | 672,116 | - |
| Weighted average incremental borrowing rate | | |
| (percent per annum) | 2.74 | - |
| Comprise of: | | |
| Current lease liabilities | 28,962 | - |
| Non-current lease liabilities | 643,154 | - |
| | 672,116 | - |

5. Significant accounting policies

5.1 Revenue and expense recognition

Revenue from sale of electricity

Revenue from sale of electricity is recognised based on the delivery unit at the rate specified in the agreement, excluding value added tax.

Subsidy for adder are recognised when there is a reasonable assurance that the subsidy will be received and the Group will comply with all attached conditions.

Government grants are recognised when there is reasonable assurance that the grants will be received and all attached conditions will be complied with. The subsidy relating to income are recognised as income in profit and loss. The subsidy relating to specific expenses are deferred and recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the subsidy are intended to compensate.

Grants related to property, plant and equipment are presented as non-current liabilities because there are conditions under agreements to fulfill. When conditions are fulfilled, grants are deducted from the value of related assets and are recognised in profit or loss over the useful lives of the assets as a reduced depreciation expense.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Management services

Management income is recognised over time when services have been rendered taking into account the stage of completion.

Revenues from construction services

The Group recognised revenue from construction service on a percentage of completion basis. The percentage of completion is measured by completion of physical proportion of the contract work.

The recognised revenue which is not yet due per the contract has been presented under the caption of “Unbilled receivables” in the statement of financial position. The excess of the amount billed to a customer over the value of the construction contract in progress is presented as “Construction revenue received in advance” under current liabilities.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividend is established.

Cost of construction

Cost of construction includes cost of material and equipment and expenses which are calculated from the percentage of completion. Contracts of which incurred construction cost exceeds calculated cost of construction under percentage of completion, and cost of project of which revenue has not yet been recognised are shown as "Construction contracts in progress" under current assets in the statement of financial position, while contracts of which calculated cost of construction exceeds incurred cost of construction are shown as "Accrued construction costs" under current liabilities in the statement of financial position.

Expenses

Unless included in the effective interest calculation, expenses are recognised on an accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Investments in subsidiaries

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

5.4 Power plants under construction

All expenditures and other related expenses incurred during the construction of the power plants to make the plants operational are capitalised as solar power plants. Such project costs incurred during the construction phase include materials and equipments, project construction costs, management fees, consulting fees, direct costs and borrowing costs.

5.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment is calculated by reference to their costs less residual values (if any) on the straight-line basis over the following estimated useful lives:

| | |
|--|--------------------|
| Land improvements | 20, 25 years |
| Office building and building improvement | 20 years |
| Power plants | 12, 20, 25 years |
| Solar roof systems | 25, 30 years |
| Machinery, equipment and spare parts | 12, 20, 25 years |
| Equipment, tools, furniture and fixtures | 3, 5, 10, 20 years |
| Vehicles | 5 years |

Depreciation is included in determining income. No depreciation is provided on land, work under construction and machinery under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.7 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

| | <u>Useful lives</u> |
|---|---------------------|
| Electric distribution linkage right | 12, 25 years |
| Communication and external electric distribution system | 20, 25 years |
| Computer software | 3, 5 years |

5.8 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

| | |
|----------------|--------------|
| Land | 20, 25 years |
| Motor vehicles | 5 years |

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period, if the Company expects to not purchase such assets at the end of the contract.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

Prepaid rental

Prepaid rental are amortised on the straight-line basis over the lease period.

5.9 Related party transactions

Related parties comprise enterprises or individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into functional currencies of each entity at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into functional currencies of each entity at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

Foreign operations

Assets and liabilities of each foreign operation included in the consolidated financial statements are translated into Baht using the exchange rate prevailing at the end of reporting period. Items in statement of comprehensive income of foreign operations translated into Baht using the exchange rate ruling at the date of the transaction or yearly average exchange rates. The exchange differences arising on translation for consolidation are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item borrowing from or lending to a foreign operation is neither planned nor likely in the foreseeable future, gains and losses arising from translation of such monetary item are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until loan settlement.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined Contribution plans

The Group and its employees have jointly established a providend fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust and the Group's contributions are recognized as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes restructuring-related costs.

5.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.14 Income tax

Income tax expense represents the sum of income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investment

Long-term investments are stated at cost net of allowance for impairment loss (if any).

5.16 Derivatives and hedge accounting

Accounting policies adopted since 1 January 2020

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risk, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current financial assets or non-current financial liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current financial assets or current financial liabilities.

Hedge accounting

The Group applies hedge accounting as cash flow hedges for recognised liability.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

The effective portion of the gain or loss on the hedging instrument is recognised in other components of shareholders' equity in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other components of shareholders' equity are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in equity will be immediately reclassified to profit or loss as a reclassification adjustment if the hedged future cash flows are not expected to occur. If the hedged future cash flows are still expected to occur the cash flow hedge reserve must remain in equity and recognise in profit and loss statement in the same period which the hedged cash flows affect profit or loss.

Accounting policies adopted before 1 January 2020

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

Forward exchange contracts

The Group records transactions related to foreign currency forward contracts in the income statement when such contract has been utilised and disclose the amount of the contract and the fair value of the contract in the notes to the financial statements.

5.17 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 buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Allowance for expected credit losses of trade receivable and loan

In determining an allowance for expected credit losses of trade receivable and loan, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various debtor segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a debtor will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Leases - *The Group as lessee*

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

7. Related party transactions

During the years, the Group had significant business transactions with key management, personnel and related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and based agreed upon between the Company and those related parties.

(Unit: Baht)

| For the year ended 31 December | | | | | |
|--|-----------|-----------|-------------------------------|-------------|-----------------------|
| Consolidated financial statements | | | Separate financial statements | | Pricing policy |
| 2020 | 2019 | 2020 | 2019 | | |
| <u>Transactions with subsidiary companies</u> | | | | | |
| <i>(eliminated from the consolidated financial statements)</i> | | | | | |
| Management income | - | - | 29,000,000 | 29,000,000 | Per agreement |
| Interest income | - | - | 106,792,180 | 91,025,277 | 3.19%-5.69% per annum |
| Dividend income | - | - | 700,499,805 | 219,999,951 | |
| Interest expense | - | - | 2,031,550 | 2,082,443 | 2% per annum |
| Service expenses | - | - | 10,200,000 | 10,200,000 | Per agreement |
| <u>Transactions with related companies</u> | | | | | |
| Sales of electricity | 7,671,162 | 6,417,230 | - | - | Per agreement |
| Revenue from construction | | | | | |
| service | - | 272,844 | - | - | Per agreement |
| Rental and service expenses | 947,490 | 718,571 | 396,000 | 384,164 | Per agreement |
| Purchase computer software | - | 503,500 | - | - | Per agreement |

As at 31 December 2020 and 2019, the balances of the accounts between the Company and those related companies are as follows:

| | | | | | (Unit: Baht) |
|--|-----------|-----------------------------------|-------------|-------------------------------|--------------|
| | | Consolidated financial statements | | Separate financial statements | |
| | | 2020 | 2019 | 2020 | 2019 |
| Accounts receivables - related parties (Note 9) | | | | | |
| Subsidiaries | - | - | - | 4,892,443 | 4,892,443 |
| Related parties | 1,491,256 | 1,133,527 | - | - | - |
| Total accounts receivables - related parties | 1,491,256 | 1,133,527 | 4,892,443 | 4,892,443 | |
| Interest receivables - related parties (Note 9) | | | | | |
| Subsidiaries | - | - | 241,316,201 | 198,274,423 | |
| Total interest receivable - related parties | - | - | 241,316,201 | 198,274,423 | |

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|---------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| Advance payment for purchase assets | | | | |
| - related parties | | | | |
| Related parties | 21,738,554 | - | - | - |
| Total advance payment for purchase assets | | | | |
| - related parties | <u>21,738,554</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Trade payable - related parties (Note 15) | | | | |
| Subsidiaries | - | - | 5,457,000 | 5,457,000 |
| Related parties | <u>15,089</u> | <u>15,089</u> | <u>-</u> | <u>-</u> |
| Total Trade payable - related parties | <u>15,089</u> | <u>15,089</u> | <u>5,457,000</u> | <u>5,457,000</u> |
| Interest payables - related parties (Note 15) | | | | |
| Subsidiaries | <u>-</u> | <u>-</u> | <u>24,858,125</u> | <u>22,888,677</u> |
| Total interest payable - related parties | <u>-</u> | <u>-</u> | <u>24,858,125</u> | <u>22,888,677</u> |
| Accrued rental expense - related parties | | | | |
| (Note 15) | | | | |
| Related parties | <u>62,970</u> | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> |
| Total accrued rental expense - Related parties | <u>62,970</u> | <u>30,000</u> | <u>30,000</u> | <u>30,000</u> |

Management service agreements

The Company entered into management service agreements with two subsidiaries whereby the subsidiaries have to pay management fee as stated in the agreement.

A subsidiary entered into management service agreement with the Company whereby the Company has to pay management fee as stated in the agreement.

Power purchase agreement

As at 31 December 2020, a subsidiary entered into various power purchase agreements with a related company for a period of 25 years.

Loans to related parties and loan from related parties

As at 31 December 2020 and 2019, the balance of loans between the Company and the related parties and their movements are as follows:

(Unit: Baht)

| | Consolidated financial statement | | |
|--|-------------------------------------|-----------------|---------------|
| | For the year ended 31 December 2020 | | |
| | Balance as at | | Balance as at |
| | 1 January | Increase | 31 December |
| | 2020 | during the year | 2020 |
| <u>Short-term loans to related companies</u> | | | |
| <u>Subsidiaries</u> | | | |
| Truong Thanh Vietnam Group Joint Stock Company | - | 8,960,220 | - |
| | | | 8,960,220 |

(Unit: Baht)

| | Separate financial statement | | |
|--|-------------------------------------|-----------------|---------------|
| | For the year ended 31 December 2020 | | |
| | Balance as at | | Balance as at |
| | 1 January | Increase | 31 December |
| | 2020 | during the year | 2020 |
| <u>Short-term loans to related companies</u> | | | |
| <u>Subsidiaries</u> | | | |
| Access Energy Company Limited | 19,730,855 | - | (5,822,411) |
| Sermsang International Company Limited | 78,631,827 | - | (78,631,827) |
| Truong Thanh Quang Ngai Power and High Technology JSC. | 328,494,101 | - | (328,494,101) |
| Truong Thanh Vietnam Group Joint Stock Company | - | 8,960,220 | - |
| | | | 8,960,220 |
| Total short-term loans to related companies - subsidiary | 426,856,783 | 8,960,220 | (412,948,339) |
| | | | 22,868,664 |

Long-term loans to related company

| | | | | |
|---|---------------|-------------|---------------|---------------|
| <u>Subsidiaries</u> | | | | |
| Sermsang Solar Company Limited | 83,622,867 | - | (83,622,867) | - |
| Sermsang International Company Limited | 2,473,474,200 | 489,164,797 | (164,119,145) | 2,798,519,852 |
| Access Energy Company Limited | 25,500,000 | - | (5,500,000) | 20,000,000 |
| Sermsang Infinite Company Limited | 67,000,000 | - | (20,000,000) | 47,000,000 |
| Total long-term loans to related companies - subsidiary | 2,649,597,067 | 489,164,797 | (273,242,012) | 2,865,519,852 |

The Company entered into loan agreements with Sermsang Solar Company Limited. The loans have interest rate at 3.30% - 3.51% per annum, which the Company received the full amount of loan repayment on August 2020.

The Company entered into loan agreements with Sermsang International Company Limited. The loans are repayable within 2027 - 2030, which has interest rate at 3.19% - 3.51% per annum.

The Company entered into loan agreements with Sermsang Infinite Company Limited. The loans are repayable within 2031, which has interest rate at 3.19% - 3.51% per annum.

The Company entered into loan agreements with Access Energy Company Limited. The loans are repayable within 2029, which has interest rate at 3.19% - 3.51% per annum.

The Company entered into loan agreements with Truong Thanh Quang Ngai Power and High Technology JSC. The loans are repayable within 2020, which have interest rate at LIBOR 6 M plus additional rate per annum.

