

ESCALATING TOWARD

Greener & Smarter Energy Generation



Financial Report 2021

Banpu Power Public Company Limited



ESCALATING TOWARD

Greener & Smarter Energy Generation

Contents

| | |
|----|---|
| 02 | Report of the Board of Directors' Responsibilities for the Financial Statements |
| 04 | Report of the Audit Committee to Shareholders |
| 07 | Management's Discussion and Analysis of the Consolidated Financial Statements |
| 17 | Independent Auditor's Report |
| 23 | Statement of Financial Position |
| 25 | Statement of Comprehensive Income |
| 27 | Statement of Changes in Equity |
| 30 | Statement of Cash Flows |
| 32 | Notes to the Consolidated and Separate Financial Statements |

[Annual Report 2021 \(Form 56-1 One Report\)](#)

Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors has placed top priority on supervising the Company's operations to ensure their compliance with good corporate governance policy and overseeing the accuracy, completeness, and adequacy of financial statements and financial information appearing in the Annual Report (Form 56-1 One Report). It also has a responsibility to ascertain that the financial statements are carefully prepared in strict compliance with Thai Financial Reporting Standards, which is based on the International Financial Reporting Standards. In addition, the Board of Directors must establish and maintain an effective internal control system to ensure the reliability of its financial statements. The Board has to safeguard the Company's assets with a good protection system to prevent corruption or suspicious operations. Connected transactions which can give rise to possible conflicts of interest are closely monitored to ensure that they are genuine transactions and are reasonably carried out based on the ordinary course of business for

the Company's maximum benefits and in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its activities to the Board of Directors, and its opinions in the Audit Committee's Report are included in the Annual Report (Form 56-1 One Report).

The Board of Directors is of the opinion that the Company's internal control system has been proved to be satisfactory. The Board was able to obtain reasonable assurance on the reliability of the consolidated financial statements as at 31 December 2021, which the auditor conducted an audit in accordance with Thai Standards on Auditing. The auditor is of the opinion that the financial statements present fairly the financial position and the results of its operations and cash flows in conformity with Thai Financial Reporting Standards.



Assoc. Prof. Dr. Naris Chaiyasoot
Chairman of the Board of Directors



Dr. Kirana Limpaphayom
Chief Executive Officer



Report of the Audit Committee to Shareholders

The Audit Committee of Banpu Power Public Company Limited consists of four independent directors who are competent and have relevant experience in finance and accounting, economics, risk management, engineering, chemical science, and energy business as follows:

- 1.) Mr. Yokporn Tantisawetrat Chairman of the Audit Committee
- 2.) Assoc. Prof. Dr. Naris Chaiyasoot Member of the Audit Committee
- 3.) Prof. Dr. Bundhit Eua-arporn Member of the Audit Committee
- 4.) Prof. Dr. Patchanita Thamyongkit Member of the Audit Committee

Ms. Orawan Phunamsarp is the Head of Internal Audit and the Secretary to the Audit Committee.

The Audit Committee is fully aware of its duties and responsibilities stipulated in the Audit Committee Charter as well as other duties entrusted by the Board of Directors with independence and in compliance with the Best Practice Guidelines for Audit Committee and the regulations of the Stock Exchange of Thailand. The Audit Committee underlines compliance with the principles of good corporate governance, effective and efficient systems of risk management, as well as internal control and internal audit to create sustainable value for the organization based on the Three Lines Model¹.

In 2021, the Audit Committee convened nine times at which a quorum was established with the participation of the management, Internal Audit, and the external auditors on the related agenda. The Audit Committee also held a private meeting with the external auditors without the presence of the management. The results of the Audit Committee meetings were quarterly reported to the Board of Directors. The Audit Committee’s main activities can be summarized as follows:

- 1. **Review of Financial Statements:** The Audit Committee reviewed Banpu Power’s quarterly financial statements and the 2021 annual financial statements on major issues, including related party transactions, transactions with a possible conflict of interest, and the appropriateness of accounting policies. The Committee also reviewed material accounts, significant changes in accounting and adjustment, accounting estimates, the disclosure of notes to the financial statements, and the external auditor’s observations from the review and audit of the financial statements. The Audit Committee received sufficient explications from external auditors, management, and related parties and ensured that the financial statements were prepared in compliance with laws and financial reporting standards. The disclosure of notes to the financial statements was accurate, sufficient, and timely for the benefit of investors and users of the financial statements.

¹ This principle were renamed from Three Lines of Defense to Three Lines Model in July 2020.
Source: <https://global.theiia.org/about/about-internal-auditing/Pages/Three-Lines-Model.aspx#positionpaper>

- 2. **Review of Internal Control and Internal Audit:** The Audit Committee reviewed the internal control system together with the Internal Audit Division in the areas of operations, resource utilization, asset care, prevention or reduction of mistakes, damages, and corruption, reliability of financial reports, compliance with laws, regulations, and rules, improvement of the corporate governance process, risk management, internal control, and oversight of compliance with relevant regulations. It was emphasized on awareness-raising for employees to adhere to the air-tight internal control with prudence and carefulness. The Committee also considered the result of self-evaluation based on the Self Evaluation Form formulated by the Office of the Securities and Exchange Commission (SEC). Overall, the Audit Committee concluded that Banpu Power had an adequate, appropriate, and effective internal control system that covers the corporate level as well as activity level.

The Audit Committee reviewed the Internal Audit Division’s operation by approving the annual audit plan and budget as well as evaluating the performance of the Head of Internal Audit and performance of the division as well as the internal audit service provider (Banpu Public Company Limited, according to the Management Service Agreement). Moreover, the Committee provided advice and followed up the audit results against the audit plan. The Committee stressed preventive audit measures and monitoring prompt corrective action of significant issues. Internal audit and follow-up results were regularly reported to the management. It was also reported to the Audit Committee on a quarterly basis. During the COVID-19 pandemic, the Company has adopted the remote audit protocol with the support of data analytics for more efficient internal auditing of subsidiaries and affiliated companies in Thailand and abroad.

- 3. **Review of Legal and Regulatory Compliance:** The Audit Committee reviewed the legal and regulatory compliance of Banpu Power’s business operations and policies. The Corporate Compliance Department is responsible for auditing and monitoring legal and regulatory compliance and regularly report compliance issues and monitoring results to the management and the Audit Committee. In addition, the Company reported risk management and internal audit results covering key compliance risks. In 2021, the Company deployed Compliance Risk Management (C-RiM) application in overseeing compliance risk of the Company and its subsidiaries in each country via an online system, and Laws In-Hand application was used to monitor recent legal and regulatory updates in all countries where Banpu Power has business operations.
- 4. **Review of Related Party Transactions:** The Audit Committee reviewed related party transactions or transactions that may cause conflicts of interest between the Company, its subsidiaries, and other related parties based on the arm’s length principle. That is to ensure that the transactions were carried out at fair value for the best interest of the Company and stakeholders and did not involve a transfer of interest. The transactions must also be fair and reasonable in compliance with the laws and regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- 5. **Governance of Risk Management System:** The Audit Committee reviewed the efficiency and effectiveness of the risk management process and monitored key risks that may have posed threats to the Company’s business operations. The Committee quarterly monitored the progress of the management of key risks and changing situations affecting the operations. The Committee also established mitigation measures, emphasizing systematic and sustainable management which timely responds to rapidly changing business environment and trends. Policy on risk management was explicitly stipulated in writing in the Risk Management Policy and the Charter of Risk Management Committee, which was approved by the Board of Directors. The Committee convened regular meetings to assess risks. The Risk Management Policy was communicated to all units of Banpu Power, including its subsidiaries and joint ventures, so they could efficiently manage and mitigate risks.

6. **The Appointment of the External Auditor and Determination of the Audit Fee for 2022:** The Audit Committee considered the selection of external auditors based on Banpu Power's evaluation criteria which included independence, timeliness, quality, professional standard, and reasonable audit fees. As a result, the external auditors' qualifications met the Stock Exchange of Thailand's requirements. For 2022, the Audit Committee proposed the appointment of auditors to the Board of Directors for consideration and submission to the 2022 Annual General Meeting of Shareholders for approval. The following individuals were nominated:

- 1.) Ms. Rodjanart Banyatananusard, CPA, License No. 8435; and/or
- 2.) Ms. Amornrat Permpoonwattanasuk, CPA, License No. 4599; and/or
- 3.) Mr. Pongthavee Ratanakoses, CPA, License No. 7795; and/or
- 4.) Mr. Boonrueng Lerdwiseswit, CPA License No. 6552.

These CPAs of PricewaterhouseCoopers ABAS Limited (PwC) were appointed as the external auditors of Banpu Power for 2022. The Company also approved the audit fees for 2022. One of these individuals was assigned to conduct his/her audit and to provide opinions on the financial statements of Banpu Power. In case these appointed auditors are unable to perform their duties, PricewaterhouseCoopers ABAS Limited (PwC) shall appoint other of its CPAs as the external auditors of Banpu Power.

In summary, in 2021, the Audit Committee independently performed its duties and responsibilities set forth in the Audit Committee Charter which was approved by the Board of Directors, based on their knowledge, capabilities, and prudent consideration for the equitable benefit of the stakeholders. The Audit Committee is certain that Banpu Power's financial statements were completed and were consistent with generally accepted accounting standards and principles, and there was adequate information disclosure. Banpu Power's business conduct was in line with a sound corporate governance policy, and the Company had an appropriate risk management system as well as effective and adequate internal control and internal audit systems. In addition, Banpu Power properly complied with existing laws and regulations relevant to its business operations.

On behalf of the Audit Committee



(Mr. Yokporn Tantisawetrat)
Chairman of the Audit Committee
Banpu Power Public Company Limited

Management's Discussion and Analysis

1. Management Discussion and Analysis

Banpu Power continues to accelerate its portfolio transformation through new investment in power plant development located in various countries especially with high efficiency, low emissions (HELE) technologies. During 2021, the Company expanded its equity capacity equivalent in both thermal power plants and renewables by 541 MW in the high-growth countries and entered wholesale electricity market with advanced trading system and mechanism.

The Company reported its 2021 net profit of THB 3,127 million including the FX translation gain of THB 374 million due to weakening of the Thai currency against US Dollar. HPC operated with high efficiency and continue to provide firm share of profit. The Company had additional profit from Nakoso IGCC in Japan and Temple I CCGT in the United States of America. Its EBITDA was reported at THB 3,487 million.

The revenue for 2021 was reported at THB 6,784 million, increased by 23% compared to last year. This derived from 3 Combined Heat and Power (CHP) plants in China for THB 6,112 million. Although CHP plants experienced high domestic coal cost over the year, the Company has mitigated this risk by counter measures such as implementing centralized coal procurement system, negotiating with its counterparty to raise steam selling price to reflect the higher coal cost, proactively optimize the plant operation mode to protect bottom line, and carefully manage its coal inventory to run the plant with smooth operation and be able to provide electricity and steam to serve industrial customers and residential customers efficiently. Moreover, there was additional revenue from Temple I of THB 673 million, the Company started to recognize Temple I revenue since November 2021 onwards.

The share of profit from associates and joint ventures was reported at THB 2,974 million, from HPC power plant equivalent to THB 3,612 million, increased by 12% from last year. It operated with high Equivalent Availability Factor (EAF) at 85%, resulting from an effective maintenance plan for the power plant. BLCP power plant reported its share of profit of THB 215 million included impact from deferred tax and unrealized FX translation loss of THB 552 million. Nakoso power plant reported its share of profit of THB 210 million which started to recognize profit since Q2/2021. Although Shanxi Lu Guang (SLG) power plant in China has started its electricity generation dispatch, it experienced a challenge for the high coal price, resulting in its share of loss of THB 542 million. For renewable and energy technology business invested through Banpu NEXT has reported its share of loss of THB 521 million mainly from energy trading business due to the market situation.

Banpu Power will continue its journey of sustainable development by enhancing the efficiency of its existing power plants to generate stable cash flow as well as seeking new investment opportunity through its synergy among Banpu group in order to optimize its invested asset value. Besides, the Company will focus to expand more in clean energy business and develop its existing business to meet future energy demand. The Company will also seek the investment opportunities in the high-growth potential regions with government policy support to achieve its capacity target of 5,300 MW within 2025 as planned.

2. Group Performance Analysis

The analysis and explanation performance for the year ended 31 December 2021 and 2020:

Consolidated Statement of Income for the year ended 31 December 2021 and 2020:

| Consolidated financial performance (Unit: Million Baht) | Y2021 | Y2020 | Change | |
|--|---------|---------|---------|-------|
| | | | Amount | % |
| Sales | 6,784 | 5,506 | 1,278 | 23% |
| Cost of sales | (6,824) | (4,391) | (2,433) | 55% |
| Gross profit | (40) | 1,115 | (1,155) | -104% |
| Administrative expenses | (1,103) | (946) | (157) | 17% |
| Share of profit from an associate and joint ventures | 2,974 | 3,565 | (591) | -17% |
| Other Income | 1,649 | 1,169 | 480 | 41% |
| Other financial costs | (249) | (243) | (6) | 3% |
| Profit before income taxes | 3,232 | 4,083 | (851) | -21% |
| Income taxes | (57) | (300) | 243 | -81% |
| Profit for the year | 3,174 | 3,783 | (609) | -16% |
| Owners of the company | 3,127 | 3,702 | (575) | -16% |
| Non-controlling interests | 47 | 81 | (34) | -42% |
| Basic earnings per share (unit: Baht) | 1.026 | 1.214 | (0.188) | -15% |

The group reported net profit for 2021 at THB 3,127 million, decreased by THB 575 million or 16 % compared to 2020. In 2021, the group recognized income and profit sharing from new power plant businesses invested during the year, which are Nakoso power plant in Japan, and Temple I gas-fired power plant in the U.S. Net with a decrease in profit sharing from BLCP power plant from recognition of defer tax expense and unrealized loss on FX translation, and a decrease in profit sharing from SLG power plant that has already started commercial operation while encountered high coal cost situation.

Details of the group operating performance for 2021 were described as followings:

Sales, Cost of sales and Gross profit

Sales reported at THB 6,784 million, increased by THB 1,278 million or 23% compared to 2020. This was mainly from higher steam sales and others from CHP plants in China of THB 824 million and from electricity sales from gas-fired power plant in the U.S. of THB 673 million, also the group did not consolidate income from solar power plant business in China and energy trading business in Japan in 2021 as a result from group restructuring since March 2020. Details were described as followings:

| Items | Power Sold (GWh) | | Steam & Others Sold (Million Tonnes) | | Average Power Tariff (RMB/GWh) | | Average Steam & Others Price (RMB/Tonne) | |
|------------------------|------------------|----------|--------------------------------------|-------|--------------------------------|-------|--|--------|
| | Y2021 | Y2020 | Y2021 | Y2020 | Y2021 | Y2020 | Y2021 | Y2020 |
| 100% Basis | | | | | | | | |
| Zhending CHP | 312.68 | 414.85 | 0.30 | 0.44 | 0.34 | 0.34 | 150.81 | 115.05 |
| Luannan CHP | 537.65 | 708.75 | 2.28 | 1.39 | 0.35 | 0.34 | 120.10 | 106.27 |
| Zouping CHP | 328.73 | 439.60 | 1.75 | 2.34 | 0.43 | 0.42 | 164.92 | 91.71 |
| Total CHP Power Plants | 1,179.07 | 1,563.20 | 4.33 | 4.17 | 0.37 | 0.36 | 140.38 | 99.04 |
| Gas Fired Power Plant | 417.23 | - | - | - | - | - | - | - |
| Solar Power Plants | - | 47.47 | - | - | - | 0.83 | - | - |

Combined Heat and Power (CHP) plants in China: Increase THB 824 million

An increase of sales from CHP plants compared to 2020 was derived from:

1. An increase of THB 967 million from steam sales and others. This was a result of an increase of steam sales of 0.16 million tonne, and an average price of steam sales per tonne also increased by RMB 41.34. An average price of steam per tonne was RMB 140.38 (2020: RMB 99.04).
2. A decrease of THB 656 million from power sales volume 384.13 GWh. was from plant optimization to manage higher coal cost situation. An average power tariff was RMB 0.37 per kWh (2020: RMB 0.36 per kWh).
3. The effects of foreign exchange rate translation of THB 513 million due to a depreciation of THB currency against RMB currency compared to 2020. This impacts to higher revenue in THB currency when converting from revenue in RMB currency. Average exchange rate of RMB/THB in 2021 was THB 4.9665 (2020: THB 4.5385).

Gas-Fired Power Plant in the U.S. THB 673 million

Sales from gas-fired power plant business was THB 673 million from investment for business expansion in the U.S. during 4Q/2021.

Solar Power Plants in China

Sales decreased from 2020 of THB 90 million due to change in type of investment from group restructuring since March 2020, that changed profit recognition from consolidating net profits from solar power plant business as subsidiaries, to be taking profit sharing as an associate.

Energy Trading in Japan

Sales decreased from 2020 of THB 129 million due to change in type of investment from group restructuring since March 2020, that changed profit recognition from consolidating net profits from energy trading in Japan as subsidiaries, to be taking profit sharing as an associate.

Cost of sales: Increase 55%

Cost of sales was THB 6,824 million, increased by THB 2,433 million compared to 2020 from:

1. CHP plants in China that cost of sales increased by THB 1,884 million from:
 - An increase in coal cost THB 1,661 million was from a higher average coal cost of RMB 370 per tonne. Average coal cost was RMB 942 per tonne (2020: RMB 572 per tonne) or increased by 65 % compared to 2020. Whereas production was decrease by 0.15 million tonne compared to 2020.
 - The effects of foreign exchange rate translation of THB 223 million. This impacted to higher cost of sales in THB currency when converting from cost of sales in RMB currency. Average exchange rate of RMB/THB in 2021 was THB 4.9665 (2020: THB 4.5385).
2. Gas-fired power plant in the U.S. that cost of sales increased by THB 711 million from new investment for business expansion in the U.S.
3. Solar power plant in China and energy trading business in Japan that cost of sales was decreased by THB 48 million and THB 114 million, respectively from changes in type of investment according to the Group investment restructuring resulted in unable to consolidate cost of sales since March 2020.

**Gross profit:
Decrease 104%**

Gross loss was THB 40 million, or decreased by THB 1,155 million compared to 2020 was from:

1. A decrease in operating performance from CHP plants in China THB 1,060 million. This was a result from higher coal cost as market price, also the lower power sales volume from CHP plants in China due to plant optimization to as a counter measure against higher coal cost situation.
2. A decrease in operating performance from gas-fired power plant business in the U.S. of THB 39 million aligned with seasonal power consumption demand in Texas and warmer climate.
3. A decrease from change in investment type from group investment restructuring of solar power plant business in China and energy trading business in Japan, total of THB 56 million.

**Administrative expenses:
Increase 17%**

Administrative expenses of THB 1,103 million, increased by THB 157 million compared to 2020 was mainly from the employee expense and from professional and consulting fees related to business expansion in Japan and the U.S.

| Items | Profit (loss) sharing | | Increase/(Decrease) | |
|--|-----------------------|--------------|---------------------|-------------|
| (Unit: Million Baht) | Y2021 | Y2020 | Amount | % |
| BLCP | 215 | 543 | (328) | -60% |
| HPC & PFMC | 3,612 | 3,223 | 389 | 12% |
| SLG | (542) | 76 | (618) | -812% |
| Holding Company for Solar Power in Japan | - | 21 | (21) | -100% |
| Holding Company for Nakoso Power Plant | 210 | - | 210 | 100% |
| Banpu NEXT | (521) | (290) | (231) | 80% |
| Holding Company for Solar Power in Indonesia | (0) | (8) | 8 | 0% |
| Total | 2,974 | 3,565 | (591) | -17% |

**Share of profit from joint
and ventures associates:
Decrease 17 %**

Profit sharing from joint ventures and an associate was THB 2,974 million, decreased by THB 591 million compared to 2020 was a net result of:

1. A decrease in profit sharing from BLCP of THB 328 million. This was from deferred tax expense recognition and impact from foreign exchange conversion for accounting purpose of THB 231 million, whereas a decrease in operating performance of THB 97 million in accordance with revenue structure under long term power purchase agreement.
2. An increase in profit sharing from HPC power plant and Phu Fai Mining Company Limited (PFMC) total of THB 389 million, was from gain on exchange rate of THB 371 million and from an increase in operating performance of THB 18 million.
3. A higher recognition of loss sharing from SLG power plant of THB 618 million caused by higher coal cost.

Other income

4. A decrease in profit sharing from investment in power plant associate in Japan of THB 21 million from change in investment type according to group investment restructuring.
5. An increase in profit sharing from Nakoso power plant, a joint venture in Japan of THB 210 million that start recognition since Q2/2021.
6. An increase in loss sharing from investment in renewable power and energy technology business of THB 231 million from operating performance of energy trading business in Japan.
7. A decrease in loss sharing from an associate in Indonesia of THB 8 million.

