

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

Independent Auditor's Report

To the Shareholders of CK Power Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of CK Power 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 CK Power 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 CK Power Public Company Limited and its subsidiaries and of CK Power 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 matter and how audit procedures respond to the matter are described below.

Investments in subsidiaries and jointly controlled entities

As disclosed in Notes 12 and 13 to the financial statements, as at 31 December 2020, the Company has investments in subsidiaries and jointly controlled entities in the separate financial statements amounting to Baht 12,405 million, which is a significant amount. In assessing the impairment of these investments the management needs to exercise substantial judgment to make forecasts of operating results and projections of future cash flows from investments, including determination of appropriate discount rates, long-term growth rates and other assumptions.

In order to assess management's identification of the impairment of investments in subsidiaries and jointly controlled entities, I gained an understanding of management's process of selecting a financial model. I also assessed the assumptions applied in preparing plans and projections of cash flows from these investments by gaining an understanding of the process by which the figures were derived, comparing the assumptions with external and internal sources of information regarding the subsidiaries and jointly controlled entities, comparing past cash flow projections with actual operating results. I also evaluated the discount rate used based on analysis of the average cost of capital and other data, tested the calculation of cash flow projections based on the financial model and considered the scope and probability of potential changes in the key assumptions and in particular the discount rates and growth rates applied in preparing the cash flow projections.

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.

Chatchai Kasemsrithanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 22 February 2021

CK Power 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	8,899,070,502	4,214,184,164	6,095,137,056	1,539,625,273
Current investments	4	-	694,854,506	-	461,655,722
Trade and other receivables	7, 9	1,054,439,611	1,292,196,206	38,984,393	34,241,893
Current portion of finance lease receivable - related party	7	153,746,218	87,265,115	-	-
Spare parts and supplies		60,857,672	61,473,814	-	-
Current portion of long-term loans to subsidiary and interest receivable	7	-	-	14,838,861	8,493,830
Other current financial assets	10	1,517,045	-	1,419,097	-
Other current assets					
Refundable input tax		305,186	7,645,773	-	-
Other		396,457,899	248,616,077	317,839,874	183,055,084
Total current assets		10,566,394,133	6,606,235,655	6,468,219,281	2,227,071,802
Non-current assets					
Long-term restricted bank deposits	11	459,574,027	459,335,947	-	-
Long-term loans to subsidiary and interest receivable, net of current portion	7	-	-	266,510,000	270,630,000
Long-term loans to associated company and interest receivable	7	3,221,229,452	3,054,308,219	3,221,229,452	3,054,308,219
Finance lease receivable - related party, net of current portion	7	3,677,435,521	3,772,521,935	-	-
Investments in subsidiaries	12	-	-	12,221,973,152	12,240,207,782
Investments in jointly controlled entities	13	356,827,929	343,735,530	183,263,970	192,938,970
Investments in associated companies	14	12,353,789,560	11,971,263,062	11,598,751,225	11,585,926,525
Right to produce and sell electricity					
- Equity attributable to owners of the Company	15	4,126,196,192	4,387,131,688	-	-
Right to produce and sell electricity					
- Non-controlling interests of the subsidiaries	15	4,597,947,902	4,858,296,229	-	-
Project costs during construction phase	16	14,186,000	105,057,547	-	-
Assets of hydroelectric power project					
under concession agreement	17	18,082,605,400	19,108,398,692	-	-
Property, plant and equipment	18	8,919,433,627	9,246,964,400	66,600,387	62,591,153
Right-of-use assets	19	386,221,583	-	126,818,825	-
Intangible assets	20	74,947,102	83,720,684	39,410,191	42,929,536
Deferred tax asset		20,053,318	-	-	-
Other non-current assets		181,609,037	193,960,183	5,311,677	4,493,356
Total non-current assets		56,472,056,650	57,584,694,116	27,729,868,879	27,454,025,541
Total assets		67,038,450,783	64,190,929,771	34,198,088,160	29,681,097,343

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

CK Power Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	7, 22	620,000,253	690,088,222	49,603,139	44,278,151
Current portion of long-term loans from financial institutions	23	544,789,275	522,494,325	-	-
Current portion of debentures	24	4,999,362,074	2,100,000,000	3,999,362,074	-
Current portion of lease liabilities	19	31,554,262	-	23,183,064	-
Income tax payable		2,682,615	170,779	-	-
Retention payable	7	1,316,905	1,647,613	-	-
Other current liabilities		<u>75,510,496</u>	<u>79,350,431</u>	<u>15,936,605</u>	<u>14,247,832</u>
Total current liabilities		6,275,215,880	3,393,751,370	4,088,084,882	58,525,983
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	23	5,637,603,846	6,178,407,594	-	-
Debentures, net of current portion	24	19,323,681,690	18,709,860,714	6,493,588,523	6,495,791,941
Lease liabilities, net of current portion	19	362,598,752	-	104,883,530	-
Provision for long-term employee benefits	25	83,123,032	64,538,746	50,633,590	39,331,948
Provision for decommissioning		8,382,637	8,064,827	-	-
Other long-term liabilities - related party	7, 26	<u>309,857,421</u>	<u>289,602,186</u>	<u>-</u>	<u>-</u>
Total non-current liabilities		25,725,247,378	25,250,474,067	6,649,105,643	6,535,123,889
Total liabilities		32,000,463,258	28,644,225,437	10,737,190,525	6,593,649,872

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

CK Power Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
9,240,000,000 ordinary shares of Baht 1 each		<u>9,240,000,000</u>	<u>9,240,000,000</u>	<u>9,240,000,000</u>	<u>9,240,000,000</u>
Issued and fully paid up					
8,129,382,729 ordinary shares of Baht 1 each					
(31 December 2019 : 8,129,382,039 ordinary shares of Baht 1 each)		8,129,382,729	8,129,382,039	8,129,382,729	8,129,382,039
Share premium		13,319,245,746	13,319,242,296	13,319,245,746	13,319,242,296
Retained earnings					
Appropriated - statutory reserve	27	167,134,494	135,968,184	167,134,494	135,968,184
Unappropriated		1,785,754,588	1,635,211,021	1,845,134,666	1,483,909,892
Other components of shareholders' equity		<u>372,897,000</u>	<u>328,879,305</u>	-	<u>18,945,060</u>
Equity attributable to owners of the Company		<u>23,774,414,557</u>	<u>23,548,682,845</u>	<u>23,460,897,635</u>	<u>23,087,447,471</u>
Non-controlling interests of the subsidiaries		<u>11,263,572,968</u>	<u>11,998,021,489</u>	-	-
Total shareholders' equity		<u>35,037,987,525</u>	<u>35,546,704,334</u>	<u>23,460,897,635</u>	<u>23,087,447,471</u>
Total liabilities and shareholders' equity		<u>67,038,450,783</u>	<u>64,190,929,771</u>	<u>34,198,088,160</u>	<u>29,681,097,343</u>
		-	-	-	-

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

.....
 Directors

CK Power Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from sales					
Revenue from sales of electricity and steam	7	6,427,885,532	8,127,561,349	-	-
Revenue from sales of electricity - electricity tariff adders		99,096,000	95,427,840	-	-
Project management income	7	168,073,159	153,896,815	359,132,430	340,314,317
Dividend income	7, 12, 13	-	-	670,762,836	772,533,095
Other income					
Finance income	7	474,222,610	413,532,653	189,468,353	70,890,635
Gain on exchange		10,823,109	2,296,842	8,677	1,114
Others	7	8,217,091	49,788,981	12,542,491	53,008,572
Total revenues		7,188,317,501	8,842,504,480	1,231,914,787	1,236,747,733
Expenses					
Cost of sales					
Cost of sales of electricity and steam	7	5,380,048,918	5,964,821,158	-	-
Amortisation of right to produce and sell electricity		521,283,824	521,283,824	-	-
Cost of project management		88,549,669	90,772,698	184,254,314	184,173,219
Administrative expenses	7	427,675,145	442,336,300	198,071,157	273,807,200
Total expenses		6,417,557,556	7,019,213,980	382,325,471	457,980,419
Operating profit		770,759,945	1,823,290,500	849,589,316	778,767,314
Share of profit from investments in jointly controlled entities	13	40,692,399	40,869,688	-	-
Share of profit from investments in associated companies	14	366,701,923	392,234,624	-	-
Finance cost		(996,360,515)	(1,161,294,032)	(226,263,116)	(209,022,095)
Profit before income tax		181,793,752	1,095,100,780	623,326,200	569,745,219
Tax income (expenses)	30	15,912,220	(12,277,780)	-	-
Profit for the year		197,705,972	1,082,823,000	623,326,200	569,745,219
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Loss on changes in value of available-for-sale investments		-	(19,185,248)	-	(23,877,317)
Unrealised gain from cash flow hedges		-	9,063,166	-	-
Less: Income tax effect		-	(113,859)	-	-
Share of other comprehensive income from associate	14	68,804,990	(36,579,484)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		68,804,990	(46,815,425)	-	(23,877,317)
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods					
Actuarial gain (loss), net of income tax		1,895,117	-	(5,998,715)	-
Share of other comprehensive income from associate		(3,209,652)	-	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		(1,314,535)	-	(5,998,715)	-
Other comprehensive income for the year		67,490,455	(46,815,425)	(5,998,715)	(23,877,317)
Total comprehensive income for the year		265,196,427	1,036,007,575	617,327,485	545,867,902

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

CK Power Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2020

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:					
Equity holders of the Company		404,714,326	768,901,766	<u>623,326,200</u>	<u>569,745,219</u>
Non-controlling interests of the subsidiaries		<u>(207,008,354)</u>	<u>313,921,234</u>		
		<u>197,705,972</u>	<u>1,082,823,000</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		469,609,033	716,830,284	<u>617,327,485</u>	<u>545,867,902</u>
Non-controlling interests of the subsidiaries		<u>(204,412,606)</u>	<u>319,177,291</u>		
		<u>265,196,427</u>	<u>1,036,007,575</u>		
Earnings per share					
33					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.050</u>	<u>0.100</u>	<u>0.077</u>	<u>0.074</u>
Weighted average number of ordinary shares (shares)		<u>8,129,382,729</u>	<u>7,716,521,606</u>	<u>8,129,382,729</u>	<u>7,716,521,606</u>

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

CK Power 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					
					<u>Other components of equity</u>	
					<u>Other comprehensive income</u>	
	Issued and paid-up		<u>Retained earnings</u>		Surplus (deficit) on	Total
share capital	Share premium	Appropriated	Unappropriated	changes in value of	shareholders'	
				available-for-sale investments	equity	
Balance as at 1 January 2019	7,370,000,000	9,522,332,101	107,480,923	1,149,011,934	42,822,377	18,191,647,335
Exercised warrants	759,382,039	3,796,910,195	-	-	-	4,556,292,234
Dividend paid (Note 28)	-	-	-	(206,360,000)	-	(206,360,000)
Profit for the year	-	-	-	569,745,219	-	569,745,219
Other comprehensive income for the year	-	-	-	-	(23,877,317)	(23,877,317)
Total comprehensive income for the year	-	-	-	569,745,219	(23,877,317)	545,867,902
Transfer to statutory reserve (Note 27)	-	-	28,487,261	(28,487,261)	-	-
Balance as at 31 December 2019	<u>8,129,382,039</u>	<u>13,319,242,296</u>	<u>135,968,184</u>	<u>1,483,909,892</u>	<u>18,945,060</u>	<u>23,087,447,471</u>
						-
Balance as at 1 January 2020	8,129,382,039	13,319,242,296	135,968,184	1,483,909,892	18,945,060	23,087,447,471
Cumulative effect of change in accounting policy (Note 4)	-	-	-	18,945,060	(18,945,060)	-
Balance as at 1 January 2020 - as restated	8,129,382,039	13,319,242,296	135,968,184	1,502,854,952	-	23,087,447,471
Exercised warrants (Note 32)	690	3,450	-	-	-	4,140
Dividend paid (Note 28)	-	-	-	(243,881,461)	-	(243,881,461)
Profit for the year	-	-	-	623,326,200	-	623,326,200
Other comprehensive income for the year	-	-	-	(5,998,715)	-	(5,998,715)
Total comprehensive income for the year	-	-	-	617,327,485	-	617,327,485
Transfer to statutory reserve (Note 27)	-	-	31,166,310	(31,166,310)	-	-
Balance as at 31 December 2020	<u>8,129,382,729</u>	<u>13,319,245,746</u>	<u>167,134,494</u>	<u>1,845,134,666</u>	-	<u>23,460,897,635</u>