The Company entered into loan agreements with Truong Thanh Vietnam Group Joint Stock Company. The loans are repayable within 2021.

(Unit: Baht)

| | Separate financial statement | | |
|---|-------------------------------------|-----------------------------|--------------------------------------|
| | For the year ended 31 December 2019 | | |
| | Balance as at 1 January 2019 | Increase during the year | Decrease during the year |
| | | | Balance as at 31 December 2019 |
| <u>Short-term loans to related companies</u> | | | |
| <u>Subsidiaries</u> | | | |
| Access Energy Company Limited | 19,730,855 | - | - |
| Sermsang International Company Limited | 88,631,827 | - | (10,000,000) |
| Truong Thanh Quang Ngai Power and High Technology JSC. | - | 328,494,101 | - |
| Total short-term loans to related companies | 108,362,682 | 328,494,101 | (10,000,000) |
| <u>Long-term loans to related companies</u> | | | |
| <u>Subsidiaries</u> | | | |
| Sermsang Solar Company Limited | 11,122,867 | 72,500,000 | - |
| Sermsang International Company Limited | 1,970,474,200 | 503,000,000 | - |
| Access Energy Company Limited | 5,500,000 | 20,000,000 | - |
| Sermsang Infinite Company Limited | 107,981,279 | 2,018,721 | (43,000,000) |
| Total long-term loans to related companies | 2,095,078,346 | 597,518,721 | (43,000,000) |

(Unit: Baht)

| Separate financial statement | | | |
|--|--------------------------------|-----------------------------|--------------------------------------|
| For the year ended 31 December 2020 | | | |
| Balance as at 1 January 2020 | Increase during the year | Decrease during the year | Balance as at 31 December 2020 |
| <u>Short-term loans from related parties</u> | | | |
| Sermsang Corporation Company Limited | 75,890,108 | - (500,000) | 75,390,108 |
| Essential Power Company Limited | 11,228,772 | - (330,000) | 10,898,772 |
| Siam Renewable Power Company Limited | 2,509,737 | - (330,000) | 2,179,737 |
| Plus Energy Company Limited | 2,582,927 | - (330,000) | 2,252,927 |
| Prestige Group Company Limited | 1,784,784 | - (330,000) | 1,454,784 |
| Siam Clean Solution Company Limited | 9,148,847 | - (267,898) | 8,880,949 |
| Total short-term loans from related parties | 103,145,175 | - (2,087,898) | 101,057,277 |

(Unit: Baht)

| Separate financial statement | | | |
|--|--------------------------------|-----------------------------|--------------------------------------|
| For the year ended 31 December 2019 | | | |
| Balance as at 1 January 2019 | Increase during the year | Decrease during the year | Balance as at 31 December 2019 |
| <u>Short-term loans from related parties</u> | | | |
| Sermsang Corporation Company Limited | 76,990,108 | - (1,100,000) | 75,890,108 |
| Essential Power Company Limited | 11,598,772 | - (370,000) | 11,228,772 |
| Siam Renewable Power Company Limited | 2,879,737 | - (370,000) | 2,509,737 |
| Plus Energy Company Limited | 2,952,927 | - (370,000) | 2,582,927 |
| Prestige Group Company Limited | 2,154,784 | - (370,000) | 1,784,784 |
| Siam Clean Solution Company Limited | 9,518,847 | - (370,000) | 9,148,847 |
| Total short-term loans from related parties | 106,095,175 | - (2,950,000) | 103,145,175 |

Directors and management's benefits

During the year, the Group had employee benefit expenses payable to their directors and management as below.

| | (Unit: Baht) | |
|------------------------------|---------------------------|------------|
| | Consolidated and separate | |
| | financial statements | |
| | 2020 | 2019 |
| Short-term employee benefits | 21,852,673 | 20,360,482 |
| Post-employment benefits | 935,233 | 1,067,316 |
| Total | 22,787,906 | 21,427,798 |

Guarantee for related parties

The Company acts as guarantor of loans for its related parties, as described in Note 18 c) and h) to the financial statements.

8. Cash and cash equivalents/Short - term restricted bank deposits

Cash and cash equivalents

| | (Unit: Baht) | | | |
|----------------------------------|----------------------|-------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Cash | 267,225 | 282,813 | 6,597 | 8,723 |
| Deposit in transit | 651,353 | 1,184,709 | - | - |
| Bank deposits - Current accounts | 352,220,757 | 247,789,827 | 866,004 | 116,121 |
| Bank deposits - Saving accounts | 1,011,194,352 | 666,199,958 | 444,958,174 | 78,807,855 |
| Total | 1,364,333,687 | 915,457,307 | 445,830,775 | 78,932,699 |

As at 31 December 2020, a subsidiary has pledged its bank deposit in savings account amounting to Baht 141.9 million (31 December 2019 Subsidiary: Baht 280.1 million) as security against long-term loans, as discussed in Note 18 to the financial statements, however such subsidiary can withdraw such savings account to use for operation.

Short-term restricted bank deposits

As at 31 December 2020, the Company has saving account of Baht 0.05 Million (31 December 2019: Bath 95.7 million) that is pledged as collateral to secure short-term and long-term loans, the Company shall receive an approval from bank before withdrawing from such bank accounts as discussed in Note 16 and Note 18 to financial statements.

A subsidiary has pledged and assigned a right of claim on bank accounts with outstanding balances as at 31 December 2020 totaling approximately Baht 124.5 million (31 December 2019: Baht 187.5 million) with lenders to secure long-term loans of the Company, in accordance with conditions stipulated in the long-term loan agreements as discussed. Those bank accounts have restrictions on withdrawal for a purpose of principal and interest payment due within 6 months.

A subsidiary in Mongolia has restricted saving deposits of USD 0.9 million or approximately Baht 27.7 million, under the long-term loan agreements with bank. The subsidiary has requested to obtain permission from the bank on withdrawal of the such restricted deposits.

9. Trade and other receivables

| (Unit: Baht) | | | | |
|--|----------------------|-------------|----------------------|-------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| <u>Trade receivables - related parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 1,491,356 | 1,133,527 | 4,892,443 | 4,892,443 |
| Total trade receivable - related parties | 1,491,356 | 1,133,527 | 4,892,443 | 4,892,443 |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Aged on the basis of due dates | | | | |
| Not yet due | 276,665,817 | 229,905,858 | - | - |
| Past due | | | | |
| Up to 3 months | 1,697,319 | 29,297 | - | - |
| 6 - 12 months | - | 71,223 | - | - |
| Over 1 years | 71,223 | - | - | - |
| Total trade receivable - unrelated parties | 278,434,359 | 230,006,378 | - | - |
| <u>Other receivables - related parties</u> | | | | |
| Interest receivable | - | - | 241,316,201 | 198,274,423 |
| Total other receivable - related parties | - | - | 241,316,201 | 198,274,423 |
| <u>Other receivable - unrelated parties</u> | | | | |
| Other advance payment | 35,171,420 | 12,308,919 | 20,853,781 | 14,295,309 |
| Refundable input VAT | 104,478,461 | 113,648,577 | 3,813,536 | 3,558,510 |
| Other receivable | 10,099,917 | 3,294,639 | - | 15,800 |
| Total other receivable - unrelated parties | 149,749,798 | 129,252,135 | 24,667,317 | 17,869,619 |
| Total trade receivable and other receivable | 429,675,513 | 360,392,040 | 270,875,961 | 221,036,485 |

10. Long-term restricted bank deposits

As at 31 December 2020, the Company has savings account of Baht 101.8 million (31 December 2019: Baht 17.2 million) that is pledged as collateral to secure long-term loans as discussed in Note 18 b) to financial statements.

As at 31 December 2020, the Company has fixed account of USD 9 million or approximately Baht 268.8 million that is pledged against standby letter of credit under construction contract as discussed in Note 29.6.

A subsidiary in Thailand has pledged and assigned a right of claim on bank accounts with outstanding balance as at 31 December 2020 totaling approximately Baht 3.2 million, that is pledged as collateral to secure long-term loans as discussed in Note 18 c) to the financial statements.

Subsidiaries in Japan have restricted saving deposits of Yen 910.6 million, or approximately Baht 264.7 million (31 December 2019: Yen 514.2 million or approximately Baht 141.9 million), under the long-term loan agreements with banks. The subsidiaries have requested to obtain permission from the bank on withdrawal of the such restricted deposits.

A subsidiary in Mongolia has restricted saving deposits of USD 2.5 million or approximately Baht 77.2 million, under the long-term loan agreements with bank. A subsidiary has requested to obtain permission from the bank on withdrawal of the such restricted deposits.

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements as at 31 December 2020 and 2019 are as follows:

(Unit: Thousand Baht)

| Company Name | Separate financial Statements | | | | | | Carrying amounts based on equity method | |
|--|-------------------------------|----------------------|-----------------------|---------|---------------------------|---------|---|-----------|
| | Percentage of Shareholding | | Paid up Share Capital | | Investment at Cost method | | | |
| | 2020 (Percentage) | 2019 (Percentage) | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Subsidiary companies which directly held by the Company | | | | | | | | |
| Serm Sang Palang Ngan Co., Ltd. | 100 | 100 | 900,506 | 900,506 | 900,506 | 900,506 | 1,816,037 | 1,944,731 |
| Sermsang Corporation Co., Ltd. | 100 | 100 | 131,312 | 131,312 | 131,312 | 131,312 | 97,354 | 95,974 |
| Sermsang International Co., Ltd. | 100 | 100 | 810,000 | 810,000 | 810,000 | 810,000 | 150,894 | 212,954 |
| Access Energy Co., Ltd. | 100 | 100 | 32,500 | 20,000 | 32,500 | 20,000 | - | - |
| Essential Power Co., Ltd. | 100 | 100 | 13,250 | 13,250 | 13,250 | 13,250 | 11,810 | 11,932 |
| Sermsang Solar Co., Ltd. | 100 | 100 | 50,000 | 50,000 | 50,000 | 50,000 | 63,214 | 62,470 |
| Siam Renewable Power Co., Ltd. | 100 | 100 | 3,250 | 3,250 | 3,250 | 3,250 | 2,320 | 2,615 |
| Sermsang Infinite Co., Ltd. | 100 | 100 | 108,400 | 98,000 | 108,400 | 98,000 | 103,382 | 80,072 |
| Plus Energy Co., Ltd. | 100 | 100 | 3,250 | 3,250 | 3,250 | 3,250 | 2,451 | 2,723 |
| Siam Clean Solutions Co., Ltd. | 100 | 100 | 10,000 | 10,000 | 10,000 | 10,000 | 9,386 | 9,548 |
| Prestige Group Co., Ltd. | 100 | 100 | 2,500 | 2,500 | 2,500 | 2,500 | 1,584 | 1,873 |
| Triple P Renewable Co., Ltd. | 100 | 100 | 6,000 | 5,500 | 6,000 | 5,500 | 45 | - |
| Truong Thanh Tra Vinh Wind Power JSC. | 90 | 80 | 621,268 | 62,800 | 557,864 | 62,800 | 585,509 | 61,163 |
| Total | | | | | | | 2,843,986 | 2,486,055 |

In addition, as at 31 December 2020 and 2019, investments in subsidiaries with a deficit in shareholders' equity were presented under the caption "Loss in excess of cost over investments in subsidiaries accounted for under equity method" in the financial statements are as follows:

(Unit: Thousand Baht)

| Company Name | Separate financial statements | | | | | | | |
|--|-------------------------------|--------------|-----------------------|--------|---------------------------|--------|---|----------|
| | Percentage of Shareholding | | Paid up Share Capital | | Investment at Cost method | | Carrying amounts based on equity method | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Percentage) | (Percentage) | | | | | | |
| <u>Loss in excess of cost over investments in subsidiaries accounted for under equity method</u> | | | | | | | | |
| Access Energy Co., Ltd. | 100 | 100 | 32,500 | 20,000 | 32,500 | 20,000 | (31,065) | (41,301) |
| Triple P Renewable Co., Ltd. | 100 | 100 | 6,000 | 5,500 | 6,000 | 5,500 | - | (111) |
| Total loss in excess of cost over investments in subsidiaries accounted for under equity method in separate financial statements | | | | | | | (31,065) | (41,412) |

As at 31 December 2020, the Company pledged investments in a subsidiary totaling Baht 63.2 million, as collateral against credit facilities granted by financial institution, as discussed in Note 18 c) to the financial statements.

