

THAI SOLAR ENERGY PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2020

Independent Auditor's Report

To the Shareholders and the Board of Directors of Thai Solar Energy 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 Thai Solar Energy Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, 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 2020;
- 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. I determined one key audit matter: First-time adoption of TFRS 16 Lease. The matter was 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p>First-time adoption of TFRS 16 Leases</p> <p>Refer to Note 4 Impacts from initial application of the new and revised financial reporting standards.</p> <p>TFRS 16 - Leases becomes effective for financial reporting beginning on or after 1 January 2020.</p> <p>As at 31 December 2020, the application of the new standard gives rise to a right-of-use asset of Baht 325.65 million and a corresponding increase in lease liabilities of Baht 338.42 million, representing 1.70% of total assets and 2.55% of total liabilities.</p> <p>The Group decided to apply the modified retrospective approach for the transition accounting in which the restatement of comparative financial statements is not required.</p> <p>I focus on the implementation of TFRS16 Lease because the impact to the financial statements is material, the implementation process to identify and process all relevant data associated with the leases is complex and the measurement of the right-of-use asset and lease liability is based on management assumptions such as lessee's incremental borrowing rate and the lease terms, including renewal and termination options.</p>	<p>My audit procedures included in particular:</p> <ul style="list-style-type: none">• an evaluation of management implementation process, including the assessment of updated accounting policies adopted by the Group for leases and compliance of these policies with the requirements of the standard;• an understanding of how management ensured the completeness and accuracy of the lease identified and relevant accounting transactions of right-of-use asset and lease liability;• a verification of the accuracy of the underlying lease data by agreeing a representative sample of leases to original contracts or other supporting information and an assessment of the mathematical accuracy by recalculating of the carrying amounts of right-of-use asset and lease liability of the selected samples;• a consideration on the completeness of the lease data by testing the reconciliation of the lease liability to operating lease commitments disclosed in the 2019 financial statements and by considering if, based on other information obtained during the course of the audit, there are any other contracts which may contain a lease;• a test on a sample basis to evaluate management assumptions, specifically on the assumptions used to determine the lessee's incremental borrowing rate, and the assessment of renewal and termination options; and• an assessment of the accuracy and completeness of disclosures (including the impact of the first time adoption of TFRS16 presented in Note 4 in the consolidated and separate financial statements). <p>From the above procedures performed, I did not note any significant issue from the implementation of TFRS16 Lease, and the assumptions management applied in determination of right-of-use asset and lease liabilities are reasonable.</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.

Kajornkiet Aroonpirodkul
 Certified Public Accountant (Thailand) No. 3445
 Bangkok
 25 February 2021

Thai Solar Energy Public Company Limited
Statement of Financial Position
As at 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	10	883,246,238	643,594,118	124,974,583	43,843,636
Short-term restricted bank deposits	11	13,747,528	18,864,046	9,096,416	14,912,759
Short-term investments	12	-	221,114,307	-	221,114,307
Financial assets measured at amortised cost	12	466,660	-	466,660	-
Trade and other receivables	13	340,859,233	430,399,966	185,268,566	263,930,877
Short-term loans to subsidiaries	37.3	-	-	-	701,000,825
Current portion of long-term loans to subsidiaries	37.4	-	-	81,140,000	61,600,000
Inventories		22,804,726	24,028,968	-	-
Refundable Value Added Tax		105,116,659	273,156,145	-	-
Undue input Value Added Tax		270,518,463	16,283,911	602,510	654,640
Other current assets	14	17,660,703	14,033,010	16,621,284	13,927,880
Total current assets		1,654,420,210	1,641,474,471	418,170,019	1,320,984,924
Non-current assets					
Long-term restricted bank deposits	11	42,349,359	34,239,939	2,300,000	12,365,952
Long-term loans to subsidiaries	37.4	-	-	6,133,449,798	5,004,151,459
Receivables from disposal of investments	37.2	-	-	1,383,683,149	1,383,683,149
Investments in subsidiaries	16	-	-	1,199,149,897	1,199,149,897
Investments in joint ventures	15	1,992,688,021	1,840,054,520	350,000,130	350,000,130
Investment properties	17	102,892,513	103,857,149	89,977,885	89,977,885
Property, plant and equipment	18	10,018,472,757	7,549,859,170	251,569,722	273,737,922
Right-of-use assets	19	325,646,578	-	30,342,972	-
Goodwill	20	50,855,042	17,112,763	-	-
Intangible assets	21	4,945,269,597	4,669,898,201	5,120,131	7,057,176
Deferred tax assets	22	21,733,866	1,623,005	-	-
Other non-current assets		22,450,747	11,871,739	2,661,544	7,339,848
Total non-current assets		17,522,358,480	14,228,516,486	9,448,255,228	8,327,463,418
Total assets		19,176,778,690	15,869,990,957	9,866,425,247	9,648,448,342