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

CK Power Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	181,793,752	1,095,100,780	623,326,200	569,745,219
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,560,758,654	1,517,820,856	39,656,126	15,995,290
Share of profit from investments in jointly controlled entities	(40,692,399)	(40,869,688)	-	-
Share of profit from investments in associated companies	(366,701,923)	(392,234,624)	-	-
Allowance for impairment of investments in subsidiary	-	-	18,234,630	120,348,558
Allowance for impairment of investments in jointly controlled entities	-	-	9,675,000	-
Loss (gain) on disposal/write off of property plant and equipment	635,492	3,846,903	(224,624)	34,712
Unrealised loss (gain) on exchange	653,333	(1,375,155)	-	-
Gain on disposal of other current financial assets	(3,434,387)	-	(2,232,313)	-
Unrealised gain from fair value measurement of other current financial assets	(4,824)	-	(3,555)	-
Amortisation of interest rate reduction fee and deferred debenture issuing cost	25,142,897	32,277,979	1,775,021	1,636,124
Amortisation of right to produce and sell electricity	521,283,824	521,283,824	-	-
Provision for long-term employee benefits	25,134,693	14,330,378	9,843,897	8,785,124
Dividend income	-	-	(670,762,836)	(772,533,095)
Finance income	(453,777,960)	(385,752,226)	(176,270,939)	(60,512,540)
Finance cost	955,887,816	871,694,329	218,817,888	206,713,973
Profit from operating activities before changes in operating assets and liabilities	2,406,678,968	3,236,123,356	71,834,495	90,213,365
Operating assets (increase) decrease				
Trade and other receivables	237,629,739	22,563,719	(4,742,499)	(2,071,187)
Spare parts and supplies	616,142	(358,040)	-	-
Other current assets	(149,414,665)	169,770,898	(143,290,363)	(149,846,538)
Other non-current assets	4,173,940	3,966,915	(818,320)	(867,037)
Operating liabilities increase (decrease)				
Trade and other payables	(27,296,710)	(58,967,752)	5,404,751	(8,928,925)
Retention payable	(330,708)	169,536	-	-
Other current liabilities	(3,839,937)	(1,282,048)	1,688,771	(3,060,584)
Cash paid for long-term employee benefits	(4,655,290)	(2,674,934)	(4,540,970)	(2,674,934)
Cash flows from (used in) operating activities	2,463,561,479	3,369,311,650	(74,464,135)	(77,235,840)
Interest paid	(215,087,925)	(219,488,422)	(204,458,630)	(206,155,343)
Corporate income tax paid	(3,207,184)	(25,245,114)	(1,288,187)	(1,506,823)
Net cash flows from (used in) operating activities	<u>2,245,266,370</u>	<u>3,124,578,114</u>	<u>(280,210,952)</u>	<u>(284,898,006)</u>

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

CK Power Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease in short-term restricted bank deposits	-	507,165,600	-	-
Decrease (increase) in long-term restricted bank deposits	(238,080)	575,194,147	-	-
Decrease in current investments	-	933,752,082	-	968,752,082
Proceeds from sales of other current financial assets	696,776,672	-	462,472,493	-
Cash receipt from long-term loans to subsidiary	-	-	8,700,000	-
Increase in long-term loans to subsidiary	-	-	(11,000,000)	(200,000,000)
Increase in long-term loans to associated company	-	(3,000,000,000)	-	(3,000,000,000)
Decrease in finance lease receivable and accrued interest income	373,340,197	432,000,000	-	-
Increase in investments in subsidiaries	-	(681,464,240)	-	(681,464,240)
Increase in investments in associated companies	(12,824,700)	(481,474,125)	(12,824,700)	(481,474,125)
Increase in project costs during construction phase	(47,855,542)	(171,427,302)	-	-
Increase in building and equipment	(52,898,417)	(74,634,544)	(17,139,690)	(13,552,024)
Increase in intangible assets	(2,523,472)	(969,900)	(2,523,472)	(440,200)
Proceeds from sales of equipment	3,501,894	6,140,636	224,673	930,327
Interest received	4,717,305	-	9,424,675	6,108,541
Dividend received from subsidiaries	-	-	643,162,836	755,733,095
Dividend received from jointly controlled entities	27,600,000	16,800,000	27,600,000	16,800,000
Cash paid for interest capitalised as part of project costs during construction phase	(2,805,164)	(4,122,915)	-	-
Net cash flows from (used in) investing activities	986,790,693	(1,943,040,561)	1,108,096,815	(2,628,606,544)
Cash flows from financing activities				
Decrease in long-term loans from financial institutions	(522,494,325)	(7,812,120,374)	-	-
Payment of principal portion of lease liabilities	(29,613,703)	-	(21,238,396)	-
Cash paid for interest on lease liabilities	(9,330,200)	-	(2,641,997)	-
Cash receipt from issuance of debentures	5,600,000,000	6,000,000,000	4,000,000,000	-
Repayment of debentures	(2,100,000,000)	(600,000,000)	-	-
Cash paid for issuance of debentures fees	(7,974,321)	(39,460,111)	(4,616,366)	-
Interest paid	(703,297,809)	(772,740,877)	-	-
Dividend paid	(243,881,461)	(206,360,000)	(243,881,461)	(206,360,000)
Dividend paid of the subsidiaries	(530,035,913)	(679,770,150)	-	-
Cash received from exercise of warrants	4,140	4,556,292,234	4,140	4,556,292,234
Net cash flows from financing activities	1,453,376,408	445,840,722	3,727,625,920	4,349,932,234
Effect of exchange rate changes on cash and cash equivalents	(547,133)	228,192	-	-
Net increase in cash and cash equivalents	4,684,886,338	1,627,606,467	4,555,511,783	1,436,427,684
Cash and cash equivalents at beginning of year	4,214,184,164	2,586,577,697	1,539,625,273	103,197,589
Cash and cash equivalents at end of year	8,899,070,502	4,214,184,164	6,095,137,056	1,539,625,273
	-	-	-	-

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

CK Power Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Supplemental disclosures of cash flows information				
Non-cash transactions				
Increase in project costs during construction phase				
from interest payables	-	92,824	-	-
Increase in project costs during construction phase				
from provision for decommissioning	317,810	1,748,578	-	-
Increase in equipment from other payables	-	1,298,858	-	2,643,888
Transfer project costs during construction phase to plant and equipment	105,133,922	175,091,677	-	-
Transfer project costs during construction phase to				
finance lease receivable - related party	-	2,972,649,189	-	-
Transfer assets of hydroelectric power project under concession				
agreement to finance lease receivable - related party	-	962,073,072	-	-
Transfer plant and equipment to finance lease receivable - related party	-	4,553,283	-	-
Transfer spare parts and supplies to finance lease receivable - related party	-	701,918	-	-
Increase in right-of-use assets from lease liabilities	29,709,577	-	22,374,386	-

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

CK Power 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

CK Power Public Company Limited (“the Company”) is a limited company incorporated on 8 June 2011 and domiciled in Thailand and registered the change in the Company’s status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 6 February 2013. The major shareholder of the Company is CH. Karnchang Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in investment in companies whose the principal business operation is the generation of electricity for sales, and provision of consulting services and other services relating to electricity generating projects both locally and overseas.

The registered office of the Company is at 587 Viriyathavorn Building 19th Floor, Sutthisarn Road, Kwaeng Ratchadapisek, Khet Dindaeng, 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 dated, 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

- a) The consolidated financial statements include the financial statements of CK Power Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u> Percent	<u>2019</u> Percent
<u>Investments in subsidiaries</u>				
(held by Company)				
SouthEast Asia Energy Limited (including equity interest in Nam Ngum 2 Power Company Limited)	Investing in Nam Ngum 2 Power Company Limited	Thailand	61.33	61.33
Bangkhenchai Company Limited	Generating and sale of electricity for solar power	Thailand	100	100
Bangpa-in Cogeneration Limited	Generating and sale of electric power and power from other sources	Thailand	65	65
CKP Solar Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Apollo Power Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Vis Solis Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Sole Power Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Helios Power Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
(held by subsidiary company)				
Nam Ngum 2 Power Company Limited (75 percent held by SouthEast Asia Energy Limited)	Generating and sale of electricity for the Nam Ngum 2 Hydroelectric Power Project	Lao People's Democratic Republic	46	46

⁽¹⁾ Not commenced their business activities

- b) 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.
 - c) 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.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) Material balances and transactions between the Group has 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.
- 2.3 The separate financial statements present investments in subsidiaries, jointly controlled entities and associate under the cost 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

The 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. These 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.

- Classification and measurement of investments in available-for-sale - The Group's available-for-sale investments in unit trust in fixed income open-ended fund are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains (or losses) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to the 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 an adjustment to the 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.

(b) Financial reporting standards that became 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 to 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 on 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			
	31 December 2019	The effect of		1 January 2020
Financial reporting standards related to financial instruments		TFRS 16		
Statement of financial position				
Assets				
Current assets				
Current investments	694,855	(694,855)	-	-
Other current financial assets	-	694,855	-	694,855
Non-current assets				
Right-of-use assets	-	-	396,124	396,124
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	31,146	31,146
Non-current liabilities				
Lease liabilities, net of current portion	-	-	364,978	364,978
Shareholders' equity				
Retained earnings - unappropriated	1,635,211	24,787	-	1,659,998
Other components of shareholders' equity	328,879	(24,787)	-	304,092

(Unit: Thousand Baht)

	Separate financial statements			
	The effect of			
	31 December	Financial		1 January
	2019	reporting	TFRS 16	2020
		standards		
		related to		
		financial		
		instruments		
Statement of financial position				
Assets				
Current assets				
Current investments	461,656	(461,656)	-	-
Other current financial assets	-	461,656	-	461,656
Non-current assets				
Right-of-use assets	-	-	128,894	128,894
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	19,872	19,872
Non-current liabilities				
Lease liabilities, net of current portion	-	-	109,022	109,022
Shareholders' equity				
Retained earnings - unappropriated	1,483,910	18,945	-	1,502,855
Other components of shareholders' equity	18,945	(18,945)	-	-

4.1 Financial instruments

- a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Retained earnings	Other components of shareholders' equity	Retained earnings	Other components of shareholders' equity
Classification of available-for-sale investments as financial assets at fair value through profit or loss	24,787	(24,787)	18,945	(18,945)

- b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The formal carrying amount	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	4,214,148	-	4,214,148	4,214,148
Other current financial assets	694,855	694,855	-	694,855
Trade and other receivables	1,292,196	-	1,292,196	1,292,196
Finance lease receivable - related party	3,859,787	-	3,859,787	3,859,787
Long-term restricted bank deposits	459,336	-	459,336	459,336
Long-term loans to associated company and interest receivable	3,054,308	-	3,054,308	3,054,308
Total financial assets	13,574,630	694,855	12,879,775	13,574,630

(Unit: Thousand Baht)

	Separate financial statements			
	The formal carrying			
	amount	Classification and measurement in accordance with TFRS 9		
	Fair value through			
		profit or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	1,539,625	-	1,539,625	1,539,625
Other current financial assets	461,656	461,656	-	461,656
Trade and other receivables	34,242	-	34,242	34,242
Long-term loans to subsidiary and interest receivable	279,124	-	279,124	279,124
Long-term loans to associated company and interest receivable	3,054,308	-	3,054,308	3,054,308
Total financial assets	5,368,955	461,656	4,907,299	5,368,955

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	93,893	50,638
Less: Short-term leases and leases of low-value assets	(664)	(545)
Add: Option to extend lease term	401,088	90,176
Less: Deferred interest expenses	(98,193)	(11,375)
Lease liabilities as at 1 January 2020	396,124	128,894
Weighted average incremental borrowing rate (percent per annum)	2.32	2.01

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Comprise of:		
Current lease liabilities	31,146	19,872
Non-current lease liabilities	364,978	109,022
	<u>396,124</u>	<u>128,894</u>

5. Significant accounting policies

5.1 Business Combinations

The Company accounts for business combinations under the acquisition method. The cost of acquisition is the sum of the transferred consideration at its acquisition-date fair value and any non-controlling interest in the acquiree. Non-controlling interests (if any) in the acquiree are measured at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The Company recognises cost of acquisition as an expense when it is incurred and when service has been rendered.