11.2 Share of comprehensive income

During the year, the Company has recognised its share of profit (loss) from investments in subsidiaries in the separate financial statements as follows:

(Unit: Thousand Baht)

| Company Name | For the year ended 31 December | | | |
|---------------------------------------|--|----------|--|-----------|
| | Separate financial statements | | | |
| | Share of profit (loss) from investment in subsidiaries | | Share of other comprehensive income (loss) from investment in subsidiaries | |
| | 2020 | 2019 | 2020 | 2019 |
| Serm Sang Palang Ngan Co., Ltd. | 598,699 | 626,394 | 6,260 | - |
| Sermsang Corporation Co., Ltd. | 1,380 | 329 | - | - |
| Sermsang International Co., Ltd. | 127,735 | (74,660) | (70,668) | (103,216) |
| Access Energy Co., Ltd. | (2,612) | (16,138) | 348 | 1,397 |
| Essential Power Co., Ltd. | (122) | (114) | - | - |
| Sermsang Solar Co., Ltd. | 11,243 | 12,721 | - | - |
| Siam Renewable Power Co., Ltd. | (296) | (289) | - | - |
| Sermsang Infinite Co., Ltd. | 13,813 | 3,791 | - | - |
| Plus Energy Co., Ltd. | (273) | (277) | - | - |
| Siam Clean Solutions Co., Ltd. | (162) | (156) | - | - |
| Prestige Group Co., Ltd. | (289) | (282) | - | - |
| Triple P Renewable Co., Ltd. | (344) | (355) | - | - |
| Troung Thanh Tra Vinh Wind Power JSC. | (1,748) | (1,334) | 20,944 | (302) |
| Total | 747,024 | 549,630 | (43,116) | (102,121) |

11.3 Dividend income

During the year, the Company received dividend income as follows:

| Company Name | (Unit: Thousand Baht) | |
|---------------------------------|--------------------------------|---------|
| | Dividend income | |
| | For the year ended 31 December | |
| | 2020 | 2019 |
| Serm Sang Palang Ngan Co., Ltd. | 690,000 | 220,000 |
| Sernsang Solar Co.,Ltd. | 10,500 | - |
| Total | 700,500 | 220,000 |

11.4 Called up and increase in share capital of subsidiaries

11.4.1 During the year, Sernsang Infinite Company Limited called up of its registered capital amounting to Baht 10.4 million and was gradually received from its shareholders on 20 July 2020.

11.4.2 During the year, Triple P Renewable Company Limited called up of its registered capital amounting to Baht 0.5 million and was gradually received from its shareholders on 20 November 2020.

11.4.3 During the period, Access Energy Company Limited called up of its registered capital amounting to Baht 12.5 million and was received from its shareholders on 11 November 2020.

11.4.4 During the period, Truong Thanh Tra Vinh Wind Power JSC called up of its registered capital amounting to VND 366,300 million, or approximately Baht 505.1 million and was gradually received proceed from its shareholders on 9 December 2020.

11.5 Material non-controlling interests

11.5.1 Detail of subsidiaries that have material non-controlling interests.

| Subsidiaries | (Unit: Thousand Baht) | | | | | | | |
|--|---|--------------|--|--------|--|-------|--|------|
| | Proportion of equity interest held by non-controlling interests | | Accumulated balance of non-controlling interests | | Profit (loss) allocated to non-controlling interests during the year | | Dividend paid to non-controlling interests during the year | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Percentage) | (Percentage) | | | | | | |
| SS Hidaka No Mori GK | 13.0 | 13.0 | 59,473 | 55,296 | 3,592 | 3,736 | (2,305) | - |
| GK GSSE | 10.0 | 10.0 | 73,785 | 53,735 | 9,699 | (453) | - | - |
| Tenuun Gerel Construction LLC. | 25.0 | 25.0 | 49,145 | 40,907 | 8,098 | 3,199 | - | - |
| Truong Thanh Quang Ngai Power and High Technology JSC. | 13.0 | 20.0 | 78,345 | 66,573 | 8,931 | 4,975 | - | - |
| Truong Thanh Tra Vinh Wind Power JSC. | 10.0 | 20.0 | 59,695 | - | (1,371) | (334) | - | - |

11.5.2 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests.

Summarised information about financial position

(Unit: Thousand Baht)

| | SS Hidaka No Mori GK | | GK GSSE | | Tenuun Gerel Construction LLC | | Truong Thanh Quang Ngai Power and High Technology JSC | | Truong Thanh Tra Vinh Wind Power JSC. | |
|---------------------------|----------------------|-----------|-----------|-----------|----------------------------------|---------|---|-----------|--|--------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current assets | 113,684 | 98,200 | 587,131 | 114,357 | 98,474 | 77,452 | 304,580 | 265,412 | 521,415 | 25,227 |
| Non- current assets | 1,969,675 | 1,749,427 | 3,325,961 | 2,790,382 | 590,408 | 561,117 | 1,188,558 | 1,259,337 | 78,791 | 49,061 |
| Current liabilities | 209,500 | 165,089 | 592,455 | 7,896 | 57,081 | 474,679 | 917,795 | 1,183,785 | 2,203 | 13,754 |
| Non - current liabilities | 1,498,144 | 1,324,350 | 2,763,081 | 2,359,524 | 435,219 | 261 | - | - | 13,082 | - |

Summarised information about comprehensive income

(Unit: Thousand Baht)

| | SS Hidaka No Mori GK | | GK GSSE | | Tenuun Gerel Construction LLC | | Truong Thanh Quang Ngai Power and High Technology JSC | | Truong Thanh Tra Vinh Wind Power JSC. | |
|-----------------------------------|----------------------|----------|---------|----------|----------------------------------|----------|---|----------|--|---------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenue | 252,982 | 254,347 | 271,831 | 6 | 116,025 | 53,425 | 212,280 | 121,468 | 2,020 | 4 |
| Profit (Loss) | 27,631 | 28,737 | 96,987 | (4,533) | 32,391 | 12,794 | 42,612 | 24,876 | (13,433) | (1,668) |
| Other comprehensive income (loss) | 22,234 | (25,314) | 27,791 | (29,597) | 561 | (61,255) | (11,119) | (23,902) | (20,944) | (302) |
| Total comprehensive income (loss) | 49,865 | 3,423 | 124,778 | (34,130) | 32,952 | (48,461) | 31,493 | 974 | (34,377) | (1,970) |

Summarised information about cash flow

(Unit: Thousand Baht)

| | SS Hidaka No Mori GK | | GK GSSE | | Tenuun Gerel Construction LLC | | Truong Thanh Quang Ngai Power and High Technology JSC | | Truong Thanh Tra Vinh Wind Power JSC. | |
|---|----------------------|-----------|-----------|-----------|----------------------------------|----------|---|-------------|--|----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Cash flow from operating activities | 75,304 | 52,776 | 102,947 | (77,740) | 66,400 | (43,332) | 153,353 | 157,364 | (10,370) | (4,881) |
| Cash flow from investment activities | (25,288) | 157,414 | (393,595) | (614,037) | (102,684) | 90,785 | (25,664) | (1,153,563) | (536,071) | (43,834) |
| Cash flow from financing activities | (64,962) | (222,002) | 491,178 | 687,337 | 25,771 | - | (90,527) | 1,123,190 | 537,461 | 62,389 |
| Net increase (decrease) in cash and cash equivalents | (14,946) | (11,812) | 200,530 | (4,440) | (10,513) | 47,453 | 37,162 | 126,991 | (8,980) | 13,674 |

12. Property plant and equipment

(Unit: Baht)

| | Consolidated financial statements | | | | | | | | | |
|---|-----------------------------------|------------------|--------------------------|--------------|-------------------|--------------------------|-------------------------------|-------------|--------------------|----------------|
| | | | Office building | | | Machinery, | Equipment, | | Power plants | |
| | Land | Land improvement | and building improvement | Power Plants | Solar roof system | equipment and spare part | tools, furniture and fixtures | Vehicles | under construction | Total |
| Cost | | | | | | | | | | |
| 1 January 2019 | 230,105,140 | 243,561,480 | 8,379,545 | 765,854,721 | 105,809,627 | 4,242,030,296 | 16,468,556 | 7,264,953 | 3,280,559,100 | 8,900,033,418 |
| Additions | - | - | - | - | 8,857,950 | 764,691 | 844,417 | 1,615,888 | 2,145,836,480 | 2,157,919,426 |
| Disposals | - | - | - | - | (94,941) | (764,691) | - | - | - | (859,632) |
| Transferred in/(out) | - | 72,021,775 | 26,741,887 | 75,735,416 | 7,751,068 | 1,520,833,559 | 2,410,753 | - | (1,705,494,458) | - |
| Subsidy from the government | - | - | - | - | - | - | - | - | (129,936,395) | (129,936,395) |
| Translation adjustment | (4,287,375) | (5,467,945) | - | (14,667,506) | - | (110,233,199) | (780,472) | - | (230,902,590) | (366,339,087) |
| 31 December 2019 | 225,817,765 | 310,115,310 | 35,121,432 | 826,922,631 | 122,323,704 | 5,652,630,656 | 18,943,254 | 8,880,841 | 3,360,062,137 | 10,560,817,730 |
| Adjustment from adoption of TFRS 16 | - | - | - | - | - | - | - | (1,615,888) | - | (1,615,888) |
| Additions | - | - | - | - | 41,772,712 | 6,528,295 | 303,973 | 911,880 | 971,380,747 | 1,020,897,607 |
| Disposals | - | - | - | - | (10,551) | (5,493,734) | - | (3,050,000) | (2,305,706) | (10,859,991) |
| Transferred in (out) from right-of-use assets | - | - | - | - | - | - | - | - | 6,862,713 | 6,862,713 |
| Transferred in/(out) | - | 683,307,945 | - | 32,228,311 | 37,549,836 | 1,996,159,383 | 71,043,205 | - | (2,820,288,680) | - |
| Subsidy from the government | - | - | - | - | - | (2,179,672) | - | - | - | (2,179,672) |
| Translation adjustment | 3,685,125 | 4,741,910 | 168,428 | 12,461,676 | (144,615) | 95,886,343 | 608,286 | - | 174,039,908 | 291,447,061 |
| 31 December 2020 | 229,502,890 | 998,165,165 | 35,289,860 | 871,612,618 | 201,491,086 | 7,743,531,271 | 90,898,718 | 5,126,833 | 1,689,751,119 | 11,865,369,560 |

(Unit: Baht)

Consolidated financial statements

| | Land | Land improvement | Office building and building improvement | Power Plants | Solar roof system | Machinery, equipment and spare part | Equipment, tools, furniture and fixtures | Vehicles | Power plants under construction | Total |
|--|-------------|------------------|--|--------------|-------------------|-------------------------------------|--|-------------|---------------------------------|----------------|
| Accumulated depreciation | | | | | | | | | | |
| 1 January 2019 | - | 23,974,233 | 1,104,844 | 86,840,808 | 2,356,239 | 424,067,965 | 2,445,568 | 7,159,627 | - | 547,949,284 |
| Depreciation for the year | - | 13,002,734 | 1,537,810 | 35,641,986 | 4,581,327 | 238,593,007 | 1,992,701 | 303,654 | - | 295,653,219 |
| Depreciation on disposals | - | - | - | - | (4,489) | (142,286) | - | - | - | (146,775) |
| Translation adjustment | - | (130,989) | - | (572,805) | - | (3,995,163) | (43,032) | - | - | (4,741,989) |
| 31 December 2019 | - | 36,845,978 | 2,642,654 | 121,909,989 | 6,933,077 | 658,523,523 | 4,395,237 | 7,463,281 | - | 838,713,739 |
| Adjustment from adoption of TFRS 16 | - | - | - | - | - | - | - | (198,333) | - | (198,333) |
| Depreciation for the year | - | 34,517,640 | 2,763,703 | 44,528,298 | 6,539,294 | 335,124,136 | 2,878,693 | 56,212 | - | 426,407,976 |
| Depreciation on disposals | - | - | - | - | (734) | (817,411) | - | (3,049,998) | - | (3,868,143) |
| Translation adjustment | - | 430,648 | 114,408 | 1,133,982 | (1,837) | 8,580,148 | 115,235 | - | - | 10,372,584 |
| 31 December 2020 | - | 71,794,266 | 5,520,765 | 167,572,269 | 13,469,800 | 1,001,410,396 | 7,389,165 | 4,271,162 | - | 1,271,427,823 |
| Net book value | | | | | | | | | | |
| 31 December 2019 | 225,817,765 | 273,269,332 | 32,478,778 | 705,012,642 | 115,390,627 | 4,994,107,133 | 14,548,017 | 1,417,560 | 3,360,062,137 | 9,722,103,991 |
| 31 December 2020 | 229,502,890 | 926,370,899 | 29,769,095 | 704,040,349 | 188,021,286 | 6,742,120,875 | 83,509,553 | 855,671 | 1,689,751,119 | 10,593,941,737 |
| Depreciation for the year ended 31 December | | | | | | | | | | |
| 2019 (Baht 294,577,775 included in cost of sales, and the remaining balance included in administrative expenses) | | | | | | | | | | 295,653,219 |
| 2020 (Baht 425,003,547 included in cost of sales, and the remaining balance included in administrative expenses) | | | | | | | | | | 426,407,976 |