Other income of THB 1,649 million was comprised of:

1. Interest income of THB 381 million.
2. Management fee income of THB 203 million, mainly was fees charged to related companies and joint ventures.
3. Pipeline connecting fee income charged to new steam customers of CHP plants in China of THB 128 million.
4. Subsidy income from Chinese government of THB 138 million.
5. Net gain on derivatives of THB 241 million that was unrealized gain on fair value from natural gas swap contract and electricity swap contract.
6. Net gain on exchange rate of THB 374 million was mostly from unrealized gain on exchange rate from USD currency loans at the end of the year caused by a depreciation of THB currency against USD currency compared to 2020. Average exchange rate of USD/THB for 2021 was THB 31.9771 (2020: USD/THB 31.2937).
7. Other income of THB 184 million consisted of ash & slag sales from CHP plants of THB 80 million, and others of THB 104 million.

**Interest expenses
and finance cost:
Increase 3%**

Interest expenses and finance cost of THB 249 million, increased by THB 6 million compared to 2020, primarily from additions of loan from financial institutions during the year.

**Corporate income tax:
Decrease 81%**

Corporate income tax of THB 57 million, decreased by THB 243 million compared to 2020. This comprised of:

1. A decrease in corporate income tax of THB 267 million, mainly from a decrease in operating profit from CHP plant businesses in China.
2. An increase in deferred income tax liability of THB 24 million from taxable expense from Nakoso power plant and gas-fired power plant in the U.S.

Net profit for the year ended 31 December 2021 reported at THB 3,127 million, decreased by THB 575 million.

Basic Earnings per Share reported at THB 1.026 (2020: THB 1.214)

3. Statement of Consolidated Financial Position

Statement of Consolidated Financial Position as of 31 December 2021 in comparison with Statements of Consolidated Financial Position as of 31 December 2020.

| Items (Unit: Million Baht) | Financial Position | | Increase/(Decrease) | |
|-------------------------------|--------------------|-----------|---------------------|------|
| | 31-Dec-21 | 31-Dec-20 | Amount | % |
| Assets | 74,867 | 49,563 | 25,304 | 51% |
| Liabilities | 25,287 | 7,585 | 17,702 | 233% |
| Equity | 49,580 | 41,978 | 7,602 | 18% |

3.1 Total assets of THB 74,867 million, an increase of THB 25,304 million or 51% compared to the 31 December 2020 was mainly described as follows:

| Financial Position (Unit: Million Baht) | Assets | | Increase/(Decrease) | |
|--|---------------|---------------|---------------------|------------|
| | 31-Dec-21 | 31-Dec-20 | Amount | % |
| Cash and cash equivalents | 2,635 | 2,169 | 466 | 21% |
| Financial assets | 530 | 343 | 187 | 54% |
| Trade accounts receivable and note receivables | 1,311 | 927 | 384 | 41% |
| Fuel and Spare parts & supplies, net | 1,186 | 505 | 681 | 135% |
| Current portion of dividend receivables from related parties | 125 | 150 | (25) | -17% |
| Other current assets | 4,095 | 3,424 | 671 | 20% |
| Total current assets | 9,883 | 7,519 | 2,364 | 31% |
| Dividend receivables from related parties | 239 | 289 | (50) | -17% |
| Investments in an associate and joint ventures | 33,766 | 26,639 | 7,127 | 27% |
| Property, plant and equipment, net | 23,811 | 8,001 | 15,810 | 198% |
| Right of use assets, net | 631 | 569 | 62 | 11% |
| Other non current assets | 6,537 | 6,546 | (9) | 0% |
| Total non current assets | 64,984 | 42,044 | 22,940 | 55% |
| Total assets | 74,867 | 49,563 | 25,304 | 51% |

- Cash and cash equivalents of THB 2,635 million, increased by THB 466 million or 21% (Explanation in no. 4 Statement of Consolidated Cash Flows).
- Financial assets measured at fair value through profit or loss of THB 530 million, increased by THB 187 million or 54%. This was from an additional of THB 1,874 million during the year; net with redemption of THB 1,742 million and gain on exchange rate translation at the end of the year of THB 55 million.
- Account receivable of THB 1,311 million, increased by THB 384 million or 41%. This was mainly from an increase in sales from CHP plants of THB 250 million, steam sales during Q4/2021 and gas-fired power plant of THB 134 million.
- Fuel and spare parts, net of THB 1,186 million, increased by THB 681 million or 135%. This was from investment in gas-fired power plant business in the U.S. of THB 310 million and increase from CHP plants in China of THB 371 million caused by higher coal cost compared to 2020.

- Other current assets of THB 4,095 million, increased by THB 671 million or 20% was mainly from:
 1. An increase in prepaid expenses from investment in gas-fired power plant business in the U.S. of THB 187 million.
 2. An increase in accrued interest income from related parties of THB 377 million. This was from recognition of interest income during the year of THB 381 million offset with cash receives from settlement of THB 58 million and gain on foreign exchange rate translation at the end of year of THB 54 million.
 3. An increase in prepaid tax from CHP plants in China of THB 185 million.
 4. A decrease in loan to related party of THB 91 million. This was a net result of reclassification from non-current portion of THB 341 million, cash receives from settlement of THB 745 million and gain on foreign exchange rate translation at the end of year THB 313 million.
 5. An increase in other current assets of THB 13 million
- Current and non-current portions of dividend receivables from related parties totaling of THB 364 million, decrease by 75 million, from dividend receivables from the joint venture during the year.

| Dividend receivables from related parties (Unit: Million Baht) | Financial Position | | Increase/(Decrease) | |
|---|--------------------|------------|---------------------|----------|
| | 31-Dec-21 | 31-Dec-20 | Amount | % |
| Current portion of dividend receivables from related parties | 125 | 150 | (25) | - |
| Dividend receivables from related parties | 239 | 289 | (50) | - |
| Total | 364 | 439 | (75) | - |

- Investment in joint ventures and associates of THB 33,766 million, increased by THB 7,127 million or 27%. This was from a recognition of profit sharing from joint ventures and an associate THB 2,974 million, new investment in Nakoso power plant, a joint venture in Japan of THB 2,445 million, and new investment in an associate in renewable and energy technology of THB 236 million to support investment in solar power plant business in Australia. This included gain on foreign exchange rate translation at the end of year THB 1,913 million, and the recognition share of other comprehensive income from joint ventures and associates of THB 427 million, including dividend declaration during the year of THB 862 million, and from sales of investment of THB 6 million.
- Net property plant and equipment of THB 23,811 million, increased by THB 15,810 million or 198% was from additions from investment in gas-fired power plant in the U.S. of THB 15,207 million and additions of machinery and equipment of CHP plants THB 146 million, gain on foreign exchange rate translation at the end of year THB 1,010 million; net with disposals THB 11 million and depreciation charges THB 542 million.
- Right-of-used assets of THB 631 million, increased by THB 62 million or 11%, was a result from additions of THB 21 million, gain on foreign exchange rate translation at the end of year 76 million, net with amortization of THB 35 million.
- Other non-current assets of THB 6,537 million, decreased by THB 9 million was mainly from:
 1. A decrease in loan to related parties of THB 262 million from reclassification to current portion THB 341 million net with gain on foreign exchange rate translation at the end of year of THB 104 million and cash receives from loan settlement of THB 25 million.
 2. An increase from investment in gas-fired power plant in the U.S. of THB 167 million.
 3. An increase in deferred tax assets of THB 58 million, caused by the effects from foreign exchange rate translation at the end of year due to a depreciation of THB currency against RMB currency.
 4. An increase in other assets of THB 28 million.

3.2 Total liabilities of THB 25,287 million, increased by THB 17,702 million or 233% compared to total liabilities as of 31 December 2020 with details mainly described as follows:

| Financial Position (Unit: Million Baht) | Liabilities | | Increase/(Decrease) | |
|--|---------------|--------------|---------------------|-------------|
| | 31-Dec-21 | 31-Dec-20 | Amount | % |
| Short-term loans from financial institutions | 6,551 | 1,454 | 5,097 | 351% |
| Trade accounts payable | 331 | 170 | 161 | 95% |
| Current portion of long-term loans from financial institutions | 1,439 | 951 | 488 | 51% |
| Current portion of lease liabilities | 13 | 12 | 1 | 8% |
| Other current liabilities | 2,634 | 1,480 | 1,153 | 78% |
| Total current liabilities | 10,968 | 4,067 | 6,901 | 170% |
| Long-term loans from financial institutions, net | 9,253 | 3,481 | 5,772 | 166% |
| Lease liabilities | 18 | 8 | 10 | 135% |
| Other non current liabilities | 5,048 | 29 | 5,019 | 17053% |
| Total non-current liabilities | 14,319 | 3,518 | 10,801 | 307% |
| Total liabilities | 25,287 | 7,585 | 17,702 | 233% |

- Short-term loans from financial institutions of THB 6,551 million, increased by THB 5,097 million or 351 % was from a net result of additional loans THB 9,185 million and repayment THB 4,196 million. Also, there was the effects of foreign exchange rate translation at the end of year THB 108 million on loan in RMB currency due to a depreciation of THB currency against RMB currency. Average exchange rate of RMB/THB as of 31 December 2021 was THB 5.2507 (31 Dec 2020: THB 4.6187). Average exchange rate of USD/THB as of 31 December 2021 was THB 33.4199 (31 Dec 2020: THB 30.0371).
- Current portion of long-term loans from financial institutions of THB 1,439 million, increased by THB 488 million or 51%. This was a net result of reclassification from non-current portion THB 1,409 million (including net front end fee), repayment THB 971 million and from the effects of foreign exchange rate translation on RMB loan at the end of year was THB 50 million.
- Other current liabilities of THB 2,634 million, increase by THB 1,153 million or 78% was mainly from:
 - An increase in investment in gas-fired power plant in the U.S. of THB 729 million that was mainly from accrued expense others THB 445 million and property taxes payable THB 122 million.
 - An increase in advance received from steam residential customers of CHP plants in China of THB 82 million.
 - An increase from amount due to related party of THB 324 million, comprised of coal purchase payable THB 262 million, accrued interest expense THB 43 million, accrued management fee THB 4 million and advance receive THB 15 million.
 - An increase from other current liabilities of THB 18 million.
- Long-term loans from financial institutions of THB 9,253 million, increase by THB 5,772 million or 166%, was from additional loan THB 7,127 million (including net front end fee), net with reclassification to current portion THB 1,409 million and the effect of foreign exchange rate translation at the end of year THB 54 million on RMB loan and USD loan from a depreciation of THB currency against RMB currency and USD currency.
- Other non-current liability total of THB 5,048 million, increased by THB 5,019 million was from investment in gas-fired power plant in the U.S. of THB 4,994 million that was mainly from loan from related party, and an increase from other non-current assets of THB 25 million.

3.3 Shareholders' equity of THB 49,580 million, an increase of THB 7,602 million or 18% compared to shareholders' equity as of 31 December 2021 was due to:

| Financial Position (Unit: Million Baht) | Equity | | Increase/(Decrease) | |
|--|---------------|---------------|---------------------|------------|
| | 31-Dec-21 | 31-Dec-20 | Amount | % |
| Owners of the parent | 45,636 | 41,109 | 4,527 | 11% |
| Non-controlling interests | 3,944 | 869 | 3,075 | 354% |
| Total equity | 49,580 | 41,978 | 7,602 | 18% |

- An increase of THB 3,127 million from net profits for 2021.
- An increase of THB 903 million from cashflows hedge reserves.
- An increase of THB 2,951 million from gain on foreign exchange translation of subsidiaries and joint ventures' financial statements.
- An increase of THB 3,075 million from non-controlling interests from investment in the U.S. THB 2,907 million and profits THB 168 million.
- A decrease of THB 1,981 million from dividend paid.
- A decrease of THB 439 million from the change in fair value of hedged financial instruments.
- A decrease of THB 34 million from remeasurement of post-employment benefit.

Net debt to equity ratio as of 31 December 2021 from consolidated financial positions was 0.28 times (31 December 2020: 0.07 time)

4. Statements of Consolidated Cash Flows

Statement of consolidated cash flows for the year ended 31 December 2021 reported an increase of net cash flows from 31 December 2020 total of THB 466 million (included the effect from exchange rate translation gain of THB 112 million). The consolidated cash flows were as follows:

| Cash flow (Unit: Million Baht) | Consolidated |
|---|--------------|
| Net cash used in operating activities | (368) |
| Net cash used in investing activities | (16,053) |
| Net cash receipts from financing activities | 16,774 |
| Net increase in cash and cash equivalents | 354 |
| Exchange differences on cash and cash equivalents | 112 |
| Cash and cash equivalents at beginning of the period | 2,169 |
| Cash and cash equivalents at end of the period | 2,635 |

4.1 Net cash outflows from operating activities of THB 368 million comprised of:

- Collection from sales of power and steam THB 5,535 million.
- Payment to suppliers and contractors THB 5,649 million.
- Payment of interest expense THB 165 million.
- Payment of corporate income tax THB 89 million.

4.2 Net cash outflows from investing activities of THB 16,053 million comprised of:

- Receipts of dividends from joint ventures and others THB 937 million.
- Receipts from interest income THB 58 million.
- Receipts from financial assets THB 1,742 million.
- Receipts from restricted deposits at bank THB 138 million.
- Receipts from loan to related party THB 770 million.
- Payments for machine, equipment, and project in progress in China THB 216 million.
- Payments for investment in gas-fired power plant for business expansion in the U.S. THB 14,790 million.
- Payments for investment in Nakoso power plant, a joint venture in Japan, and renewable and Energy technology business of 2,679 million.
- Payments for financial assets THB 1,874 million.
- Payment for restricted deposits at bank THB 139 million.

4.3 Net cash inflows from financing activities of THB 16,774 million comprised of:

- Receipts from short-term and long-term loans from financial institutions THB 16,307 million.
- Repayments of short-term and long-term loans from financial institutions THB 5,167 million.
- Receipts from long-term loans from related party THB 4,721 million.
- Receipts from invest in subsidiaries from non-controlling interests THB 2,907 million.
- Payment for lease liabilities THB 13 million.
- Dividend paid to shareholders THB 1,981 million.

Independent Auditor’s Report

To the shareholders of Banpu Power Public Company Limited My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Banpu Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter

How my audit addressed the key audit matter

Acquisition of investment in a joint venture

Refer to Note 14.1 c) Acquisition of investment in a joint venture.

During the year ended 31 December 2021, the Group purchased ordinary shares for 33.50% interest in Nakoso IGCC Management Co., Ltd (NIMCO), which holds a 40% ownership in the Nakoso Integrated Gasification Combined Cycle Power Plant in Japan. The purchase consideration paid was JPY 8,630.94 million or equivalent to THB 2,445.19 million. Management determined that this acquisition was an investment in a joint venture, applying the definition in TFRS 11 Joint arrangement. In doing so, as required by TAS 28 Investments in Associates and Joint Ventures, the management had to determine the fair value of the net identifiable assets acquired and review the purchase price allocation (PPA) in accordance with the concepts in TFRS 3 Business combinations. The fair value of identifiable assets acquired and liabilities assumed was presented as part of the investment cost.

Management engaged an external valuer to appraise the fair values of identifiable assets acquired, which was THB 7,825.79 million, mainly consists of plant and equipment of THB 5,559.36 million, the right to operate the power plant of THB 1,674.01 million and the fair value of liabilities assumed of THB 5,380.60 million. The fair value determination was performed as part of the PPA.

The fair value determination of the right to operate the power plant involves significant management judgement regarding future operating results, projected cash flows and the discount rate to be applied to those projected cash flows. Key assumptions applied in determining the fair value are electricity tariffs, power plants capacity, operating expenditures, capital structure and discount rate to be applied to the projected cash flows.

I focused on the fair value determination of the net identifiable assets acquired from the investment acquisition, especially for the right to operate the power plant because management applied the discounted cash flow model and it contains several assumptions. Those assumptions involve management's significant judgements in assessing future cash flows and the discount rate applied for the valuation.

I carried out the following procedures to get evidence of management's assessment of the investment acquisition and the fair value determination of the net identifiable assets acquired:

- read the shareholder agreement to understand the key terms and conditions and confirmed our understanding of the transaction with the management.
- assessed whether management's accounting for the investment acquisition should be accounted for as an investment in a joint venture and whether it's in accordance with the accounting for business combinations.
- understood and assessed the valuation method and assumptions used by the external valuer to determine the fair values.
- evaluated the competency, qualifications, experience and objectivity of the external valuer who is management's expert.
- assessed the appropriateness of the identifiable assets acquired and liabilities assumed as at the acquisition date and evaluated management's procedures for determining the fair values of the net identifiable assets acquired.
- tested the fair value calculation of the right to operate the power plant, challenged management's significant assumptions applied in the estimation of projected cash flows, such as electricity tariffs, power plant capacity, operating expenditures and capital structure, and compared those assumptions to the underlying agreements and external sources.
- assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry, to see whether the discount rate used by management was within an acceptable range.

As a result of the procedures performed, I determined that the acquisition of the investment that invests in the electricity power plant is an investment in a joint venture in accordance with the definition set out in TFRS 11. The assumptions applied in determining the fair values of the right to operate the power plant were reasonable and in line with the accounting for business combinations.

Key audit matter

How my audit addressed the key audit matter

Acquisition of investment in a subsidiary

Refer to Note 14.1 d) Acquisition of investment in a subsidiary.

During the year ended 31 December 2021, BKV-BPP Power LLC (BKV-BPP), which is held equally by Banpu Power US Corporation (BPP US), a subsidiary of the Company and BKV Corporation (BKV), a subsidiary of the Parent, completed the purchase of all shares in Temple Generation Intermediate Holdings, LLC which holds a 100% interest in Temple I CCGT power plant in the United States, with the total consideration of US Dollar 440.96 million or equivalent to THB 14,764.57 million. Management considered that Temple Generation Intermediate Holdings, LLC is a subsidiary of the Group because BPP US has control over such entity that meets the specified conditions under TFRS 10 Consolidated Financial Statements.

The management applied a concentration test which is an optional test to permit a simplified assessment of whether the acquired set of activities and assets qualified as not a business acquisition according to TFRS 3 Business combinations. As a result, management determined that this acquisition is an asset acquisition under TFRS 3 because substantially all of the fair value of the gross assets acquired is concentrated in property, plant and equipment of Temple I. Therefore, the management applied the concept in TFRS 3 for the valuation methodology and assumptions used in the model to the measure the fair value of property, plant and equipment arising from the asset acquisition by involving the external valuer.

I focused on identifying the fair value of assets arising from the asset acquisition due to its significant value and the valuation involves significant assumptions and judgments made by the management.

The audit procedures of this matter were performed by a component auditor in the United States. I planned the audit procedures of the consolidation process and communicated them to the component auditors. In addition, I understood and evaluated the work performed by the component auditor to obtain sufficient and appropriate audit evidence.

The component auditor carried out the following procedures, which I have reviewed, to obtain evidence for management's assessment of accounting related to the asset acquisition and allocation of the purchase price according to the relative fair value of identifiable assets acquired.

- assessed whether management's accounting for the controlling entity of BPP US is in line with the specified conditions under TFRS 10.
- reviewed management's assessment that the net assets acquired meet the concentration test criteria, and do not meet the definition of a business under TFRS 3, and should be accounted for as an asset acquisition.
- evaluated the competency, qualifications, experience and objectivity of the external valuer who is management's expert.
- assessed the appropriateness of the identifiable assets acquired and the liabilities assumed at the acquisition date and evaluated management's procedures for determining the fair values of the net identifiable assets acquired and the allocation of the purchase price proportionally according to the relative fair values.
- tested the calculation of fair values of property, plant and equipment acquired, challenged management's judgement in relation to the assumptions used in the cash flow forecasting, and compared those assumptions to the relevant underlying agreements and external sources.
- assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry, to see whether the discount rate used by management was within an acceptable range.