5.2 Revenue and expense recognition

Revenue from sales of electricity and steam

Revenue from sale of electricity and stream is recognised when control of the asset is transferred to the buyer, generally upon delivery of the electricity and stream. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenue from sales of electricity from the hydroelectric power project is recognised based on the amount of electricity agreed to be sold to the Electricity Generating Authority of Thailand (actual amount of electricity delivered and electricity available and awaiting delivery to Electricity Generating Authority of Thailand) and the rates stipulated in the Power Purchase Agreement.

Revenue from sales of electricity from solar power includes electricity tariff adder and fuel adjustment charges (Ft) but is net of the Provincial Electricity Authority's operating charges.

Project management income

Project management income is recognised when services have been rendered taking into account the stage of completion. This is based on the amount that the Group has a right to invoice as it corresponds directly with the value to the customer of the Company's and its subsidiaries' performance completed to date.

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 then it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Dividends

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

Finance cost

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

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

5.3 Cash and cash equivalents

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

5.4 Spare parts and supplies

Spare parts and supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

5.5 Investments in subsidiaries, jointly controlled entities and associates

Investments in jointly controlled entities and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, jointly controlled entities and associates are accounted for in the separate financial statements using the cost method.

5.6 Right to produce and sell electricity and amortisation

Intangible assets (Right to produce and sell electricity) acquired in a business combination were measured initially at their acquisition-date fair values. Subsequent to initial recognition, right to produce and sell electricity has been stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

Amortisation of rights to produce and sell electricity is calculated by reference to cost on a straight-line basis over the remaining terms of the rights to produce and sell electricity, from the date on which the Company assumes control over the subsidiaries or, if the subsidiary has not yet commenced sale of electricity at the date the Company assumes control, recognition of amortisation begins from the date on which the subsidiary first sells electricity under the Power Purchase Agreement (estimated around 10 to 27 years). The Company reviews assets for impairment whenever events or changes in circumstances indicate that an asset may be impaired, and reviews the amortisation period and the amortisation method used for right to produce and sell electricity at least every year. Amortisation is recognised as an expense in profit or loss.

5.7 Project costs during construction phase

All expenditures and other related expenses which are incurred during the construction of a power plant to enable it to become operational are capitalised as assets. Such project costs during construction phase include, inter alia, project administrative and management costs, consulting fees, design fees, interests and other financing costs.

5.8 Assets of hydroelectric power project under concession agreement

Nam Ngum 2 Power Company Limited capitalised all expenditures and other expenses related to the construction of the hydroelectric power plant as assets under the caption "Assets of hydroelectric power project under concession agreement" in the statement of financial position.

Assets of the hydroelectric power project under the concession agreement are stated at costs less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of assets of the hydroelectric power project under the concession agreement are calculated by reference to their costs on the straight-line basis over estimated useful lives of 6 and 27 years, in accordance with the concession agreement. Depreciation is included in determining income.

5.9 Property, plant and equipment/Depreciation

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

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Solar Power Plant	5, 20 and 25 years
Thermal Power Plant and equipment	5 to 29 years
Plant	10 and 20 years
Leased asset improvements	10 years
Leased asset improvements of the subsidiary	10 to 24 years
Equipment, furniture and office equipment	3, 5, 6, 10 and 20 years
Motor vehicles	5 and 8 years

Depreciation is included in determining the operating result.

No depreciation is provided on land and assets under construction.

5.10 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 any 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 and land improvements	19 to 24 years
Building and building improvements	9 to 10 years
Motor vehicles	1 to 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.

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 and 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 other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

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.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

The Group's management considers the arrangement under the Power Purchase Agreement ("PPA") between Nam Ngum 2 Power Company Limited and the Electricity Generating Authority of Thailand ("EGAT") based on the principles of TFRS 16 Leases, the subsidiary retains the risks and rewards of ownership of a majority of the assets of the Nam Ngum 2 Hydroelectric Power Project. The subsidiary therefore considers the agreement to be an operating lease.

Since the terms of the Power Purchase Agreement with EGAT do not stipulate a minimum amount that EGAT is to pay Nam Ngum 2 Power Company Limited, such company recognises revenue from sales of electricity under the project based on actual electricity sales to EGAT and the rates stipulated in the Power Purchase Agreement.

5.11 Borrowing costs

Borrowing costs directly attributable to the construction of the power plant project, which necessarily takes a substantial period of time to get ready for its intended use, 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.

5.12 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets of the Group 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 assets 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.

Intangible assets with finite useful lives comprise computer software, and have useful lives of 3, 5 and 10 years.

5.13 Related party transactions

Related parties comprise individuals or enterprises 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.

5.14 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

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

Gains and losses on exchange are included in determining the operating result. Gains and losses on exchange relevant to the construction of the power plant project are included as part of project costs during construction phase.

5.15 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 Group 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.

5.16 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established provident funds. The funds are monthly contributed by employees and by the Group. The fund's assets are held in separate trust funds and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they 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 post-employment benefits are recognised immediately in other comprehensive income.

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

5.17 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.

5.18 Income tax

Income tax expense represents the sum of corporate 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 calculation determined in accordance with tax legislation and concession agreement.

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 reduces 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.

5.19 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 at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

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 and finance lease receivable, 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.

Investments

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

The weighted average method is used for computation of the cost of investments.

5.20 Derivatives and hedge accounting

An associated company use a derivatives to manage its risks associated with interest rate, namely an interest rate swap agreement.

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.

Hedge accounting - Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income 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 comprehensive income 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 other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

5.21 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 observable 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. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Project management income	-	-	196	191	Contract price
Dividend income	-	-	643	756	As declared
Finance income	-	-	9	6	Average rate of the financial costs of the Company plus a stipulated margin
Other income	-	-	7	6	Contract price
<u>Transactions with jointly controlled entities</u>					
Dividend income	-	-	28	17	As declared
<u>Transactions with associated companies</u>					
Project management income	163	149	163	149	Contract price
Finance income	104	34	167	54	Based on contracts
Other income	3	3	3	3	Contract price
<u>Transactions with related parties</u>					
Revenue from sales of electricity	1,730	3,055	-	-	Contract price
Project management income	5	5	-	-	Contract price
Finance income	345	351	-	-	Effective interest rate over the lease term
Cost of sales of electricity and steam	3,401	3,926	-	-	Contract price
Administrative expenses	6	13	3	12	Contract price
Dividend payment of subsidiaries	530	680	-	-	As declared

The balances of the accounts as at 31 December 2020 and 2019 between the Group and those related parties are as follows:

		(Unit: Thousand Baht)			
Related by	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Trade and other receivables - related parties (Note 9)</u>					
Trade receivables - related parties					
Subsidiaries	-	-	19,556	19,224	
Associated company	14,328	14,793	14,328	14,793	
Related parties					
- Electricity Generating Authority of Thailand	Major shareholder of a	131,541	416,601	-	
	shareholder of a subsidiary			-	
- TTW Public Company Limited	Common directors	1,128	1,158	-	
		<u>146,997</u>	<u>432,552</u>	<u>33,884</u>	
				<u>34,017</u>	
Other receivable - related parties					
a) Other receivable - related parties					
Related parties					
- Electricity Generating Authority of Thailand	Major shareholder of a	107	149	-	
	shareholder of a subsidiary			-	
- The Government of the Lao People's Democratic Republic	A group shareholder of a	184,299	81,564	-	
	subsidiary			-	
		<u>184,406</u>	<u>81,713</u>	<u>-</u>	
				<u>-</u>	
b) Accrued income - related parties					
Subsidiary		-	-	25	
Associated company		5,000	178	5,000	
		<u>5,000</u>	<u>178</u>	<u>5,000</u>	
				<u>203</u>	
Total trade and other receivables - related parties		<u>336,403</u>	<u>514,443</u>	<u>38,884</u>	
				<u>34,220</u>	
<u>Retention/deposit - related companies</u>					
- CH. Karnchang Public Company Limited	Common directors	2,615	2,203	2,615	
- Bangpa-in Land Development Company Limited	Common directors	690	690	-	
		<u>3,305</u>	<u>2,893</u>	<u>2,615</u>	
				<u>2,047</u>	

Finance lease receivable - related party

The outstanding balance of finance lease receivables net of unearned income between Nam Ngum 2 Power Company Limited and the related party is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Related party (A group of shareholder of the subsidiary)		
- The Government of the Lao People's Democratic Republic	3,831,182	3,859,787
Less: Current portion	(153,746)	(87,265)
Finance lease receivables - related party, net of current portion	<u>3,677,436</u>	<u>3,772,522</u>

The balance of finance lease receivable - related party was the construction cost of Nabong Substation Project, which the Government of the Lao People's Democratic Republic ("the GOL") is responsible for the construction cost as stipulated in the concession agreement. On 1 August 2019, Nam Ngum 2 Power Company Limited entered into the agreement on the Nabong substation upgrading and lease with the GOL, effective on 1 January 2019.

As at 31 December 2020, Nam Ngum 2 Power Company Limited had receivables under the lease agreement on Nabong substation and 500 kV transmission lines, which the period of this agreement is valid until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project and interest is charged at effective interest rate over the lease term as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Amounts of installments due under the contract			
	Less than 1 year	2 - 5 years	Over 5 years	Total
Finance lease receivable	474,949	1,665,156	5,272,994	7,413,099
Unearned interest income	(321,203)	(1,191,600)	(2,069,114)	(3,581,917)
Finance lease receivable - net	<u>153,746</u>	<u>473,556</u>	<u>3,203,880</u>	<u>3,831,182</u>

Long-term loans to subsidiary and interest receivable

As at 31 December 2020 and 2019, the balances of long-term loans to subsidiary and interest receivable between the Group and the movement in these balances are as follows:

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 31 December 2020
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	
Loans:				
- Bangkhenchai Company Limited	279,000	11,000	(8,700)	281,300
Interest receivable:				
- Bangkhenchai Company Limited	124	9,350	(9,425)	49
	279,124	20,350	(18,125)	281,349
Less: Current portion of long-term loans	(8,494)			(14,839)
long-term loans, net of current portion	270,630			266,510

On 7 June 2018, a meeting of the Company's Board of Directors passed a resolution approving the provision of a loan of approximately Baht 290 million to Bangkhenchai Company Limited for investment in solar rooftop or solar farm projects. The loan is to carry interest at the average rate of the financial costs of the Company plus a stipulated margin and interest is payable to the Company every last working day of the month, while principal is payable at the end of every year and the final payment is due in 2034.