(Unit: Baht)

| | Separate financial statements | | |
|--|-------------------------------|-------------------------------|-----------|
| | Construction in process | Office equipment and fixtures | Total |
| Cost | | | |
| 1 January 2019 | 408,256 | 1,070,779 | 1,479,035 |
| Addition | - | 10,457 | 10,457 |
| 31 December 2019 | 408,256 | 1,081,236 | 1,489,492 |
| Addition | - | 71,342 | 71,342 |
| 31 December 2020 | 408,256 | 1,152,578 | 1,560,834 |
| Accumulated depreciation | | | |
| 1 January 2019 | - | 475,053 | 475,053 |
| Depreciation for the year | - | 223,159 | 223,159 |
| 31 December 2019 | - | 698,212 | 698,212 |
| Depreciation for the year | - | 227,912 | 227,912 |
| 31 December 2020 | - | 926,124 | 926,124 |
| Net book value | | | |
| 31 December 2019 | 408,256 | 383,024 | 791,280 |
| 31 December 2020 | 408,256 | 226,454 | 634,710 |
| Depreciation for the year ended 31 December | | | |
| 2019 (All included in administrative expenses) | | | 223,159 |
| 2020 (All included in administrative expenses) | | | 227,912 |

During the year 2020, the subsidiaries in Japan and Vietnam capitalised their borrowing costs as power plants under construction totaling to Baht 53.7 million (2019: Baht 74.3 million).

As at 31 December 2020, a subsidiary has mortgaged all land, property plant and equipment which net book value of Baht 2,510.7 million (2019: Baht 2,493.2 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 18 to the financial statements.

As at 31 December 2020, three subsidiaries in Japan has mortgaged all machineries and equipment of solar power plant with net book value of Baht 4,604.0 million (31 December 2019: Baht 1,927.3 million) as collateral against credit facilities obtained from financial institutions as discussed in Note 18 to the financial statements.

13. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Baht)

| Consolidated financial statements | | | | | | | |
|---|---------------------------------------|---|--|----------------------|---|--------------------------------|---------------|
| | Land distribution linkage right | Electric distribution linkage right | Communication and external electric distribution system and right and | Computer software | Communication and external electric distribution system and right and license under construction | Software during development | Total |
| Cost | | | | | | | |
| 1 January 2019 | - | 6,900,000 | 385,456,364 | 606,684 | 584,875,812 | 766,500 | 978,605,360 |
| Additions | 12,019,396 | - | 20,986 | 53,500 | 160,750,301 | 503,500 | 173,347,683 |
| Disposals | - | - | - | (57,600) | - | - | (57,600) |
| Transferred in/(out) | 124,380,925 | 115,069,899 | - | 1,270,000 | (239,450,824) | (1,270,000) | - |
| Translation adjustment | - | - | (15,621,818) | (1,145) | (41,882,603) | - | (57,505,566) |
| 31 December 2019 | 136,400,321 | 121,969,899 | 369,855,532 | 1,871,439 | 464,292,686 | - | 1,094,389,877 |
| Adjustment from adoption of TFRS 16 | - | - | - | - | (5,160,069) | - | (5,160,069) |
| Additions | 1,898,142 | - | 189,360 | 101,800 | - | - | 2,189,302 |
| Transferred in/(out) | - | 298,819,040 | 12,363,555 | - | (311,182,595) | - | - |
| Translation adjustment | (262,006) | 2,690,192 | 13,427,412 | 66 | 29,601,196 | - | 45,456,860 |
| 31 December 2020 | 138,036,457 | 423,479,131 | 395,835,859 | 1,973,305 | 177,551,218 | - | 1,136,875,970 |
| Accumulated depreciation | | | | | | | |
| 1 January 2019 | - | 1,079,803 | 13,426,390 | 276,723 | - | - | 14,782,916 |
| Amortisation for the year | 3,978,343 | 4,200,719 | 13,507,477 | 279,199 | - | - | 21,965,738 |
| Amortisation for disposals | - | - | - | (14,085) | - | - | (14,085) |
| Translation adjustment | - | - | (591,469) | (333) | - | - | (591,802) |
| 31 December 2019 | 3,978,343 | 5,280,522 | 26,342,398 | 541,504 | - | - | 36,142,767 |
| Amortisation for the year | 6,957,185 | 15,951,295 | 14,545,796 | 380,468 | - | - | 37,834,744 |
| Translation adjustment | (7,642) | 427,020 | 1,179,756 | 1,329 | - | - | 1,600,463 |
| 31 December 2020 | 10,927,886 | 21,658,837 | 42,067,950 | 923,301 | - | - | 75,577,974 |
| Provision for impairment | | | | | | | |
| 31 December 2019 | - | - | - | - | (12,417,278) | - | (12,417,278) |
| Translation adjustment | - | - | - | - | (663,323) | - | (663,323) |
| 31 December 2020 | - | - | - | - | (13,080,601) | - | (13,080,601) |
| Net book value | | | | | | | |
| 31 December 2019 | 132,421,978 | 116,689,377 | 343,513,134 | 1,329,935 | 451,875,408 | - | 1,045,829,832 |
| 31 December 2020 | 127,108,571 | 401,820,294 | 353,767,909 | 1,050,004 | 164,470,617 | - | 1,048,217,395 |
| Amortisation for the year ended 31 December | | | | | | | |
| 2019 (Baht 20,569,647 included in cost of sales, and the remaining balance included in administrative expenses) | | | | | | | 21,965,738 |
| 2020 (Baht 34,317,395 included in cost of sales, and the remaining balance included in administrative expenses) | | | | | | | 37,834,744 |

Communication and external electric distribution system and electric distribution linkage right and license under construction had not yet been amortised because the Power Plants are under construction. The amortisation will start when the commercial operation commences.

(Unit: Baht)

| | Separate financial statements | |
|--|-------------------------------|--------|
| | Computer software | Total |
| Cost | | |
| 1 January 2019 | 91,265 | 91,265 |
| Additions | - | - |
| 31 December 2019 | 91,265 | 91,265 |
| Additions | - | - |
| 31 December 2020 | 91,265 | 91,265 |
| Accumulated amortisation | | |
| 1 January 2019 | 41,913 | 41,913 |
| Amortisation for the year | 18,250 | 18,250 |
| 31 December 2019 | 60,163 | 60,163 |
| Amortisation for the year | 18,250 | 18,250 |
| 31 December 2020 | 78,413 | 78,413 |
| Net book value | | |
| 31 December 2019 | 31,102 | 31,102 |
| 31 December 2020 | 12,852 | 12,852 |
| Amortisation for the year ended 31 December | | |
| 2019 (All included in administrative expenses) | | 18,250 |
| 2020 (All included in administrative expenses) | | 18,250 |

14. Financial assets

(Unit: Baht)

| | Consolidated financial statements 2020 |
|---|--|
| Financial assets* | |
| <u>Debt instruments at amortised cost</u> | |
| Fixed deposit | 5,300,000 |
| Total other current financial assets | 5,300,000 |
| <u>Equity instruments designated at FVOCI</u> | |
| Non-listed equity instruments | |
| Investment in Xurya Pte.,Ltd.&Subsidiary | 7,277,655 |
| Investment in 500 Tuk Tuks II,L.P. | 24,809,292 |
| Total other non-current financial assets | 32,086,947 |

* Financial asset other than cash and cash equivalents, short-term restricted deposits and, long-term restricted deposit.

15. Trade and other payables

(Unit: Baht)

| | Consolidated | | Separate | |
|---|----------------------|--------------------|----------------------|-------------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Trade payables - related parties | 15,089 | 15,089 | 5,457,000 | 5,457,000 |
| Trade payables - unrelated parties | 10,820,501 | 12,031,987 | 3,291,259 | - |
| Other payables - unrelated parties | 13,722,657 | 12,611,194 | 252,901 | 769,966 |
| Construction and project development payables | 29,068,000 | 155,819,475 | - | - |
| Accrued interest expenses - related parties | - | - | 24,858,125 | 22,888,677 |
| Accrued interest expenses - debentures | 2,737,685 | - | 2,729,041 | - |
| Accrued expenses - related parties | 62,970 | 30,000 | 30,000 | 30,000 |
| Accrued expenses - unrelated parties | 60,716,984 | 28,150,487 | 4,256,973 | 12,367,279 |
| Total | <u>117,143,886</u> | <u>208,658,232</u> | <u>40,875,299</u> | <u>41,512,922</u> |

16. Short-term loan from bank

As at 31 December 2020, the Company had outstanding short-term loan from bank, amounting to USD 5.0 million or equivalent to Baht 151.0 million (31 December 2019: USD 11.9 million or equivalent to Baht 361.8 million). This short-term is due in March 2021, with the interest rate of LIBOR 6 months plus additional rate.

As at 31 December 2020, the Company had outstanding short-term loan from bank, amounting to Baht 100 million. This short-term is due in January 2021 and its interest rate is based on agreement.

17. Long-term debenture

The outstanding balance of long-term debentures as at 31 December 2020.

(Unit: Baht)

| No. | Issue date | Maturity date | Term (years) | Interest rate (% per annum) | Consolidated and separate financial statements |
|--|-----------------|---------------|--------------|--------------------------------|--|
| | | | | | 2020 |
| 1/2563 | 4 December 2020 | 4 June 2022 | 1.5 | 4.6 | 800,000,000 |
| Total long-term debentures - at face value | | | | | 800,000,000 |
| Less: Unamortised costs relating to the issuance of the debentures | | | | | (6,096,326) |
| Long-term debentures - net | | | | | <u>793,903,674</u> |

Movement of the long-term debentures account during the year ended 31 December 2019 are summarised below

| | (Unit: Baht) |
|---|--|
| | Consolidated and Separate financial statements |
| Balance as at 1 January 2020 | - |
| Add: Issuance of debentures | 800,000,000 |
| Less: Expenses related to debentures issuance | (6,401,440) |
| Add: Amortisation of cost of issuing debentures | 305,114 |
| Balance as at 31 December 2020 | 793,903,674 |

Debenture is unsecured and unsubordinated bearer debenture and is scheduled for interest payment on quarterly basis. The Company is required to comply with certain procedures and conditions; for example maintaining debt to equity ratio of the consolidated financial statements at the rate specified in the contract.