Director _____ Director _____

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited
Statement of Financial Position (Cont'd)
As at 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term borrowings from financial institutions	24.1	250,000,000	98,470,171	250,000,000	98,470,171
Construction and other payables	23	254,290,843	199,267,433	150,510,902	45,968,588
Current portion of right in power purchase agreement payables		795,875	2,056,215	-	-
Current portion of lease liabilities	24.2	28,895,457	7,195,003	8,233,557	2,720,032
Current portion of long-term borrowings	24.3	2,443,767,344	737,755,685	2,144,265,435	272,894,555
Short-term loan from subsidiary	37.5	-	-	-	22,500,000
Current portion of debentures	24.5	-	949,800,983	-	949,800,983
Income tax payable		1,985,053	4,404,066	-	-
Other current liabilities		70,925,130	26,403,034	5,853,596	5,292,403
Total current liabilities		3,050,659,702	2,025,352,590	2,558,863,490	1,397,646,732
Non-current liabilities					
Right in power purchase agreement payables		25,776,550	73,328,549	-	-
Lease liabilities	24.2	309,524,936	13,280,673	12,298,150	5,259,640
Long-term borrowings from financial institutions	24.3	6,278,580,339	5,736,434,390	394,385,850	2,291,060,602
Debentures	24.5	3,444,096,320	2,345,024,775	3,444,096,320	2,345,024,775
Derivative liabilities	25	58,355,907	-	-	-
Employee benefit obligations	26	17,371,256	13,521,825	17,371,256	13,521,825
Provision for decommissioning costs		29,027,161	2,584,824	2,652,516	2,584,824
Deferred tax liabilities	22	43,981,714	28,066,973	4,688,555	3,111,610
Other non-current liabilities		72,000	72,000	72,000	72,000
Total non-current liabilities		10,206,786,183	8,212,314,009	3,875,564,647	4,660,635,276
Total liabilities		13,257,445,885	10,237,666,599	6,434,428,137	6,058,282,008

The accompanying notes are an integral of these consolidated and separate financial statements.

As at 31 December 2020

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
Revenue from sales		1,322,349,502	1,235,447,207	-	2,280
Subsidy for adders		161,007,323	68,702,780	-	-
Management service fee income		47,092,170	44,741,114	112,988,170	94,735,249
Total revenue		1,530,448,995	1,348,891,101	112,988,170	94,737,529
Cost of sales and services		(1,023,345,198)	(911,358,079)	(88,822,385)	(74,633,921)
Gross profit		507,103,797	437,533,022	24,165,785	20,103,608
Dividends income		45	56	490,700,087	618,380,107
Other income	29	12,512,351	92,716,644	18,589,923	9,753,504
Administrative expenses		(305,287,874)	(233,345,785)	(124,085,707)	(136,551,349)
(Loss) gain on exchange rate		(97,952,615)	(5,414,481)	75,635,864	(194,165,264)
Finance costs	31	(340,728,316)	(147,191,521)	(280,835,526)	(198,870,291)
Share of profit from investment in joint ventures		643,333,543	659,517,685	-	-
Profit before income tax		418,980,931	803,815,620	204,170,426	118,650,315
Income tax	32	(174,230)	(5,073,121)	1,654,307	(1,832,206)
Profit for the year		418,806,701	798,742,499	205,824,733	116,818,109
Other comprehensive income for the year:					
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations	26	-	(2,873,219)	-	(2,873,219)
Income tax on the above item	22	-	(12,452)	-	(12,452)
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences		311,585,026	(328,656,642)	-	-
Change in fair value of hedge derivatives	25	(8,119,989)	-	-	-
Total comprehensive income for the year		722,271,738	467,200,186	205,824,733	113,932,438
Profit attributable to:					
Owners of the parent		421,428,545	774,584,221	205,824,733	116,818,109
Non-controlling interests		(2,621,844)	24,158,278	-	-
		418,806,701	798,742,499	205,824,733	116,818,109
Total comprehensive income attributable to:					
Owners of the parent		724,564,481	443,033,716	205,824,733	113,932,438
Non-controlling interests		(2,292,743)	24,166,470	-	-
		722,271,738	467,200,186	205,824,733	113,932,438
Earnings per share					
33					
Basic earnings per share		0.20	0.40	0.10	0.06