On 21 November 2019, a meeting of the Company's Board of Directors passed a resolution approving to extend the repayment period to be completed in 2037. The first payment of principal is due on the last working day of December 2020. Bangkhenchai Company Limited is able made early repayment of the principal by providing a letter to the Company 30 days in advance of the full payment of the principal before that date.

As at 31 December 2020, Bangkhenchai Company Limited had fully drawn down the loan.

Long-term loans to associated company and interest receivable

As at 31 December 2020 and 2019, the balances of long-term loans to associated company and interest receivable between the Company and the associated company and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements			
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Loans:				
- Xayaburi Power Company Limited	3,000,000	-	-	3,000,000
Interest receivable:				
- Xayaburi Power Company Limited	54,308	166,921	-	221,229
	<u>3,054,308</u>	<u>166,921</u>	<u>-</u>	<u>3,221,229</u>

On 11 July 2019 and 21 November 2019, the Board of Directors' Meeting passed a resolution approving the loan to Xayaburi Power Company Limited of Baht 2,000 million and Baht 2,400 million, respectively and entered into a loan agreement with Xayaburi Power Company Limited according to the same conditions as specified in the Sponsors Support Agreement. The loans are to carry interest at the Minimum Loan Rate plus a stipulated margin (MLR + margin) per annum during the construction period and the interest rates are to be reduced from the Commercial Operation Date. The loans are to be repaid in accordance with the loan repayment schedule for the loans from the financial institutions for this project; however, the payment of principal and interest will be subject to the cash flows available to the shareholders after fulfillment of all conditions stipulated in the long-term loan agreements.

As at 31 December 2020, Xayaburi Power Company Limited had drawn down Baht 3,000 million.

(Unit: Thousand Baht)

	Related by	Consolidated		Separate	
		financial statements		financial statements	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade and other payables - related parties (Note 22)</u>					
Trade payables - related parties					
Related parties					
- PT Sole Company Limited	Common directors	21,716	19,776	-	-
- Electricité du Laos	Major shareholder of a shareholder of a subsidiary	1,176	4,400	-	-
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	16,417	16,182	-	-
- The Government of the Lao People's Democratic Republic	A group shareholder of a subsidiary	31,905	41,235	-	-
- PTT Public Company Limited	A group shareholder of a subsidiary	230,480	262,602	-	-
- Bangpa-in Land Development Company Limited	Common directors	141	83	-	-
- TTW Public Company Limited	Common directors	4,359	4,165	-	-
		<u>306,194</u>	<u>348,443</u>	<u>-</u>	<u>-</u>
Other payables - related parties					
Related parties					
- CH. Karnchang Public Company Limited	Common directors	673	839	619	785
- PT Sole Company Limited	Common directors	1,510	-	-	-
- Bangpa-in Land Development Company Limited	Common directors	-	62	-	-
- Electricité du Laos	Major shareholder of a shareholder of a subsidiary	21	13	-	-
		<u>2,204</u>	<u>914</u>	<u>619</u>	<u>785</u>
Total trade and other payables - related parties		<u>308,398</u>	<u>349,357</u>	<u>619</u>	<u>785</u>

(Unit: Thousand Baht)

	Related by	Consolidated		Separate	
		financial statements		financial statements	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Lease liabilities - related parties (Note 19)</u>					
Related parties					
- The Government of the Lao People's Democratic Republic	A group shareholder of a subsidiary	25,161	-	-	-
- CH. Karnchang Public Company Limited	Common directors	88,372	-	88,372	-
- Bangpa-in Land Development Company Limited	Common directors	105,941	-	-	-
		<u>219,474</u>	<u>-</u>	<u>88,372</u>	<u>-</u>
Less: Current portion of lease liabilities		<u>(12,350)</u>	<u>-</u>	<u>(8,969)</u>	<u>-</u>
Lease liabilities, net of current portion		<u>207,124</u>	<u>-</u>	<u>79,403</u>	<u>-</u>

Retention payable - related company

- PT Sole Company Limited	Common directors	724	724	-	-
---------------------------	------------------	-----	-----	---	---

Other long-term liabilities - related party (Note 26)

- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	309,857	289,602	-	-
--	--	---------	---------	---	---

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	131.8	131.9	96.5	92.1
Post-employment benefits	6.0	5.8	5.3	5.2
Total	<u>137.8</u>	<u>137.7</u>	<u>101.8</u>	<u>97.3</u>

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	745	681	177	163
Bank deposits	8,898,326	4,213,503	6,094,960	1,539,462
Total	8,899,071	4,214,184	6,095,137	1,539,625

The subsidiaries have pledged and assigned rights of claim in bank accounts with outstanding balances as at 31 December 2020 totaling approximately Baht 1,150 million (2019: Baht 1,098 million) with lenders to secure long-term loans of the subsidiaries, in accordance with conditions stipulated in the long-term loan agreements. However, the subsidiaries are able to withdraw these deposits for payments of their regular operating expenses, in accordance with purpose of each account.

As at 31 December 2020, bank deposits in saving accounts and fixed accounts carried interests between 0.03 to 1.25 percent per annum (2019: 0.05 to 1.00 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade receivables - related parties	146,997	432,552	33,884	34,017
Trade receivables - unrelated parties	717,249	775,287	-	-
Other receivable - related parties	184,406	81,713	-	-
Other receivables - unrelated parties	-	7	-	7
Accrued income - related parties	5,000	178	5,000	203
Interest receivables	788	2,459	100	15
Total trade and other receivables	1,054,440	1,292,196	38,984	34,242

As at 31 December 2020 and 2019, the balance of trade and other receivables are not yet due.

10. Other current financial assets

(Unit: Thousand Baht)

	31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Debt instruments at amortised cost		
Fixed deposit	1,083	1,083
Financial assets at fair value through profit or loss		
Unit trust in fixed income open-ended fund	429	332
Add: Unrealised gain on changes in value of investments	5	4
Fair value	434	336
Total other current financial assets	1,517	1,419

11. Long-term restricted bank deposits

The subsidiaries have pledged and assigned rights of claim on bank accounts with outstanding balances as at 31 December 2020 totaling approximately Baht 460 million (2019: Baht 459 million) with lenders to secure bank guarantees and to secure long-term loans of that companies in accordance with conditions stipulated in the long-term loan agreements. Those bank accounts have restrictions on withdrawal in order to reserve cash for the loan principal repayment and interest payment under the long-term loans agreements, in the event that the subsidiaries are unable to repay principal or interest when due.

12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received during the years	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(%)	(%)								
SouthEast Asia Energy Limited	6,606,750	6,606,750	61.33	61.33	9,930,914	9,930,914	(416,067)	(397,832)	9,514,847	9,533,082	263,389	401,162
Bangkhenchai Company Limited	234,250	234,250	100	100	527,062	527,062	-	-	527,062	527,062	10,541	11,712
Bangpa-in Cogeneration Limited	2,705,000	2,705,000	65	65	2,173,314	2,173,314	-	-	2,713,314	2,173,314	369,232	342,859
CKP Solar Company Limited ⁽¹⁾	5,750	5,750	100	100	5,750	5,750	-	-	5,750	5,750	-	-
Apollo Power Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Vis Solis Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Sole Power Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Helios Power Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Total					<u>12,638,040</u>	<u>12,638,040</u>	<u>(416,067)</u>	<u>(397,832)</u>	<u>12,221,973</u>	<u>12,240,208</u>	<u>643,162</u>	<u>755,733</u>

⁽¹⁾ Not commenced their business activities

12.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	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	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(%)	(%)						
SouthEast Asia Energy Limited	38.67	38.67	9,884	10,619	(406)	162	166	495
Bangpa-in Cogeneration Limited	35	35	1,380	1,379	199	152	199	185

12.3 Summarised financial information based on amounts before inter-company elimination of subsidiaries that have material non-controlling interests

Summarised information about financial position

(Unit: Million Baht)

	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current assets	2,142	2,387	1,900	1,908
Non-current assets	22,476	23,564	8,288	8,472
Current liabilities	1,249	2,375	867	859
Non-current liabilities	13,185	12,513	5,842	6,071

Summarised information about comprehensive income

(Unit: Million Baht)

For the years ended 31 December

	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue	2,088	3,415	4,655	5,038
Profit (loss)	(289)	736	595	460
Other comprehensive income	5	6	3	8
Total comprehensive income	(284)	742	597	468

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December			
	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flow from operating activities	1,123	2,035	1,268	1,262
Cash flow from (used in) investing activities	596	1,442	(10)	(26)
Cash flow used in financing activities	(1,615)	(3,404)	(1,212)	(1,163)
Net increase in cash and cash equivalents	<u>104</u>	<u>73</u>	<u>46</u>	<u>73</u>

13. Investments in jointly controlled entities

13.1 Detail of jointly controlled entities:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(%)	(%)				
Nakhon Ratchasima Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	85,388	85,388	168,401	163,026
Chiang Rai Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	107,551	107,551	188,427	180,710
Total					<u>192,939</u>	<u>192,939</u>	<u>356,828</u>	<u>343,736</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
			2020 (%)	2019 (%)	2020	2019	2020	2019	2020	2019
Nakhon Ratchasima Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	85,388	85,388	(2,925)	-	82,463	85,388
Chiang Rai Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	107,551	107,551	(6,750)	-	100,801	107,551
Total					192,939	192,939	(9,675)	-	183,264	192,939

13.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in jointly controlled entities in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in jointly controlled entities			
	during the years		Dividend received during the years	
	2020	2019	2020	2019
Nakhon Ratchasima Solar Company Limited	15,876	16,913	10,500	7,200
Chiang Rai Solar Company Limited	24,816	23,957	17,100	9,600
Total	40,692	40,870	27,600	16,800

13.3 Summarised financial information of jointly controlled entities

Financial information as presented in the financial statements of jointly controlled entities is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for the years ended		Profit for the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Nakhon Ratchasima Solar Company Limited	188	188	612	649	58	122	117	120	62	65
Chiang Rai Solar Company Limited	277	277	773	827	162	250	150	162	91	88

Nakhon Ratchasima Solar Company Limited

The Company entered into a Shareholders Agreement with Nakhon Ratchasima Solar Company Limited and another shareholder. Under the agreement, the Company agreed to provide financial support to such company in the proportion stipulated in the agreement (30 percent), or in total not more than Baht 12.6 million, if such company has continually negative working capital for a certain period stipulated in the agreement.

The Company has pledged all share certificates for its investment in Nakhon Ratchasima Solar Company Limited with a bank to guarantee a loan facility granted to that company by the bank.

Chiang Rai Solar Company Limited

The Company has pledged all share certificates for its investment in Chiang Rai Solar Company Limited with a bank to guarantee a loan facility granted to that company by the bank.

14. Investments in associated companies

14.1 Detail of associated companies

						(Unit: Thousand Baht)			
				Consolidated		Separate			
				financial statements		financial statements			
				Carrying amounts					
Company's name	Nature of business	Country of incorporation	Shareholding percentage		based on equity method		Cost of investment		
			2020	2019	2020	2019	2020	2019	
Xayaburi Power Company Limited ⁽¹⁾	Generating and sale of electricity	The Lao People's Democratic Republic	37.5	37.5	12,340,965	11,971,263	11,585,927	11,585,927	
Luang Prabang Power Company Limited ⁽¹⁾	Generating and sale of electricity	The Lao People's Democratic Republic	42.0	-	12,825	-	12,825	-	
Total						<u>12,353,790</u>	<u>11,971,263</u>	<u>11,598,752</u>	<u>11,585,927</u>

⁽¹⁾ No fair value since shares of such company were not traded on the Stock Exchange of Thailand

On 11 November 2020, the Company's Board of Directors' Meeting No. 6/2020 passed a resolution to purchase of ordinary shares of Luang Prabang Power Company Limited from PT Sole Company Limited for the purpose of investment expansion to operates and sale of electricity for 42 percent of its issued and paid-up share capital equivalent to 1,743,000 shares for a total of USD 0.42 million or equivalent to Baht 12.8 million. The transaction was completed on 19 November 2020.