18. Long-term loans

| (Unit: Baht) | | | | | | | | |
|--------------|--|----------|--|-----------------------------------|---------------|-------------------------------|-------------|------|
| Loan | Interest rate (percent per annum) | Currency | Repayment schedule | Consolidated financial statements | | Separate financial statements | | Note |
| | | | | 2020 | 2019 | 2020 | 2019 | |
| 1) | THBFIX 3 months plus additional rate | Baht | Repayments of principal and interest are to be made on quarterly basis starting from June 2015 to December 2024 | 934,719,000 | 1,167,048,000 | - | - | a) |
| 2) | Fixed rate per agreement | Baht | Repayments of principal and interest are to be made on quarterly basis starting from March 2020 and ending in December 2025 | 660,800,000 | 800,000,000 | 660,800,000 | 800,000,000 | b) |
| | THBFIX 3 months plus additional rate | Baht | Repayments of principal and are to be made on quarterly starting from March 2020 ar ending in December 2025 | 747,500,000 | 868,000,000 | 747,500,000 | 868,000,000 | b) |
| 3) | MLR less margin | Baht | Repayments of principal and interest are to be made on quarterly basis starting from September 2020 and ending in June 2029 | 90,573,000 | - | - | - | c) |

(Unit: Baht)

| Loan | Interest rate (percent per annum) | Currency | Repayment schedule | Consolidated financial statements | | Separate financial statements | | Note |
|--|---|----------|---|-----------------------------------|---------------|-------------------------------|---------------|------|
| | | | | 2020 | 2019 | 2020 | 2019 | |
| 4) | JPY LIBOR 3 months plus additional rate | Yen | Repayments of principal and interest are to be made on quarterly basis starting from September 2019 to June 2036 | 1,460,667,000 | 1,475,448,507 | - | - | d) |
| 5) | JPY LIBOR 3 months plus additional rate | Yen | Repayments of principal and interest are to be made on quarterly basis starting from March 2021 to December 2037 | 2,904,300,152 | 2,447,957,263 | - | - | e) |
| 6) | JPY TIBOR 3 months plus additional rate | Yen | Repayments of principal and interest are to be made on quarterly basis starting from March 2020 to December 2035 | 587,343,357 | 594,730,197 | - | - | f) |
| 7) | JPY TIBOR 6 months plus additional rate | Yen | Repayments of principal and interest are to be made in Yen currency on 6 month basis starting from June 2022 to December 2038 | 1,987,669,840 | 1,351,551,671 | - | - | g) |
| 8) | USD LIBOR 6 months plus additional rate | USD | Repayments of principal and interest are to be made in USD currency on 6 month basis starting from February 2020 to February 2029 | 500,295,266 | - | - | - | h) |
| 9) | USD LIBOR 6 months plus additional rate | USD | Repayments of principal and interest are to be made in USD currency on quarterly basis starting from June 2020 to March 2034 | - | - | - | - | i) |
| Total long-term loan | | | | 9,873,867,615 | 8,704,735,638 | 1,408,300,000 | 1,668,000,000 | |
| Less: Deferred finance charges | | | | (348,120,651) | (352,274,264) | (13,754,597) | (16,610,313) | |
| Total | | | | 9,525,746,964 | 8,352,461,374 | 1,394,545,403 | 1,651,389,687 | |
| Less: Current portion | | | | (1,138,818,819) | (686,088,914) | (343,184,486) | (343,159,923) | |
| Long-term loans - net of current portion | | | | 8,386,928,145 | 7,666,372,460 | 1,051,360,917 | 1,308,229,764 | |

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Balance at the beginning of the year | 8,352,461,374 | 7,376,795,333 | 1,651,389,687 | 780,644,759 |
| Add: Additional borrowings | 1,634,487,651 | 1,771,470,073 | 88,300,000 | 868,000,000 |
| Less: Repayment | (786,042,456) | (515,443,166) | (348,000,000) | - |
| Less: Finance charges | (12,199,244) | (11,011,548) | - | - |
| Add: Amortisation of financial charges | 33,897,500 | 28,775,827 | 2,855,716 | 2,744,928 |
| Translation adjustment | 303,142,139 | (298,125,145) | - | - |
| Balance at the ending of the year | <u>9,525,746,964</u> | <u>8,352,461,374</u> | <u>1,394,545,403</u> | <u>1,651,389,687</u> |

Note:

- a) As at 31 December 2020, a subsidiary had pledged the bank saving account and mortgaged property, plant and equipment with two commercial banks as discussed in Note 8 and Note 12 to the financial statements.
- b) The Company entered into loans agreements with two commercial banks, total credit facilities amounting to Baht 2,000 million consisting of 2 tranches. First tranche of Baht 800 million is subject to fixed interest rate as per agreement and the second tranche of Baht 1,200 million is charged at THBFIX 3 months plus additional rate. As at 31 December 2020, the Company had drawn totaling to Baht 1,756.3 million (31 December 2019: Baht 1,668.0 million). The Company has pledged its dividend account as collateral against credit facilities as discussed in Note 8 and Note 10 to the financial statement.
- c) As at 7 August 2020, a subsidiary entered into loan agreement with financial institution, total credit facilities amounting to Baht 95 million. As at 31 December 2020, a subsidiary had fully drawdown and had mortgaged all machines and plant equipment of solar power plant as collateral against credit facility as discussed in Note 10 and Note 12 to the financial statement.
- d) As at 31 December 2020, a subsidiary has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 10 and Note 12 to the financial statement.

- e) A subsidiary entered into loan agreement with financial institution, total credit facility amounting to Yen 10,023.0 million. As at 31 December 2020, the subsidiary had fully drawdown and had mortgaged all machines and plant equipment of solar power plant as collateral against credit facility as discussed in Note 12 to financial statement.
- f) As at 31 December 2020, a subsidiary has mortgaged all machines and plant equipment for solar power plant as collateral against credit facilities as discussed in Note 10 and Note 12 to financial statement.
- g) As at 31 December 2020, a subsidiary entered into loan agreement with financial institution, total credit facility amounting to Yen 11,935.5 million. As at 31 December 2020, the subsidiary had drawn Yen 6,838.0 million (31 December 2019: Yen 4,898.0 million).
- h) On 20 March 2019, a subsidiary entered into loan agreement with financial institution and the Company acts as the guarantor. The total credit facility was totaling USD 18.7 million. As at 31 December 2020, the subsidiary had fully drawdown.
- i) On 28 March 2019, a subsidiary entered into loan agreement with the financial institution for the solar power plant project in Vietnam. The credit facility was totaling USD 32.5 million. As at 31 December 2020, the subsidiary had not withdrawn such loan.

The loan agreements contain several covenants which, among other things; require the Group to maintain debt-to-equity ratio at the rate stipulated in the agreement, and the dividend payment is required to meet the conditions in loan agreements and notify the bank.

As at 31 December 2020, the Group have undrawn credit facilities amounting to Baht 283.7 million, Yen 5,097.5 million, USD 32.5 million (the Company: Baht 243.7 million) (2019: the Group: Baht 370.0 million, Yen 8,189.1 million, USD 51.2 million and the Company: Baht 332.0 million).

19. Derivatives

| | (Unit: Baht) | |
|--|---------------------|---------------------|
| | Consolidated | Separate |
| | financial statement | financial statement |
| | 2020 | 2020 |
| <u>Derivatives not designated as hedging instruments</u> | | |
| Foreign exchange forward contracts | 289,972 | - |
| Total current financial liabilities | 289,972 | - |
| <u>Derivatives designated as hedging instruments -</u> | | |
| <u>cash flow hedge</u> | | |
| Interest rate swaps | 201,583,605 | - |
| Total non-current financial liabilities | 201,583,605 | - |

Cash flow hedges

The subsidiaries designated interest rate swap contracts as hedging instruments to hedge cash flow risk of the floating rate loans.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of loans i.e., notional amount, maturity, payment and reset dates. The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swaps are identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Loss on hedging instruments recognized in comprehensive income before tax, was equal to the change in fair value, which is used to measure its effectiveness. There is no ineffectiveness was recognised in profit or loss. During the year, the subsidiaries transferred cashflow hedge reserve amounting to Baht 21 million to profit or loss which was presented under the caption of finance cost and amounting to Baht 8.2 million was transferred to record as power plants under construction.

The Group is holding the following derivatives as hedging instruments as at 31 December 2020:

| (Unit: Thousand Baht) | | | | |
|------------------------|----------------------------------|---------------|---------------------------|-----------------|
| | Consolidated financial statement | | | |
| | Notional amount | Book value | Hedged items | Notional amount |
| | (Thousand) | | | |
| Interest rate swaps | | | | |
| Currency: Baht | 607,567,350 | 41,547 | Floating rate loan - Baht | 607,567,350 |
| Currency: Yen | 5,131,166,774 | 550,557 | Floating rate loan - Yen | 5,131,166,774 |
| | Maturity | | | |
| | | | More than | |
| | Less than 1 year | 1 to 5 years | 5 years | Total |
| Interest rate swaps | | | | |
| Currency: Baht | | | | |
| Notional amount (Baht) | 151,891,838 | 455,675,512 | - | 607,567,350 |
| Average fixed rate (%) | | | | 5.7525% |
| Currency: Yen | | | | |
| Notional amount (Yen) | - | 1,129,369,807 | 4,001,796,967 | 5,131,166,774 |
| Average fixed rate (%) | | | | 0.82% |

20. Lease

The Group as a lessee

The Group has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 20 – 25 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|------------------|--------------------|
| | Land | Motor vehicles | Total |
| 1 January 2020 | 795,195,015 | 1,417,555 | 796,612,570 |
| Additions | 39,648,752 | - | 39,648,752 |
| Decrease | (61,164,667) | - | (61,164,667) |
| Transfer in (out) to property, plant and equipment | (6,862,713) | - | (6,862,713) |
| Amortisation for the year | (33,707,106) | (323,178) | (34,030,284) |
| Translation adjustment | 32,285,672 | - | 32,285,672 |
| 31 December 2020 | <u>765,394,953</u> | <u>1,094,377</u> | <u>766,489,330</u> |

b) Lease liabilities

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|----------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Lease payments | 757,107,592 | 1,246,908 | - | - |
| Less: Deferred interest expenses | (144,447,231) | (104,151) | - | - |
| Total | 612,660,361 | 1,142,757 | - | - |
| Less: Current portion | (29,848,998) | (225,531) | - | - |
| Lease liabilities - net of current portion | <u>582,811,363</u> | <u>917,226</u> | <u>-</u> | <u>-</u> |

A maturity analysis of lease payments is disclosed in Note 30.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Baht)

| | For the year ended 31 December 2020 | |
|--|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Amortisation expense of right-of-use assets | 33,707,105 | - |
| Interest expense on lease liabilities | 12,245,878 | - |
| Expense relating to leases of low-value assets | 886,536 | 120,000 |

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 28.2 million, including the cash outflow related to short-term lease, leases of low-value assets.

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the statutory reserve has fully been set aside (2019: The Company set aside net income of Baht 27 Million to the statutory reserve).

22. Dividend Payment

On 29 April 2019, the Annual General Meeting of the shareholders passed a resolution to approve a dividend payment from the 2018 earnings of Baht 0.217 per share, totaling Baht 200 million. The dividend was paid to shareholders in May 2019.

On 6 October 2020, the Annual General Meeting of the shareholders passed a resolution to approve a dividend payment from the 2019 earnings of Baht 0.11 per share, totaling Baht 101.4 million. The dividend was paid to shareholders in November 2020.