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2020

Consolidated financial statements										
Attribute to owners of the parent										
Notes	Issued and called-up share capital Baht	Premium on ordinary capital Baht	Retained earnings		Other components of equity			Total owners of the parent Baht	Non-controlling interests Baht	Total Baht
			Appropriated - legal reserve Baht	Unappropriated Baht	Changes in parent's ownership interest in subsidiary Baht	Translation of financial statements Baht	Fair value of hedge derivatives Baht			
Opening balance at 1 January 2019	1,905,749,580	727,554,273	63,972,012	2,207,230,671	(7,768,923)	(126,350,172)	-	4,770,387,441	144,233,867	4,914,621,308
Change in equity for the year										
Additional investment in subsidiaries by purchasing shares from non-controlling interests	-	-	-	-	(10,523,452)	-	-	(10,523,452)	(164,076,548)	(174,600,000)
Appropriation of legal reserve	28	-	17,331,714	(17,331,714)	-	-	-	-	-	-
Issuance of ordinary shares	27	211,966,701	317,950,052	-	-	-	-	529,916,753	-	529,916,753
Cash dividends	35	-	-	(104,813,889)	-	-	-	(104,813,889)	-	(104,813,889)
Total comprehensive income for the year		-	-	771,698,550	-	(328,664,834)	-	443,033,716	24,166,470	467,200,186
Closing balance at 31 December 2019	<u>2,117,716,281</u>	<u>1,045,504,325</u>	<u>81,303,726</u>	<u>2,856,783,618</u>	<u>(18,292,375)</u>	<u>(455,015,006)</u>	<u>-</u>	<u>5,628,000,569</u>	<u>4,323,789</u>	<u>5,632,324,358</u>
Opening balance at 1 January 2020										
- previously report	2,117,716,281	1,045,504,325	81,303,726	2,856,783,618	(18,292,375)	(455,015,006)	-	5,628,000,569	4,323,789	5,632,324,358
Impact of first-time adoption of new financial reporting standards	4	-	-	(27,401,217)	-	-	(47,852,258)	(75,253,475)	-	(75,253,475)
Opening balance at 1 January 2020 - restated	<u>2,117,716,281</u>	<u>1,045,504,325</u>	<u>81,303,726</u>	<u>2,829,382,401</u>	<u>(18,292,375)</u>	<u>(455,015,006)</u>	<u>(47,852,258)</u>	<u>5,552,747,094</u>	<u>4,323,789</u>	<u>5,557,070,883</u>
Change in equity for the year										
Appropriation of legal reserve	28	-	25,454,173	(25,454,173)	-	-	-	-	-	-
Cash dividends	35	-	-	(360,009,816)	-	-	-	(360,009,816)	-	(360,009,816)
Total comprehensive income for the year		-	-	421,428,545	-	311,255,925	(8,119,989)	724,564,481	(2,292,743)	722,271,738
Closing balance at 31 December 2020	<u>2,117,716,281</u>	<u>1,045,504,325</u>	<u>106,757,899</u>	<u>2,865,346,957</u>	<u>(18,292,375)</u>	<u>(143,759,081)</u>	<u>(55,972,247)</u>	<u>5,917,301,759</u>	<u>2,031,046</u>	<u>5,919,332,805</u>

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2020

	Notes	Separate financial statements			
		Issued and paid-up share capital Baht	Premium on ordinary share capital Baht	Retained earnings	
				Appropriated - legal reserve Baht	Unappropriated Baht
					Total Baht
Opening balance at 1 January 2019		1,905,749,580	727,554,273	50,894,012	366,933,167
Change in equity for the year					
Appropriation of legal reserve	28	-	-	16,709,082	(16,709,082)
Issuance of ordinary shares	27	211,966,701	317,950,052	-	-
Cash dividends	35	-	-	-	(104,813,889)
Total comprehensive income for the year		-	-	-	113,932,438
Closing balance at 31 December 2019		<u>2,117,716,281</u>	<u>1,045,504,325</u>	<u>67,603,094</u>	<u>359,342,634</u>
Opening balance at 1 January 2020 - previously reported		2,117,716,281	1,045,504,325	67,603,094	359,342,634
Impact of first-time adoption of new financial reporting standards	4	-	-	-	(3,984,141)
Opening balance at 1 January 2020 - restated		2,117,716,281	1,045,504,325	67,603,094	355,358,493
Change in equity for the year					
Appropriation of legal reserve	28	-	-	12,487,860	(12,487,860)
Cash dividends	35	-	-	-	(360,009,816)
Total comprehensive income for the year		-	-	-	205,824,733
Closing balance at 31 December 2020		<u>2,117,716,281</u>	<u>1,045,504,325</u>	<u>80,090,954</u>	<u>188,685,550</u>