As a result of the procedures performed, I determined that the acquisition of shareholding in Temple Generation Intermediate Holdings, LLC is an asset acquisition based on the application of the optional test (the concentration test) under TFRS 3. The assumptions used to identify the fair value of property, plant and equipment arising from the asset acquisition were reasonable and in line with the accounting for asset acquisition.

| Key audit matter | How my audit addressed the key audit matter |
|--|---|
| Impairment assessment of investment in a subsidiary <p>Refer to Note 14 Investments in subsidiaries, associates and joint ventures, the Company has an investment in Banpu Coal Power Ltd., a subsidiary whose principal business is to invest in a business of generation and sales of electricity under a long-term power purchase agreement. The cost of investment in the subsidiary in the separate statement of financial position was THB 5,922 million.</p> <p>As at 31 December 2021, the cost of investment in this subsidiary as presented in the separate financial statements was higher than its net equity value. Management considered this an impairment indicator of investment in the subsidiary and therefore performed impairment test by applying the value-in-use model to calculate the recoverable amount. This model involves significant management judgment with respect to the future operating results of business, projected cash flows and discount rate to be applied to the projected cash flows. The subsidiary has only invested in a coal-fired power plant in Thailand, the management applied the value-in-use model based on the projected cash flow of such coal-fired power plant. Key assumptions applied in the value-in-use model are electricity tariff, assumed power plant capacity, growth rate, expected changes to operating expenditures, and the discount rate to be applied to the projected cash flows.</p> <p>As a result of management's impairment testing, the recoverable amount of this investment is lower than the carrying value. Therefore, the Company recognised a provision for impairment loss on investment in a subsidiary of THB 270 million in the separate financial statements for the year 2021.</p> <p>I focused on the impairment assessment of the investments in a subsidiary and their related assets due to their significant values, the various assumptions applied to calculate of the recoverable amounts and management's significant judgements involved in determining the appropriate level of impairment to be recorded.</p> | <p>I carried out the following procedures to assess the impairment testing of the investment in a subsidiary which invests in a coal-fired power plant in Thailand which prepared by the management.</p> <ul style="list-style-type: none">assessed the appropriateness of management's identification of the indicators for impairment of investment in a subsidiary.held discussions with the management to understand the basis for assumptions applied to the cash flow projections.challenged management's significant assumptions applied in the impairment testing of investment in a subsidiary, especially the electricity tariffs, assumed the power plant capacity, growth rate and operating expenditures, and compared those assumptions to the underlying agreements, external sources, foreign exchange rate forecasts and the approved business plan.assessed reasonableness of the business plan by comparing the 2021 plan with actual results.assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry to see whether the discount rate applied by management was within the acceptable range. <p>As a result of the procedures performed, I noted that the key assumptions applied by management in assessing the recoverable amount were reasonable and consistent with supporting evidence.</p> |

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Rodjanart Banyatananusard
Certified Public Accountant (Thailand) No. 8435
Bangkok
23 February 2022

Banpu Power Public Company Limited

Statement of Financial Position As at 31 December 2021

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|--------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2021 'Baht'000 | 2020 'Baht'000 | 2021 'Baht'000 | 2020 'Baht'000 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 10 | 2,634,854 | 2,169,033 | 1,141,799 | 1,595,569 |
| Restricted deposits at financial institutions | | 194 | 88 | - | - |
| Financial assets measured at fair value through profit or loss | 6, 11 | 524,272 | 332,546 | - | - |
| Financial assets measured at fair value through other comprehensive income | 6 | 5,600 | 10,392 | - | - |
| Trade receivables, net | 12 | 1,311,280 | 927,226 | - | - |
| Amounts due from related parties | 27 | 869,310 | 487,197 | 762,162 | 281,049 |
| Current portion of dividend receivables from related parties | 14, 27 | 125,000 | 150,000 | 125,000 | 150,000 |
| Advances to related parties | 27 | 2,761 | 8,804 | 2,761 | 34,182 |
| Short-term loans to related parties | 27 | 2,363,615 | 2,795,705 | - | - |
| Current portion of long-term loans to a related party | 27 | 341,296 | - | - | - |
| Fuel | | 904,092 | 443,374 | - | - |
| Spare parts and supplies, net | | 282,111 | 61,663 | - | - |
| Financial derivative assets | 6 | 51,778 | - | - | - |
| Other current assets | 13 | 466,355 | 132,541 | 9,140 | 10,595 |
| Total current assets | | 9,882,518 | 7,518,569 | 2,040,862 | 2,071,395 |
| Non-current assets | | | | | |
| Dividend receivables from related parties | 14, 27 | 238,831 | 288,831 | 45,000 | 196,033 |
| Long-term loans to related parties | 27 | 5,479,065 | 5,740,754 | 15,589,253 | 7,890,550 |
| Investments in subsidiaries, net | 14 | - | - | 19,787,163 | 17,118,717 |
| Investments in associates and joint ventures | 14 | 33,766,280 | 26,638,516 | 20,084,019 | 19,870,427 |
| Property, plant and equipment, net | 15 | 23,811,139 | 8,001,318 | 1,396 | 1,764 |
| Right-of-use assets, net | 16 | 631,098 | 568,789 | 3,359 | 4,799 |
| Deferred income tax assets, net | 17 | 602,758 | 544,275 | 5,472 | 5,265 |
| Goodwill | | 42,385 | 38,094 | - | - |
| Other non-current assets | | 412,691 | 223,632 | 182,591 | 166,405 |
| Total non-current assets | | 64,984,247 | 42,044,209 | 55,698,253 | 45,253,960 |
| Total assets | | 74,866,765 | 49,562,778 | 57,739,115 | 47,325,355 |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Financial Position As at 31 December 2021

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2021 ‘Baht’000 | 2020 ‘Baht’000 | 2021 ‘Baht’000 | 2020 ‘Baht’000 |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Short-term loans from financial institutions | 18 | 6,551,133 | 1,453,895 | 6,134,199 | 1,000,000 |
| Trade accounts payable | | 331,090 | 169,964 | - | - |
| Advances from and amounts due to related parties | 27 | 629,639 | 244,964 | 5,948 | 29,367 |
| Current portion of long-term loans from financial institutions, net | 20 | 1,439,380 | 950,774 | 850,260 | 698,415 |
| Current portion of lease liabilities, net | 16 | 12,759 | 11,860 | 1,380 | 1,319 |
| Financial derivative liabilities | 6 | 127,779 | - | - | - |
| Income tax payable | | 957 | 58,601 | - | - |
| Other current liabilities | 19 | 1,875,427 | 1,176,918 | 79,976 | 19,844 |
| Total current liabilities | | 10,968,164 | 4,066,976 | 7,071,763 | 1,748,945 |
| Non-current liabilities | | | | | |
| Long-term loans from financial institutions, net | 20 | 9,252,789 | 3,480,832 | 9,134,956 | 2,995,670 |
| Long-term loans from related party | 27 | 4,712,206 | - | - | - |
| Lease liabilities, net | 16 | 18,265 | 7,765 | 2,278 | 3,657 |
| Deferred income tax liabilities, net | 17 | 24,776 | 966 | - | - |
| Financial derivative liabilities | 6 | - | 1,949 | - | 1,949 |
| Employee benefit obligations | | 29,210 | 26,513 | 29,210 | 26,513 |
| Other non-current liabilities | 19 | 282,049 | - | - | - |
| Total non-current liabilities | | 14,319,295 | 3,518,025 | 9,166,444 | 3,027,789 |
| Total liabilities | | 25,287,459 | 7,585,001 | 16,238,207 | 4,776,734 |
| Equity | | | | | |
| Share capital | | | | | |
| Registered share capital | | | | | |
| 3,101,202,000 ordinary shares of Baht 10 each (31 December 2020: 3,104,492,000 ordinary shares of Baht 10 each) | 21 | 31,012,020 | 31,044,920 | 31,012,020 | 31,044,920 |
| Issued and paid-up share capital | | | | | |
| 3,047,731,700 ordinary shares of Baht 10 each (31 December 2020: 3,051,021,700 ordinary shares of Baht 10 each) | 21 | 30,477,317 | 30,510,217 | 30,477,317 | 30,510,217 |
| Premium on share capital | | 7,231,386 | 7,231,386 | 7,231,386 | 7,231,386 |
| Surplus from business combination under common control | | (3,891,564) | (3,891,564) | - | - |
| Reserve for share-based payment | 23 | 40,326 | 40,326 | 40,326 | 40,326 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| - Legal reserve | 22 | 1,647,200 | 1,600,200 | 1,647,200 | 1,600,200 |
| - Other reserve | 21 | - | 41,694 | - | 41,694 |
| Unappropriated | | 10,648,296 | 9,550,966 | 2,104,679 | 3,168,051 |
| Less Treasury shares | 21 | - | (41,694) | - | (41,694) |
| Other components of equity | | (517,787) | (3,932,802) | - | (1,559) |
| Owners of the Company | | 45,635,174 | 41,108,729 | 41,500,908 | 42,548,621 |
| Non-controlling interests | 14 | 3,944,132 | 869,048 | - | - |
| Total equity | | 49,579,306 | 41,977,777 | 41,500,908 | 42,548,621 |
| Total liabilities and equity | | 74,866,765 | 49,562,778 | 57,739,115 | 47,325,355 |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Comprehensive Income For the year ended 31 December 2021

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|--------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2021 ‘Baht’000 | 2020 ‘Baht’000 | 2021 ‘Baht’000 | 2020 ‘Baht’000 |
| Sales | | 6,784,497 | 5,505,511 | - | - |
| Cost of sales | | (6,824,268) | (4,390,664) | - | - |
| Gross profit (loss) | | (39,771) | 1,114,847 | - | - |
| Dividend income from a subsidiary and joint ventures | 14, 27 | - | - | 793,871 | 782,350 |
| Management fee and others | | 652,375 | 646,643 | 76,702 | 23,589 |
| Interest income | | 381,457 | 374,439 | 447,490 | 387,660 |
| Selling expenses | | (833) | - | - | - |
| Administrative expenses | | (1,102,269) | (949,645) | (346,249) | (295,982) |
| Effect of change in investment types from the group restructuring | | - | (577,138) | - | 17,632 |
| Provision for impairment loss on investment in a subsidiary | 14 | - | - | (270,000) | - |
| Net gains (losses) from changes in fair value of financial instruments | | 240,988 | 3,936 | (1,970) | (3,523) |
| Net gains on exchange rate | | 374,543 | 148,066 | 386,135 | 12,800 |
| Interest expenses | | (245,711) | (236,091) | (151,090) | (145,570) |
| Other financial costs | | (3,735) | (6,921) | (3,735) | (5,894) |
| Share of profit from associates and joint ventures, net | 14 | 2,974,494 | 3,565,379 | - | - |
| Profit before income taxes | | 3,231,538 | 4,083,515 | 931,154 | 773,062 |
| Income taxes | 17 | (57,203) | (300,491) | 597 | (4,488) |
| Profit for the year | | 3,174,335 | 3,783,024 | 931,751 | 768,574 |
| Other comprehensive income (expense), net of taxes: | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| - Share of other comprehensive income (expense) of associates and joint ventures accounted for using the equity method | 14 | (474,371) | 236,838 | - | - |
| - Losses on fair value of equity instruments through other comprehensive income | | - | (439,653) | - | - |
| - Remeasurements of post-employment benefit | | - | (5,306) | - | (6,101) |
| Less Income tax relating to other comprehensive expense | | - | 1,061 | - | 1,220 |
| Total items that will not be reclassified to profit or loss, net of taxes | | (474,371) | (207,060) | - | (4,881) |
| Items that will be reclassified to profit or loss | | | | | |
| - Gains on cash flow hedge reserve | | 1,949 | 776 | 1,949 | 776 |
| Less Income tax relating to other comprehensive income | | (390) | (155) | (390) | (155) |
| - Share of other comprehensive income (expense) of associates and joint ventures accounted for using the equity method | 14 | 2,814,977 | (592,296) | - | - |
| - Translation differences | | 1,159,124 | 1,504,912 | - | - |
| Total items that will be reclassified to profit or loss, net of taxes | | 3,975,660 | 913,237 | 1,559 | 621 |
| Other comprehensive income (expense) for the year, net of taxes | | 3,501,289 | 706,177 | 1,559 | (4,260) |
| Total comprehensive income for the year | | 6,675,624 | 4,489,201 | 933,310 | 764,314 |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Comprehensive Income For the year ended 31 December 2021

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2021 'Baht'000 | 2020 'Baht'000 | 2021 'Baht'000 | 2020 'Baht'000 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 3,127,027 | 3,702,480 | 931,751 | 768,574 |
| Non-controlling interests | | 47,308 | 80,544 | - | - |
| | | 3,174,335 | 3,783,024 | 931,751 | 768,574 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 6,507,468 | 4,355,096 | 933,310 | 764,314 |
| Non-controlling interests | | 168,156 | 134,105 | - | - |
| | | 6,675,624 | 4,489,201 | 933,310 | 764,314 |
| Earnings per share | | | | | |
| Basic earnings per share (Baht) | 25 | 1.026 | 1.214 | 0.306 | 0.252 |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Changes in Equity For the year ended 31 December 2021

| Notes | Consolidated financial statements Baht '000 | | | | | | | | | | | | | | Non- controlling interests | Total equity |
|-------|--|-----------------------------|--------------------|---|---------------------------------------|-------------------|------------------|----------------|----------------------------|---|----------------------------|--------------------------------------|--|-------------|----------------------------------|-----------------|
| | Attributable to owners of the Company | | | | | | | | | | | | | | | |
| | Issued and paid-up share capital | Premium on share capital | Treasury shares | Surplus from business combination under common control | Reserve for share-based payment | Retained earnings | | | Other components of equity | | | | Total other components of equity | | | |
| | | | | | | Legal reserve | Other reserve | Unappropriated | Cash flow hedge reserve | Change in fair value of financial assets | Translation differences | Other comprehensive income (expense) | | | | |
| | 30,510,217 | 7,231,386 | (41,694) | (3,881,564) | 40,326 | 1,600,200 | 41,694 | 9,550,966 | (974,248) | 203,889 | (3,162,443) | (3,932,802) | 869,048 | 41,977,777 | | |
| 21 | Decrease in share capital | (32,900) | - | - | - | - | (41,694) | 32,900 | - | - | - | - | - | - | | |
| 22 | Legal reserve | - | - | - | - | 47,000 | - | (47,000) | - | - | - | - | - | - | | |
| 26 | Dividend paid | - | - | - | - | - | - | (1,981,023) | - | - | - | - | - | (1,981,023) | | |
| 14 | Acquisition of investment in a subsidiary | - | - | - | - | - | - | - | - | - | - | - | 2,906,928 | 2,906,928 | | |
| | Profit for the year | - | - | - | - | - | - | 3,127,027 | - | - | - | - | 47,308 | 3,174,335 | | |
| | Total comprehensive income (expense) for the year | - | - | - | - | - | - | (34,574) | 903,182 | (439,797) | 2,951,630 | 3,415,015 | 120,848 | 3,501,289 | | |
| | Closing balance as at 31 December 2021 | 30,477,317 | 7,231,386 | - | (3,881,564) | 40,326 | 1,647,200 | - | (71,066) | (235,908) | (210,813) | (517,787) | 3,944,132 | 49,579,306 | | |
| | | | | | | | | | | | | | | | | |
| | Opening balance as at 1 January 2020 | 30,510,217 | 7,231,386 | - | (1,970,423) | 37,407 | 1,561,200 | - | 6,699,662 | (647,941) | 1,470,453 | (4,348,426) | 734,943 | 41,278,478 | | |
| | Treasury shares | - | - | (41,694) | - | - | - | - | - | - | - | - | - | (41,694) | | |
| | Treasury shares reserve | - | - | - | - | - | - | 41,694 | (41,694) | - | - | - | - | - | | |
| | Change in investment types from the group restructuring | - | - | - | (1,921,141) | - | - | 1,063,749 | (1,063,749) | - | - | (1,063,749) | - | (1,921,141) | | |
| 22 | Legal reserve | - | - | - | - | - | 39,000 | (39,000) | - | - | - | - | - | - | | |
| 23 | Reserve for share-based payment | - | - | - | - | 2,919 | - | - | - | - | - | - | - | 2,919 | | |
| 26 | Dividend paid | - | - | - | - | - | - | (1,829,191) | - | - | - | - | - | (1,829,191) | | |
| | Change in remeasurements of post-employment benefit from transfer of employees to an associate | - | - | - | - | - | - | (795) | - | - | - | - | - | (795) | | |
| | Profit for the year | - | - | - | - | - | - | 3,702,480 | - | - | - | - | 80,544 | 3,783,024 | | |
| | Total comprehensive income (expense) for the year | - | - | - | - | - | - | (4,245) | (326,307) | (202,815) | 1,185,983 | 656,861 | 53,561 | 706,177 | | |
| | Closing balance as at 31 December 2020 | 30,510,217 | 7,231,386 | (41,694) | (3,881,564) | 40,326 | 1,600,200 | 41,694 | 9,550,966 | (974,248) | 203,889 | (3,162,443) | 869,048 | 41,977,777 | | |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Changes in Equity For the year ended 31 December 2021

| | Notes | Separate financial statements Baht'000 | | | | | | | | | Total equity |
|---|-------|---|--------------------------|-----------------|-------------------------|-------------------|---------------|----------------|-----------------------------|-------------------------|--------------|
| | | Issued and paid-up share capital | Premium on share capital | Treasury shares | Reserve for share-based | Retained earnings | | | Other components of equity | | |
| | | | | | | Legal reserve | Other reserve | Unappropriated | Other comprehensive expense | Cash flow hedge reserve | |
| Opening balance as at 1 January 2021 | | 30,510,217 | 7,231,386 | (41,694) | 40,326 | 1,600,200 | 41,694 | 3,168,051 | (1,559) | | 42,548,621 |
| Decrease in share capital | 21 | (32,900) | - | 41,694 | - | - | (41,694) | 32,900 | - | - | - |
| Legal reserve | 22 | - | - | - | - | 47,000 | - | (47,000) | - | - | - |
| Dividend paid | 26 | - | - | - | - | - | - | (1,981,023) | - | - | (1,981,023) |
| Profit for the year | | - | - | - | - | - | - | 931,751 | - | - | 931,751 |
| Total comprehensive income for the year | | - | - | - | - | - | - | - | 1,559 | - | 1,559 |
| Closing balance as at 31 December 2021 | | 30,477,317 | 7,231,386 | - | 40,326 | 1,647,200 | - | 2,104,679 | - | - | 41,500,908 |
| Opening balance as at 1 January 2020 | | 30,510,217 | 7,231,386 | - | 37,407 | 1,561,200 | - | 4,314,243 | (2,180) | | 43,652,273 |
| Treasury shares | | - | - | (41,694) | - | - | - | - | - | - | (41,694) |
| Treasury shares reserve | | - | - | - | - | - | 41,694 | (41,694) | - | - | - |
| Legal reserve | 22 | - | - | - | - | 39,000 | - | (39,000) | - | - | - |
| Reserve for share-based payment | 23 | - | - | - | 2,919 | - | - | - | - | - | 2,919 |
| Dividend paid | 26 | - | - | - | - | - | - | (1,829,191) | - | - | (1,829,191) |
| Profit for the year | | - | - | - | - | - | - | 768,574 | - | - | 768,574 |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | - | (4,881) | 621 | - | (4,260) |
| Closing balance as at 31 December 2020 | | 30,510,217 | 7,231,386 | (41,694) | 40,326 | 1,600,200 | 41,694 | 3,168,051 | (1,559) | - | 42,548,621 |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Cash Flows For the year ended 31 December 2021

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|--------|-----------------------------------|-------------|-------------------------------|-----------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | 'Baht'000 | 'Baht'000 | 'Baht'000 | 'Baht'000 |
| Cash flows from operating activities | | | | | |
| Profit for the year before income taxes | | 3,231,538 | 4,083,515 | 931,154 | 773,062 |
| Adjustment to reconcile profit for cash receipts | | | | | |
| (payments) from operations | | | | | |
| - Depreciation and amortisation | | 580,598 | 402,463 | 1,964 | 2,123 |
| - Interest income | | (381,457) | (374,439) | (447,490) | (387,660) |
| - Interest expenses | | 245,711 | 236,091 | 151,090 | 145,570 |
| - Other financial costs | | 3,735 | 6,921 | 3,735 | 5,894 |
| - Share of profit from associates and joint ventures, net | 14 | (2,974,494) | (3,565,379) | - | - |
| - Dividend income from a subsidiary and joint ventures | 14, 27 | - | - | (793,871) | (782,350) |
| - Effect of change in investment types from | | | | | |
| the group restructuring | | - | 577,138 | - | (17,632) |
| - Loss on disposal of investment in an associate | 14 | 245 | - | 16,408 | - |
| - Provision for impairment loss on investment in a subsidiary | 14 | - | - | 270,000 | - |
| - Net gains on disposal of property, plant and equipment | | (10) | (2,694) | (10) | (13) |
| - Write-off property, plant and equipment | 15 | 11,375 | 50,787 | - | - |
| - Share-based payment | 23 | - | 2,919 | - | 2,919 |
| - Net gains from changes in fair value of financial instruments | | (242,959) | - | - | - |
| - Net gains on exchange rate | | (110,759) | (63,257) | (385,792) | (12,679) |
| Cash flow before changes in working capital | | 363,523 | 1,354,065 | (252,812) | (270,766) |
| Changes in working capital (net of effects from | | | | | |
| acquisition and disposal of subsidiaries) | | | | | |
| - Trade accounts receivable | | (371,991) | 67,411 | - | - |
| - Amounts due from related parties | | 1,208 | (23,630) | 573 | 117 |
| - Advances to related parties | | 6,043 | (11,016) | 31,421 | (3,500) |
| - Fuel and spare parts | | (468,945) | (78,586) | - | - |
| - Other current assets | | (274,459) | (137,714) | 4,293 | 1,184 |
| - Other non-current assets | | (24,170) | (199,448) | (16,192) | (16,397) |
| - Trade accounts payable | | 152,596 | (205,328) | - | - |
| - Advances from and amounts due to related parties | | 292,271 | 203,042 | (23,419) | 29,361 |
| - Employee benefits obligation | | 2,697 | (26,593) | 2,697 | (21,013) |
| - Other current liabilities | | 204,360 | 114,353 | 20,221 | (5,822) |
| - Other non-current liabilities | | 2,604 | - | - | - |
| Cash receipts from (used in) operations | | (114,263) | 1,056,556 | (233,218) | (286,836) |
| - Interest paid | | (164,632) | (232,130) | (113,880) | (151,528) |
| - Income tax paid | | (88,751) | (274,644) | - | - |
| Net cash receipts from (used in) operating activities | | (367,646) | 549,782 | (347,098) | (438,364) |

The notes to the consolidated and separate financial statements are an integral part of these financial statements.