23. Expenses by nature

Significant expenses classified by nature are as follows:

| | (Unit: Baht) | | | |
|--|----------------------|-------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Salaries and wages and other employee benefits | 83,149,337 | 77,300,120 | 24,796,273 | 23,798,987 |
| Depreciation and amortisation expenses | 496,240,624 | 326,083,708 | 246,163 | 241,409 |
| Operation and maintenance of power plant | 76,951,690 | 65,894,395 | - | - |
| Professional fees | 30,916,828 | 24,617,875 | 13,543,490 | 5,432,825 |
| Bank charges | 5,375,339 | 3,176,339 | 17,962,796 | 6,015,445 |
| Land lease | - | 28,138,236 | - | - |
| Construction Cost | 2,507,243 | 10,100,199 | - | - |
| Loss (gain) on exchange rate | (47,186,132) | 68,523,123 | (16,904,386) | 4,303,594 |

24. Income tax expenses (revenue)

Income tax expenses (revenue) of the Group for the year ended 31 December 2020 and 2019 are made up as follows:

| | (Unit: Baht) | | | |
|---|----------------------|-------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Current income tax: | | | | |
| Income tax charge for the year | 22,719,573 | 12,786,793 | - | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences and others | (199,329) | (453,082) | (190,634) | (217,558) |
| Income tax expense (revenue) reported in the statement of comprehensive income | <u>22,520,244</u> | <u>12,333,711</u> | <u>(190,634)</u> | <u>(217,558)</u> |

The amount of income tax relating to each component of other comprehensive income for the year ended 31 December 2020 and 2019 are as follows:

| | (Unit: Baht) | | | |
|---|----------------------|-----------------|----------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Gain from cash flow hedge | 695,552 | - | - | - |
| Loss from the change in value of financial assets measured at FVOCI | | | | |
| Actuarial loss | - | (34,172) | - | (37,295) |
| Income tax expense (revenue) reported in the statement of other comprehensive income | 695,552 | (34,172) | - | (37,295) |

The reconciliation between accounting profit (loss) and income tax expense is shown below.

| | (Unit: Baht) | | | |
|---|-------------------------------------|-----------------------------------|-----------------------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | For the year ended 31 December | | For the year ended 31 December | |
| | 2020 | 2019 | 2020 | 2019 |
| Accounting profit before tax | 787,921,117 | 568,952,334 | 736,103,088 | 545,458,984 |
| Applicable tax rate | 0%, 10%, 15%, 16.5%, 17%, 20% | 0%,10%,15%, 16.5%, 17%, 20% | 20% | 20% |
| Accounting profit before corporate income tax multiplied by income tax rate | 139,300,706 | 106,540,399 | 147,220,618 | 109,091,797 |
| Effects of: | | | | |
| Promotional privileges (Note 25) | (124,244,720) | (127,903,525) | - | - |
| Non-deductible expenses | 676,000 | 1,260,081 | 226,060 | 93,019 |
| Exempted revenue | - | - | (149,404,750) | (110,123,888) |
| Utilised tax losses | (869,878) | (1,352,655) | - | - |
| Tax losses for the year, that were not recognised as deferred tax assets | 7,658,136 | 33,789,411 | 1,767,438 | 721,514 |
| Tax income expense (revenue) reported in the statement of comprehensive income | 22,520,244 | 12,333,711 | (190,634) | (217,558) |

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht)

| | Consolidated | | Separate | |
|---|----------------------|-----------|----------------------|---------|
| | financial statements | | financial statements | |
| | 2020 | 2019 | 2020 | 2019 |
| Deferred tax assets | | | | |
| Cash flow hedge reserve | 4,154,760 | - | - | - |
| Provision for long-term employee benefits | 1,290,723 | 968,806 | 627,416 | 436,781 |
| Deferred tax liabilities | | | | |
| Share of profits from foreign subsidiaries | 21,370,564 | 3,961,859 | - | - |
| Unrealised gain on change in fair value of forward exchange contracts | 122,586 | - | - | - |

As at 31 December 2020, the Group has unused tax losses totaling Baht 464 million (the Company: Baht 56 million) (2019: the Group: Baht 458 million and the Company: Baht 56 million), on which deferred tax assets have not been recognised as the Group believe that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

As at 31 December 2020, unused tax losses totaling Baht 464 million, such tax losses will be expired within 2021 - 2025.

25. Promotional privileges

Its subsidiaries have been granted the promotional privileges under the Investment Promotional Act, B.E. 2520 by the Board of Investment under each promotion certificate as follows:

| Company's name | Certificates | | 1 st Income Date | Privileges |
|---------------------------------|------------------|------------------|-----------------------------|------------|
| | No. | Dated | | |
| Serm Sang Palang Ngan Co., Ltd. | 2645(1)/2556 | 19 November 2013 | 2 February 2015 | A), B), D) |
| Serm Sang Infinite Co., Ltd | 60-1446-1-00-1-0 | 20 December 2017 | 12 March 2018 | C), D) |
| | 61-0246-1-00-1-0 | 9 March 2018 | 1 March 2018 | C), D) |
| | 61-0796-1-00-1-0 | 5 July 2018 | 1 July 2018 | C), D) |
| | 61-0797-1-00-1-0 | 5 July 2018 | 1 July 2018 | C), D) |
| | 61-0798-1-00-1-0 | 5 July 2018 | 1 July 2018 | C), D) |
| | 61-0799-1-00-1-0 | 5 July 2018 | 1 July 2018 | C), D) |
| | 61-0800-1-00-1-0 | 5 July 2018 | 1 July 2018 | C), D) |
| | 62-0029-1-00-1-0 | 9 January 2019 | 1 April 2019 | C), D) |
| | 62-0922-1-00-1-0 | 28 August 2019 | 2 March 2020 | C), D) |
| | 63-0040-1-00-1-0 | 13 January 2020 | 1 April 2020 | C), D) |
| | 63-0041-1-00-1-0 | 13 January 2020 | 1 April 2020 | C), D) |
| | 63-0042-1-00-1-0 | 13 January 2020 | 1 April 2020 | C), D) |
| Serm Sang Solar Co., Ltd | 61-0508-1-00-10 | 3 May 2018 | 30 November 2018 | C), D) |

Subject to certain imposed conditions, the privileges include the following:

- A) The privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues.
- B) A 50% reduction of corporate income tax on income derived from the promoted operations for a period of 5 years after the tax-exemption period ends.
- C) The privileges include an exemption from corporate income tax that up to 100 percentage of investment excluding land and working capital for a period of 8 years from the date the promoted operations begin generating revenues.
- D) In case of an accumulated losses incurred during the corporate income tax exemption period, the subsidiary is allowed to utilise the losses as a deduction against net income for a period of 5 years after the expiry of the tax exemption period, whether from any one year or from several years.

The Group has operating revenues for the year ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Million Baht)

| | Consolidated financial statements | | | | | |
|-----------------------------------|-----------------------------------|-------|-------------------------|-------|---------|---------|
| | Promoted operations | | Non-promoted operations | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Sales of electricity | 331.3 | 349.5 | 943.7 | 521.1 | 1,275.0 | 870.6 |
| Sales of goods | - | - | 21.5 | - | 21.5 | - |
| Subsidy for adder | 560.5 | 591.2 | - | - | 560.5 | 591.2 |
| Revenue from construction service | - | - | 3.5 | 11.9 | 3.5 | 11.9 |
| Total | 891.8 | 940.7 | 968.7 | 533.0 | 1,860.5 | 1,473.7 |

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on their products and have four reportable segments as follows:

1. Production and distribution of electricity from solar power plants
2. Electricity distribution and installation services relating to the solar roof system
3. Production and distribution of electricity from wind power plant.
4. Others (investment, consultancy and others)

No operating segments have been aggregated to from the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the year ended 31 December 2020 and 2019.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | | | | | |
|---|--|-----------|--|---------|--|---------|-----------|-----------|--------------|-----------|-----------|-----------|
| | Production and distribution of electricity from solar power plants | | Electricity distribution and installation services relating to the solar roof system | | Production and distribution of electricity from wind power plant | | Others | | Eliminations | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Electricity sales | 1,809,900 | 1,443,851 | 25,567 | 17,851 | - | - | - | - | - | - | 1,835,467 | 1,461,702 |
| Sales of goods | - | - | 21,489 | - | - | - | - | - | - | - | 21,489 | - |
| Revenue from construction services | - | - | 3,539 | 12,998 | - | - | - | - | - | (1,095) | 3,539 | 11,903 |
| Other income | 9,559 | 2,922 | 4,429 | 918 | - | - | 66,368 | 63,988 | (54,937) | (60,472) | 25,419 | 7,356 |
| Total revenue and other income | 1,819,459 | 1,446,773 | 55,024 | 31,767 | - | - | 66,368 | 63,988 | (54,937) | (61,567) | 1,885,914 | 1,480,961 |
| Operating profit (loss) | 1,078,672 | 887,023 | 17,026 | 5,948 | (13,191) | (1,671) | 44,043 | 34,370 | (53,658) | (159,671) | 1,072,892 | 765,999 |
| Finance income | 840 | 2,670 | 311 | 34 | 28 | 3 | 251,149 | 229,749 | (249,977) | (227,861) | 2,351 | 4,595 |
| Finance costs | (246,009) | (172,831) | (2,237) | (2,514) | (270) | - | (295,466) | (257,605) | 256,660 | 231,309 | (287,322) | (201,641) |
| Finance costs, net | (245,169) | (170,161) | (1,926) | (2,480) | (242) | 3 | (44,317) | (27,856) | 6,683 | 3,448 | (284,971) | (197,046) |
| Profit (loss) before income tax expense | 833,503 | 716,862 | 15,100 | 3,468 | (13,433) | (1,668) | (274) | 6,514 | (46,975) | (156,223) | 787,921 | 568,953 |
| Income tax income (expense) | (18,931) | (4,534) | (98) | - | - | - | (3,561) | (7,976) | 70 | 176 | (22,520) | (12,334) |
| Profit (loss) for the year | 814,572 | 712,328 | 15,002 | 3,468 | (13,433) | (1,668) | (3,835) | (1,462) | (46,905) | (156,047) | 765,401 | 556,619 |

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | | | | | | | |
|-------------------------|-----------------------------------|-----------|--------------------------------|---------|-----------------------------|--------|-----------|-----------|--------------|-------------|------------|------------|
| | Production and distribution | | Electricity distribution and | | Production and distribution | | | | | | | |
| | of electricity from solar | | installation services relating | | of electricity from wind | | | | | | | |
| | power plants | | to the solar roof system | | power plant | | Others | | Eliminations | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| As at 31 December | | | | | | | | | | | | |
| Segment assets | | | | | | | | | | | | |
| Property, plant and | | | | | | | | | | | | |
| equipment | 10,239,041 | 9,437,577 | 188,431 | 154,752 | 59,431 | 41,798 | 74,672 | 71,611 | 32,367 | 16,366 | 10,593,942 | 9,722,104 |
| Intangible assets | 981,505 | 975,357 | 1,548 | 1,583 | - | - | 93 | 153 | 65,071 | 68,737 | 1,048,217 | 1,045,830 |
| Other non-current | | | | | | | | | | | | |
| financial assets | - | - | - | - | - | - | 32,087 | 26,041 | - | - | 32,087 | 26,041 |
| Right-of-use assets | 753,276 | - | - | - | 12,119 | - | - | - | 1,094 | - | 766,489 | - |
| Unallocated assets | - | - | - | - | - | - | - | - | - | - | 3,663,296 | 2,251,152 |
| Total assets | | | | | | | | | | | 16,104,031 | 13,045,127 |
| Segment liabilities | | | | | | | | | | | | |
| Loans | 8,963,297 | 7,906,617 | 157,568 | 9,662 | - | - | 8,426,998 | 4,887,551 | (7,771,082) | (4,077,537) | 9,776,781 | 8,726,293 |
| Debentures | - | - | - | - | - | - | 793,904 | - | - | - | 793,904 | - |
| Lease liabilities | 598,314 | - | - | - | 13,429 | - | 917 | - | - | - | 612,660 | 1,142 |
| Unallocated liabilities | - | - | - | - | - | - | - | - | - | - | 378,693 | 320,705 |
| Total liabilities | | | | | | | | | | | 11,562,038 | 9,048,140 |

Geographical segments

The Group operate in Thailand, Hong Kong, Singapore, Japan, Mongolia, Vietnam and Indonesia. The operations in Hong Kong and Singapore do not generate revenues from the external customers.

Geographic information segment

(Unit: Million Baht)

| Revenue from the external customers | Consolidated financial statements | |
|-------------------------------------|-----------------------------------|------------------|
| | 31 December 2020 | 31 December 2019 |
| Thailand | 917 | 954 |
| Japan | 621 | 348 |
| Mongolia | 113 | 52 |
| Vietnam | 206 | 120 |
| Indonesia | 3 | - |
| Total | 1,860 | 1,474 |

(Unit: Million Baht)

| Non-current assets* | Consolidated financial statements | |
|---------------------|-----------------------------------|------------------|
| | 31 December 2020 | 31 December 2019 |
| Thailand | 2,677 | 2,808 |
| Japan | 8,014 | 6,464 |
| Hongkong | 35 | 34 |
| Mongolia | 513 | 561 |
| Vietnam | 1,842 | 1,378 |
| Indonesia | 71 | 8 |
| Total | 13,152 | 11,253 |

*Other than financial instrument and deferred tax asset

Major customers

For the year 2020 and 2019, the Group has revenue from sale of electricity from 7 major customers in amount of Baht 1,809.9 million (2019: 6 major customers, amount of Baht 1,443.9 million).