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited
Statement of Cash Flows
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		418,980,931	803,815,620	204,170,426	118,650,315
Adjustments for:					
Depreciation	17, 18, 19	367,174,627	298,300,124	13,291,571	8,722,027
Amortisation	21	56,268,674	43,154,725	2,062,100	2,144,434
Expected credit loss	13	894,980	-	894,980	-
Share of profit from investments in joint ventures	15	(643,333,543)	(659,517,685)	-	-
Provision for long-term employee benefits obligations	26	3,849,431	5,959,136	3,849,431	5,959,136
Unrealised loss (gain) on exchange		215,236,293	(4,493,831)	(87,607,908)	183,834,020
Fair value gain on trading securities	12	-	(497,803)	-	(497,803)
Gain on disposal of trading securities		(218,977)	(974,492)	(218,977)	(974,492)
Loss (reversal) from impairment of assets	18	637,220	13,079,191	-	(577,706)
Loss (gain) from disposal/write-off equipment		16,792,429	548,712	(35,990)	(21,887)
Loss from disposal of subsidiary	16	2,704,575	-	-	-
Loss from write-off withholding tax		5,922	16,467	-	-
Dividends income		(45)	(56)	(490,700,087)	(618,380,107)
Interest income	29	(797,169)	(1,756,685)	(16,836,996)	(6,463,021)
Finance cost	31	340,728,316	147,191,521	280,835,526	198,870,291
Gain on bargain purchase of subsidiaries	29	-	(56,004,450)	-	-
Loss on impairment of goodwill	20	1,521,796	971,663	-	-
		780,445,460	589,792,157	(90,295,924)	(108,734,793)
Changes in operating assets and liabilities					
Trade and other receivables		8,575,371	101,708,164	39,052,833	9,521,134
Inventories		1,224,242	(9,576,138)	-	-
Value added tax refundable		162,301,185	43,782,264	-	-
Undue input Value Added Tax		(254,234,552)	124,230,086	52,130	(443,295)
Other current assets		70,952	(118,785,232)	-	509,017
Other non-current assets		(5,849,938)	3,938,719	4,685,604	(4,695,979)
Construction and other payables		(169,387,441)	(38,365,921)	(4,548,361)	2,069,083
Other current liabilities		44,583,687	3,594,680	561,193	4,325,485
Employee benefit payments	26	-	(3,917,039)	-	(3,917,039)
Cash flows from (used in) operating activities		567,728,966	696,401,740	(50,492,525)	(101,366,387)
<u>Less</u> Income tax paid		(6,877,949)	(3,324,445)	(2,693,404)	(2,670,607)
Cash flows from (used in) operating activities		560,851,017	693,077,295	(53,185,929)	(104,036,994)

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Acquisition of subsidiaries, net of cash acquired		(123,160,507)	(745,028,449)	-	(399,992)
Proceeds from disposal of investment in subsidiary		69,312,138	-	-	
Increase (decrease) in restricted bank deposits		14,993,338	33,319,048	15,882,295	(14,626,035)
Purchase of short-term investments	12	(520,000,000)	(995,390,807)	(520,000,000)	(995,390,807)
Proceeds from disposals of short-term investments		740,868,963	776,208,548	740,868,963	776,208,548
Short-term loans made to others		(6,650,000)	-	(6,650,000)	-
Short-term loans repayments received from others		6,650,000	-	6,650,000	-
Short-term loans made to subsidiaries	37.3	-	-	(41,300,000)	(488,000,000)
Short-term loan repayments received					
from subsidiaries	37.3	-	-	69,450,000	67,287,107
Long-term loans made to subsidiaries	37.4	-	-	(619,772,929)	(1,018,162,498)
Long-term loan repayments received from subsidiaries	37.4	-	-	292,168,628	161,816,773
Purchase of property, plant and equipment		(2,659,017,870)	(434,438,142)	(2,092,130)	(3,987,216)
Proceeds from disposals of equipment		4,800,374	417,540	56,160	274,547
Purchase of intangible asset		(347,956)	(2,089,002)	(125,055)	(2,088,845)
Interest received		802,183	1,768,982	(6,455,335)	7,644,226
Dividends received		555,100,143	599,830,104	555,100,098	599,830,104
Net cash (used in) generated from investing activities		(1,916,649,194)	(765,402,178)	483,780,695	(909,594,088)
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	27	-	529,916,753	-	529,916,753
Proceeds from short-term loans from					
financial institutions, net of financial service fee	24.1	1,327,629,613	145,923,140	1,327,629,613	145,923,140
Repayment to short-term loans					
from financial institutions	24.1	(1,180,000,000)	(150,000,000)	(1,180,000,000)	(150,000,000)
Repayment to lease liabilities	24.2	(34,081,298)	(6,757,229)	(8,502,143)	(2,973,324)
Proceeds from long-term borrowings, net of					
financial service fee	24.3	3,070,532,061	900,251,282	368,987,500	546,458,031
Repayment to long-term borrowings	24.3	(1,095,850,251)	(942,089,214)	(501,434,656)	(203,166,050)
Proceeds from issuance of debentures	24.5	1,096,750,000	2,344,712,500	1,096,750,000	2,344,712,500
Redemption of debentures	24.5	(950,000,000)	(2,050,000,000)	(950,000,000)	(2,050,000,000)
Purchase shares in subsidiary from					
non-controlling interests		-	(174,600,000)	-	-
Cash dividends payment		(254,125,002)	(104,813,889)	(254,125,002)	(104,813,889)
Interest expenses and financial service fees		(323,143,553)	(272,131,422)	(248,718,234)	(206,109,932)
Net cash generated from (used in) financing activities		1,657,711,570	220,411,921	(349,412,922)	849,947,229