Banpu Power Public Company Limited

Statement of Cash Flows For the year ended 31 December 2021

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2021 ‘Baht’000 | 2020 ‘Baht’000 | 2021 ‘Baht’000 | 2020 ‘Baht’000 |
| Cash flows from investing activities | | | | | |
| Cash receipts from financial assets measured at amortised cost | | - | 3,235,438 | - | 3,235,438 |
| Cash receipts from financial assets measured at fair value through profit or loss | | 1,662,839 | 875,518 | - | - |
| Cash payments for financial assets measured at fair value through profit or loss | | (1,801,146) | (1,106,979) | - | - |
| Cash receipts from financial assets measured at fair value through other comprehensive income | | 78,922 | 259,016 | - | - |
| Cash payments for financial assets measured at fair value through other comprehensive income | | (73,044) | (203,871) | - | - |
| Cash receipts from restricted deposits at financial institutions | | 138,565 | 137,530 | - | - |
| Cash payments for restricted deposits at financial institutions | | (138,654) | (137,616) | - | - |
| Cash receipts from short-term loans to related parties | 27 | 744,980 | 179,270 | - | - |
| Cash payments for short-term loans to related parties | 27 | - | (1,599,096) | - | (1,587,661) |
| Cash receipts from long-term loans to related parties | 27 | 24,833 | 1,255,438 | 15,940 | 1,255,438 |
| Cash payments for long-term loans to related parties | 27 | - | - | (8,301,759) | (62,040) |
| Cash payments for investments in a subsidiary | 14 | - | - | (1,933,992) | - |
| Cash payments for addition of investments in an associate and a joint venture | 14 | (2,679,266) | (2,426,630) | (236,000) | (2,426,630) |
| Cash payments for purchase of other investments | | - | (132,938) | - | - |
| Net cash payments for business combination | | - | (9,679) | - | - |
| Net cash payments for acquisition of investment in a subsidiary | 14 | (14,747,833) | - | - | - |
| Decrease in cash from change in investment types from the group restructuring | | - | (688,740) | - | - |
| Cash payments for purchase of property, plant and equipment | | (257,772) | (328,666) | (158) | (533) |
| Cash receipts from disposal of property, plant and equipment | | 34 | 17,552 | 19 | 138 |
| Cash payments for right-of-use assets | | - | (259,221) | - | - |
| Interest received | | 57,698 | 442,167 | 3,440 | 423,147 |
| Cash receipts from dividends from a subsidiary and joint ventures | 14 | 937,282 | 975,094 | 969,904 | 982,351 |
| Net cash receipts from (used in) investing activities | | (16,052,562) | 483,587 | (9,482,606) | 1,819,648 |

Banpu Power Public Company Limited

Statement of Cash Flows For the year ended 31 December 2021

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|--------|-----------------------------------|-------------------|-------------------------------|-------------------|
| | | 2021 ‘Baht’000 | 2020 ‘Baht’000 | 2021 ‘Baht’000 | 2020 ‘Baht’000 |
| Cash flows from financing activities | | | | | |
| Cash receipts from short-term loans from financial institutions | | 9,184,921 | 6,546,927 | 8,539,800 | 5,300,000 |
| Cash payments for short-term loans from financial institutions | | (4,196,169) | (6,039,716) | (3,457,340) | (4,300,000) |
| Cash receipts from long-term loans from financial institutions | 20 | 7,140,799 | 162,817 | 6,993,806 | - |
| Cash payments for long-term loans from financial institutions | 20 | (971,363) | (1,019,713) | (700,000) | (700,000) |
| Cash receipts from long-term loans from related party | 27 | 4,721,033 | - | - | - |
| Cash payments for lease liabilities | 16 | (13,319) | (15,114) | (1,511) | (1,511) |
| Cash payments for other financial costs | | (17,798) | (1,678) | (17,798) | (651) |
| Proceeds from non-controlling interests | | 2,906,928 | - | - | - |
| Cash payments for treasury shares | | - | (41,694) | - | (41,694) |
| Dividend paid to shareholders | 26 | (1,981,023) | (1,829,191) | (1,981,023) | (1,829,191) |
| Net cash receipts from (used in) financing activities | | 16,774,009 | (2,237,362) | 9,375,934 | (1,573,047) |
| Net increase (decrease) in cash and cash equivalents | | 353,801 | (1,203,993) | (453,770) | (191,763) |
| Exchange differences on cash and cash equivalents | | 112,020 | 30,316 | - | - |
| Cash and cash equivalents at beginning of the year | | 2,169,033 | 3,342,710 | 1,595,569 | 1,787,332 |
| Cash and cash equivalents at end of the year | | 2,634,854 | 2,169,033 | 1,141,799 | 1,595,569 |
| Supplementary of cash flows | | | | | |
| Significant non-cash transactions as at 31 December | | | | | |
| Other payables for purchase of property, plant and equipment | 19 | 358,203 | 427,610 | - | - |
| Conversion of long-term loans to a related party to investment in a subsidiary | 14, 27 | - | - | 1,004,454 | - |
| Amounts due from a related party for a disposal of investment in an associate | 14 | 6,000 | - | 6,000 | - |

Notes to The Consolidated and Separate Financial Statements

For the year ended 31 December 2021

1. General information

Banpu Power Public Company Limited (the Company) is a public company which listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company's registered office is 1550, Thanapoom Tower 26th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok.

For reporting purpose, the Company and its subsidiaries are referred to as the Group.

The Company is a subsidiary of Banpu Public Company Limited (the Parent) who holds 78.66% of the Company's shares.

The Group is engaged in investments in power businesses in Thailand and overseas.

These consolidated and separate financial statements were authorised by Board of Directors on 23 February 2022.

2. Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements has been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

The Group reclassified comparative figure of note receivables amounting to Baht 10.39 million from trade receivables and note receivables, net to financial assets measured at fair value through other comprehensive income to conform with the current period presentation of the Group.

3. Amended financial reporting standards

3.1 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021.

Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits. In addition, the standard sets out an optional test (the concentration test) to permit a simple assessment of whether an acquired set of activities and assets is not a business.

Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

The Group has adopted these standards in its financial statements for accounting period beginning 1 January 2021, except TFRS 3, Business combinations, which the Group has early adopted this standard in its financial statements for accounting period ended 31 December 2020. However, the adoption of these standards for the period from 1 January 2021 has no significant impact to consolidated financial statements as at 31 December 2021.

3.2 Amended financial reporting standard that is effective for accounting period beginning or after 1 January 2022. The Group has not early adopted these standards.

Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

The Group's management is currently assessing the impacts of adoption of these standards.

4. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

4.1 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method less impairment (if any).

b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

In the separate financial statements, investments in associates are accounted for using cost method less impairment (if any).

c) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Group's financial statement line items.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method less impairment (if any).

d) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

f) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.2 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises fair value of the assets transferred, liabilities incurred to the former owners of the acquiree and equity interests issued by the Group.

Identifiable assets and liabilities acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group initially recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses in consolidated financial statements.

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed of by transferred to retained earnings.

4.3 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the Functional Currency). The financial statements are presented in Baht, which is the Company's functional currency and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

c) Group companies

The results and financial position of all of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- income and expenses for statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

4.4 Cash and cash equivalents

In the consolidated statements of cash flows and separate statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

4.5 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 4.7 f).

4.6 Fuel and spare parts

Fuel consists of coal, diesel and natural gas and are valued at the lower of cost or net realisable value. Spare parts which are not met conditions of property, plant and equipment are stated at cost less allowance for obsolescence and defective.

Cost of fuel and spare parts are determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition, such as import duties and transportation charges, less all attributable discounts and allowances. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion. The Group recognises allowance for obsolete, slow-moving and defective spare parts are reviewed on a specific case.

4.7 Financial assets

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are included in administrative expenses.
- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains (losses). Interest income is included in interest income. Impairment expenses are included in administrative expenses.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within net gains (losses) from changes in fair value of financial instruments in the period in which it arises.

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in net gains (losses) from changes in fair value of financial instruments in the statement of comprehensive income.

Impairment losses and reversal of impairment losses on equity investments are reported together with changes in fair value.

f) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and other receivables, which applies lifetime expected credit loss, from initial recognition, for trade receivables and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss and included in administrative expenses.

4.8 Non-current assets held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

4.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost including contingent consideration arrangement. Subsequently, all plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment. Subsequent changes contingent consideration shall be recognised as part of its cost.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

| | |
|---|----------------|
| Power plants and components of power plants | 20 to 30 years |
| Building and building improvements | 5 to 30 years |
| Machinery and equipment | 10 to 30 years |
| Furniture | 3 to 5 years |
| Office equipment and tools | 3 and 5 years |
| Motor vehicles | 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the profit or loss.

4.10 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. Goodwill on acquisitions of interests in joint ventures or associates is included in interests in joint ventures and investments in associates and is tested for impairment as part of the overall balance.

Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

4.11 Intangible assets

a) Computer software

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 5 years.

b) Rights to operate the power plants

The rights to operate the power plants arising from purchase of investments are amortised over the periods of estimated useful life of the power plants.

4.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.13 Leases

Where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. (please delete if the Group does not have variable lease payment based on an index or rate).

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture.

Where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

4.14 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains (losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains (losses) in profit or loss.

4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take a substantial period of time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

4.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.17 Employee benefits

The Group operates various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

Defined contribution plan

The Group operates a provident fund that is funded by payments from employees and by the relevant Group companies which are managed by trustee. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the provident fund are charged to the profit or loss in the year in which they are due.

Furthermore, the Group contributes to a monthly defined contribution retirement benefit plan administered by the government of the People's Republic of China. The relevant government agencies undertake to assume the retirement benefit obligation payable to all existing and future retired employees under this plan and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to this plan are recognised as an expense in profit or loss when incurred.

Retirement benefits

Employees are entitled to receive benefits reaching normal retirement age under the labour law applicable in Thailand and those countries in which the Group operates, or such other dates of entitlement as may be agreed between the Group and employees. Retirement benefits depend on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement of gains and losses arising from experienced adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4.18 Share-based payment

The Group operates a number of equity-settled, its share-based compensation plans, under which the Company receives services from employees as consideration for its equity instruments (warrants). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the warrants granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Excluding the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of warrants that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of warrants that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the warrants are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Group of warrants over its equity instruments to the employees of the Parent is treated as a distribution to owner both in the consolidated and separate financial statements and recognised directly to equity at fair value of the warrants as of the grant date.

4.19 Provisions

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

4.20 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Treasury share

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

4.21 Revenue recognition

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sales of electricity and steam not under lease

Sales of electricity and steam from Power Purchase Agreement and Steam Purchase Agreement will be recognised upon transmission of electricity and steam at delivery points stipulated in the Purchase Agreement. Revenue are recognised with realisable value net of output tax, rebates and discount.

Service income under finance lease agreements

Finance lease income under power purchase agreements is recognised on an effective interest method over the period of the agreements.

Service income under finance lease agreements related to the Power Purchase Agreements is recognised when the services have been rendered. Service income comprises income in relation to the availabilities of the power plants, other servicing income and fuel cost received from leases with respect to the leased assets. If the considerations exceed the services rendered, a contract liability is recognised. On the other hand, if the considerations less than the services rendered, a contract asset is recognised.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method.

4.22 Dividend distribution

Dividends distribution to the Group's shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the shareholders and interim dividends are approved by the Board of Directors.

4.23 Derivatives and hedging activities

a) Embedded derivative and derivatives that do not qualify for hedge accounting

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in "net gains (losses) from changes in fair value of financial instruments".

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

b) Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Group designates certain derivatives as either:

- hedges of the fair value of i) recognised assets or liabilities or ii) unrecognised firm commitments (fair value hedges)
- hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the Group documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a current or non-current asset or liability following the maturity of related hedged item.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within net gains (losses) from changes in fair value of financial instruments. Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

4.24 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under TFRS 9; and
- the amount initially recognised less the cumulative amount of income recognised in accordance with the principles of TFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between a) the contractual payments required under the debt instrument; and b) the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

4.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer is the chief operating decision-maker, responsible for allocating resources, assessing performance of the operating segments, and making strategic decisions.

5 Financial risk management

5.1 Financial risk

The Group's activities expose it to a variety of financial risks, market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

5.1.1 Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange rate risk arising from various currency exposures that are not the functional currency of each entity under the Group, primarily with respect to US Dollar and Chinese Yuan. The Group does not use derivative instruments to hedge their exposure to foreign exchange rate risk.

Exposure

The Group and the Company's exposure to foreign currency risk that is not entity's functional currency expressed in Baht currency, was as follows:

| | Consolidated financial statements | | | |
|--|-----------------------------------|--------------------------|-----------------------|--------------------------|
| | 31 December 2021 | | 31 December 2020 | |
| | US Dollar Baht'000 | Chinese Yuan Baht'000 | US Dollar Baht'000 | Chinese Yuan Baht'000 |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 84,232 | - | 10,630 | - |
| Amounts due from related parties | 472,572 | 116,294 | 169,494 | 82,892 |
| Short-term loans to a related party | 1,241,540 | - | 1,115,884 | - |
| Long-term loans to related parties | 10,110,188 | 511,943 | 2,473,105 | 450,323 |
| <u>Financial liabilities</u> | | | | |
| Short-term loans from financial institutions | 334,199 | - | - | - |
| Advances from and amounts due to related parties | 30,666 | - | 17,165 | - |
| Other current liabilities | 205,033 | - | 100,081 | - |
| Long-term loans from financial institutions | 2,005,194 | - | - | - |
| Long-term loans from a related party | 4,365,275 | - | 2,142,707 | - |

| | Seperate financial statements | | | |
|---|-------------------------------|--------------------------|-----------------------|--------------------------|
| | 31 December 2021 | | 31 December 2020 | |
| | US Dollar Baht'000 | Chinese Yuan Baht'000 | US Dollar Baht'000 | Chinese Yuan Baht'000 |
| <u>Financial assets</u> | | | | |
| Cash and cash equivalents | 73,806 | - | - | - |
| Amounts due from related parties | 356,379 | 116,294 | 125,770 | 82,892 |
| Long-term loans to related parties | 10,110,188 | 511,943 | 2,473,105 | 450,323 |
| <u>Financial liabilities</u> | | | | |
| Short-term loans from financial institutions | 334,199 | - | - | - |
| Advances from and amounts due to related parties | 5,948 | - | - | - |
| Other current liabilities | 9,627 | - | - | - |
| Long-term loans from financial institutions | 2,005,194 | - | - | - |

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in Baht and US Dollar and Chinese Yuan and US Dollar. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and Chinese Yuan.

| | Consolidated financial statements | |
|--|--|--|
| | 2021 | 2020 |
| | Impact to net profit before income tax Baht'000 | Impact to net profit before income tax Baht'000 |
| Baht to 1 US Dollar exchange rate - increase 5%* | 378,629 | 80,705 |
| Baht to 1 US Dollar exchange rate - decrease 5%* | (378,629) | (80,705) |
| Chinese Yuan to 1 US Dollar exchange rate - increase 5%* | (160,862) | (54,206) |
| Chinese Yuan to 1 US Dollar exchange rate - decrease 5%* | 160,862 | 54,206 |

| | Separate financial statements | |
|--|--|--|
| | 2021 | 2020 |
| | Impact to net profit before income tax Baht'000 | Impact to net profit before income tax Baht'000 |
| Baht to 1 US Dollar exchange rate - increase 5%* | 409,265 | 129,994 |
| Baht to 1 US Dollar exchange rate - decrease 5%* | (409,265) | (129,994) |

* Holding all other variables constant

b) Cash flow and fair value interest rate risk

The Group manages interest rate risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. The Group allocates its debt portfolio in either short-term and long-term contracts or loans with fixed and floating interest rates corresponding to their types of investments. The Company has chosen financial instruments to create an alternative source of funding and to manage its financial structure properly in which it invests. For example, interest rate swaps are being used to manage the proportion of fixed interest rates necessary to meet the market trends.

Following interest rate benchmark reform, there will be cessation in several benchmark interest rates including LIBOR, which is applied by the Group as part of the variable rate calculation. The management is in the process of discussing with the financial institutions to use another benchmark interest rate for the loan agreements and related financial instruments. However, as at 31 December 2021, the impact of such change is immaterial to the Group.

Interest rate risk of long-term loans from financial institutions of the Group was disclosed in Note 20.

Instruments used by the Group

The Group used interest rate swaps contracts to hedge the interest risk.

As at 31 December 2021, the Group has no financial derivative used to hedge the interest rate risk (2020: the Group recognised financial derivative liabilities within level 2 of the fair value hierarchy of Baht 1.95 million).

Sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses from borrowings as a result of changes in interest rates.

| | Consolidated financial statements | |
|--------------------------------|-----------------------------------|----------------------------------|
| | 2021 | 2020 |
| | Impact to net profit Baht'000 | Impact to net profit Baht'000 |
| Interest rate - increase 0.1%* | (10,935) | (4,581) |
| Interest rate - decrease 0.1%* | 10,935 | 4,581 |

| | Separate financial statements | |
|--------------------------------|----------------------------------|----------------------------------|
| | 2021 | 2020 |
| | Impact to net profit Baht'000 | Impact to net profit Baht'000 |
| Interest rate - increase 0.1%* | (10,005) | (3,700) |
| Interest rate - decrease 0.1%* | 10,005 | 3,700 |

* Holding all other variables constant

c) Price risk

The Group is exposed to coal and natural gas price risk which is fuel for electricity generation. To manage its coal price risk in the People's Republic of China which fluctuate from the domestic demand and supply, the Group monitors coal price index trends in order to plan an appropriate volume and price of coal purchase and adjusts the operation plan. To manage its natural gas price risk in the United State of America which fluctuate from the market price, the Group uses natural gas swaps to minimise its exposure to fluctuations in natural gas prices in its business operations.

In addition, the Group is exposed to electricity price risk in the United State of America since the spot price depends on demand and supply in the market and other factors, such as cost of fuel for electricity generation. The Group entered to electricity forward contracts to maintain the ability to generate income.

5.1.2 Credit risk

a) Risk management

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. Derivative counter parties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

b) Impairment of financial assets

The Group and the Company has financial assets that are subject to the expected credit loss model as follows:

- Cash and cash equivalents
- Trade receivables
- Amounts due from related parties
- Short-term and long-term loans to related parties
- Dividend receivables from related parties

The impairment loss of trade receivables was disclosed in Note 12. The impairment loss of other financial assets was immaterial.

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

As at 31 December 2021, the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

| The maturity of financial liabilities | Consolidated financial statements | | | |
|---|-----------------------------------|-------------------------|--------------------------|-------------------|
| | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | Total Baht'000 |
| 31 December 2021 | | | | |
| Non-derivative financial liabilities | | | | |
| Short-term loans from financial institutions | 6,569,081 | - | - | 6,569,081 |
| Trade accounts payable | 331,090 | - | - | 331,090 |
| Advances from and amounts due | | | | |
| to related parties | 586,203 | - | - | 586,203 |
| Long-term loans from a related party | 303,340 | 4,928,674 | - | 5,232,014 |
| Lease liabilities | 12,901 | 18,527 | - | 31,428 |
| Long-term loans from financial institutions | 1,714,860 | 6,367,110 | 4,632,646 | 12,714,616 |
| Other financial liabilities | 1,356,061 | - | - | 1,356,061 |
| Other non-current financial liabilities | - | 282,049 | - | 282,049 |
| Total non-derivative financial liabilities | 10,873,536 | 11,596,360 | 4,632,646 | 27,102,542 |
| Derivative financial liabilities | | | | |
| Electricity forward contracts | 127,779 | - | - | 127,779 |
| Total financial liabilities | 11,001,315 | 11,596,360 | 4,632,646 | 27,230,321 |
| 31 December 2020 | | | | |
| Short-term loans from financial institutions | 1,461,241 | - | - | 1,461,241 |
| Trade accounts payable | 169,964 | - | - | 169,964 |
| Advances from and amounts due | | | | |
| to related parties | 244,964 | - | - | 244,964 |
| Lease liabilities | 12,613 | 6,821 | 1,426 | 20,860 |
| Long-term loans from financial institutions | 1,032,623 | 3,594,871 | - | 4,627,494 |
| Other financial liabilities | 934,361 | - | - | 934,361 |
| Total financial liabilities | 3,855,766 | 3,601,692 | 1,426 | 7,458,884 |

| The maturity of financial liabilities | Separate financial statements | | | |
|--|-------------------------------|-------------------------|--------------------------|-------------------|
| | Within 1 year Baht'000 | 1 - 5 years Baht'000 | Over 5 years Baht'000 | Total Baht'000 |
| 31 December 2021 | | | | |
| Short-term loans from financial institutions | 6,150,252 | - | - | 6,150,252 |
| Advances from and amounts due | | | | |
| to related parties | 5,948 | - | - | 5,948 |
| Lease liabilities | 1,511 | 2,014 | - | 3,525 |
| Long-term loans from financial institutions | 1,123,456 | 5,583,133 | 4,632,646 | 11,339,235 |
| Other financial liabilities | 26,678 | - | - | 26,678 |
| Total financial liabilities | 7,307,845 | 5,585,147 | 4,632,646 | 17,525,638 |
| 31 December 2020 | | | | |
| Short-term loans from financial institutions | 1,003,156 | - | - | 1,003,156 |
| Advances from and amounts due | | | | |
| to related parties | 29,367 | - | - | 29,367 |
| Lease liabilities | 1,511 | 3,862 | - | 5,373 |
| Long-term loans from financial institutions | 772,390 | 3,104,860 | - | 3,877,250 |
| Other financial liabilities | 17,160 | - | - | 17,160 |
| Total financial liabilities | 1,823,584 | 3,108,722 | - | 4,932,306 |

Management monitors rolling forecasts of the Group's liquidity reserve cash and cash equivalents and undrawn borrowing facilities on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets and maintaining financing plans.