14.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associate during the years		Share of other comprehensive income from investments in associate during the years		Dividend received during the years	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Xayaburi Power Company Limited	366,702	392,235	65,595	(36,579)	-	-
Luang Prabang Power Company Limited	-	-	-	-	-	-

14.3 Summarised financial information of associated companies

Financial information as presented in the financial statements of associated companies is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for		Profit (loss) for	
	31 December		31 December		31 December		the years ended		the years ended	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Xayaburi Power Company Limited	26,861	26,861	131,465	129,943	103,550	103,171	12,080	3,154	968	1,050
Luang Prabang Power Company Limited	32	-	35	-	5	-	-	-	-	-

The Company has pledged all share certificates for its investment in Xayaburi Power Company Limited with banks to secure long-term loans of such company obtained from the banks.

15. Right to produce and sell electricity

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Right to produce and sell electricity	13,203,679	13,203,679
Less: Accumulated amortisation of right to produce and sell electricity	<u>(4,479,535)</u>	<u>(3,958,251)</u>
Right to produce and sell electricity - net	<u>8,724,144</u>	<u>9,245,428</u>
Right to produce and sell electricity - net consisting of Equity attributable to shareholders of the Company	4,126,196	4,387,132
Non-controlling interests of the subsidiaries	<u>4,597,948</u>	<u>4,858,296</u>
Total	<u>8,724,144</u>	<u>9,245,428</u>

16. Project costs during construction phase

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Project construction costs	14,186	89,950
Project administrative and management fee and other costs	-	13,184
Interest expenses and other financial cost during construction phase	-	1,924
Total	<u>14,186</u>	<u>105,058</u>

As at 31 December 2020 and 2019, the balance of project costs during construction phase represents the costs of solar farm project.

In September 2020, a construction of solar farm project of Bangkhenchai Company Limited was completed. The subsidiary therefore partially recorded the transfer of costs of construction in progress for the completed project as “Property plant and equipment” in the statement of financial position as described in Note 18.

18. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Solar power plant	Thermal power plant and equipment	Building	Leased asset improvements	Equipment, furniture and office equipment	Motor vehicles	Assets under construction	Total
Cost									
1 January 2019	261,084	753,813	9,922,268	1,557	85,695	145,941	78,054	15,921	11,264,333
Additions	-	671	19,849	179	1,655	17,397	18,440	17,742	75,933
Transfer in (out)	-	175,002	15,863	-	(958)	83	(2,204)	(20,114)	167,672
Disposals/write-off	-	-	(5,454)	-	-	(4,442)	(22,385)	-	(32,281)
31 December 2019	261,084	929,486	9,952,526	1,736	86,392	158,979	71,905	13,549	11,475,657
Additions	-	13,266	2,509	-	9,071	17,044	258	7,373	49,521
Transfer in (out)	-	104,768	-	-	6,994	3,544	-	(10,214)	(105,092)
Disposals/write-off	-	-	(635)	-	(741)	(21,120)	(17,060)	-	(39,555)
31 December 2020	261,084	1,047,520	9,954,400	1,736	101,716	158,447	55,103	10,708	11,590,714

(Unit: Thousand Baht)

Consolidated financial statements

	Land	Solar power plant	Thermal power plant and equipment	Building	Leased asset improvements	Equipment, furniture and office equipment	Motor vehicles	Assets under construction	Total
Accumulated depreciation									
1 January 2019	-	191,200	1,437,238	183	18,183	80,811	53,321	-	1,780,936
Depreciation for the year	-	36,332	403,728	86	5,363	19,041	8,367	-	472,917
Depreciation on transfer out	-	-	-	-	(444)	(1,716)	(706)	-	(2,866)
Depreciation on disposals/write-off	-	-	(1,392)	-	-	(4,318)	(16,584)	-	(22,294)
31 December 2019	-	227,532	1,839,574	269	23,102	93,818	44,398	-	2,228,693
Depreciation for the year	-	40,190	403,926	96	6,470	20,256	7,069	-	478,007
Depreciation on disposals/write-off	-	-	(367)	-	(583)	(20,971)	(13,499)	-	(35,419)
31 December 2020	-	267,722	2,243,133	365	28,989	93,103	37,968	-	2,671,280
Net book value									
31 December 2019	261,084	701,954	8,112,952	1,467	63,290	65,161	27,507	13,549	9,246,964
31 December 2020	261,084	779,797	7,711,268	1,371	72,727	65,344	17,135	10,708	8,919,434
Depreciation for the year									
2019 (Baht 458 million included in cost of sales of electricity and steam, and the remaining balance in administrative expenses)									472,917
2020 (Baht 455 million included in cost of sales of electricity and steam, and the remaining balance in administrative expenses)									478,007

(Unit: Thousand Baht)

	Separate financial statements				Total
	Leased asset improvements	Office equipment	Motor vehicles	Assets under construction	
Cost					
1 January 2019	49,434	35,352	3,158	57	88,001
Additions	-	1,789	-	14,407	16,196
Transfer in (out)	1,682	2,569	-	(4,251)	-
Disposals/write-off	-	(828)	(2,687)	-	(3,515)
31 December 2019	51,116	38,882	471	10,213	100,682
Additions	7,784	7,097	-	255	15,136
Transfer in (out)	6,994	3,219	-	(10,213)	-
Disposals/write-off	-	(554)	(471)	-	(1,025)
31 December 2020	65,894	48,644	-	255	114,793
Accumulated depreciation					
1 January 2019	8,878	19,202	2,224	-	30,304
Depreciation for the year	3,364	6,945	28	-	10,337
Depreciation on disposals/write-off	-	(769)	(1,781)	-	(2,550)
31 December 2019	12,242	25,378	471	-	38,091
Depreciation for the year	4,492	6,636	-	-	11,127
Depreciation on disposals/write off	-	(554)	(471)	-	(1,025)
31 December 2020	16,734	31,459	-	-	48,193
Net book value					
31 December 2019	38,874	13,504	-	10,213	62,591
31 December 2020	49,160	17,185	-	255	66,600
Depreciation for the year included in administrative expenses					
2019					10,337
2020					11,127

In September 2020, a construction of solar farm project of Bangkhenchai Company Limited was completed. The subsidiary therefore partially recorded the transfer of costs of construction in progress for the completed project as “Property plant and equipment” in the statement of financial position.

As at 31 December 2020, certain motor vehicles, furniture and office equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 82 million (2019: Baht 83 million) (Separate financial statements: Baht 19 million (2019: Baht 13 million)).

Bangkhenchai Company Limited has mortgaged some plots of land and the solar power plant project with a total net book value as at 31 December 2020 of approximately Baht 564 million (2019: Baht 592 million) to the lender as collateral against credit facilities received from the bank.

Bangpa-in Cogeneration Limited has mortgaged land and construction thereon of two power plant projects with a total net book value as at 31 December 2020 of Baht 7,860 million (2019: Baht 8,259 million) to the lenders as collateral against credit facilities received from the banks.

19. Leases

19.1 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 1 - 24 years.

a) Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land	Building and	Motor vehicles	Total
	improvements	building improvements		
1 January 2020	259,579	88,679	47,866	376,124
Additions during the year	4,165	8,113	14,990	27,268
Depreciation for the year	(12,997)	(9,322)	(14,851)	(37,170)
31 December 2020	250,747	87,470	48,005	386,222

(Unit: Thousand Baht)

	Separate financial statements		
	Building and building	Motor vehicles	Total
improvements			
1 January 2020	88,679	40,215	128,894
Additions during the year	8,113	11,819	19,932
Depreciation for the year	(9,322)	(12,685)	(22,007)
31 December 2020	87,470	39,349	126,819

b) Lease liabilities

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>2020</u>	<u>2020</u>
Lease payments	486,258	138,442
Less: Deferred interest expenses	(92,105)	(10,375)
Total	394,153	128,067
Less: Portion due within one year	(31,554)	(23,183)
Lease liabilities - net of current portion	<u>362,599</u>	<u>104,884</u>

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

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	37,170	22,007
Interest expense on lease liabilities	9,330	2,642

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 39 million (Separate financial statements: Baht 24 million). Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 30 million (Separate financial statements: Baht 22 million).

20. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost	109,575	108,160	58,161	55,776
Accumulated amortisation	(34,628)	(24,439)	(18,751)	(12,846)
Net book value	<u>74,947</u>	<u>83,721</u>	<u>39,410</u>	<u>42,930</u>
Amortisation expenses included in the profits or loss for the year	<u>11,297</u>	<u>10,934</u>	<u>6,043</u>	<u>5,658</u>

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	83,721	93,685	42,930	48,148
Acquisition of computer software	2,523	970	2,523	440
Amortisation	(11,297)	(10,934)	(6,043)	(5,658)
Net book value at end of year	<u>74,947</u>	<u>83,721</u>	<u>39,410</u>	<u>42,930</u>

21 Credit facilities

As at 31 December 2020, the Company has a committed facility agreement with a local commercial bank amounting to Baht 4,000 million. The Company has not yet drawn down the credit facility.

As at 31 December 2020, Nam Ngum 2 Power Company Limited has a committed facility agreement with a local commercial bank amounting to Baht 1,000. Nam Ngum 2 Power Company Limited has not yet drawn down the credit facility.

Under the conditions of the committed facilities, the Group is required to comply with the same conditions and restrictions as those applicable for the Group's debentures or other loans at other financial institutions and to certain covenants such as to maintain debt-to-equity ratio.

22. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties	306,194	348,443	-	-
Trade payables - unrelated parties	108,106	101,728	-	-
Project payable - unrelated parties	525	35,133	-	-
Other payables - related parties	2,204	914	619	785
Other payables - unrelated parties	16,804	30,118	11,289	25,926
Accrued expenses - unrelated parties	29,369	25,052	18,157	9,746
Accrued finance cost	156,798	148,700	19,538	7,821
Total trade and other payables	<u>620,000</u>	<u>690,088</u>	<u>49,603</u>	<u>44,278</u>

Bangpa-in Cogeneration Limited

As at 31 December 2020, the long-term loans from banks of Bangpa-in Cogeneration Limited comprise credit facilities from two local commercial banks. Details are as follows:

a) The outstanding loan balance of Baht 2,566 million is under the loan agreement with comprises the following 3 credit facilities:

1) Tranche A Facility is a long-term loan of Baht 4,110 million for use in the payment of project costs. The rate of interest of the Tranche A Facility is the fixed deposit rate plus a stipulated margin per annum, with the lender to reduce the stipulated margin as from the Commercial Operation Date. Principal is to be paid in 26 semi-annually installments in the amounts stipulated in the long-term loan agreement, with the first payment in March 2014. Thereafter, payment is made in June and December of each year, with the final payment in June 2026.

In June 2014, the lenders approved an extension of the loan repayment period of this long-term loan, from the former terms of 26 semi-annual installments to 33 semi-annual installments, at the rates stipulated in the loan agreement, with the final installment to be paid in December 2029.

2) Tranche B Facility is short-term working capital loan facility of Baht 120 million in the form of promissory notes, bank overdrafts and letters of credit.

3) Tranche C Facility is a bank guarantee facility of Baht 803 million provided for the subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and other guarantees.

b) The balance of loan amounting to Baht 3,493 million is under another loan agreement for another power plant project of the subsidiary with the following 3 credit facilities:

1) Tranche A Facility is a long-term loan of Baht 4,005 million for use in the payment of project costs. The rate of interest of the Tranche A Facility is the fixed deposit rate plus a stipulated margin per annum, with the lender to reduce the stipulated margin as from the Commercial Operation Date. Principal is to be paid in 33 semi-annually installments in the amounts stipulated in the long-term loan agreement, with the first payment due on February 2018. Thereafter, payment is made in June and December of each year.