The accompanying notes are an integral of these consolidated and separate financial statements.

Thai Solar Energy Public Company Limited

Statement of Cash Flows (Cont'd)

For the year ended 31 December 2020

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
	Baht	Baht	Baht	Baht
Net increase (decrease) in cash and cash equivalents	301,913,393	148,087,038	81,181,844	(163,683,853)
Cash and cash equivalents at beginning of the year	643,594,118	561,020,761	43,843,636	209,557,883
Effect of exchange differences on cash and cash equivalents	(890,465)	2,358,054	(50,897)	(2,030,394)
Effect of exchange differences on translation of financial statements	(61,370,808)	(67,871,735)	-	-
Cash and cash equivalents at end of the year	883,246,238	643,594,118	124,974,583	43,843,636

Non-cash transactions

Significant non-cash transactions are as follows:

Payable arising from purchase of investment in subsidiary	-	37,059,807	249,995	249,995
Payable arising from construction and purchase of equipment	17,914,782	6,993,242	-	-
Capitalise borrowing cost to property, plant and equipment and intangible assets	66,310,662	208,201,927	-	-

The accompanying notes are an integral of these consolidated and separate financial statements.

1 General information

Thai Solar Energy Public Company Limited (“the Company”) is a Public Company Limited which is incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand. Its parent company is P.M. Energy Company Limited (incorporated in Thailand) (“Parent Company”). The address of the Company’s registered office is as follows:

725 Metropolis Building, 19th Floor, Sukhumvit Rd., Klongton Nua, Wattana, Bangkok.

For reporting purposes, the Company, its subsidiaries and Joint Venture are referred to as the Group.

The principal business operations of the Group are generation and distribution of electricity from solar power and biomass to government and private sector.

These consolidated and separate financial statements have been approved for issue by the Board of Directors on 25 February 2021.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and other 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 certain financial assets and liabilities (including derivative instrument) as disclosed in accounting policy.

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 8.

An English version of the consolidated and separate financial statements have been prepared from the statutory 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 statutory financial statements shall prevail.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

The Group has applied the following standards for the first time for reporting period commencing 1 January 2020.

a) Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

3 New and amended financial reporting standards (Cont'd)

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group (Cont'd)

The Group has applied the following standards for the first time for reporting period commencing 1 January 2020.
(Cont'd)

a) Financial instruments (Cont'd)

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Company will apply the new financial reporting standards on financial instruments in its financial statements by applying modified retrospective.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group will apply TFRS 16, Leases and adjust cumulative impact to opening retained earnings (modified retrospective approach).

3.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

a) 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.

- b)** 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.
- c)** 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.
- d)** 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's management is currently assessing the impact of initial adoption of this standard.

4 Impacts from initial application of the new and revised financial reporting standards

This note explains the impact of the adoption of TAS 32 Financial Instruments: Presentation, TFRS 7 Financial Instruments: Disclosure, TFRS 9 Financial Instruments and TFRS 16 Leases on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies are disclosed in Note 5.

The Group and the Company have adopted these accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