28. Provident fund

The Group and its employee have jointly established a provident fund in accordance with the provident fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 - 10 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited will be paid to employees upon termination in accordance with the fund rules.

During the year of 2020, the Group recorded the contributions amounting to approximately Baht 2.0 million, and for the Company of Baht 0.8 million. (2019: the Group: Baht 1.7 million, the Company: Baht 0.7 million).

29. Commitments and contingent liabilities

29.1 Power purchase agreement

On 7 June 2013, a subsidiary entered into power purchase agreement with Electricity Generating Authority of Thailand (“EGAT”). The agreement covered the periods of five years and it will be renewable for a period of five years. According to electricity sale to EGAT, the subsidiary will be granted a subsidy for adder at Baht 6.5 per kilowatt-hour for the period of ten years starting from the first commercial date (2 February 2015).

On 31 December 2017, a subsidiary in Japan entered into power purchase agreement with Hokkaido Electric Power Company Limited for the period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 26 February 2018, a subsidiary entered into power purchase agreement with Provincial Electricity Authority (“PEA”) for the period of 25 years. According to electricity sale to PEA, the subsidiary requires to comply with conditions in the agreement.

On 3 August 2018 and 1 June 2020, two subsidiaries in Japan entered into power purchase agreement with Kyushu Electric KK for the period of 20 years. According to electricity sale, the subsidiary requires to comply with agreement conditions.

On 1 November 2018, a subsidiary in Vietnam entered into power purchase agreement with Vietnam Electricity for a period of 20 years. The subsidiary has commenced to generate revenue since May 2019.

On 8 July 2016, a subsidiary in Mongolia entered into power purchase agreement with National Dispatching Center for a period of 12 years. The subsidiary has commenced to generate revenue since July 2019

As at 31 December 2020, a subsidiary entered into several power purchase agreements with companies (a non-related party) for a period of 25 years.

29.2 Capital commitments

As at 31 December 2020 and 2019, the subsidiaries had capital commitments relating to the project development, land purchase, machinery and equipment purchase and licenses as follows.

| | | (Unit: Million) | |
|----------|--------------|------------------|------------------|
| Country | Currency | 31 December 2020 | 31 December 2019 |
| Thailand | Baht | - | 0.1 |
| Japan | Yen | 4,778.6 | 7,844.5 |
| Vietnam | Vietnam Dong | 2,232,000 | 2,232,000 |

29.3 Land lease commitments

As at 31 December 2019, subsidiaries in Japan have land lease commitments for the 20 years starting from 2017 to 2018. The annual rent are totaling Yen 153.2 million.

As at 31 December 2020, the Group has no obligation under long-term land lease agreement as a result of the adoption of TFRS 16 as at 1 January 2020. The Group recognized the land lease liabilities previously classified as operating lease at the present value of the remaining lease payment, discounted using the Group's incremental borrowing rate as described in Note 3 and Note 4 to financial statements.

29.4 Service agreement

As at 31 December 2020 and 2019, the Group has commitment for service agreements which have the remaining schedule repayments as follows:

| Country | Currency | Within 1 year | | 1 - 5 years | | Over 5 years | | Total | |
|----------|-----------|---------------|-------|-------------|-------|--------------|--------|-------|--------|
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Million) | | | | | | | | |
| Thailand | Baht | 27 | 86 | 18 | 178 | - | - | 45 | 264 |
| Japan | Yen | 72 | 38 | 97 | 87 | 359 | 391 | 528 | 516 |
| Vietnam | VND | 5,878 | 7,046 | - | 1,830 | - | 83,265 | 5,878 | 92,141 |

As at 31 December 2020, subsidiaries in Japan have long-term service commitments related to several service agreements. The service fee expenses are Yen 90.5 million per year (2019: Yen 83.0 million).

29.5 Share capital of subsidiaries

As at 31 December 2020, the Company has a commitment in respect of the unissued and uncalled portion of the subsidiaries' registered share capital amounting to Baht 569.3 million (2019: Baht 542.7 million) and VND 38,428 million (2019: VND 272.2 million).

A subsidiary in Hong Kong has a commitment to pay for investment in subsidiaries in Japan of Yen 971.2 million (2019: Yen 811.7 million).

29.6 Guarantees

- a) As at 31 December 2020, there were outstanding bank guarantees of Baht 32.7 million issued by bank on behalf of the Group in order to guarantee contracted performance to state enterprises and Baht 31.0 million of such bank guarantees were the Company's. (2019: The Group of Baht 32.7 million and the Company of Baht 31.0 million).
- b) As at 31 December 2020, there were outstanding standby letter of credit of Yen 727.8 million, issued by 2 Thai commercial banks on behalf of the Company in respect of contractual performance of investment in Japan.
- d) As at 31 December 2020, there were outstanding standby letter of credit of USD 36.0 million, issued by Thai Commercial bank on behalf of the Company in respect of contractual performance of construction in Vietnam.
- e) The Company acts as guarantor of loan agreements to subsidiaries of USD 16.6 million and Baht 90.6 million (31 December 2019: USD 18.7 million).

30. Financial instruments

30.1 Financial risk management objectives and policies

The Group financial instruments, principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivables, unbilled receivables, loans, share acquisition payable to subsidiary's former shareholders, trade and other payables, retention payable, borrowing and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described follow.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables deposits with banks and financial institutions loans and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and lending

The Group is exposed to credit risk relating to trade receivables and other receivable which mainly sell to a few customers. However, the Company does not expect to incur material financial losses from uncollectible debts since the management has set the credit policies by analysing the financial status of every customer before giving the credit limits to control the credit risk. In addition, the main customers are the government, and large enterprise with low credit risk.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due and ability of payment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and bank deposits

The Group's credit risk base arisen from balances with banks and financial institutions was limited by making transaction only with the high credit rating counterparties So, the Group considers that credit risk is low.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising interest rate risk and currency risk. The Group enters into interest rate swaps and foreign exchange forward contracts to mitigate the risk of rising interest rates and currency risk.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, lending and borrowings. Most of their financial assets and financial liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group reduces its interest rate risk by having fixed and variable rate borrowings and enters into interest rate swaps.

As at 31 December 2020 and 2019, significant financial assets and financial liabilities classified by type of interest rate are summarised in the table below, with those financial assets and financial liabilities that carry fixed interest rates further classified based on the maturity date or the repricing date if this occurs before the maturity date.

(Unit: Baht)

| Consolidated financial statements | | | | | |
|--|--------------------------------------|---------------------------|-------------------------|----------------------|---|
| As at 31 December 2020 | | | | | |
| | Fixed interest rate within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
| Financial Assets | | | | | |
| Cash and cash equivalents | - | 1,011,194,352 | 353,139,335 | 1,364,333,687 | 0.0001% - 5.6% |
| Short-term restricted bank deposits | - | 152,261,974 | - | 152,261,974 | 0.1% - 4.91% |
| Long-term restricted bank deposits | 268,808,600 | 446,940,788 | - | 715,749,388 | 0.0001% - 0.6% |
| Trade receivables and accrued interest income | - | - | 279,925,715 | 279,925,715 | |
| Other current financial assets | 5,300,000 | - | - | 5,300,000 | 0.375% |
| Short-term loans to related parties | - | - | 8,960,220 | 8,960,220 | |
| Other non-current financial assets | - | - | 32,086,947 | 32,086,947 | - |
| | <u>274,108,600</u> | <u>1,610,397,114</u> | <u>674,112,217</u> | <u>2,558,617,931</u> | |

(Unit: Baht)

| Consolidated financial statements | | | | | | |
|---|---------------------|----------------------|--------------|----------------------|--------------------|-----------------------|
| As at 31 December 2020 | | | | | | |
| | Fixed interest rate | | | Floating | Non-interest | Effective |
| | Within 1 year | 1 - 5 years | Over 5 years | interest rate | bearing | Total |
| | | | | | | interest rate |
| | | | | | | (% per annum) |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 117,143,886 | 117,143,886 |
| Share acquisition payable to subsidiary's former shareholder | - | - | - | - | 9,259,301 | 9,259,301 |
| Retention payable | - | - | - | - | 5,549,654 | 5,549,654 |
| Lease liabilities | 255,607 | 661,619 | - | - | 611,743,135 | 612,660,361 |
| Short-term loan from bank | - | - | - | 251,034,000 | - | 251,034,000 |
| Long-term loans | 137,801,832 | 519,123,868 | - | 8,868,821,264 | - | 9,525,746,964 |
| Debenture | - | 793,903,674 | - | - | - | 793,903,674 |
| | <u>138,057,439</u> | <u>1,313,689,161</u> | <u>-</u> | <u>9,119,855,264</u> | <u>743,695,976</u> | <u>11,315,297,840</u> |

| Consolidated financial statements | | | | | | | |
|-----------------------------------|---------------------|---------------|---------------|---------------------------|-------------------------|---------------|---|
| As at 31 December 2020 | | | | | | | |
| | Fixed interest rate | | | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
| | Within 1 year | 1 - 5 years | Over 5 years | | | | |
| Derivatives | | | | | | | |
| Forward contracts - Baht currency | - | - | - | - | 289,972 | 289,972 | - |
| Interest rate swap contracts | | | | | | | |
| - Baht currency | | | | | | | |
| - Fixed interest rate | 151,891,838 | 455,675,512 | - | - | - | 607,567,350 | 5.71% - 5.795% |
| - Floating interest rate | - | - | - | 607,567,350 | - | 607,567,350 | THB FIX 3M+ additional rate |
| Interest rate swap contracts | | | | | | | |
| - Yen currency | | | | | | | |
| - Fixed interest rate | - | 1,129,369,807 | 4,001,796,967 | - | - | 5,131,166,774 | 0.82% |
| - Floating interest rate | - | - | - | 5,131,166,774 | - | 5,131,166,774 | JPY TIBOR 6M+ additional rate |

(Unit: Baht)

| Consolidated financial statements | | | | | |
|---|--------------------------------------|---------------------------|-------------------------|---------------|---|
| As at 31 December 2019 | | | | | |
| | Fixed interest rate within 1 year | Floating interest rate | Non-interest bearing | Total | Effective interest rate (% per annum) |
| Financial Assets | | | | | |
| Cash and cash equivalents | - | 666,199,958 | 249,257,349 | 915,457,307 | 0.001% - 7.10% |
| Short-term restricted bank deposits | - | 283,149,094 | - | 283,149,094 | 0.22% - 0.70% |
| Long-term restricted bank deposits | - | 159,037,379 | - | 159,037,379 | 0.001% - 0.25% |
| Trade receivables and accrued interest income | - | - | 231,139,905 | 231,139,905 | |
| Long-term investment | - | - | 26,040,947 | 26,040,947 | |
| | - | 1,108,386,431 | 506,438,201 | 1,614,824,632 | |

(Unit: Baht)

| Consolidates financial statements | | | | | | |
|--|---------------------|-------------|--------------|---------------------------|-------------------------|---|
| As at 31 December 2019 | | | | | | |
| | Fixed interest rate | | | Floating interest rate | Non-interest bearing | Effective interest rate (% per annum) |
| | Within 1 year | 1 - 5 years | Over 5 years | | | |
| Financial liabilities | | | | | | |
| Trade and other payables | - | - | - | - | 208,658,232 | |
| Share acquisition payable to subsidiary's former shareholder | - | - | - | - | 9,280,570 | |
| Share capital payable from subsidiary's capital reduction | - | - | - | - | 71,414,265 | |
| Retention payable | - | - | - | - | 6,293,579 | |
| Finance lease payable | 225,531 | 917,226 | - | - | - | 4.31% |
| Short-term loan from non-controlling interest of the subsidiary | 12,061,600 | - | - | - | - | 6% |
| Short-term loan from bank | - | - | - | 361,770,026 | - | 5.81% - 5.88% |
| Long-term loans | 137,512,763 | 576,406,947 | 80,515,051 | 7,558,026,613 | - | 0.88%-4.77% |
| | 149,799,894 | 577,324,173 | 80,515,051 | 7,919,796,639 | 295,646,646 | |

| Consolidates financial statements | | | | | | |
|--|---------------------|-------------|---------------|------------------------|----------------------|-------------------------------|
| As at 31 December 2019 | | | | | | |
| | Fixed interest rate | | | Floating interest rate | Non-interest bearing | Effective interest rate |
| | Within 1 year | 1 - 5 years | Over 5 years | | | |
| Derivatives | | | | | | (% per annum) |
| Interest rate swap contracts - Baht currency | | | | | | |
| - Fixed interest rate | 151,013,850 | 607,567,350 | - | - | - | 5.71%-5.795% |
| - Floating interest rate | - | - | - | 758,581,200 | - | THBFIX 3M+ additional rate |
| Interest rate swap contracts - Yen currency | | | | | | |
| - Fixed interest rate | - | 612,001,145 | 3,090,365,125 | - | - | 0.82% |
| - Floating interest rate | - | - | - | 3,702,366,270 | - | JPY TIBOR 6M+ additional rate |