5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6. Fair value

The following table presents financial assets and liabilities that are measured at fair value, also stated fair value of each financial assets and liabilities, excluding financial assets and financial liabilities measured at amortised cost where the carrying value approximated fair value.

| | Consolidated financial statements | | |
|----------------------------------|-----------------------------------|---|--|
| | Fair value level | Fair value through profit or loss (FVPL) Baht'000 | Fair value through other comprehensive income (FVOCI) Baht'000 |
| As at 31 December 2021 | | | |
| Assets | | | |
| Debt instruments | Level 2 | 524,272 | - |
| Note receivables | Level 2 | - | 5,600 |
| Financial derivative assets | | | |
| - Natural gas swaps | Level 2 | 51,778 | - |
| | | 576,050 | 5,600 |
| Liabilities | | | |
| Financial derivative liabilities | | | |
| - Electricity forward contracts | Level 2 | 127,779 | - |
| | | 127,779 | - |

| | | Consolidated financial statements | | Separate financial statements |
|--|--|---|--|---|
| | | Fair value through profit or loss (FVPL) Baht'000 | Fair value through other comprehensive income (FVOCI) Baht'000 | Fair value through profit or loss (FVPL) Baht'000 |

As at 31 December 2020

Assets

| | | | | |
|------------------|---------|---------|--------|---|
| Debt instruments | Level 2 | 332,546 | - | - |
| Note receivables | Level 2 | - | 10,392 | - |
| | | 332,546 | 10,392 | - |

Liabilities

| | | | | |
|-----------------------|---------|-------|---|-------|
| Hedging derivatives | | | | |
| - Interest rate swaps | Level 2 | 1,949 | - | 1,949 |
| | | 1,949 | - | 1,949 |

Note receivables represent note receivables from sales of power and steam of subsidiaries in the People's Republic of China which are issued by a financial institution to guarantee the possessors to get money on the maturity date of note receivables. Note receivables are non-interest bearing.

There were no transfers between Levels 1, 2 and 3 of fair value level during the year.

Valuation techniques used to measure fair value level 2

Valuation techniques used to measure fair value level 2 are as follows:

- Fair value of interest rate swaps agreements is determined using forward interests extracted from observable yield curves.
- Fair value of debt instruments and note receivables is determined from discounted contractual cash flows where discount rate quoted in an active market.
- The fair value of natural gas swaps and electricity forward contracts is determined by using forward price on the statement of financial position date, with the resulting value discounted back to present value.

7 Critical accounting estimates, assumptions and judgments

Estimates, assumption and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During 2021, the Group makes estimates and assumptions concerning the future. The results of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

7.1 Impairment assessment of investments in subsidiaries, associates, and joint ventures

The Group tested the impairment of investments in subsidiaries, associates, and joint ventures when events or changes in circumstances would indicate that the carrying value of the investment is higher than its recoverable amount by applying the value-in-use model. The value-in-use model involves management's significant judgments with respect to the future operating results of the business, projected cash flows, and the appropriate discount rate to be applied to the projected cash flows. Key assumptions applied to the value-in-use model are electricity tariffs, the assumed capacity of the power plants, growth rate, expected changes to operating expenditures, and the discount rate to be applied to the projected cash flows.

7.2 Fair value of certain financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The significant assumptions are disclosed in Note 6.

7.3 Fair value of net identifiable assets acquired from the acquisition of investment in a joint venture and subsidiaries

The identification of fair values of net assets from the acquisition of investment in a joint venture and subsidiaries is based on significant judgement and assumptions made by the management. The significant assumptions applied by the management in the estimation of projected cash flows are the electricity tariffs, capacity of power plants, growth rate, operating costs, capital expenditures and discount rate.

8 Segment information - Consolidated financial statements

The Group has one operating segment which is the power business. Therefore, the Group presents the segment information based on geographical segment and considers the net profit (loss) from operating before interest expense and income taxes for each segment.

The segment information are as follows:

| | Consolidated financial statements Baht'000 | | | | | | |
|--|---|-----------|----------------------------------|---------|-------------|-------------|--------------------|
| | Power business | | | | Head office | Total | Eliminated entries |
| | People's Republic of China | Thailand | Lao People's Democratic Republic | Japan | | | |
| For the year ended 31 December 2021 | | | | | | | |
| Sales | 6,111,973 | - | - | - | 672,524 | 6,784,497 | - |
| Cost of sales | (6,113,090) | - | - | - | (711,178) | (6,824,268) | - |
| Gross loss | (1,117) | - | - | - | (38,654) | (39,771) | - |
| Gross profit margin (%) | 0% | | | | 6% | (1%) | (1%) |
| Share of profit (loss) from associates and joint ventures | (541,540) | (305,706) | 3,611,712 | 210,429 | - | 2,974,494 | - |
| Selling expenses | - | - | - | - | (833) | (833) | - |
| Administrative expenses | (662,491) | - | - | (65) | (57,823) | (883,079) | - |
| Interest income | 145,816 | - | - | 35 | 43,329 | 797,734 | (416,277) |
| Profit (loss) from operating before interest expenses and income taxes | (1,059,332) | (305,706) | 3,611,712 | 210,399 | (53,981) | 2,848,545 | (416,277) |
| Others | | | | | 445,453 | 2,432,268 | 429,450 |
| Net gains from changes in fair value of financial instruments | | | | | | 240,988 | |
| Net gains on exchange rate | | | | | | 374,543 | |
| Interest expenses | | | | | | (245,711) | |
| Income taxes | | | | | | (57,203) | |
| Non-controlling interests | | | | | | (47,308) | |
| Profit for the year - owner of the Company | | | | | | 3,127,027 | |

| | Consolidated financial statements Baht'000 | | | | | | | | |
|--------------------------------|---|-----------|--|-----------|----------------------------|---|------------|-----------------------|------------|
| | Power business | | | | Head office | | Total | Eliminated entries | Total |
| | People's Republic of China | Thailand | Lao People's Democratic Republic | Japan | United State of America | | | | |
| | | | | | | | | | |
| Total segmented assets | 13,998,035 | 8,202,430 | 20,736,105 | 3,024,258 | 16,102,449 | - | 62,063,277 | 649,916 | 62,713,193 |
| Total unallocated assets | | | | | | | | | 12,153,572 |
| Total assets | | | | | | | | | 74,866,765 |
| Timing of revenue recognition: | | | | | | | | | |
| Point in time | 6,111,973 | - | - | - | 672,524 | - | 6,784,497 | - | 6,784,497 |
| Total sales | 6,111,973 | - | - | - | 672,524 | - | 6,784,497 | - | 6,784,497 |

| | Consolidated financial statements Baht'000 | | | | | | | | |
|---|---|----------|--|-----------|-------------|-------------|-----------------------|-------------|--|
| | Power business | | | | Head office | Total | Eliminated entries | Total | |
| | People's Republic of China | Thailand | Lao People's Democratic Republic | Japan | | | | | |
| | | | | | | | | | |
| For the year ended 31 December 2020 | | | | | | | | | |
| Sales | 5,377,502 | - | - | 128,009 | - | 5,505,511 | - | 5,505,511 | |
| Cost of sales | (4,276,570) | - | - | (114,094) | - | (4,390,664) | - | (4,390,664) | |
| Gross profit | 1,100,932 | - | - | 13,915 | - | 1,114,847 | - | 1,114,847 | |
| Gross profit margin (%) | 20% | | | 11% | | 20% | | 20% | |
| Share of profit (loss) from associates and joint ventures | 76,073 | 253,763 | 3,222,613 | 20,629 | (7,699) | 3,565,379 | - | 3,565,379 | |
| Administrative expenses | (507,716) | - | - | (20,268) | (164,115) | (692,099) | - | (692,099) | |
| Interest income | 125,292 | - | - | 28 | 468,201 | 593,521 | (219,082) | 374,439 | |
| Profit from operating before interest expenses and income taxes | 794,581 | 253,763 | 3,222,613 | 14,304 | 296,387 | 4,581,648 | (219,082) | 4,362,566 | |
| Others | | | | | | | | 382,176 | |
| Effect of change in investment types from the group restructuring | | | | | | | | (577,138) | |
| Net gains from changes in fair value of financial instruments | | | | | | | | 3,936 | |
| Net gains on exchange rate | | | | | | | | 148,066 | |
| Interest expenses | | | | | | | | (236,091) | |
| Income taxes | | | | | | | | (300,491) | |
| Non-controlling interests | | | | | | | | (80,544) | |
| Profit for the year owner of the Company | | | | | | | | 3,702,480 | |

| | Consolidated financial statements Baht'000 | | | | | | | |
|--------------------------------|---|-----------|----------------------------------|---------|-------------|------------|--------------------|------------|
| | Power business | | | | Head office | Total | Eliminated entries | Total |
| | People's Republic of China | Thailand | Lao People's Democratic Republic | Japan | | | | |
| | | | | | | | | |
| Total segmented assets | 12,302,445 | 7,482,618 | 17,061,106 | 52,083 | - | 36,898,252 | 608,141 | 37,506,393 |
| Total unallocated assets | | | | | | | | 12,056,385 |
| Total assets | | | | | | | | 49,562,778 |
| Timing of revenue recognition: | | | | | | | | |
| Point in time | 5,377,502 | - | - | 128,009 | - | 5,505,511 | - | 5,505,511 |
| Total sales | 5,377,502 | - | - | 128,009 | - | 5,505,511 | - | 5,505,511 |

Major customers

During the year ended 31 December 2021, revenues from 5 major customers of approximately CNY 929.17 million or equivalent to Baht 4,614.76 million represented 68.02% of the Group's total revenues (2020: revenues from 3 major customers of approximately CNY 830.46 million or equivalent to Baht 3,769.04 million represented 68.46% of the Group's total revenues).

9 Financial assets and financial liabilities

As at 31 December 2021, the Group classified financial assets and financial liabilities as follow;

| | Consolidated financial statements | | | | |
|---|---|--|---|----------------------------|-------------------|
| | Fair value through profit or loss Baht'000 | Fair value of derivatives - Hedge Accounting Baht'000 | Fair value through other comprehensive income Baht'000 | Amortised cost Baht'000 | Total Baht'000 |
| 31 December 2021 | | | | | |
| Financial assets | | | | | |
| - Cash and cash equivalents | - | - | - | 2,634,854 | 2,634,854 |
| - Restricted deposits at financial institution | - | - | - | 194 | 194 |
| - Financial assets - investment in debt instruments | 524,272 | - | - | - | 524,272 |
| - Financial assets – note receivables | - | - | 5,600 | - | 5,600 |
| - Trade receivables, net | - | - | - | 1,311,280 | 1,311,280 |
| - Amounts due from related parties | - | - | - | 869,310 | 869,310 |
| - Dividend receivables from related parties | - | - | - | 363,831 | 363,831 |
| - Advances to related parties | - | - | - | 2,761 | 2,761 |
| - Short-term loans to related parties | - | - | - | 2,363,615 | 2,363,615 |
| - Financial derivative assets | 51,778 | - | - | - | 51,778 |
| - Other current assets | - | - | - | 55,563 | 55,563 |
| - Long-term loans to related parties | - | - | - | 5,820,361 | 5,820,361 |
| Financial liabilities | | | | | |
| - Short-term loans from financial institutions | - | - | - | 6,551,133 | 6,551,133 |
| - Trade accounts payable | - | - | - | 331,090 | 331,090 |
| - Advances from and amounts due to related parties | - | - | - | 629,638 | 629,638 |
| - Long-term loans from financial institutions, net | - | - | - | 10,692,169 | 10,692,169 |
| - Lease liabilities, net | - | - | - | 31,024 | 31,024 |
| - Financial derivative liabilities | 127,779 | - | - | - | 127,779 |
| - Other current liabilities | - | - | - | 1,410,149 | 1,410,149 |
| - Other non-current liabilities | - | - | - | 282,049 | 282,049 |

| | Consolidated financial statements | | | | |
|---|--|---|--|-------------------------|----------------|
| | Fair value through profit or loss Baht'000 | Fair value of derivatives - Hedge Accounting Baht'000 | Fair value through other comprehensive income Baht'000 | Amortised cost Baht'000 | Total Baht'000 |
| 31 December 2020 | | | | | |
| Financial assets | | | | | |
| - Cash and cash equivalents | - | - | - | 2,169,033 | 2,169,033 |
| - Restricted deposits at financial institution | - | - | - | 88 | 88 |
| - Financial assets - investment in debt instruments | 332,546 | - | - | - | 332,546 |
| - Financial assets - note receivables | - | - | 10,392 | - | 10,392 |
| - Trade receivables, net | - | - | - | 927,226 | 927,226 |
| - Amounts due from related parties | - | - | - | 487,197 | 487,197 |
| - Dividend receivables from related parties | - | - | - | 438,831 | 438,831 |
| - Advances to related parties | - | - | - | 8,804 | 8,804 |
| - Short-term loans to related parties | - | - | - | 2,795,705 | 2,795,705 |
| - Long-term loans to related parties | - | - | - | 5,740,754 | 5,740,754 |
| - Other current assets | - | - | - | 42,101 | 42,101 |
| Financial liabilities | | | | | |
| - Short-term loans from financial institutions | - | - | - | 1,453,895 | 1,453,895 |
| - Trade accounts payable | - | - | - | 169,964 | 169,964 |
| - Advances from and amounts due to related parties | - | - | - | 244,964 | 244,964 |
| - Long-term loans from financial institutions, net | - | - | - | 4,431,606 | 4,431,606 |
| - Lease liabilities, net | - | - | - | 19,625 | 19,625 |
| - Financial derivative liabilities | - | 1,949 | - | - | 1,949 |
| - Other current liabilities | - | - | - | 934,361 | 934,361 |

| | Separate financial statements | | | | |
|--|--|---|--|-------------------------|----------------|
| | Fair value through profit or loss Baht'000 | Fair value of derivatives - Hedge Accounting Baht'000 | Fair value through other comprehensive income Baht'000 | Amortised cost Baht'000 | Total Baht'000 |
| 31 December 2021 | | | | | |
| Financial assets | | | | | |
| - Cash and cash equivalents | - | - | - | 1,141,799 | 1,141,799 |
| - Amounts due from related parties | - | - | - | 762,162 | 762,162 |
| - Dividend receivables from related parties | - | - | - | 170,000 | 170,000 |
| - Advances to related parties | - | - | - | 2,761 | 2,761 |
| - Long-term loans to related parties | - | - | - | 15,589,253 | 15,589,253 |
| Financial liabilities | | | | | |
| - Short-term loan from financial institutions | - | - | - | 6,134,199 | 6,134,199 |
| - Advances from and amounts due to related parties | - | - | - | 5,948 | 5,948 |
| - Long-term loans from financial institutions, net | - | - | - | 9,985,216 | 9,985,216 |
| - Lease liabilities, net | - | - | - | 3,658 | 3,658 |
| - Other current liabilities | - | - | - | 76,586 | 76,586 |
| 31 December 2020 | | | | | |
| Financial assets | | | | | |
| - Cash and cash equivalents | - | - | - | 1,595,569 | 1,595,569 |
| - Amounts due from related parties | - | - | - | 281,049 | 281,049 |
| - Dividend receivables from related parties | - | - | - | 346,033 | 346,033 |
| - Advances to related parties | - | - | - | 34,182 | 34,182 |
| - Long-term loans to related parties | - | - | - | 7,890,550 | 7,890,550 |
| Financial liabilities | | | | | |
| - Short-term loan from financial institutions | - | - | - | 1,000,000 | 1,000,000 |
| - Advances from and amounts due to related parties | - | - | - | 29,367 | 29,367 |
| - Long-term loans from financial institutions, net | - | - | - | 3,694,085 | 3,694,085 |
| - Lease liabilities, net | - | - | - | 4,976 | 4,976 |
| - Financial derivative liabilities | - | 1,949 | - | - | 1,949 |
| - Other current liabilities | - | - | - | 17,160 | 17,160 |

As at 31 December 2021, Financial assets and financial liabilities measured at amortised cost where the carrying value approximated fair value.

10 Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Cash on hand | 209 | 189 | 5 | 5 |
| Deposits held at call with banks | 2,634,645 | 2,168,844 | 1,141,794 | 1,595,564 |
| Total cash and cash equivalents | 2,634,854 | 2,169,033 | 1,141,799 | 1,595,569 |

As at 31 December 2021, the interest rates on deposits held at call with banks were 0.13% to 2.02% per annum (2020: 0.15% to 1.00% per annum).

11 Financial assets measured at fair value through profit or loss

As at 31 December 2021, has financial assets measured at fair value through profit or loss which are debt instruments comprised of fixed deposits at financial institutions in the People's Republic of China amounting to CNY 99.85 million or equivalent to Baht 524.27 million bearing interest at the rates of 1.35% to 3.20% per annum and maturities within 180 days (2020: fixed deposits at financial institutions in the People's Republic of China amounting to CNY 72 million or equivalent to Baht 332.55 million bearing interest at the rates of 2.10% to 3.20% per annum and maturities within 180 days).

12 Trade receivables, net

As at 31 December, trade receivables consist of:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Trade receivables - third parties | 1,315,717 | 935,828 | - | - |
| Less Impairment loss | (4,437) | (8,602) | - | - |
| Trade receivables, net | 1,311,280 | 927,226 | - | - |

Trade receivables are aged as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Trade receivables under credit term | 1,291,440 | 728,015 | | |
| Trade receivables overdue for payment | | | | |
| - Less than 3 months | 2,712 | 157,597 | - | - |
| - Over 3 months but less than 6 months | 21,394 | 50,066 | - | - |
| - Over 6 months but less than 12 months | - | 150 | - | - |
| - Over 12 months | 171 | - | - | - |
| Total trade receivables | 1,315,717 | 935,828 | - | - |
| Less Impairment loss | (4,437) | (8,602) | - | - |
| Trade receivables, net | 1,311,280 | 927,226 | - | - |

13 Other current assets

As at 31 December, other current assets consist of:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Prepaid expenses | 150,122 | 17,108 | 8,523 | 5,314 |
| Advance for prepayment | 36,711 | 24,474 | - | - |
| Accrued interest income | 46 | 2,058 | - | - |
| Value added tax receivables | 157,219 | 64,818 | 109 | 605 |
| Prepaid income tax | 103,451 | 8,514 | 508 | 4,676 |
| Other receivables | 18,806 | 15,569 | - | - |
| Total other current assets | 466,355 | 132,541 | 9,140 | 10,595 |

14 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are as follows:

| | Consolidated financial statements (Equity method) | | Separate financial statements (Cost method) | |
|--|--|------------------|--|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Subsidiaries | | | | |
| Banpu Coal Power Ltd. | - | - | 5,921,587 | 5,921,587 |
| Banpu Power International Limited | - | - | 12,196,769 | 11,192,315 |
| Banpu Power US Corporation | - | - | 1,933,992 | - |
| Banpu Power (Japan) Co., Ltd. | - | - | 4,815 | 4,815 |
| Total investments in subsidiaries | - | - | 20,057,163 | 17,118,717 |
| Less Provision for impairment loss | - | - | (270,000) | - |
| Total investments in subsidiaries, net | - | - | 19,787,163 | 17,118,717 |
| Joint ventures | | | | |
| BLCP Power Ltd. | 6,089,171 | 6,089,171 | - | - |
| Hongsa Power Company Limited | 13,092,534 | 13,092,534 | 13,092,534 | 13,092,534 |
| Phu Fai Mining Company Limited | 836 | 836 | 836 | 836 |
| Shanxi Luguang Power Co., Ltd. | 2,379,627 | 2,093,204 | - | - |
| Nakoso IGCC Management Co., Ltd. | 2,688,394 | - | - | - |
| Associates | | | | |
| PT. ITM Banpu Power | - | 22,408 | - | 22,408 |
| Banpu Next Co., Ltd. | 5,174,786 | 4,938,786 | 6,990,649 | 6,754,649 |
| Total investments in associates and joint ventures - cost method | 29,425,348 | 26,236,939 | 20,084,019 | 19,870,427 |
| Add Cumulative equity account of investments in associates and joint ventures | 4,340,932 | 401,577 | - | - |
| Total investments in associates and joint ventures | 33,766,280 | 26,638,516 | 20,084,019 | 19,870,427 |

As at 31 December 2021 and 2020, under the condition of loans for project finance of joint ventures, the Group pledged its investments in two joint ventures with a cost of US Dollar 370.82 million or equivalent to Baht 13,093 million, as collateral for loans from financial institutions of such joint ventures.

In addition, a subsidiary, who is the shareholder of a joint venture, guarantee for loans from financial institutions of such joint venture as at 31 December 2021 amounting to CNY 534 million or equivalent to Baht 2,804 million.