		Consolidated financial statement			
	Notes	As previously reported on 31 December 2019 Baht	Impact of TAS 32 and TFRS9 (Note 4.1) Baht	Impact of TFRS16 (Note 4.2) Baht	As restated on 1 January 2020 Baht
Assets					
Current assets					
Short-term investments	A	221,114,307	(221,114,307)	-	-
Financial assets measured at fair value through profit or loss	A	-	220,649,986	-	220,649,986
Financial assets measured at amortised cost	A	-	464,321	-	464,321
Non-current assets					
Property, plant and equipment	B	7,549,859,170	-	(43,204,284)	7,506,654,886
Right-of-use assets	B	-	-	275,997,883	275,997,883
Intangible assets	B	4,669,898,201	-	(24,331,931)	4,645,566,270
Deferred tax assets	C	1,623,005	-	3,494,699	5,117,704
Liabilities and equity					
Current liabilities					
Construction and other payables	B	(199,267,433)	-	12,211,113	(187,056,320)
Current portion of lease liabilities	B	(7,195,003)	-	(13,820,540)	(21,015,543)
Non-current liabilities					
Lease liabilities	B	(13,280,673)	-	(210,941,816)	(224,222,489)
Derivative liabilities	D	-	(47,852,258)	-	(47,852,258)
Deferred tax liabilities	C	(28,066,973)	-	(3,220,045)	(31,287,018)
Provision for decommissioning costs	B	(2,584,824)	-	(23,586,295)	(26,171,119)
Equity					
Unappropriated retained earnings		(2,856,783,618)	-	27,401,217	(2,829,382,401)
Other components of equity					
- Fair value of hedge derivatives		-	47,852,258	-	47,852,258

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows: (Cont'd)

		Separate financial statement			
	Notes	As previously reported on 31 December 2019 Baht	Impact of TAS 32 and TFRS9 (Note 4.1) Baht	Impact of TFRS16 (Note 4.2) Baht	As restated on 1 January 2020 Baht
Assets					
Current assets					
Short-term investments	A	221,114,307	(221,114,307)	-	-
Financial assets measured at fair value through profit or loss	A	-	220,649,986	-	220,649,986
Financial assets measured at amortised cost	A	-	464,321	-	464,321
Non-current assets					
Property, plant and equipment	B	273,737,922	-	(18,865,512)	254,872,410
Right-of-use assets	B	-	-	34,462,508	34,462,508
Liabilities and equity					
Current liabilities					
Current portion of lease liabilities	B	(2,720,032)	-	(4,609,635)	(7,329,667)
Non-current liabilities					
Lease liabilities	B	(5,259,640)	-	(11,740,250)	(16,999,890)
Deferred tax liabilities	C	(3,111,610)	-	(3,231,252)	(6,342,862)
Equity					
Unappropriated retained earnings		(359,342,634)	-	3,984,141	(355,358,493)

The explanation of the adjustment and reclassify transaction.

- A) Changed in classification of financial assets.
- B) Recognised right-of-use assets and lease liabilities together with corresponding adjustments of prepaid and accrued rent against right-of-use assets.
- C) Adjusted deferred tax assets (liabilities) resulted from aforementioned adjustment.
- D) Recognised fair value of derivative liabilities.

4.1 Financial instruments

With the first-time adoption of financial reporting standards regarding financial instruments, the Group's financial statements have been significantly affected on derivative contracts and hedging activities.

The total impact on the other components of equity as at 1 January 2020 is as follows:

	Consolidated financial statement Baht
Other component of equity as at 31 December 2019	-
Hedge accounting and derivatives	47,852,258
Other component of equity as at 1 January 2020	47,852,258

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.1 Financial instruments (Cont'd)

4.1.1 Classification and measurement (Cont'd)

On 1 January 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below.

Consolidated financial statement			
	Fair value through profit or loss Baht	Amortised cost Baht	Total Baht
Financial assets as at 1 January 2020			
Cash and cash equivalents	-	643,594,118	643,594,118
Restricted bank deposits	-	53,103,985	53,103,985
Short-term investments	220,649,986	464,321	221,114,307
Trade and other receivables	-	405,580,989	405,580,989
	<u>220,649,986</u>	<u>1,102,743,413</u>	<u>1,323,393,399</u>

Consolidated financial statement			
	Fair value - Derivatives Baht	Amortised cost Baht	Total Baht
Financial liabilities as at 1 January 2020			
Short-term borrowings from financial institutions	-	98,470,171	98,470,171
Construction and other payables	-	199,267,433	199,267,433
Right in power purchase agreement payables	-	75,384,764	75,384,764
Lease liabilities	-	245,238,032	245,238,032
Long-term loans from financial institutions	-	6,474,190,075	6,474,190,075
Debentures	-	3,294,825,758	3,294,825,758
Derivative liabilities	47,852,258	-	47,852,258
	<u>47,852,258</u>	<u>10,387,376,233</u>	<u>10,435,228,491</u>

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.1 Financial instruments (Cont'd)

4.1.1 Classification and measurement (Cont'd)

On 1 January 2020 (the date of initial application), the Group's management has assessed which business models applied to the financial assets and liabilities held by the Group and has classified the financial assets and liabilities as below. (Cont'd)