(Unit: Baht)

| Separate financial statements | | | | | | |
|---|---------------------|----------------------|--------------|------------------------|----------------------|-------------------------|
| As at 31 December 2020 | | | | | | |
| | Fixed interest rate | | | Floating interest rate | Non-interest bearing | Effective interest rate |
| | Within 1 year | 1 - 5 years | Over 5 years | | | |
| Financial Assets | | | | | | (% per annum) |
| Cash and cash equivalents | - | - | - | 444,958,174 | 872,601 | 0.05% - 0.35% |
| Short-term restricted bank deposits | - | - | - | 54,659 | - | 0.05% |
| Long-term restricted bank deposits | 268,808,600 | - | - | 101,814,988 | - | 0.1% - 0.6% |
| Trade receivables and accrued interest income | - | - | - | - | 246,208,644 | |
| Short-term loans to related parties | - | - | - | 13,908,444 | 8,960,220 | 3.19%-3.51% |
| Long-term loans to related parties | - | - | - | 2,865,519,852 | - | 3.19%-3.51% |
| | <u>268,808,600</u> | <u>-</u> | <u>-</u> | <u>3,426,256,117</u> | <u>256,041,465</u> | <u>3,951,106,182</u> |
| Financial liabilities | | | | | | |
| Short-term loan from bank | - | - | - | 251,034,000 | - | 2.5% - 5.69% |
| Trade and other payables | - | - | - | - | 40,875,299 | |
| Short-term loans from related parties | 101,057,277 | - | - | - | - | 2% |
| Debenture | - | 793,903,674 | - | - | - | 4.6% |
| Long-term loans | 137,801,832 | 519,123,868 | - | 737,619,703 | - | 4.18% - 4.33% |
| | <u>238,859,109</u> | <u>1,313,027,542</u> | <u>-</u> | <u>988,653,703</u> | <u>40,875,299</u> | <u>2,581,415,653</u> |

(Unit: Baht)

| Separate financial statements | | | | | | |
|---|---------------------|--------------------|-------------------|------------------------|----------------------|-------------------------|
| As at 31 December 2019 | | | | | | |
| | Fixed interest rate | | | Floating interest rate | Non-interest bearing | Effective interest rate |
| | Within 1 year | 1 - 5 years | Over 5 years | | | |
| Financial Assets | | | | | | (% per annum) |
| Cash and cash equivalents | - | - | - | 78,807,855 | 124,844 | 0.20% - 0.25% |
| Short-term restricted bank deposits | - | - | - | 95,654,411 | - | 0.22% - 0.70% |
| Long-term restricted bank deposits | - | - | - | 17,158,042 | - | 0.25% |
| Trade receivables and accrued interest income | - | - | - | - | 203,166,866 | |
| Short-term loans to related parties | - | - | - | 426,856,783 | - | 3.05% - 5.875% |
| Long-term loans to related parties | - | - | - | 2,649,597,667 | - | 3.05% - 3.70% |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,268,074,758</u> | <u>203,291,710</u> | <u>3,471,366,468</u> |
| Financial liabilities | | | | | | |
| Short-term loan from bank | - | - | - | 361,770,026 | - | 5.81% - 5.88% |
| Trade and other payables | - | - | - | - | 41,512,922 | |
| Short-term loans from related parties | 103,145,175 | - | - | - | - | 2% |
| Long-term loans | 137,512,763 | 576,406,947 | 80,515,051 | 856,954,926 | - | 4.07% - 4.77% |
| | <u>240,657,938</u> | <u>576,406,947</u> | <u>80,515,051</u> | <u>1,218,724,952</u> | <u>41,512,922</u> | <u>2,157,817,810</u> |

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of floating rate deposits, loans to borrowings and derivatives affected as at 31 December 2020.

| Currency | Increase/decrease (% per annum) | Consolidated financial statements | Separate financial statements |
|-----------|------------------------------------|---|---|
| | | Effect on profit before tax (Thousand Baht) | Effect on profit before tax (Thousand Baht) |
| Thai Baht | +0.5 | (5,826) | (3,738) |
| | -0.5 | 5,826 | 3,738 |
| US Dollar | +0.5 | (3,257) | (755) |
| | -0.5 | 3,257 | 755 |
| Yen | +0.1 | (5,448) | - |
| | -0.1 | 5,448 | - |

For interest rate sensitivity, the Group consider the impact of using interest rate swap for hedge accounting.

The above analysis has been prepared assuming that the amounts of the floating rate bank deposits, loans to, borrowing, and derivatives and all other variables remain constant over one year. Moreover, the floating legs of these items are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions.

Foreign currency risk

The Group's exposure to foreign currency risk arise mainly from bank deposits, purchase of machinery and equipment, lending and borrowing in foreign currency, that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within 1 year.

As at 31 December 2020 and 2019, the balances of financial assets and financial liabilities denominated in foreign currencies which have not hedged any foreign currency risk are summarised below.

| Foreign currency | Financial assets | | Financial liabilities | | Average exchange rate | |
|------------------|------------------|-----------------|-----------------------|----------------|------------------------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | | | | (Baht per 1 foreign currency unit) | |
| Japanese yen | 2,736,310,171 | 2,838,067,640 | 26,178,139,465 | 20,331,904,960 | 0.2906800 | 0.2759395 |
| US dollar | 21,965,209 | 4,627,022 | 21,668,613 | 13,844,253 | 30.037100 | 30.154000 |
| Singapore dollar | 34,542 | 35,468 | 1,659 | 803 | 22.663200 | 22.324450 |
| MNT | - | 125,919,643 | - | 6,799,372,630 | 0.0105064 | 0.0109182 |
| VND | 172,714,372,862 | 224,099,999,749 | 84,829,656,673 | 65,189,430,051 | 0.0012990 | 0.0013015 |
| Malaysia Ringgit | - | 300,000 | - | - | 7.4353000 | 7.3222000 |
| Rupiah | 559,748,347 | 1,234,468,655 | 1,440,584,070 | 4,662,791,079 | 0.0021361 | 0.0021732 |
| Hong Kong dollar | 497 | - | - | - | 3.8752500 | - |
| Swiss Franc | - | - | 600 | - | 34.028700 | - |

Foreign currency sensitivity

The following tables demonstrate the reasonably possible impact of appreciation (depreciation) of the foreign exchange on the Thai Baht as of 31 December 2020, with all other variables held constant. The impact on the Group's equity is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

| Currency | Increase/decrease | Effect on equity |
|--------------|-------------------|------------------|
| | (%) | (Thousand Baht) |
| Yen | +0.5 | (34,870) |
| | - 0.5 | 34,870 |
| US dollar | +0.5 | 45 |
| | -0.5 | (45) |
| Vietnam Dong | +0.5 | 571 |
| | -0.5 | (571) |

Liquidity risk

The Group need liquidity to meet their obligations. Individual company us responsible for its own cash balances and the raising of internal and external credit lines to cover the liquidity needs, subject to guidance by the Group.

The Group monitors the risk of a shortage of liquidity position by a recurring liquidity planning and maintains an adequate level of cash, fixed deposits and unused committed and uncommitted credit lines with various banks to meet its liquidity requirements.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

| | Consolidated financial statements | | | |
|--|-----------------------------------|------------------|------------------|-------------------|
| | Less than | 1 to 5 | More than | Total |
| | 1 year | years | 5 years | |
| Non-derivatives | | | | |
| Trade and other payables | 117,144 | - | - | 117,144 |
| Share acquisition payable | 9,259 | - | - | 9,259 |
| Retention payable | 5,550 | - | - | 5,550 |
| Lease liabilities | 45,493 | 183,957 | 527,658 | 757,108 |
| Short-term loans from financial institutions | 251,034 | - | - | 251,034 |
| Long-term loans | 1,169,346 | 3,897,302 | 4,807,220 | 9,873,868 |
| Debenture | - | 800,000 | - | 800,000 |
| Total non-derivatives | 1,597,826 | 4,881,259 | 5,334,878 | 11,813,963 |

(Unit: Thousand Baht)

| | Separate financial statements | | | |
|--|-------------------------------|------------------|-----------|------------------|
| | Less than | 1 to 5 | More than | Total |
| | 1 year | years | 5 years | |
| Non-derivatives | | | | |
| Short-term loans from financial institutions | 251,034 | - | - | 251,034 |
| Trade and other payables | 40,875 | - | - | 40,875 |
| Short-term loans from related parties | 101,057 | - | - | 101,057 |
| Long-term loans | 348,000 | 1,060,300 | - | 1,408,300 |
| Debenture | - | 800,000 | - | 800,000 |
| Total non-derivatives | 740,966 | 1,860,300 | - | 2,601,266 |

30.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position.

As at 31 December 2020, the fair values of interest rate swap contracts of subsidiaries were negative amounting to Baht 42 million and Yen 551 million, totaling of Baht 202 million which were recorded in other non-current financial liabilities. As at 31 December 2019, the fair values of interest rate swap contracts of subsidiaries were negative amounting to Baht 48 million and Yen 432 million.

As at 31 December 2020, the fair value of forward exchange contracts of a subsidiary was negative amounting Baht 0.3 million and recorded in other current financial liabilities. As at 31 December 2019, fair value of forward exchange contracts of a subsidiary was negative amounting Baht 2.72 million

Fair value of interest rate swap contracts and forward exchange contracts were referenced by the counterparty banks. Such fair values were categorized within Level 2 of the fair value hierarchy.

As at 31 December 2020, fair value of investment Baht 32.7 million was categorized within Level 2 of the fair value hierarchy.

The Group has not changed the valuation techniques for measuring the fair value during the period and there was no transfer between the levels of fair value hierarchy during the period.

31. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 2.5 (2019: 2.3). The Company has debt-to-equity ratio was 0.6 (2019: 0.6).

32. Event after the reporting period

On 25 February 2021, the Board of Directors' meeting passed the following resolution.

- Approved to pay stock dividend, which is not exceeding 92.2 million shares at a par value of Baht 1 to the Company's shareholders at the rate of 10 existing share per 1 stock dividend amounting to Baht 92.2million or equivalent to cash dividend payment at Baht 0.1 per share. In case of any shareholder hold in the indivisible share remaining after allocate the dividend so the company shall be paid by cash at the rate of Baht 0.1 per shares and pay dividend in cash at the rate of 0.01111 Baht per share, or not exceeding in a totaling of Baht 10.2444 million. The totaling of ordinary shares dividend and cash dividend payment are equivalent a rate of Baht 0.11111 per shares and a totally of Baht 102.44 million.
- Issuance of warrants (SSP-W1) of not exceeding 101,420,000 units. The warrants can be exercised within 8 months from the issuance date at the exercise ratio of (1 :1).
- Issuance of warrants (SSP-W2) of not exceeding 253,550,000 units. The warrants can be exercised within 3 years and 1 months from the issuance date at the exercise ratio of (1 :1).
- Increase in share register of the Company to be Baht 447,170,000 by issuing the 447,170,000 common shares at par value of 1 Baht each to reserve for stock dividend payment and the exercise of the warrants.

In this regard, the Board of Directors' meeting passed the resolutions to propose to the Annual General Meeting of shareholders for approval.

33. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021