14.1 Changes in investments in subsidiaries, associates and joint ventures

Movements of investments in subsidiaries, associates and joint ventures for the years ended 31 December are as follows:

| | Consolidated financial statements (Equity method) | | Separate financial statements (Cost method) | |
|--|--|------------------|--|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening balance | 26,638,516 | 20,855,335 | 36,989,144 | 34,544,882 |
| Additions of investments | 236,000 | 2,426,630 | 3,174,446 | 2,426,630 |
| Acquisition of investment in a joint venture | 2,445,191 | - | - | - |
| Dividend income from joint ventures | (862,282) | (775,094) | - | - |
| Disposal of investment in an associate | (6,245) | - | (22,408) | - |
| Impairment loss on investment in a subsidiary | - | - | (270,000) | - |
| Change in investment types from the group restructuring | - | 921,724 | - | 17,632 |
| Add Share of profit from associates and joint ventures | 2,974,494 | 3,565,379 | - | - |
| Share of other comprehensive income (expense) from associates and joint ventures | | | | |
| - Remeasurement of post-employment benefit obligations | (34,574) | - | - | - |
| - Cash flow hedge reserve | 901,623 | (326,928) | - | - |
| - Gains (losses) on fair value of equity instruments | (439,797) | 236,838 | - | - |
| - Translation differences | 1,913,354 | (265,368) | - | - |
| Closing balance | 33,766,280 | 26,638,516 | 39,871,182 | 36,989,144 |

a) Additional investments

Consolidated financial statements

The Group additionally invested in Banpu Next Company Limited, an associate, in the same proportion of shareholding, with a cost of Baht 236 million. The Group fully paid for these additional shares.

Separate financial statements

The Company additionally invested in Banpu Power International Limited, a subsidiary, in the same portion of shareholding by converting long-term loans to a related party of US Dollar 32.79 million or equivalent to Baht 1,004.45 million to investment in a subsidiary.

The Company additionally invested in Banpu Next Company Limited, an associate, in the same proportion of shareholding, with a cost of Baht 236 million. The Group fully paid for these additional shares.

b) Incorporation of a new subsidiary

Separate financial statements

The Company established Banpu Power US Corporation (BPP US) which is a limited company incorporated in the United States of America that invests in power business. The Company holds 100% of its registered share capital. The Company invested in BPP US with a total cost of US Dollar 58.20 million or equivalent to Baht 1,933.99 million and provided long-term loans amounting to US Dollar 171.90 million or equivalent to Baht 5,744.88 million to purchase shareholding in Temple Generation Intermediate Holdings, LLC (Note 14.1 d)).

c) Acquisition of investment in a joint venture

Consolidated financial information

Banpu Power Investment Co., Ltd, a subsidiary, purchased ordinary shares for 33.50% interest in Nakoso IGCC Management Co., Ltd (NIMCO), which holds 40% ownership in the Nakoso IGCC Power Plant, a 543 MW integrated gasification combined cycle plant, located in Fukushima, Japan. The purchase consideration paid was JPY 8,630.94 million or equivalent to Baht 2,445.19 million. The Group has classified investment in NIMCO as an investment in a joint venture.

The Group completely measured the fair value of the identifiable assets acquired and completed purchase price allocation. Details of investment are as follows:

| | Million JPY | Million Baht |
|---|-------------|--------------|
| Portion of estimated fair value of net assets acquired | 2,722.08 | 771.18 |
| Right to operate the power plant (Presented in investment in a joint venture) | 5,908.86 | 1,674.01 |
| Purchase considerations | 8,630.94 | 2,445.19 |

Right to operate the power plant will be amortised by straight-line method.

d) Acquisition of investment in subsidiaries

Consolidated financial information

The Group established BKV-BPP Power LLC (BKV-BPP), which is equally held interest at 50% by BPP US and BKV Corporation (BKV), a subsidiary of the Parent. The shareholder agreement between the shareholders' of BKV-BPP has determined the management structure which BPP US has right on strategic financial decision and operation. Thus, BPP US is a controlling entity and the Group classifies as investments in subsidiaries. During the year ended 31 December 2021, BPP US and BKV invested in BKV-BPP with a total cost of US Dollar 173.96 million or equivalent to Baht 5,813.86 million and provided long-term loan to BKV-BPP amounting to US Dollar 282 million or equivalent to Baht 9,424.41 million in the same proportion.

On 1 November 2021, BKV-BPP completed the purchase of all shares in Temple Generation Intermediate Holdings, LLC which holds 100% interest in Temple 1 gas-fired power plant located in Texas USA, with generation capacity of 768 MW. The total consideration is US Dollar 440.96 million or equivalent to Baht 14,764.57 million. This acquisition is an asset acquisition because substantially all of the fair value of the gross assets acquired is concentrated in property plant and equipment of the power plant amounting to US Dollar 452.93 million or equivalent to Baht 15,165.09 million (Note 15) the remaining is recognised in other related asset and liabilities.

e) Disposal of investments in an associate

Separate financial statements

The Company disposed 30% of shareholding in PT. ITM Banpu Power, an associate, to Banpu Next Co., Ltd., another associate, at the consideration of Baht 6 million. The Company recognised loss on disposal of Baht 0.25 million and 16.41 million in consolidated and separate statements of comprehensive income, respectively.

f) Impairment loss on investment in a subsidiary

Separate financial statements

The management assessed the indicator of impairment of investment in Banpu Coal Power Ltd. because the cost of investment in this subsidiary presented in the separate financial statements was higher than its net equity value. Management performed impairment testing on the investment by applying the value-in-use model to calculate the recoverable amount. The management applied significant judgments and recognized provision for impairment loss on investment in Banpu Coal Power Ltd. of Baht 270 million in the separate statements of comprehensive income.

g) Dividend receivables from a subsidiary and joint ventures

The movements of the dividend receivables can be analysed as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening balance | 438,831 | 638,831 | 346,033 | 546,034 |
| Dividends declared by a subsidiary and joint ventures | 862,282 | 775,094 | 793,871 | 782,350 |
| Dividends received from a subsidiary and joint ventures | (937,282) | (975,094) | (969,904) | (982,351) |
| Closing balance | 363,831 | 438,831 | 170,000 | 346,033 |
| Current portion | 125,000 | 150,000 | 125,000 | 150,000 |
| Non-current portion | 238,831 | 288,831 | 45,000 | 196,033 |
| Total dividend receivables from a subsidiary and joint venture | 363,831 | 438,831 | 170,000 | 346,033 |

During the year ended 31 December 2021, dividend income from joint ventures in the consolidated financial statements represented the dividend income from BLCP Power Limited, Hongsa Power Company Limited and Phu Fai Mining Company Limited amounting to Baht 175 million, Baht 608.11 million and US Dollar 2.57 million or equivalent to Baht 79.17 respectively (2020: dividend income from BLCP Power Limited, Hongsa Power Company Limited and Phu Fai Mining Company Limited amounting to Baht 200 million, Baht 361.53 million and US Dollar 6.75 million or equivalent to Baht 213.56, respectively).

As at 31 December 2021 and 2020, the Company has provided standby letters of credit, issued by commercial banks on behalf of the Company, amounting to Baht 1,600 million and US Dollar 22 million or equivalent to Baht 735.24 million as a guarantee for lenders of Hongsa Power Company Limited. However, the Company considered that there are no financial liabilities expected from this financial guarantee.

14.2 Investments in subsidiaries

List of subsidiaries of the Group is disclosed in Note 14.4.

As at 31 December 2021 and 2020, the group had the following subsidiary that has significant non-controlling interests as follows;

| Name of company | Country | Business | 2021 | | 2020 | |
|------------------------------------|----------------------------|--|---|--|---|--|
| | | | Proportion of ordinary shares held by the group (%) | Proportion of shares held by non-controlling interests (%) | Proportion of ordinary shares held by the group (%) | Proportion of shares held by non-controlling interests (%) |
| Zouping Peak CHP Co., Ltd. | People's Republic of China | Power and steam production and trading | 70.00 | 30.00 | 70.00 | 30.00 |
| BKV-BPP Power LLC and subsidiaries | United State of America | Investment in power | 50.00 | 50.00 | - | - |

Summarised financial information of a subsidiary with material non-controlling interests

Set out below are the summarised financial information of a subsidiary that has non-controlling interests that is material to the Group. The information below is the amount before inter-company eliminations.

Summarised statements of financial position

| As at 31 December | Zouping Peak CHP Co., Ltd | | BKV-BPP Power LLC | |
|---------------------------------------|---------------------------|------------------|-------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Current assets | 818,244 | 541,618 | 1,201,693 | - |
| Current liabilities | (392,937) | (334,477) | (804,313) | - |
| Total net current assets | 425,307 | 207,141 | 397,380 | - |
| Non-current assets | 2,930,713 | 2,690,203 | 15,183,732 | - |
| Non-current liabilities | - | (517) | (9,706,460) | - |
| Total net non-current assets | 2,930,713 | 2,689,686 | 5,477,272 | - |
| Net assets | 3,356,020 | 2,896,827 | 5,874,652 | - |
| Accumulated non-controlling interests | 1,006,806 | 869,048 | 2,937,326 | - |

Summarised statements of comprehensive income

| For the years ended 31 December | Zouping Peak CHP Co., Ltd | | BKV-BPP Power LLC | |
|---|---------------------------|------------------|-------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Revenue | 2,163,477 | 1,811,523 | 672,523 | - |
| Profit before income tax | 69,390 | 342,181 | 57,167 | - |
| Income tax expense | (6,976) | (73,700) | - | - |
| Post-tax profit from continuing operations | 62,414 | 268,481 | 57,167 | - |
| Other comprehensive income | 396,780 | 178,536 | 3,627 | - |
| Total comprehensive income | 459,194 | 447,017 | 60,794 | - |
| Total comprehensive income allocated to non-controlling interests | 137,759 | 134,105 | 30,397 | - |
| Dividend paid to non-controlling interests | - | - | - | - |

Summarised statement of cash flows

| For the years ended 31 December | Zouping Peak CHP Co., Ltd | | BKV-BPP Power LLC | |
|--|---------------------------|------------------|-------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Cash flow from operating activities | | | | |
| Cash generated from (used in) operations | 131,620 | 564,744 | (127,258) | - |
| Interest paid | (87) | (11,904) | - | - |
| Income tax paid | (2,623) | (70,148) | - | - |
| Net cash generated from (used in) operating activities | 128,910 | 482,692 | (127,258) | - |
| Net cash receipts from (used in) investing activities | (18,352) | (83,280) | 23,969 | - |
| Net cash used in financing activities | (19,269) | (433,875) | - | - |
| Net increase (decrease) in cash and cash equivalents | 91,289 | (34,463) | (103,289) | - |
| Cash and cash equivalents at beginning of the year | 35,817 | 66,223 | 619,274 | - |
| Exchange differences on cash and cash equivalents | 10,125 | 4,057 | (4,147) | - |
| Cash and cash equivalents at end of the year | 137,231 | 35,817 | 511,838 | - |

14.3 Investments in associates and joint ventures

Set out below are the joint ventures, which are material to the Group. The joint ventures as listed below are held directly by the Group and has voting right in proportion of the ordinary shares.

| Name of company | Country | Business | Measurement method | Percent of ownership interest | |
|------------------------------|----------------------------------|------------------------------|--------------------|-------------------------------|-----------|
| | | | | 2021 % | 2020 % |
| BLCP Power Ltd. | Thailand | Power production and trading | Equity method | 50.00 | 50.00 |
| Hongsa Power Company Limited | Lao People's Democratic Republic | Power concession | Equity method | 40.00 | 40.00 |

Commitments and contingent liabilities in respect of joint ventures

Significant commitments in the ownership proportion of joint ventures of the Group are as follows:

| | Consolidated financial statements | |
|---------------------|-----------------------------------|----------------------|
| | 2021 Million Baht | 2020 Million Baht |
| Letter of Guarantee | 68 | 68 |

Summarised financial information for joint ventures

Set out below are the summarised financial information which are significant joint ventures and accounted by using the equity method.

Summarised statements of financial position

| As at 31 December | BLCP Power Limited | | Hongsa Power Company Limited | | Total | |
|---|--------------------|------------------|------------------------------|------------------|------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Current assets | | | | | | |
| Cash and cash equivalents | 2,629,952 | 4,385,275 | 4,984,993 | 4,641,309 | 7,614,945 | 9,026,584 |
| Deposits at financial institutions | | | | | | |
| used as collateral | - | - | 2,893,727 | 2,416,174 | 2,893,727 | 2,416,174 |
| Current portion of finance lease | | | | | | |
| receivable, net | 549,037 | 571,923 | 6,601,210 | 5,645,274 | 7,150,247 | 6,217,197 |
| Other current assets | 6,574,815 | 3,966,589 | 7,764,037 | 6,851,274 | 14,338,852 | 10,817,863 |
| Total current assets | 9,753,804 | 8,923,787 | 22,243,967 | 19,554,031 | 31,997,771 | 28,477,818 |
| Non-current assets | | | | | | |
| Finance lease receivable, net | 8,150,866 | 7,679,419 | 70,141,004 | 70,596,987 | 78,291,870 | 78,276,406 |
| Property, plant and equipment, net | 2,762,794 | 2,579,216 | 4,394,854 | 4,278,561 | 7,157,648 | 6,857,777 |
| Other assets | 1,746,992 | 2,260,366 | 15,467,084 | 13,832,434 | 17,214,076 | 16,092,800 |
| Total non-current assets | 12,660,652 | 12,519,001 | 90,002,942 | 88,707,982 | 102,663,594 | 101,226,983 |
| Current liabilities | | | | | | |
| Current portion of long-term loans, net | 1,665,850 | 1,529,832 | 7,556,981 | 6,860,894 | 9,222,831 | 8,390,726 |
| Other current liabilities | | | | | | |
| (including trade payables) | 2,004,495 | 1,412,074 | 3,049,352 | 2,720,456 | 5,053,847 | 4,132,530 |
| Total current liabilities | 3,670,345 | 2,941,906 | 10,606,333 | 9,581,350 | 14,276,678 | 12,523,256 |
| Non-current liabilities | | | | | | |
| Long-term loans, net | 10,818,638 | 11,461,131 | 49,643,567 | 55,209,871 | 60,462,205 | 66,671,002 |
| Other liabilities | 1,016,867 | 1,233,830 | 1,405,785 | 1,725,727 | 2,422,652 | 2,959,557 |
| Total non-current liabilities | 11,835,505 | 12,694,961 | 51,049,352 | 56,935,598 | 62,884,857 | 69,630,559 |
| Net assets | 6,908,606 | 5,805,921 | 50,591,224 | 41,745,065 | 57,499,830 | 47,550,986 |

Summarised statements of comprehensive income

| For the years ended 31 December | BLCP Power Limited | | Hongsa Power Company Limited | | Total | |
|---|--------------------|------------------|------------------------------|------------------|------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Sales and services | 14,264,945 | 12,179,220 | 20,767,978 | 19,545,992 | 35,032,923 | 31,725,212 |
| Cost of sales and services | (12,365,745) | (11,946,304) | (8,862,821) | (7,626,543) | (21,228,566) | (19,572,847) |
| Depreciation and amortisation | (27,110) | (23,822) | (69,512) | (65,698) | (96,622) | (89,520) |
| Interest income | 12,443 | 26,364 | 67,835 | 81,102 | 80,278 | 107,466 |
| Interest expense not included | | | | | | |
| other finance cost | (504,576) | (634,506) | (3,456,436) | (3,920,627) | (3,961,012) | (4,555,133) |
| Net unrealised gains (losses) on | | | | | | |
| exchange rate | 646,365 | (283,433) | (2,833,886) | 25,464 | (2,187,521) | (257,969) |
| Profit before income tax | 1,060,905 | 2,005,916 | 9,172,052 | 7,587,222 | 10,232,957 | 9,593,138 |
| Income tax expense | (631,086) | (919,284) | (635,667) | - | (1,266,753) | (919,284) |
| Net profit | 429,819 | 1,086,632 | 8,536,385 | 7,587,222 | 8,966,204 | 8,673,854 |
| Other comprehensive income (expense) | 1,022,866 | (297,905) | 1,830,054 | (480,837) | 2,852,920 | (778,742) |
| Total comprehensive income | 1,452,685 | 788,727 | 10,366,439 | 7,106,385 | 11,819,124 | 7,895,112 |
| Declaration of dividends | 350,000 | 400,000 | 1,520,280 | 903,825 | 1,870,280 | 1,303,825 |

The information above reflects the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures (and not the Group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures.

| | BLCP Power Limited | | Hongsa Power Company Limited | | Total | |
|--|--------------------|------------------|------------------------------|------------------|------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening net assets | 5,805,921 | 5,417,194 | 41,745,065 | 35,542,505 | 47,550,986 | 40,959,699 |
| Declaration of dividends | (350,000) | (400,000) | (1,520,280) | (903,825) | (1,870,280) | (1,303,825) |
| Profit for the year | 429,819 | 1,086,632 | 8,536,385 | 7,587,222 | 8,966,204 | 8,673,854 |
| Other comprehensive income (expense) | 1,022,866 | (297,905) | 1,830,054 | (480,837) | 2,852,920 | (778,742) |
| Closing net assets | 6,908,606 | 5,805,921 | 50,591,224 | 41,745,065 | 57,499,830 | 47,550,986 |
| Ownership percentage in joint ventures (%) | 50 | 50 | 40 | 40 | - | - |
| Interests in joint ventures | 3,454,303 | 2,902,960 | 20,236,490 | 16,698,026 | 23,690,793 | 19,600,986 |
| Impact of changes in functional currency of joint ventures | 82,911 | 82,911 | 216,053 | 216,053 | 298,964 | 298,964 |
| Closing carrying value | 3,537,214 | 2,985,871 | 20,452,543 | 16,914,079 | 23,989,757 | 19,899,950 |

Individually immaterial associates and joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method.

| | Consolidated financial statements | |
|---|-----------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 |
| Aggregate carrying amount of individually immaterial associates and joint ventures, which are accounted for using equity method | 9,776,523 | 6,738,566 |
| Aggregate amounts of the reporting entity's share of: | | |
| Net loss | (654,970) | (12,826) |
| Other comprehensive income (expense) | 1,097,151 | (14,171) |
| Total comprehensive income (expense) | 442,181 | (26,997) |

14.4 List of subsidiaries, associates and joint ventures

| Name of company | Country | Business | Percentage of direct shareholding | |
|--|----------------------------------|--|-----------------------------------|----------------------|
| | | | 2021 % | 2020 % |
| <u>Direct shareholding</u> | | | | |
| <u>Subsidiaries</u> | | | | |
| - Banpu Coal Power Limited | Thailand | Investment in power | 100.00 | 100.00 |
| - Banpu Power International Limited | Republic of Mauritius | Investment in power | 100.00 | 100.00 |
| - Banpu Power US Corporation | United State of America | Investment in power | 100.00 | - |
| - Banpu Power (Japan) Co., Ltd. | Thailand | Investment in renewable energy | 100.00 | 100.00 |
| <u>Joint arrangement - Joint ventures</u> | | | | |
| - Hongsa Power Company Limited | Lao People's Democratic Republic | Power concession | 40.00 ⁽¹⁾ | 40.00 ⁽¹⁾ |
| - Phu Fai Mining Company Limited | Lao People's Democratic Republic | Mining concession | 37.50 ⁽¹⁾ | 37.50 ⁽¹⁾ |
| <u>Associates</u> | | | | |
| - Banpu Next Co., Ltd. | Thailand | Investment in clean energy | 50.00 | 50.00 |
| - PT. ITM Banpu Power | Republic of Indonesia | Investment in power | - | 30.00 |
| <u>Indirect shareholding</u> | | | | |
| 1) Banpu Coal Power Limited and a subsidiary and a joint venture are as follows; | | | | |
| <u>A subsidiary</u> | | | | |
| - Power Vietnam Co., Ltd. | Thailand | Investment in power | 100.00 | 100.00 |
| <u>Joint arrangement - Joint venture</u> | | | | |
| - BLCP Power Limited | Thailand | Power production and trading | 50.00 ⁽¹⁾ | 50.00 ⁽¹⁾ |
| 2) Banpu Power International Limited and subsidiaries are as follows; | | | | |
| - Banpu Power Investment Co., Ltd. and subsidiaries and joint ventures are as follows; | Singapore | Investment in power | 100.00 | 100.00 |
| <u>Subsidiaries</u> | | | | |
| - Shijiazhuang Chengfeng Cogen Co., Ltd. | People's Republic of China | Power and steam production and trading | 100.00 | 100.00 |
| - Zouping Peak Pte. Ltd. and a subsidiary | Singapore | Investment in power | 100.00 | 100.00 |
| - Zouping Peak CHP Co., Ltd. | People's Republic of China | Power and steam production and trading | 70.00 | 70.00 |
| - Banpu Investment (China) Ltd. and subsidiaries | People's Republic of China | Investment in power | 100.00 | 100.00 |
| - Tangshan Banpu Heat & Power Co., Ltd. | People's Republic of China | Power and steam production and trading | 12.08 ⁽³⁾ | 12.08 ⁽³⁾ |
| - Banpu Power Trading (Shandong) Co., Ltd. | People's Republic of China | Power trading | - | 100.00 |
| - Banpu Power Trading (Hebei) Co., Ltd. | People's Republic of China | Power trading | - | 100.00 |
| - Pan-Western Energy Corporation LLC and a subsidiary | Cayman Islands | Investment in power | 100.00 | 100.00 |
| - Tangshan Banpu Heat & Power Co., Ltd. | People's Republic of China | Power and steam production and trading | 87.92 ⁽³⁾ | 87.92 ⁽³⁾ |

| Name of company | Country | Business | Percentage of direct shareholding | |
|--|----------------------------|--|-----------------------------------|----------------------|
| | | | 2021 % | 2020 % |
| <u>Joint arrangement - Joint ventures</u> | | | | |
| - Shanxi Lu Guang Power Co., Ltd. | People's Republic of China | Power and steam production and trading | 30.00 ⁽¹⁾ | 30.00 ⁽¹⁾ |
| - Nakoso IGCC Management Co., Ltd. | Japan | Investment in power | 33.50 ⁽¹⁾ | - |
| 3) Banpu Power US Corporation and a subsidiary are as follows; | | | | |
| <u>Subsidiary</u> | | | | |
| - BKV-BPP Power LLC and subsidiaries | United State of America | Investment in power | 50.00 ⁽²⁾ | - |
| - Temple Generation Intermediate Holdings LLC and a subsidiary | United State of America | Investment in power | 100.00 | - |
| - Temple Generation I LLC | United State of America | Power production and trading | 100.00 | - |

- ⁽¹⁾ Shareholder agreement of joint ventures of the Group has determined the management structure including strategic financial decision and operation which has voting right from the shareholders or the representative of each parties. The Group classifies as investments in joint ventures.
- ⁽²⁾ Shareholder agreement of subsidiaries of the Group has determined the management structure which the Group has right on strategic financial decision and operation. Thus, the Group is a controlling entity and classifies as investments in subsidiaries
- ⁽³⁾ The Group holds investments in Tangshan Banpu Heat & Power Co., Ltd. 100% of registered shares by Banpu Investment (China) Co., Ltd. and Pan-Western Energy Corporation LLC in the proportion of 12.08% and 87.92%, respectively.