	Separate financial statement		
	Fair value through profit or loss Baht	Amortised cost Baht	Total Baht
Financial assets as at 1 January 2020			
Cash and cash equivalents	-	43,843,636	43,843,636
Restricted bank deposits	-	27,278,711	27,278,711
Short-term investments	220,649,986	464,321	221,114,307
Trade and other receivables	-	262,770,395	262,770,395
Receivables from disposal of investment	-	1,383,683,149	1,383,683,149
Short-term loans to subsidiaries	-	701,000,825	701,000,825
Long-term loans to subsidiaries	-	5,065,751,459	5,065,751,459
	<u>220,649,986</u>	<u>7,484,792,496</u>	<u>7,705,442,482</u>

	Separate financial statement	
	Amortised cost Baht	
Financial liabilities as at 1 January 2020		
Short-term borrowings from financial institutions		98,470,171
Trade and other payables		45,968,588
Short-term loans from subsidiaries		22,500,000
Long-term loans from financial institutions		2,563,955,157
Debentures		3,294,825,758
Lease liabilities		24,329,557
		<u>6,050,049,231</u>

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.1 Financial instruments (Cont'd)

4.1.2 Impairment of financial assets

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- trade and other receivables
- loans to related parties

Management assessed that the impact of new impairment requirement on cash and cash equivalents, trade and other receivables and loans to related parties were immaterial.

4.1.3 Hedging activities

Before 1 January 2020 the Group did not recognise derivatives as assets or liabilities in the financial statements. The derivative contracts and related fair values were disclosed in the note.

On 1 January 2020, the Group applies hedge accounting for the first time. The interest rate swaps qualified as cash flow hedges which were disclosed in Note 25.

The Group recognises adjustments of the fair value of the derivatives in cash flow hedges reserve and retained earnings as follows.

	Consolidated financial statement Baht
Financial liabilities as at 1 January 2020	
Non-current liabilities	
Interest rate swaps - cash flow hedges	47,852,258

4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was between 0.47% to 4.89% per annum.

The associated right-of-use assets for property leases were measured on a retrospective basis as if TFRS 16 had always been applied. Other right-of-use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application of TFRS 16.

For leases previously classified as finance leases the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of TFRS 16 are only applied after that date.

4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

4.2 Leases (Cont'd)

	Consolidated financial statement Baht	Separate financial statement Baht
Operating lease commitments disclosed as at 31 December 2019	206,840,023	10,834,103
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(61,531,286)	(1,234,143)
Add: finance lease liabilities recognised as at 31 December 2019	20,475,676	7,979,672
Add: contracts reassessed due to extension of leases	112,399,630	10,872,401
Less: short-term leases recognised on a straight-line basis as expense	(29,245,159)	(684,704)
Less: low-value leases recognised on a straight-line basis as expense	(3,700,852)	(3,437,772)
	<u>245,238,032</u>	<u>24,329,557</u>
Lease liabilities recognised as at 1 January 2020		
Current lease liabilities	21,015,543	7,329,667
Non-current lease liabilities	224,222,489	16,999,890
	<u>245,238,032</u>	<u>24,329,557</u>

The recognised right-of-use assets related to the following types of assets:

	Consolidated financial statement		Separate financial statement	
	31 December 2020 Baht	1 January 2020 Baht	31 December 2020 Baht	1 January 2020 Baht
Properties	262,691,329	221,841,476	9,532,294	13,433,173
Equipment	15,132,267	16,266,751	-	-
Vehicles	47,822,986	37,889,656	20,810,678	21,029,335
Total right-of-use assets	<u>325,646,578</u>	<u>275,997,883</u>	<u>30,342,972</u>	<u>34,462,508</u>

In applying TFRS 16 with lease contract existing before 1 January 2020 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 determining whether an arrangement contains a Lease.

5 Accounting policies

5.1 Principles of consolidation and equity accounting

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.

b) Joint arrangements

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

Joint venture

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

In the separate financial statements, investments in joint venture are accounted for using cost method.

List of joint venture is disclosed in Note 15

c) 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 joint venture's 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 venture equals or exceeds its interest joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

d) 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 venture 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 venture 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.

e) 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 venture are eliminated to the extent of the Group's interest in the associates and joint venture. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

5 Accounting policies (Cont'd)

5.2 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
- 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.

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.

5 Accounting policies (Cont'd)

5.3 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional 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 transactions.

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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's 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.

5.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date

5.5 Restricted bank deposits

Restricted bank deposits mean all types of bank deposits that are under condition of withdrawal process for specific purpose according to financial agreement and loan facilities agreement with financial institution which provide credit to the Group.

5.6 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and therefore are all 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.

5 Accounting policies (Cont'd)

5.7 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost of inventories is determined by the weighted average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts, direct labour and other direct costs.