2) Tranche B Facility is short-term working capital loan facility of Baht 250 million in the form of promissory notes, bank overdrafts and letters of credit.

3) Tranche C Facility is a bank guarantee facility of Baht 686 million provided for the subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and other guarantees.

As collateral for the loans, the subsidiary mortgaged some plots of land and constructions thereon, and equipment as well as assigned the rights in bank accounts, benefits under insurance policy and commitments under agreements related to the project and others as stipulated in loan agreements.

Under the long-term loan agreements, Bangpa-in Cogeneration Limited is to conform to covenants imposed by the lenders such as registered capital increase and the maintenance of a certain long-term loans to equity ratio.

24. Debentures

(Unit: Thousand Baht)

Debentures	Life	Date of issue	Maturity date	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
					2020	2019	2020	2019
1	3 Years	5 October 2017	5 October 2020	2.59	-	1,000,000	-	-
2	7 Years	5 October 2017	5 October 2024	3.48	1,400,000	1,400,000	-	-
3	10 Years	5 October 2017	5 October 2027	3.69	3,600,000	3,600,000	-	-
4	12 Years	30 March 2018	30 March 2030	3.98	3,000,000	3,000,000	-	-
5	3 Years	18 June 2018	18 June 2021	2.56	4,000,000	4,000,000	4,000,000	4,000,000
6	10 Years	18 June 2018	18 June 2028	4.06	2,500,000	2,500,000	2,500,000	2,500,000
7	3 Years	7 March 2019	7 March 2022	3.18	1,500,000	2,600,000	-	-
8	4 Years	7 March 2019	7 March 2023	3.44	800,000	800,000	-	-
9	8 Years	7 March 2019	7 March 2027	3.88	2,000,000	2,000,000	-	-
10	5 Years	5 March 2020	5 March 2025	2.45	600,000	-	-	-
11	3 Years	30 September 2020	30 September 2023	3.20	400,000	-	-	-
12	5 Years	30 September 2020	30 September 2025	3.60	600,000	-	-	-
13	2 Years	25 November 2020	25 November 2022	2.31	1,000,000	-	1,000,000	-
14	3 Years	25 November 2020	25 November 2023	2.62	1,500,000	-	1,500,000	-
15	7 Years	25 November 2020	25 November 2027	3.76	1,500,000	-	1,500,000	-
Total					24,400,000	20,900,000	10,500,000	6,500,000
Less: Deferred debenture issuing costs					(76,956)	(90,139)	(7,409)	(4,280)
Less: Current portion of debentures					(4,999,362)	(2,100,000)	(3,999,362)	-
Debentures - net of current portion					19,323,682	18,709,861	6,493,589	6,495,792

On 5 March 2020, Nam Ngum 2 Power Company Limited issued and offered debentures No. 1/2020, in the amount of 600,000 units at par value of Baht 1,000 per unit, or a total of Baht 600 million, with a term of 5 years, and bearing interest at a rate of 2.45 percent per annum.

In March 2020 and September 2020, Nam Ngum 2 Power Company Limited paid totaling Baht 1,100 million towards redemption of Baht 3,200 million of debentures that bearing interest at a rate of 3.18 percent per annum. This was a scheduled redemption installment payment for these debentures.

On 30 September 2020, Nam Ngum 2 Power Company Limited issued and offered debentures No. 2/2020 tranche 1 and tranche 2, in the amount of 400,000 units and 600,000 units, respectively at par value of Baht 1,000 per unit, or a total of Baht 1,000 million, with a term of 3 years and 5 years, and bearing interest at a rate of 3.20 and 3.60 percent per annum, respectively.

In October 2020, Nam Ngum 2 Power Company Limited paid totaling Baht 1,000 million towards redemption of Baht 1,000 million of debentures that bearing interest at a rate of 2.59 percent per annum. This was a scheduled redemption payment for these debentures.

On 25 November 2020, the Company issued and offered debentures No. 1/2020 tranche 1 tranche 2 and tranche 3, in the amount of 1,000,000 units, 1,500,000 units and 1,500,000 units, respectively at par value of Baht 1,000 per unit, or a total of Baht 4,000 million, with a term of 2 years, 3 years and 7 years, and bearing interest at a rate of 2.31, 2.62 and 3.76 percent per annum, respectively.

All debentures of the Company is name-registered, unsecured, and unsubordinated debentures without a debentureholders' representative, except for the debenture number 13, 14 and 15 which has a debentureholders' representative. All debentures of the subsidiary is name-registered, unsecured, and unsubordinated debentures with a debentureholders' representative. Interest is payable by the Group every 6 months throughout the life of the debentures.

The conditions of the debentures include covenants that, among other things, the Group shall not sell or transfer or otherwise dispose of the whole or part of its material operating assets with certain permissions; and the Group is required to maintain a certain level of Net Interest-bearing Debt to Equity ratio according to the covenants.

25. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits at beginning of year	64,539	52,883	39,332	33,222
Included in profit or loss:				
Current service cost	12,630	12,975	8,772	7,895
Interest cost	1,597	1,356	1,072	890
Past service costs	10,907	-	-	-
Included in other comprehensive income:				
Actuarial (gain) loss	(1,895)	-	5,999	-
Benefits paid during the year	(4,655)	(2,675)	(4,541)	(2,675)
Provisions for long-term employee benefits at end of year	<u>83,123</u>	<u>64,539</u>	<u>50,634</u>	<u>39,332</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost of sales	2,590	4,109	-	-
Administrative expenses	22,545	10,222	9,844	8,785
Total expense recognised in profit or loss	<u>25,135</u>	<u>14,331</u>	<u>9,844</u>	<u>8,785</u>

The Group expects to pay Baht 1.29 million (2019: Baht 0.28 million) of long-term employee benefits during the next year (Separate financial statements: Nil (2019: Baht 0.17 million)).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 9.7 - 18.0 years (2019: 6.2 - 16.3 years) (Separate financial statements: 14.1 years (2019: 14.9 years)).

Significant actuarial assumptions are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.24 - 1.90	1.81 - 2.79	1.60	2.70
Future salary increase rate - average (depending on age of employees)	6.5	4.0 - 7.0	6.5	7.0
Staff turnover rate - average	0 - 13.0	0 - 18.0	0 - 10.0	0 - 10.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(10.24)	12.37	(6.44)	7.69
Salary increase rate	11.98	(10.17)	7.52	(6.45)
Turnover rate	(10.72)	4.57	(6.46)	3.43

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(8.20)	9.92	(5.49)	6.59
Salary increase rate	10.75	(9.00)	7.11	(5.97)
Turnover rate	(8.72)	3.46	(5.87)	2.99

26. Other long-term liabilities - related party

The balance of other long-term liabilities is the cash which Nam Ngum 2 Power Company Limited received from sales of Electricity as Excess Energy in the Nam Ngum 2 Hydroelectric Power Project to EGAT and has the obligations to repay to EGAT in 2022, in accordance with a condition in the Power Purchase Agreement. Nam Ngum 2 Power Company Limited records such long-term liabilities at the present value of the amounts to be repaid, calculated using a discount rate tied to the cost of financing rate of that company, and records them as a deduction against sales of Electricity as Excess Energy. In addition, the carrying amount of the liabilities increases in each period to reflect the passage of time, with Nam Ngum 2 Power Company Limited recognising this increase as a finance cost.

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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.

28. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2018	2019 Annual General Meeting of the shareholders on 23 April 2019	206	0.028
		<u>206</u>	<u>0.028</u>
Interim dividends for 2019	The Board of Directors Meeting on 13 April 2020	244	0.030
		<u>244</u>	<u>0.030</u>

29. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated		Seperate	
	financial statements	financial statements	financial statements	financial statements
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Fuel costs	2,948,421	3,334,150	-	-
Depreciation and amortisation	1,560,759	1,517,821	39,656	15,995
Operation and maintenance of power plant and transmission systems	465,936	496,797	-	-
Salary and other employee benefits	374,609	352,346	239,290	223,110
Royalty fee	59,592	104,853	-	-
Insurance premium	92,515	72,785	-	-
Environment and public consultation	7,435	7,455	-	-
Traveling expenses	9,131	31,779	3,023	13,179
Consultant expenses	52,262	61,266	18,364	19,270
Director's remuneration	22,712	21,752	6,800	6,652
Allowance for impairment of investment in subsidiary	-	-	27,910	120,348
Wheeling charge	119,178	216,888	-	-

30. Income tax

Income tax expense reported in the statement of comprehensive income for the year 2019 is current income tax.

As at 31 December 2020 the Group has deductible temporary differences and unused tax losses totaling Baht 888 million (2019: Baht 925 million) (Separate financial statements: Baht 801 million (2019: Baht 833 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 434 million (Separate financial statements: Baht 352 million) will expire by 2024.

Tax income (expenses) of Nam Ngum 2 Power Company Limited is calculated by multiplying taxable profits by the tax rate as specified in the Concession Agreement for each period commencing from the Initial Operation Date (26 March 2011) to the end of the concession period. However, for a period of 5 years from the Initial Operation Date, this subsidiary has been granted exemption from the corporate income tax. The corporate income tax rate for current year is 3.0 percent. The tax losses are available to be utilised to offset against future taxable profit within three years.

31. Promotional privileges

Bangkhenchai Company Limited received promotional privileges from the Board of Investment for generation of electricity from solar power, pursuant to the promotion certificate as follow:

<u>Promotion certificate No.</u>	<u>Date of issue</u>	<u>Commenced generating revenues date</u>
1089(1)/2555	23 January 2012	10 August 2012
61-1228-1-00-1-0	16 October 2018	1 February 2019
61-1292-1-00-1-0	5 November 2018	4 July 2019
61-1293-1-00-1-0	5 November 2018	12 June 2019
61-1294-1-00-1-0	5 November 2018	12 June 2019
61-1295-1-00-1-0	5 November 2018	1 May 2019
62-0417-1-00-1-0	25 April 2019	29 September 2020

The promotion certificate of Bangkhenchai Company Limited was subject to certain imposed conditions. The privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues and 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.

Bangpa-in Cogeneration Limited received promotional privileges from the Board of Investment for generation of electricity and steam from thermal power. Pursuant to the promotion certificate No. 1565(2)/2554 on 18 May 2011, subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (23 June 2013) and pursuant to the promotion certificate No. 1132(2)/2558 on 2 February 2015, subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (29 June 2017).

32. Warrants

CKP-W1

On 9 April 2015, the Annual General Meeting of Shareholders No. 1/2015 passed a resolution to approve the issuance and allocation of warrants (CKP-W1) in the amount not more than 1,870 million units to the existing shareholders who have reserved their right to purchase and made payment for the subscription of the Company's newly issued shares, with no charge at the ratio of 1 ordinary share per 1 unit of warrant.

Subsequently on 29 May 2015, the Company issued 1,870 million units of warrants to purchase all ordinary shares to the shareholders of the Company. The warrants have a term of 5 years and can be exercised on the last business day of every quarter throughout the term of the warrants. The first and last exercise dates are on 30 September 2015 and 28 May 2020, respectively. The exercise ratio is 1 warrant unit per 1 ordinary share, with a par value of Baht 1 per share and the exercise price of Baht 6.