15 Property, plant and equipment, net

| | Consolidated financial statements Baht*000 | | | | | |
|---|---|---|--------------------------------|----------|----------------|--------------------------|
| | Building and infrastructures | Power plants and components of power plants and machinery and equipment | Furniture and office equipment | Tools | Motor vehicles | Construction in progress |
| At 1 January 2020 | | | | | | |
| Cost | 4,032,232 | 13,371,599 | 35,032 | 52,286 | 58,907 | 380,446 |
| Less Accumulated depreciation | (1,602,080) | (4,333,213) | (20,271) | (34,880) | (44,537) | - |
| Net book amount | 2,430,152 | 9,038,386 | 14,761 | 17,406 | 14,370 | 380,446 |
| For the year ended 31 December 2020 | | | | | | |
| Opening net book amount | 2,430,152 | 9,038,386 | 14,761 | 17,406 | 14,370 | 380,446 |
| Additions | 751 | 10,682 | 1,645 | 669 | 2,942 | 314,626 |
| Disposals - Net book value | (8,978) | - | (5,856) | (24) | - | - |
| Write-off - Net book value | (2,587) | (47,921) | - | (210) | - | (69) |
| Transfer in (out) | 39,205 | 391,632 | 1,374 | 5,694 | - | (437,905) |
| Reclassify to other non-current assets | - | - | - | - | - | (56) |
| Change in investment types from the group restructuring | (355,483) | (4,107,651) | (1,398) | (1,369) | (3,310) | (63,070) |
| Depreciation charge | (111,217) | (228,319) | (4,183) | (6,119) | (5,040) | - |
| Translation differences | 160,611 | 540,743 | 424 | 1,243 | 894 | 23,427 |
| Closing net book amount | 2,152,454 | 5,597,552 | 6,767 | 17,290 | 9,856 | 217,399 |
| At 31 December 2020 | | | | | | |
| Cost | 3,909,939 | 9,607,481 | 25,990 | 59,128 | 56,155 | 217,399 |
| Less Accumulated depreciation | (1,757,485) | (4,009,929) | (19,223) | (41,838) | (46,299) | - |
| Net book amount | 2,152,454 | 5,597,552 | 6,767 | 17,290 | 9,856 | 217,399 |

| | Consolidated financial statements Baht'000 | | | | | | | |
|--|---|------------------------------|---|--------------------------------|----------|----------------|--------------------------|-------------|
| | Land | Building and infrastructures | Power plants and components of power plants and machinery and equipment | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
| For the year ended 31 December 2021 | | | | | | | | |
| Opening net book amount | - | 2,152,454 | 5,597,552 | 6,767 | 17,290 | 9,856 | 217,399 | 8,001,318 |
| Increase from acquisition of investment in subsidiaries (Note 14.1 d)) | | | | | | | | |
| Additions | 34,486 | - | 15,124,278 | 1,563 | 4,764 | - | - | 15,165,091 |
| Disposals - Net book value | - | - | 41,843 | 1,930 | 1,265 | 1,889 | 141,438 | 188,365 |
| Write-off - Net book value | - | - | - | (9) | (15) | - | - | (24) |
| Transfer in (out) | - | 42,020 | (11,375) | - | - | - | - | (11,375) |
| Depreciation charge | - | (113,628) | 320,735 | 605 | 4,106 | 1,983 | (369,449) | - |
| Translation differences | - | (113,628) | (414,936) | (2,907) | (6,509) | (4,509) | - | (542,489) |
| | (64) | 290,324 | 698,440 | 796 | 2,314 | 1,312 | 17,131 | 1,010,253 |
| Closing net book amount | 34,422 | 2,371,170 | 21,356,537 | 8,745 | 23,215 | 10,531 | 6,519 | 23,811,139 |
| At 31 December 2021 | | | | | | | | |
| Cost | 34,422 | 4,476,558 | 26,382,019 | 31,407 | 75,182 | 64,147 | 6,519 | 31,070,254 |
| Less Accumulated depreciation | - | (2,105,388) | (5,025,482) | (22,662) | (51,967) | (53,616) | - | (7,259,115) |
| Net book amount | 34,422 | 2,371,170 | 21,356,537 | 8,745 | 23,215 | 10,531 | 6,519 | 23,811,139 |

As at 31 December 2021, the Group mortgaged and pledged assets as collateral for long-term loans from financial institutions of a subsidiary in the People's Republic of China at the net book value amounting to CNY 396.71 million or equivalent to Baht 2,083 million (31 December 2020: CNY 391.68 million or equivalent to Baht 1,809.07 million).

| | Separate financial statements Baht'000 |
|-------------------------------------|---|
| | Furniture and office equipment |
| At 1 January 2020 | |
| Cost | 4,827 |
| Less Accumulated depreciation | (2,744) |
| Net book amount | 2,083 |
| For the year ended 31 December 2020 | |
| Opening net book amount | 2,083 |
| Additions | 489 |
| Disposals - Net book value | (125) |
| Depreciation charge | (683) |
| Closing net book amount | 1,764 |
| At 31 December 2020 | |
| Cost | 4,901 |
| Less Accumulated depreciation | (3,137) |
| Net book amount | 1,764 |
| For the year ended 31 December 2021 | |
| Opening net book amount | 1,764 |
| Additions | 158 |
| Disposals - Net book value | (9) |
| Depreciation charge | (517) |
| Closing net book amount | 1,396 |
| At 31 December 2021 | |
| Cost | 4,626 |
| Less Accumulated depreciation | (3,230) |
| Net book amount | 1,396 |

16 Leases

16.1 Amounts recognised in the statements of financial position

The statement of financial position shows the following amounts relating to leases:

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Properties | 631,098 | 568,789 | 3,359 | 4,799 |
| Total right-of-use assets | 631,098 | 568,789 | 3,359 | 4,799 |
| Lease liabilities, net | | | | |
| Current | 12,759 | 11,860 | 1,380 | 1,319 |
| Non-current | 18,265 | 7,765 | 2,278 | 3,657 |
| Total lease liabilities, net | 31,024 | 19,625 | 3,658 | 4,976 |

16.2 Amounts recognised in profit or loss and cash flows

Amounts charged to profit or loss and cash flows relating to leases are as follows:

| For the years ended 31 December | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Depreciation charge of right-of-use assets - Properties | 35,586 | 42,136 | 1,440 | 1,440 |
| Addition to the right-of-use assets during the year | 21,498 | 259,221 | - | - |
| Total cash outflow for leases | 13,319 | 15,114 | 1,511 | 1,511 |
| Interest expense | 700 | 3,429 | 191 | 249 |
| Expense relating to short-term leases | 14,231 | 15,003 | - | - |
| Expense relating to leases of low-value assets | 127 | 86 | - | - |

17 Deferred income taxes and income tax

Corporate income tax for the years ended 31 December 2021 and 2020 are calculated based on the net profit (tax base) which excludes the interests in joint ventures. The rates are as follows:

| | 2021 | 2020 |
|----------------------------|------|-----------|
| Thailand | 20% | 20% |
| People's Republic of China | 25% | 0% to 25% |
| Mauritius Island | 15% | 15% |
| Singapore | 17% | 17% |
| United State of America | 21% | - |

17.1 Deferred income tax assets and liabilities

The analysis of deferred tax assets and liabilities is as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Deferred income tax assets | 602,758 | 544,275 | 5,472 | 5,265 |
| Deferred income tax liabilities | (24,776) | (966) | - | - |
| Deferred income taxes, net | 577,982 | 543,309 | 5,472 | 5,265 |

The movements of deferred income tax assets and liabilities are as follows:

| | Consolidated financial statements Baht'000 | | | | |
|--|---|------------------------------|--|----------------------------|---------------------------|
| | At 1 January 2021 | Charged to profit or loss | Charged to other comprehensive income or expense | Translation differences | At 31 December 2021 |
| Deferred income tax assets: | | | | | |
| Employee benefit obligation | 5,303 | 539 | - | - | 5,842 |
| Financial derivatives | 390 | - | (390) | - | - |
| Depreciation of building and machinery | 481,566 | (15,480) | - | 65,239 | 531,325 |
| Impairment loss | 2,151 | (1,281) | - | 240 | 1,110 |
| Accrued expense and others | 54,865 | 1968 | - | 7,648 | 64,481 |
| Total | 544,275 | (14,254) | (390) | 73,127 | 602,758 |
| Deferred income tax liabilities: | | | | | |
| Fair value uplift from the business combination | (38,095) | - | - | (4,290) | (42,385) |
| Amortisation of fair value of plant and equipment from the acquisition of power plants | 37,689 | 438 | - | 3,806 | 41,933 |
| Investment in joint ventures | - | (24,174) | - | 502 | (23,672) |
| Others | (560) | (14) | - | (78) | (652) |
| Total | (966) | (23,750) | - | (60) | (24,776) |
| Net | 543,309 | (38,004) | (390) | 73,067 | 577,982 |

| Baht'000 | | | | | | | |
|---|--|------------------------------|--|------------------------|----------------------------|---------------------------|----------------|
| | Impact from change in accounting policies | Charged to profit or loss | Charged to other comprehensive income or expense | Group restructuring | Translation differences | At 31 December 2020 | |
| Deferred income tax assets: | | | | | | | |
| Employee benefit obligation | | 9,401 | - | (5,159) | 1,061 | - | 5,303 |
| Financial derivatives | | 545 | - | - | (155) | - | 390 |
| Depreciation of building and machinery | | 469,745 | - | (21,232) | - | - | 481,566 |
| Impairment loss | | - | 2,603 | (457) | - | - | 2,151 |
| Accrued expense and others | | 74,594 | - | (21,780) | - | - | 54,865 |
| Total | | 554,285 | 2,603 | (48,628) | 906 | - | 544,275 |
| Deferred income tax liabilities: | | | | | | | |
| Fair value uplift from the business combination | | (85,229) | - | - | - | 48,687 | (38,095) |
| Amortisation of fair value of plant and equipment from the acquisition of power plants | | 32,860 | - | 2,585 | (7) | (454) | 37,689 |
| Connection fee | | (13,405) | - | 14,863 | - | - | - |
| Others | | (3,888) | - | 3,328 | - | - | (560) |
| Total | | (69,662) | - | 20,776 | (7) | 48,233 | (966) |
| Net | | 484,623 | 2,603 | (27,852) | 899 | 48,233 | 543,309 |

| | Separate financial statements Baht'000 | | | |
|------------------------------------|---|------------------------------|--|---------------------------|
| | At 1 January 2021 | Charged to profit or loss | Charged to other comprehensive income or expense | At 31 December 2021 |
| Deferred income tax assets: | | | | |
| Employee benefit obligation | 5,302 | 539 | - | 5,841 |
| Financial derivative | 390 | - | (390) | - |
| Other | (427) | 58 | - | (369) |
| Total | 5,265 | 597 | (390) | 5,472 |

| | Separate financial statements Baht'000 | | | |
|------------------------------------|---|------------------------------|--|---------------------------|
| | At 1 January 2020 | Charged to profit or loss | Charged to other comprehensive income or expense | At 31 December 2020 |
| Deferred income tax assets: | | | | |
| Employee benefit obligation | 8,285 | (4,203) | 1,220 | 5,302 |
| Financial derivative | 545 | - | (155) | 390 |
| Other | (142) | (285) | - | (427) |
| Total | 8,688 | (4,488) | 1,065 | 5,265 |

Deferred income tax assets are recognised for tax loss carry forwards only to the extent that realisation of the related tax benefit through the future taxable profit is probable. The Group did not recognised deferred income tax assets amounting to Baht 221.74 million from tax losses of Baht 1,108.69 million that could be carried forward against future taxable income, these tax losses will be expired in 2026 (2020: deferred income tax assets amounting to Baht 392.12 million from tax losses of Baht 1,960.59 million that could be carried forward against future taxable income, these tax losses will be expired in 2025).

17.2 Income taxes

Income taxes for the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Current tax | 10,901 | 272,639 | - | - |
| Withholding tax from dividends | 8,298 | - | - | - |
| Deferred tax | 38,004 | 27,852 | (597) | 4,488 |
| Total income taxes | 57,203 | 300,491 | (597) | 4,488 |

The tax on the Group's profit before taxes differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Profit before taxes | 3,231,538 | 4,083,515 | 931,154 | 773,062 |
| Tax calculated at a tax rate of 20% | 646,308 | 816,703 | 186,231 | 154,612 |
| Tax effect of: | | | | |
| Income not subject to tax | (617,678) | (459,067) | (142,940) | (117,284) |
| Expenses not deductible for tax purpose | 58,986 | 9,682 | 58,574 | 996 |
| Withholding tax from dividends | 8,298 | - | - | - |
| Recognition of previously unrecognised tax losses | (101,865) | (33,303) | (101,865) | (33,303) |
| Group restructuring | - | (83,951) | - | - |
| Tax losses for which no deferred income tax asset was recognised | 427 | 22,448 | - | - |
| Tax effect from different tax rates of foreign entities | 53,030 | 31,046 | - | - |
| Others | 9,697 | (3,067) | (597) | (533) |
| Income taxes | 57,203 | 300,491 | (597) | 4,488 |

Weighted average tax rate of the Group is 1.77% (2020: 7.36%).

18 Short-term loans from financial institutions

Consolidated financial statements

As at 31 December 2021, the Group had short-term loans from financial institutions amounting to Baht 5,800 million and CNY 79.41 million or equivalent to Baht 416.93 million and US Dollar 10 million or equivalent to Baht 334.20 million, totalling Baht 6,551.13 million (2020: Baht 1,000 million and CNY 98.27 million or equivalent to Baht 453.90 million, totalling Baht 1,453.90 million). These loans bore interest at the rates of 1.19% to 4.57% per annum (2020: 1.28% to 4.90% per annum) and due for repayment within one year.

Separate financial statements

As at 31 December 2021, the Company had short-term loans from financial institutions amounting to Baht 5,800 million and US Dollar 10 million or equivalent to Baht 334.20 million, totalling Baht 6,134.20 million (2020: Baht 1,000 million). These loans bore interest at the rates of 1.19% to 2.60% per annum (2020: 1.28% per annum) and due for repayment within one year.

The fair value of short-term loans from financial institutions approximated their carrying amount, as short-term borrowings had a short period of maturity.

19 Other current and non-current liabilities

As at 31 December, other current liabilities consist of:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Accrued expenses | 1,051,946 | 506,751 | 76,586 | 17,160 |
| Advance from customers | 312,219 | 230,543 | - | - |
| Value added tax payable | 5,879 | 4,614 | 82 | 547 |
| Withholding tax payable | 147,180 | 7,400 | 3,308 | 2,137 |
| Other payables for purchase of property, plant and equipment | 358,203 | 427,610 | - | - |
| Total other current liabilities | 1,875,427 | 1,176,918 | 79,976 | 19,844 |

As at 31 December 2021, other non-current liabilities presented in consolidated financial statements are accrued expenses for long-term program agreement which provides inspection and outage services and parts and equipment for the power plant in the United State of America.

20 Long-term loans from financial institutions, net

Long-term loans from financial institutions consist of:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Long-term local currency loans | 10,005,194 | 3,700,000 | 10,005,194 | 3,700,000 |
| Long-term foreign currency loans | 706,953 | 737,521 | - | - |
| <u>Less</u> Deferred financing service fee | (19,978) | (5,915) | (19,978) | (5,915) |
| | 10,692,169 | 4,431,606 | 9,985,216 | 3,694,085 |
| <u>Less</u> Current portion of long-term loans from financial institutions | (1,439,380) | (950,774) | (850,260) | (698,415) |
| Long-term loans from financial institutions, net | 9,252,789 | 3,480,832 | 9,134,956 | 2,995,670 |

Movement of long-term loans from financial institutions are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening balance | 4,431,606 | 6,090,235 | 3,694,085 | 4,388,842 |
| Cash flow: | | | | |
| Additions | 7,140,799 | 162,817 | 6,993,806 | - |
| Repayments | (971,363) | (1,019,713) | (700,000) | (700,000) |
| Deferred charge for long-term loans | (17,598) | - | (17,598) | - |
| Other non-cash movements: | | | | |
| Amortisation of deferred financing service fees | 3,535 | 5,243 | 3,535 | 5,243 |
| Gain on exchange rate | 11,388 | - | 11,388 | - |
| Translation differences | 93,802 | 79,907 | - | - |
| Change in investment types from the group restructuring | - | (886,883) | - | - |
| Closing balance | 10,692,169 | 4,431,606 | 9,985,216 | 3,694,085 |

As at 31 December 2021 and 31 December 2020, long-term loans from financial institutions are unsecured liabilities except long-term loans of a subsidiary in the People's Republic of China are secured liabilities. The long-term loans are secured over assets as disclosed in Note 15 Details of loans are shown as follow:

Consolidated financial statements

| No. | Currency | 2021 | | 2020 | | Due of loan payment | Due of loan payment |
|-----|----------|-----------------------------|--------------|-----------------------------|--------------|-------------------------------------|---|
| | | Original currency (Million) | Million Baht | Original currency (Million) | Million Baht | | |
| 1 | Baht | - | - | 700.00 | 700.00 | THBFIX plus applicable fixed margin | Repayment every 6 months commencing 27 June 2019 to expiry of agreement on 27 December 2021 |
| 2 | Baht | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | THBFIX plus applicable fixed margin | Repayment every 6 months commencing 21 February 2022 to expiry of agreement on 21 August 2025 |
| 3 | Baht | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | THBFIX plus applicable fixed margin | Repayment every 6 months commencing 20 June 2022 to expiry of agreement on 20 December 2025 |
| 4 | Baht | 5,000.00 | 5,000.00 | - | - | BIBOR plus applicable fixed margin | Repayment every 6 months commencing 25 April 2024 to expiry of agreement on 27 October 2031 |
| 5 | CNY | 18.02 | 94.62 | 26.03 | 120.21 | LPR plus applicable fixed margin | Repayment every 3 months commencing 29 March 2019 to expiry of agreement on 21 January 2024 |
| 6 | CNY | 79.61 | 418.02 | 97.33 | 449.54 | LPR plus applicable fixed margin | Repayment every 6 months commencing 30 May 2020 to expiry of agreement on 30 May 2022 |
| 7 | CNY | 15.61 | 81.96 | 31.22 | 144.18 | Fixed rate | Repayment every 6 months commencing 23 May 2020 to expiry of agreement on 23 May 2022 |
| 8 | CNY | 21.40 | 112.36 | 5.11 | 23.59 | Fixed rate | Repayment every 3 months commencing 11 August 2020 to expiry of agreement on 1 July 2023 |
| 9 | USD | 60.00 | 2,005.19 | - | - | LIBOR plus applicable fixed margin | Repayment every 3 months commencing 27 October 2022 to expiry of agreement on 27 October 2028 |
| | | 10,712.15 | | 4,437.52 | | | |

Separate financial statement

| No. | Currency | 2021 | | 2020 | | Due of loan payment | Due of loan payment |
|-----|----------|-----------------------------|--------------|-----------------------------|--------------|-------------------------------------|---|
| | | Original currency (Million) | Million Baht | Original currency (Million) | Million Baht | | |
| 1 | Baht | - | - | 700.00 | 700.00 | THBFIX plus applicable fixed margin | Repayment every 6 months commencing 27 June 2019 to expiry of agreement on 27 December 2021 |
| 2 | Baht | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | THBFIX plus applicable fixed margin | Repayment every 6 months commencing 21 February 2022 to expiry of agreement on 21 August 2025 |
| 3 | Baht | 1,500.00 | 1,500.00 | 1,500.00 | 1,500.00 | THBFIX plus applicable fixed margin | Repayment every 6 months commencing 20 June 2022 to expiry of agreement on 20 December 2025 |
| 4 | Baht | 5,000.00 | 5,000.00 | - | - | BIBOR plus applicable fixed margin | Repayment every 6 months commencing 25 April 2024 to expiry of agreement on 27 October 2031 |
| 5 | USD | 60.00 | 2,005.19 | - | - | LIBOR plus applicable fixed margin | Repayment every 3 months commencing 27 October 2022 to expiry of agreement on 27 October 2028 |
| | | 10,005.19 | | 3,700.00 | | | |

Weighted average effective interest rate of long-term loans from financial institutions of the Group is as follows:

| | Consolidated financial statements | | Separate financial statements | |
|------|-----------------------------------|--------|-------------------------------|--------|
| | 2021 % | 2020 % | 2021 % | 2020 % |
| Baht | 2.21 | 1.69 | 2.21 | 1.69 |
| CNY | 5.21 | 5.24 | - | - |
| USD | 2.63 | - | 2.63 | - |

Interest rate risk of long-term loans from financial institutions of the Group is as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| At fixed rates | 194,317 | 167,774 | - | - |
| At floating rates | 10,517,830 | 4,269,747 | 10,005,194 | 3,700,000 |
| Total loans | 10,712,147 | 4,437,521 | 10,005,194 | 3,700,000 |

The fair value of long-term borrowings approximated their carrying amount, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the market borrowing rate as at the reporting date and are within level 2 of the fair value hierarchy.