Subsequently, on 30 April 2019, the Company adjusted the exercise ratio on CKP-W1 in order to maintain benefits and returns to the Warrant Holders in a way that the benefits and returns will not be less favorable than prevailing rights. The detail of adjustment to exercise ratio are as follows;

	Exercise price per ordinary share (Baht)	Exercise ratio (Warrant per ordinary share)
Previous	6.00	1 : 1
New	6.00	1 : 1.0007

In May 2020, the CKP-W1 warrant holders exercised 690 warrants to purchase 690 newly issued ordinary shares with a par value of Baht 1 each, at an exercise price of Baht 6 per share. The Company received the cash of Baht 4,140 from the exercise of the warrants. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 29 May 2020.

CKP-W1 Warrants expired on 28 May 2020, which coincided with the final exercise date. The 1,111,148,462 unexercised warrants were expired.

33. 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 issue during the year.

Diluted 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 plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

Exercise prices of the warrants to purchase the ordinary shares of the Company (CKP-W1) were higher than the average market price of the Company's shares for the year ended 31 December 2019. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the year ended 31 December 2019.

34. Provident fund

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 5 percent of basic salary and their employees all contribute to the fund monthly at the rates of 5 to 15 percent of basic salary. The funds, which are managed by Bangkok Capital Asset Management Company Limited and Kasikorn Asset Management Company Limited (Separate financial statements: Bangkok Capital Asset Management Company Limited), will be paid to employees upon termination in accordance with the fund rules. During the years 2020 and 2019, the Group contributed Baht 7.8 million and Baht 7.4 million, respectively (Separate financial statements: Baht 6.0 million and Baht 5.6 million, respectively) to the funds.

35. 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. The chief operating decision maker has been identified as Chairman of the Executive Board. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements.

The Company is principally engaged in investment in other companies, with the provision of consulting and other services related to power generation project as the secondary business while the subsidiaries' core businesses are the generation and sale of electricity and steam.

For management purposes, the Group is organised into 3 business segments based on the type of power plant namely (1) generation of electricity from hydroelectric power (2) generation of electricity from solar power and (3) generation of electricity from thermal power. The geographic areas in which these activities are carried out are Thailand (generation of electricity from solar and thermal power) and the Lao People's Democratic Republic (generation of electricity from hydroelectric power), where operations are carried out by subsidiary of SouthEast Asia Energy Limited.

The investment and project management segments were included in other operating segments.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue and profit (loss) information regarding the Group operating segments for the years ended 31 December 2020 and 2019.

(Unit: Million Baht)

For the year ended	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Total segments	Adjustments and eliminations	Consolidated financial statement
31 December 2020							
Revenue							
Revenue from external customers	1,716 ⁽¹⁾	158	4,653	168	6,695	-	6,695
Inter-segment	-	-	-	196	196	(196)	-
Total revenue	1,716	158	4,653	364	6,891	(196)	6,695
Depreciation and amortisation	1,053	41	426	41	1,561		1,561
Segment operating profit (loss)	(557)	73	768	4	288		288
Unallocated income and expenses:							
Other income							482
Share of profit from investments in jointly controlled entities							41
Share of profit from investments in associated company							367
Finance cost							(996)
Tax income							16
Profit for the year							198

⁽¹⁾ Due to an El Nino event, in order to reduce the risk of penalties due to a lack of water, the subsidiary requested to exercise a Drought Year right in 2020 for the supply of electricity to the Electricity Generating Authority of Thailand (EGAT), effective from 1 January 2020 to 31 December 2020, in accordance with the Power Purchase Agreement made with EGAT dated 27 December 2007.

In 2020, the subsidiaries had revenues from a group of government agencies amounting to Baht 5,505 million.

(Unit: Million Baht)

For the year ended	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Total segments	Adjustments and eliminations	Consolidated financial statement
31 December 2019							
Revenue							
Revenue from external customers	3,048	145	5,030	154	8,377	-	8,377
Inter-segment	-	-	-	191	191	(191)	-
Total revenue	3,048	145	5,030	345	8,568	(191)	8,377
Depreciation and amortisation	1,051	37	413	17	1,518		1,518
Segment operating profit (loss)	606	59	698	(3)	1,360		1,360
Unallocated income and expenses:							
Other income							463
Share of profit from investments in jointly controlled entities							41
Share of profit from investments in associated company							392
Finance cost							(1,161)
Tax expenses							(12)
Profit for the year							1,083

In 2019, the subsidiaries had revenues from a group of government agencies amounting to Baht 7,153 million.

Total assets of the Group by segment as at 31 December 2020 and 2019 are as follows.

(Unit: Million Baht)

As at 31 December 2020	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Consolidated financial statement
Segment total assets*	30,527	1,000	8,749	16,176	56,452
Investments in jointly controlled entities and investments in associated companies accounted for by the equity method	12,354	357	-	-	12,711
Additions (deductions) to non-current assets*	(1,012)	(13)	(176)	129	(1,072)

(Unit: Million Baht)

As at 31 December 2019	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Consolidated financial statement
Segment total assets*	32,099	1,044	8,960	15,482	57,585
Investments in jointly controlled entities and investments in associated companies accounted for by the equity method	11,971	344	-	-	12,315
Additions (deductions) to non-current assets*	(4,887)	121	13	14	(4,739)

* Other than financial instruments, deferred tax assets, net defined benefit assets and rights arising under insurance contracts.

36. Commitments and contingent liabilities

36.1 Capital commitments

As at 31 December 2020, a subsidiary has capital commitments in respect of agreements with a company to install a solar power system and to purchase solar power equipment for solar farm and solar rooftop project totaling Baht 1.3 million (31 December 2019: Baht 23.7 million).

36.2 Service agreement and other commitments

As at 31 December 2020, the Group has commitments in respect of the following service agreements and other agreements as well as other commitments:

- a) The Company has service commitments amounting to approximately Baht 1.4 million per month (2019: Baht 1.4 million per month).
- b) The Company has commitments in respect of its undertakings to provide financial support to one jointly controlled entity, as stipulated in the conditions in the agreements (as discussed in Note 13).
- c) The Group has commitments in respect of consultancy, administration and other service agreements with a related company and other companies, totaling Baht 12.7 million and Baht 0.4 million per month (2019: Baht 23.0 million and Baht 0.5 million per month) (Separate financial statements: Baht 0.2 million (2019: Baht 0.2 million)).
- d) A subsidiary has commitment in respect of the Agreement on Operation and Maintenance of Dam and Powerhouse for Nam Ngum 2 Hydroelectric Power Project with a related party, until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, with the service fee as specified in the agreement and subject to increase on an annual basis at the rate specified in the agreement. The service fee for 2021 is approximately Baht 9.7 million per month (2020: Baht: 9.4 million per month).
- e) A subsidiary has commitment in respect of the Agreement on Operation and Maintenance of Transmission Systems for Nam Ngum 2 Hydroelectric Power Project with a related party, until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, with the service fee as specified in the agreement and subject to an annual basis at the rate specified in the agreement. The service fee for 2021 is approximately USD 0.03 million per month (2020: USD 0.03 million per month).
- f) A subsidiary has commitment amounting to approximately Baht 25 million per year in respect of the Service Agreement with a related company, for consultancy services relating to operation and maintenance of the Nam Ngum 2 Hydroelectric Power Plant.

- g) A subsidiary has commitment to pay royalty fees to the Government of the Lao People's Democratic Republic commencing from the Initial Operation Date to the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, which will be calculated by multiplying revenue from sales of electricity by the royalty rate for each period as specified under the Concession Agreement.
- h) A subsidiary has commitment in respect of the Agreement on Major Maintenance of Dam and Powerhouse for the Nam Ngum 2 Hydroelectric Power Project with a related party, until December 2026, with the service fee as specified in the agreement and subject to an annual basis at the rate specified in the agreement. The service fee for 2021 is approximately Baht 3.8 million per month (2020: Baht 3.7 million per month).
- i) A subsidiary has commitments to pay wheeling charges to the Government of the Lao People's Democratic Republic from 1 January 2019 to the end of the concession date of the Nam Ngum 2 Hydroelectric Power Project, calculated by multiplying sales of electricity energy from Nabong substation by the wheeling charge rates for each period as specified under the Nabong interconnection and transmission agreement.
- j) A subsidiary has a commitment in respect of the Agreement concerning maintenance of two thermal power plants with a company amounting to USD 0.6 million per quarter for the period from the first quarter of 2014 to the second quarter of 2026 and USD 0.6 million per quarter for the period from the first quarter of 2017 to the second quarter of 2029, with the service fees to increase on an annual basis at the rate specified in the agreements.
- k) A subsidiary has a commitment in respect of an agreement with PTT Public Company Limited in two agreements for purchase natural gas in a specified quantity and at a stipulated price as defined in the agreement for a period of 25 years. The agreement will expire in May 2038 and May 2042, respectively.
- l) A subsidiary has a commitment in respect of an agreement with a related company to purchase treated water in two agreements in a specified quantity and at a stipulated price as defined in the agreement for a period of one year, renewable for an additional period of one year.
- m) A subsidiary has commitment in respect of the Agreement concerning the maintenance of steam gas turbine of thermal power plant with a company amounting to EUR 1.6 million for the period from year 2020 to year 2031.
- n) A subsidiary has a commitment to pay for the construction of a flood wall in Bangpa-in Industrial Estate under a memorandum agreement made with a related company amounting to approximately Baht 6.2 million (2019: Baht 7.0 million).

- o) A subsidiary has commitment in respect of the Agreement on Operation and Maintenance of the Solar Power Plant Project, amounting to approximately Baht 21.9 million (2019: Baht 6.9 million).

36.3 Bank guarantees

As at 31 December 2020, there were outstanding bank guarantees of USD 25 million (2019: USD 25 million) issued by banks on behalf of the subsidiary in respect of the guarantee required under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and Baht 459 million (2019: Baht 460 million) in respect of the guarantee required under the Power Purchase Agreements, the land lease for the gas pipeline and permission for electricity use from the Provincial Electricity Authority.

37. Financial instruments

37.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, other current financial assets, trade and other receivable, finance lease receivable - related party, restricted bank deposits, long-term loans to subsidiary and associated company, trade and other payables, long-term loans, debentures, lease liabilities, and other long-term liabilities - related party. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group has exposure to credit risk primarily with respect to trade accounts receivable, finance lease receivable, loans, cash deposits 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

The Group manages the risk by adopting appropriate credit control policies and procedures. The Company had no significant concentrations of credit risk because its trade debtors are capable of settling their debts.

The subsidiaries had no significant concentrations of credit risk with any single counterparty or group of counterparties, as the subsidiaries have only two major trade account receivables which are the Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) under the long-term Power Purchase Agreements between the EGAT and Nam Ngum 2 Power Company Limited and Bangpa-in Cogeneration Limited and that between the PEA and Bangkokchai Company Limited. In addition, other trade receivables are creditworthy customers.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due of the customers, along with assessment of the customers' ability to repay, their repayment plan, their contractual obligation, discounted future repayment cash flow and other methodology as appropriate. 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 condition and forecasts of future economic condition.

Finance lease receivable - related party

The Group has no significant concentrations of credit risk in relation to the finance lease receivable - related party as the counterparty of this receivable has capability to service the obligation. Additionally, the Group further mitigates the credit risk by structuring lease agreement to include strict cash flows management requirement.

Long-term loans to subsidiary and associated company

The Group has no significant concentrations of credit risk in relation to the long-term loans to subsidiary and associated company. The Group has control and governance policy, which govern companies that the Group has invested in to ensure that all subsidiaries and associated companies follow Good Corporate Governance practices as well as operate for the benefits of the Group and its stakeholders. Such policy includes regular review of the subsidiaries and associated companies' performances and cash flows for loan repayments before and during the lending periods by the management and the Company's Board of Directors.

Cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors and may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss from a counterparty's potential failure to make payments.

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

Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating results and cash flows of the Group.