Maturities of long-term loans from financial institutions are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Within 1 year | 1,439,380 | 947,641 | 850,260 | 700,000 |
| Later than 1 year but not later than 5 years | 4,871,209 | 3,489,880 | 4,753,376 | 3,000,000 |
| Later than 5 years | 4,401,558 | - | 4,401,558 | - |
| Total loans | 10,712,147 | 4,437,521 | 10,005,194 | 3,700,000 |

The Group is required to comply with certain criteria and conditions; for example, maintaining debt to equity ratio.

21 Share capital and treasury shares

| | Number of register shares Shares | Issued and paid-up share capital | |
|---------------------------|-------------------------------------|----------------------------------|-----------------------------|
| | | Number of shares Shares | Ordinary shares Baht'000 |
| As at 1 January 2021 | 3,104,492,000 | 3,051,021,700 | 30,510,217 |
| Decrease in share capital | (3,290,000) | (3,290,000) | (32,900) |
| As at 31 December 2021 | 3,101,202,000 | 3,047,731,700 | 30,477,317 |

On 4 September 2020, the Company completed the repurchase of the ordinary share in accordance to the share repurchase project from the main board of the Stock Exchange of Thailand of Baht 41.69 million for the ordinary share of 3,290,000 shares. On 26 March 2021, the Company reduced the registered share capital in accordance with the treasury shares and registered the decreasing in registered share capital with the Ministry of Commerce.

22 Legal reserve

| | Consolidated and separate financial statements Baht'000 |
|-------------------------------|--|
| As at 1 January 2020 | 1,561,200 |
| Appropriation during the year | 39,000 |
| As at 31 December 2020 | 1,600,200 |
| As at 1 January 2021 | 1,600,200 |
| Appropriation during the year | 47,000 |
| As at 31 December 2021 | 1,647,200 |

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside statutory reserve of at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve reaches not less than 10 percent of the registered capital. The legal reserve is non-distributable.

23 Share-based payment

In 2016, the Company issued rights to purchase of ordinary shares to the directors and employees of Banpu Group (BPP-W) (excluding directors, management and employees of the Banpu Power Group). In 2017, the Company issued rights to purchase of ordinary shares to the directors and employees of Banpu Power Group (BPP-ESOP) based on their position, duty, and responsibility towards the Company and its subsidiaries. The Group has no legal or constructive obligation to repurchase or settle such rights in cash. The terms and conditions of the rights to purchase ordinary shares are summarised as follows:

| Descriptions | Detail | | |
|---------------------------------------|--|---|-----------------------------------|
| Number of issued and offered shares | Not exceeding 58,800,000 shares. As at 31 December 2019, 49,300,000 shares to be allocated and not exceeding 9,500,000 shares which the ad-hoc Compensation Committee will consider and allocate as appropriate. | | |
| Term of the plan | Not exceeding 5 years from the date of approval by the shareholders' meeting of the Company. The offering will be completed within 19 October 2021. | | |
| Exercise price, period and conditions | Exercise price (Baht per share) | Exercise period | Number of exercised shares |
| | 23.10 | The date of issue and offering ordinary shares to 19 Oct 2021 | 10% of the total allocated shares |
| | 25.20 | From 19 October 2017 to 19 October 2021 | 15% of the total allocated shares |
| | 27.30 | From 19 October 2018 to 19 October 2021 | 20% of the total allocated shares |
| | 29.40 | From 19 October 2019 to 19 October 2021 | 25% of the total allocated shares |
| | 31.50 | From 19 October 2020 to 19 October 2021 | 30% of the total allocated shares |
| Subscription dates | Can exercise 4 times a year on the last business day of March, June, September and December from the first exercise date, except for the last exercise date, which is 19 October 2021. | | |

The Company recognised and presented the rights to purchase ordinary shares for the selected directors and employees of Banpu Group under BPP-W and the rights to purchase ordinary shares for the directors and employees of Banpu Power Group under BPP-ESOP totalling of Baht 2.92 million in the statement of income and statement of changes in equity for the year ended 31 December 2020.

The number of the rights to purchase ordinary shares and the related weighted average exercise prices are as follows:

| | Consolidated and Separate financial statements | | | |
|---------------------------|--|--------------|--|------------|
| | 2021 | | 2020 | |
| | Weighted average exercise price Baht per share | Unit | Weighted average exercise price Baht per share | Unit |
| At 1 January | 28.92 | 43,970,300 | 28.92 | 43,970,300 |
| Granted during the period | - | (43,970,300) | - | - |
| At 31 December | - | - | 28.92 | 43,970,300 |

For the rights to purchase ordinary shares for the selected directors and employees of Banpu Group under BPP-W, the weighted average fair value of granted the rights to purchase determined using the Black-Scholes valuation model was Baht 0.19 per unit. The significant inputs into the model were a weighted average share price of Baht 21.00 at the grant date, exercise price was Baht 23.10 to Baht 31.50, volatility of 20%, dividend yield of 4.60%, an expected life of 5 years, and an annual risk-free interest rate of 1.78%.

For share-based payment to the directors and employees of Banpu Power Group under BPP-ESOP, the weighted average fair value of granted the rights to purchase determined using the Black-Scholes valuation model was Baht 2.11 per unit. The significant inputs into the model were a weighted average share price of Baht 25.75 at the grant date, exercise price was Baht 23.10 to Baht 31.50, volatility of 20%, dividend yield of 4.60%, an expected life of 5 years, and an annual risk-free interest rate of 2.13%.

24 Expenses by nature

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Coal consumption | 4,636,301 | 2,938,086 | - | - |
| Staff costs | 1,028,798 | 747,168 | 85,652 | 100,111 |
| Depreciation and amortisation | 580,598 | 402,463 | 1,964 | 2,123 |
| Professional fee | 165,936 | 130,203 | 40,591 | 19,038 |
| Management fee | 171,937 | 173,887 | 168,116 | 170,297 |

25 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issued and paid-up during the year.

Basic earnings per share for the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|-----------|-------------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| Net profit attributable to ordinary shareholders of the Company (Baht'000) | 3,127,027 | 3,702,480 | 931,751 | 768,574 |
| Weighted average ordinary shares (Thousand shares) | 3,047,732 | 3,049,224 | 3,047,732 | 3,049,224 |
| Basic earnings per share (Baht) | 1.026 | 1.214 | 0.306 | 0.252 |

There are no potential dilutive ordinary shares in issue for the years ended 31 December 2021 and 2020.

26 Dividend paid

For the year ended 2021

At the Annual General Shareholders' meeting on 2 April 2021, the shareholders approved a payment of final dividends of 2020 of Baht 0.35 per share for 3,047,731,700 shares, totalling of Baht 1,066.70 million. The Company paid such dividend to the shareholders on 28 April 2021.

At the Board of Directors' meeting on 27 August 2021, the Board of Directors approved a payment of interim dividends of 2021 of Baht 0.30 per share for 3,047,731,200 shares, totalling of Baht 914.32 million. The Company paid such dividend to the shareholders on 21 September 2021.

For the year ended 2020

At the Board of Directors' meeting on 8 April 2020, the Board of Directors approved a payment of interim dividends of 2019 of Baht 0.30 per share for 3,049,571,700 shares, totalling of Baht 914.87 million. The Company paid such dividend to the shareholders on 28 April 2020 and at the Annual General Shareholders' meeting on 19 June 2020, the shareholders acknowledged such interim dividend payment.

At the Board of Directors' meeting on 28 August 2020, the Board of Directors approved a payment of interim dividends of 2020 of Baht 0.30 per share for 3,047,731,200 shares, totalling of Baht 914.32 million. The Company paid such dividend to the shareholders on 23 September 2020.

27 Related party transactions

The Company is controlled by Banpu Public Company Limited (the Parent), which is domiciled in Thailand. The Parent holds 78.66% of the Company's shareholding.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The pricing policies for transactions between the Parent, subsidiaries, associates, joint ventures and related parties are set out below:

- Management income represents fee charged to the parent company, a subsidiary, joint ventures, and related parties for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the conditions in agreement.
- Management expenses represent fee charged from the parent company and a subsidiary for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the conditions in agreement.
- For loans, borrowings, interest income and interest expenses, the Group charges interest by considering the average cost of borrowings and market interest rate.
- Advance to/from related parties represent the advance payment for related parties which will be reimbursed within the normal credit term.

The following significant transactions were carried out with related parties:

27.1 Transactions during the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Purchases of goods from related parties | 3,516,121 | 1,532,011 | - | - |
| Dividend income | | | | |
| - Subsidiary | - | - | 106,589 | 207,256 |
| - Joint ventures | - | - | 687,282 | 575,094 |
| Total dividend income from related parties | - | - | 793,871 | 782,350 |
| Interest income | | | | |
| - Subsidiaries | - | - | 211,928 | 127,984 |
| - Associates | 293,427 | 278,193 | 232,087 | 220,124 |
| - Joint venture | 68,425 | 36,421 | - | - |
| Total interest income from related parties | 361,852 | 314,614 | 444,015 | 348,108 |
| Interest expense to a related party | 43,319 | - | - | - |
| Management fee | | | | |
| - The Parent | - | 16,069 | - | - |
| - Subsidiary | - | - | 249 | - |
| - Associates | 82,260 | 73,974 | 2,608 | 8,233 |
| - Joint ventures | 15,614 | 14,902 | 14,000 | 14,000 |
| - Related parties | 105,410 | 105,236 | - | - |
| Total management fee charged to related parties | 203,284 | 210,181 | 16,857 | 22,233 |
| Management and service expenses | | | | |
| - The Parent | 160,150 | 169,000 | 160,150 | 169,000 |
| - Subsidiary | - | - | 57 | 1,297 |
| - Associate | - | 4,887 | - | - |
| - Related parties | 11,787 | - | 8,158 | - |
| Total management and service expenses to related parties | 171,937 | 173,887 | 168,365 | 170,297 |

27.2 Amounts due from related parties as at 31 December consist of:

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Interest receivables | | | | |
| - Subsidiaries | - | - | 355,510 | 124,328 |
| - Associates | 783,421 | 431,703 | 398,535 | 154,031 |
| - Joint venture | 55,420 | 29,817 | - | - |
| Total Interest receivables | 838,841 | 461,520 | 754,045 | 278,359 |
| Other receivables | | | | |
| - Joint ventures | 1,750 | 1,336 | 1,248 | 1,248 |
| - Associates | 6,869 | 9,305 | 6,869 | 1,442 |
| - Related parties | 21,850 | 15,036 | - | - |
| Total other receivables | 30,469 | 25,677 | 8,117 | 2,690 |
| Total amount due from related parties | 869,310 | 487,197 | 762,162 | 281,049 |
| Dividend receivables | | | | |
| Dividend receivables - Current | | | | |
| - Subsidiary | - | - | 125,000 | 150,000 |
| - Joint venture | 125,000 | 150,000 | - | - |
| | 125,000 | 150,000 | 125,000 | 150,000 |
| Dividend receivables - Non-current | | | | |
| - Subsidiary | - | - | 45,000 | 196,033 |
| - Joint venture | 238,831 | 288,831 | - | - |
| | 238,831 | 288,831 | 45,000 | 196,033 |
| Total dividend receivables from related parties | 363,831 | 438,831 | 170,000 | 346,033 |

27.3 Advances to and loans to related parties as at 31 December consist of:

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Advances to - Current | | | | |
| - The Parent | - | 4,097 | - | 4,097 |
| - Subsidiary | - | - | - | 29,385 |
| - Associates | 2,761 | 4,707 | 2,761 | 700 |
| Total advances to related parties | 2,761 | 8,804 | 2,761 | 34,182 |
| Short-term loans to | | | | |
| - Joint venture | 1,714,103 | 1,531,567 | - | - |
| - Associate | 649,512 | 1,264,138 | - | - |
| Total short-term loans to related parties | 2,363,615 | 2,795,705 | - | - |
| Long-term loans to related parties: | | | | |
| Current-portion of long-term loans | | | | |
| - Associate | 341,296 | - | - | - |
| Long-term loans to | | | | |
| - Subsidiaries | - | - | 10,110,188 | 2,473,105 |
| - Associates | 5,479,065 | 5,740,754 | 5,479,065 | 5,417,445 |
| | 5,479,065 | 5,740,754 | 15,589,253 | 7,890,550 |
| Total long-term loans to related parties | 5,820,361 | 5,740,754 | 15,589,253 | 7,890,550 |

Short-term loans to subsidiaries are unsecured promissory notes which details are as follows:

Consolidated financial statements

| Currency | 2021 | | | 2020 | | | Repayment term |
|----------|---|-----------------|---------------------------------------|---|-----------------|---------------------------------------|--|
| | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | |
| CNY | 123.70 | 649.51 | 4.35% | 273.70 | 1,264.14 | 4.35% | Repayment commencing 6 February 2022 to expiry of agreement on 13 September 2022 |
| CNY | 90.00 | 472.57 | 4.30% | 90.00 | 415.69 | 4.30% | Repayment at expiry of agreement on 15 December 2022 |
| USD | 37.15 | 1,241.54 | 4.15% | 37.15 | 1,115.88 | 4.15% | Repayment at expiry of agreement on 13 May 2022 |
| Total | | 2,363.62 | | | 2,795.71 | | |

Movements of short-term loans to related parties for the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening balance | 2,795,705 | 98,235 | - | - |
| Cash flows: | | | | |
| Additions | - | 1,599,096 | - | 1,587,661 |
| Repayments | (744,980) | (179,270) | - | - |
| Other non-cash movements: | | | | |
| Change in investment types from the group restructuring | - | 1,301,425 | - | - |
| Transfer to long-term loans to a related party | - | - | - | (1,488,338) |
| Gains (losses) on exchange rate | 312,890 | (23,781) | - | (99,323) |
| Closing balance | 2,363,615 | 2,795,705 | - | - |

Long-term loans to related parties are unsecured promissory notes which details are as follows:

Consolidated financial statements

| Currency | 2021 | | | 2020 | | | Repayment term |
|----------|---|-----------------|---------------------------------------|---|-----------------|---------------------------------------|--|
| | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | |
| Baht | 4,967.12 | 4,967.12 | 4.25% | 4,967.12 | 4,967.12 | 4.25% | Repayment at the end of contract 30 November 2023 to 27 May 2024 |
| CNY | 162.50 | 853.24 | 4.75% | 167.50 | 773.63 | 4.25% - 4.75% | Repayment at the end of contract 28 July 2022 to 30 November 2023 |
| Total | | 5,820.36 | | | 5,740.75 | | |

Separate financial statement

| Currency | 2021 | | | 2020 | | | Repayment term |
|-----------|---|-----------------|---------------------------------------|---|-----------------|---------------------------------------|---|
| | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | |
| Baht | 4,967.12 | 4,967.12 | 4.25% | 4,967.12 | 4,967.12 | 4.25% | Repayment at the end of contract 30 November 2023 to 27 May 2024 |
| US Dollar | 302.52 | 10,110.19 | 4.50% | 82.34 | 2,473.11 | 4.50% | Repayment at the end of contract 17 October 2023 to 8 April 2026 |
| CNY | 97.50 | 511.94 | 4.25% | 97.50 | 450.32 | 4.25% | Repayment at the end of contract 30 November 2023 |
| Total | | 15,589.25 | | | 7,890.55 | | |

The fair values of long-term loans to related parties are based on discounted cash flows using a discount rate based upon the market borrowing rate as at the reporting date and are within level 2 of the fair value hierarchy. As at 31 December 2021 and 2020, the fair values of long-term loans to related parties approximated their carrying amount.

Movements of long-term loans to related parties for the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening balance | 5,740,754 | - | 7,890,550 | 7,489,367 |
| Cash flows: | | | | |
| Additions | - | - | 8,301,759 | 62,040 |
| Repayments | (24,833) | (1,255,438) | (15,940) | (1,255,438) |
| Other non-cash movements: | | | | |
| Change in investment types from the group restructuring | - | 6,919,270 | - | - |
| Transfer from short-term loans to a related party | - | - | - | 1,488,338 |
| Conversion to investment in a subsidiary (Note 14) | - | - | (1,004,454) | - |
| Gains on exchange rate | 104,440 | 76,922 | 417,338 | 106,243 |
| Closing balance | 5,820,361 | 5,740,754 | 15,589,253 | 7,890,550 |

27.4 Advances from and amounts due to related parties

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Advances from | | | | |
| - The Parent | 24,718 | 24,268 | - | 24,268 |
| - Associates | - | 11,367 | - | 5,099 |
| - Related parties | 41,775 | 15,793 | - | - |
| Total advances from related parties | 66,493 | 51,428 | - | 29,367 |
| Accrued management fee to | | | | |
| - Associate | - | 1,372 | - | - |
| - Related party | 5,948 | - | 5,948 | - |
| Total advances from related parties | 5,948 | 1,372 | 5,948 | - |
| Accrued interest expense due to a related party | 43,436 | - | - | - |
| Amounts due to related parties | 513,762 | 192,164 | - | - |
| Total advances from and amounts due to related parties | 629,639 | 244,964 | 5,948 | 29,367 |
| Long-term loans from a related party | 4,712,206 | - | - | - |

Long-term loans from a related party are unsecured promissory notes which details are as follows:

Consolidated financial statements

| Currency | 2021 | | | 2020 | | | Repayment term |
|-----------|---|-----------------|---------------------------------------|---|-----------------|---------------------------------------|---|
| | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | Currency in promissory note (Million) | Million Baht | Average interest rate per annum | |
| US Dollar | 141.00 | 4,712.21 | 5.44% | - | - | - | Repayment at the end of contract 1 November 2023 |
| Total | | 4,712.21 | | | - | | |

Movements of long-term loans from related parties for the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Opening balance | - | - | - | - |
| Cash flows: | | | | |
| Additions | 4,721,033 | - | - | - |
| Other non-cash movements: | - | - | - | - |
| Gain on exchange rate | (8,827) | - | - | - |
| Closing balance | 4,712,206 | - | - | - |

27.5 Key management compensation

Key management compensation for the years ended 31 December are detailed as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|-----------------------------------|------------------|-------------------------------|------------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Salary and other short-term benefits | 57,480 | 40,098 | 57,480 | 40,098 |
| Post-employment benefits | 1,905 | 1,815 | 1,905 | 1,815 |
| Other long-term employee benefits | - | 39 | - | 39 |
| | 59,385 | 41,952 | 59,385 | 41,952 |

In addition, the Group paid management fee to the Parent for the year ended 31 December 2021 of Baht 160.15 million (2020: Baht 169 million). Part of the fee is considered as performing key management activities of the Group.

28 Commitment and contingent liabilities

28.1 Letter of Guarantee

As at 31 December, the Group has obligations with banks as follows;

| | Consolidated and separate financial statement | |
|---------------------|---|-------------------------------------|
| | 2021 Million (Original currency) | 2020 Million (Original currency) |
| Letter of Guarantee | | |
| - US Dollar | 22 | 22 |
| - Thai Baht | 1,600 | 1,601 |

28.2 Capital commitments

As at 31 December, the Group had capital expenditure and capital commitments to provide funding that were not recognised in the financial statement is as follows:

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------|-----------------------------------|---------------|-------------------------------|---------------|
| | 2021 Baht'000 | 2020 Baht'000 | 2021 Baht'000 | 2020 Baht'000 |
| Property, plant and equipment | 41,130 | 127,870 | - | - |





BANPU POWER PUBLIC COMPANY LIMITED

26th Floor, Thanapoom Tower, 1550 New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400

Tel: +66 2007 6000

Fax: +66 2007 6060

Website: www.banpupower.com

Email: info@banpupower.co.th