The Group's exposure to interest rate risk relates primarily to their cash at banks, finance lease receivable - related party, long-term loans to subsidiary and associated company, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates, which are close to the market rate. Trade and other receivables and trade and other payables, which are financial assets and financial liabilities, are non-interest bearing since they are short-term in nature and occur in an ordinary course of business.

The Group manages risk from interest rate by regularly monitoring the changes in interest rate, managing floating and fixed interest rate loan portions to stay within the appropriate level depending on circumstances, managing and improve finance cost, as well as considering entering into hedging agreements from floating interest rate to fixed interest rate as appropriate according to market conditions.

The main interest-bearing financial assets and liabilities can be classified by type of interest rate and the financial assets and liabilities with fixed interest rate can be classified by due date from the date of the statement of financial position to the maturity date as follows:

(Unit: Million Baht)

Consolidated financial statements							
31 December 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	Over 1-5 years	Over 5 years				
Financial assets							(% per annum)
Cash and cash equivalents	4	-	-	8,894	1	8,899	0.05 to 1.10
Other current financial assets	1	-	-	-	1	2	1.25
Trade and other receivables	-	-	-	-	1,054	1,054	
Finance lease receivable - related party	154	474	3,203	-	-	3,831	Effective interest rate over the lease term
Long-term restricted bank deposits	460	-	-	-	-	460	0.25 to 1.10
Long-term loans to associated company and interest receivable	-	-	-	3,221	-	3,221	MLR + margin
	619	474	3,203	12,115	1,056	17,467	

(Unit: Million Baht)

Consolidated financial statements							
31 December 2020							
Fixed interest rates							
Within 1 year	Over 1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
Financial liabilities							
Trade and other payables	-	-	-	-	620	620	
Long-term loans from financial institutions	-	-	-	6,182	-	6,182	MLR - margin, LIBOR + margin, FDR 6M + margin and THBFIX 1M + margin
Lease liabilities - net of deferred interest expenses	32	97	265	-	-	394	0.77 to 3.64
Debentures - net of deferred issuing costs	4,999	12,396	6,928	-	-	24,323	2.31 to 4.06
Other long-term liabilities - related party (Note 26)	-	-	-	-	310	310	
	5,031	12,493	7,193	6,182	930	31,829	

(Unit: Million Baht)

Consolidated financial statements							
31 December 2019							
Fixed interest rates							
Within 1 year	Over 1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
Financial assets							
Cash and cash equivalents	114	-	-	4,099	1	4,214	0.05 to 1.00
Current investments	1	-	-	-	694	695	1.25
Trade and other receivables	-	-	-	-	1,292	1,292	
Finance lease receivable - related party	87	435	3,338	-	-	3,860	Effective interest rate over the lease term
Long-term restricted bank deposits	459	-	-	-	-	459	0.05 to 1.05
Long-term loans to associated company and interest receivable	-	-	-	3,054	-	3,054	MLR + margin
	661	435	3,338	7,153	1,987	13,574	

(Unit: Million Baht)

Consolidated financial statements

31 December 2019

	Fixed interest rates					Total	Effective interest rate
	Within	Over	Over	Floating	Non-interest		
	1 year	1-5 years	5 years	interest rate	bearing		
Financial liabilities							
Trade and other payables	-	-	-	-	690	690	
Long-term loans from financial institutions	-	-	-	6,701	-	6,701	MLR - margin, LIBOR + margin, FDR 6M + margin and THBFIX 1M + margin
Debentures - net of deferred issuing costs	2,100	7,698	11,012	-	-	20,810	2.56 to 4.06
Other long-term liabilities - related party (Note 26)	-	-	-	-	290	290	
	<u>2,100</u>	<u>7,698</u>	<u>11,012</u>	<u>6,701</u>	<u>980</u>	<u>28,491</u>	

(Unit: Million Baht)

Separate financial statements

31 December 2020

	Fixed interest rates					Total	Effective interest rate (% per annum)
	Within	Over	Over	Floating	Non-interest		
	1 year	1-5 years	5 years	interest rate	bearing		
Financial assets							
Cash and cash equivalents	-	-	-	6,095	-	6,095	0.25 to 0.60
Other current financial assets	1	-	-	-	-	1	1.25
Trade and other receivables	-	-	-	-	39	39	
Long-term loans to subsidiary and interest receivable	15	266	-	-	-	281	Average rate of the financial costs of the Company plus a stipulated margin
Long-term loans to associated company and interest receivable	-	-	-	3,221	-	3,221	MLR + margin
	<u>16</u>	<u>266</u>	<u>-</u>	<u>9,316</u>	<u>39</u>	<u>9,637</u>	

(Unit: Million Baht)

Separate financial statements

31 December 2020

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1-5 years	Over 5 years				
Financial liabilities							
Trade and other payables	-	-	-	-	50	50	
Lease liabilities - net of deferred interest expenses	23	63	42	-	-	128	0.77 to 3.64
Debentures - net of deferred issuing costs	3,999	4,996	1,498	-	-	10,493	2.31 to 4.06
	<u>4,022</u>	<u>5,059</u>	<u>1,540</u>	<u>-</u>	<u>50</u>	<u>10,671</u>	

(Unit: Million Baht)

Separate financial statements

31 December 2019

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	Over 1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,539	1	1,540	0.38 to 1.00
Current investments	1	-	-	-	461	462	1.25
Trade and other receivables	-	-	-	-	34	34	
Long-term loans to subsidiary and interest receivable	8	271	-	-	-	279	Average rate of the financial costs of the Company plus a stipulated margin
Long-term loans to associated company and interest receivable	-	-	-	3,054	-	3,054	MLR + margin
	<u>9</u>	<u>271</u>	<u>-</u>	<u>4,593</u>	<u>496</u>	<u>5,396</u>	
Financial liabilities							
Trade and other payables	-	-	-	-	44	44	
Debentures - net of deferred issuing costs	-	3,998	2,498	-	-	6,496	2.56 and 4.06
	<u>-</u>	<u>3,998</u>	<u>2,498</u>	<u>-</u>	<u>44</u>	<u>6,540</u>	

Detail of the long-term loans described in Note 7 and 23 to the financial statements.

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans to and loans from affected as at 31 December 2020, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
THB	+0.25	(8,061)
	-0.25	8,061

The above analysis has been prepared assuming that the amounts of the floating rate loans to loans from and all other variables remain constant over one year. Moreover, the floating legs of these loans to and loans from 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.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's main exposure to foreign currency risk is through parts of its sales of electricity, costs of sales of electricity, and other payables, which are denominated in foreign currencies. The Group manages this risk through proper structuring of power purchase agreements and loan agreements as well as cash flow management to ensure that cash received in each currency is adequate to support the cash outflows required for operation and repayment of principal and interest under that currency. Additionally, the Group may consider using forward contract in the amount and period according to the situation and the currency usage requirement.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies of the Group are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	4.9	8.3	2.4	2.6	30.0371	30.3313
CHF	-	-	-	0.6	34.0287	30.6267

Separate financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
CHF	-	-	-	0.6	34.0287	30.6267

As at 31 December 2020 and 2019, the Group did not utilise any contracts to hedge foreign exchange rate risk.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2020.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)
USD	+5.0	3,755
	- 5.0	(3,755)

Liquidity risk

The Group monitors the risk of a shortage of liquidity through regularly monitoring cash flow projections with update-to-date information, managing loan agreements and coordinating closely with lending financial institutions to minimize potential non-compliance and establishing a long-term capital structure plan, which includes the issuance and offering of debt instruments, in order to ensure flexibility and efficiency of liquidity management. In addition, the Group has policy to manage excess cash through bank deposits and short-term investments in highly liquid securities with reputable financial institutions. The Group also has credit line for additional borrowings from various financial institutions when the use of cash arises.

As of 31 December 2020, approximately 19 % of the Group's debt will mature in less than one year (2019: 13%) (the Company only: 38% (2019: 1%)) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and considered such risk to be low with the Group having sufficient variety of sources of fundings.

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	1 to 5	Over 5 years	Total
	year	years		
Financial liabilities				
Trade and other payables	620,000	-	-	620,000
Lease liabilities	40,492	127,324	318,524	486,340
Long-term loans from financial institutions	713,972	2,666,413	4,104,394	7,484,779
Debentures	5,753,926	10,940,930	12,697,494	29,392,350
Other long-term liabilities - related party (Note 26)	-	309,857	-	309,857
Total	7,128,390	14,044,524	17,120,412	38,293,326

(Unit: Thousand Baht)

	Separate financial statements			
	Less than 1	1 to 5	Over 5 years	Total
	year	years		
Financial liabilities				
Trade and other payables	49,603	-	-	49,603
Lease liabilities	25,633	69,435	43,374	138,442
Debentures	4,267,713	3,227,145	5,357,511	12,852,369
Total	4,342,949	3,296,580	5,400,885	13,040,414

37.2 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities, consisting of trade and other payables, are short-term in nature, while restricted bank deposits, long-term loans to subsidiary and associated company, long-term loans from financial institutions and debentures bear interests at rates close to market rates, their fair values are not expected to be materially different from the amounts presented in the statement of financial position. In addition, the subsidiary recorded other long-term liabilities - related party at fair value (as discussed in note 26).

As at 31 December 2020, the Group had the investments in unit trust in fixed income open-ended fund that were measured at fair value using level 2 amounting to Baht 0.4 million (2019: Baht 693.8 million) (Separate financial statement: Baht 0.3 million (2019: Baht 460.6 million)).

During the current year, there were no transfers within the fair value hierarchy.

38. Capital management

The primary objectives of the Group's capital management are to ensure appropriate capital structure, as stipulated in the long-term loans agreements made between the financial institutions and the subsidiaries and in condition of debentures, and to preserve the ability to continue the businesses as a going concern.

39. Events after the reporting period

The Company

In January 2021, Luang Prabang Power Company Limited ("LPCL") called for an additional capital injection from CK Power Public Company Limited ("CKP"), who hold 42 percent of its issued and paid-up share capital for the total amount of Baht 2,170.56 million with the proceeds received on 18 January 2021.

On 22 February 2021, the Company's Board of Directors' Meeting No. 1/2021 passed a resolution to pay a dividend of Baht 0.035 per share or a total of Baht 284.53 million, to the shareholders in respect of the profit for the year 2020. The resolution will be proposed to the Annual General Meeting of Shareholders for the year 2021 for approval.

Nam Ngum 2 Power Company Limited

On 18 February 2021, the Board of Directors' Meeting of Nam Ngum 2 Power Company Limited No. 1/2021 passed a resolution to pay a dividend of Baht 0.25 per share, or a total of Baht 220.20 million, to the shareholders of the subsidiary in respect of the operation from July to December 2020 and retained earnings. The resolution will be proposed to the Annual General Meeting of Shareholders of Nam Ngum 2 Power Company Limited for the year 2021 for approval.

Bangpa-in Cogeneration Limited

On 17 February 2021, the Board of Directors' Meeting of Bangpa-in Cogeneration Limited No. 1/2021 passed a resolution to pay a dividend of Baht 1.10 per share, or a total of Baht 297.55 million, to the shareholders of the subsidiary in respect of the profit from July to December 2020 and retained earnings. The resolution will be proposed to the Annual General Meeting of Shareholders of Bangpa-in Cogeneration Limited for the year 2021 for approval.

Bangkhenchai Company Limited

On 19 February 2021, the Board of Directors' Meeting of Bangkhenchai Company Limited No. 1/2021 passed a resolution to pay a dividend of Baht 5.00 per share, or a total of Baht 11.71 million, to the shareholders of the subsidiary in respect of the profit from July to December 2020. The resolution will be proposed to the Annual General Meeting of Shareholders of Bangkhenchai Company Limited for the year 2021 for approval.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2021.