5.8 Financial assets

Investments and other financial assets

For the year ended 31 December 2020

a) Classification

From 1 January 2020, 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.

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

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.

5 Accounting policies (Cont'd)

5.8 Financial assets (Cont'd)

Investments and other financial assets (Cont'd)

For the year ended 31 December 2020 (Cont'd)

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 asset. There are three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is included in other income using the effective interest method. Any gain or loss on derecognition is presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item.
- FVOCI: Assets that are held for collection of contractual cash flows that represent SPPI and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue is included in finance income. Foreign exchange gains and losses are presented in other gains/(losses). Impairment losses are presented as separate line item. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss in other gains/(losses).
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on subsequent measurement is presented in other gains/(losses).

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

e) Impairment

From 1 January 2020, the Group assesses expected credit loss on a forward-looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables, contract assets, and lease receivables which the Group applies the simplified approach in determining its expected credit loss.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

Classification and measurement of financial assets for the year ended 31 December 2019 is disclosed in Note 4.1.

For the year ended 31 December 2019

Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

5 Accounting policies (Cont'd)

5.8 Financial assets (Cont'd)

Investments and other financial assets (Cont'd)

For the year ended 31 December 2019 (Cont'd)

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

5.9 Lease

Leases - where the Group is the lessee

For the year ended 31 December 2020

Leases are recognised as a right-of-use asset and a lease 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.

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.

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.

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.

For the year ended 31 December 2019

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

5 Accounting policies (Cont'd)

5.10 Investment property

Investment properties of the Group are lands and condominium which are held for capital appreciation and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on condominium is calculated by using straight-line method over 20 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

5.11 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group, capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	<u>Number of years</u>
Land improvement	15 years 4 months - 25 years
Power plants	15 years 4 months - 25 years
Office buildings	25 years
Tools and equipment	5 - 10 years
Office equipment	3 - 5 years
Vehicles	5 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income

5.12 Goodwill

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

5 Accounting policies (Cont'd)

5.13 Intangible assets

5.13.1 Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 5 years.

5.13.2 Right in Power Purchase Agreement

Right in Power Purchasing Agreements ("PPAs") comprise of PPA for renewable energy (Biomass project) which the Group signed with Provincial Electricity Authority (PEA) and PPA for generating electricity from solar farm as specified in certification for power distribution granted by Ministry of Economy, Trade and Industry, Japan (METI Certificate). The Group acquired those PPAs from acquisition of subsidiaries. PPAs were amortised by using the straight-line method to allocate their cost to their residual values over their Power Purchase Agreement. Amortisation starts when the Group start their commercial operation.

5.13.3 Right in use of land

Land for the location of The Electricity Generating Authority of Thailand Installed on the ground for government agencies and agricultural cooperatives that is a joint project between a subsidiary with a cooperative in Thailand. A subsidiary agreed to transfer the ownership in this plot of land to that cooperative by the end of the project. The Group remain the right to use such land over the agreement period. Right in use of land was amortised using straight-line method over the contractual period of 25 years.

5.14 Impairment assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

5.15 Financial liabilities

For the year ended 31 December 2020

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

5 Accounting policies (Cont'd)

5.15 Financial liabilities (Cont'd)

For the year ended 31 December 2020 (Cont'd)

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 renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

For the year ended 31 December 2019

Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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.

5.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take times 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.

5 Accounting policies (Cont'd)

5.17 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.

5.18 Employee benefits

5.18.1 Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care 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.

5.18.2 Defined contribution plan

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee - administered fund. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which the contributions relate.

5 Accounting policies (Cont'd)

5.18 Employee benefits (Cont'd)

5.18.3 Defined benefit plans

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually dependent 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 less the fair value of plan assets. 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 market yield of government bonds 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. Actuarial gains and losses arising from experience 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 / presented as a separate item in statements of changes in equity.

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

5.18.4 Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

5.19 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with attached conditions.

Government grants relating to the sales of electricity generated from solar power is recognised as profit or loss systematically throughout the period. Moreover, the Group recognised expenses related to cost which is compensated.

5.21 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

5.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Company's activities. Revenue including electricity tariff adders, net of fuel adjustment (Ft) and the Provincial Electricity Authority's operating charges, are the invoiced value, excluding valued added tax of electricity supplied, and after eliminating sales within the Group. Revenue from sales of goods is recognised when the collectability of goods provided is high probable.

Management service income is recognised when service is completed.

5 Accounting policies (Cont'd)

5.22 Revenue recognition (Cont'd)

Interest income is recognised using the effective interest method.

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

5.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

5.24 Derivative and 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 a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow 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 within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within other components of equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the Group may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within other components of equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

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 other components of equity at that time remains in equity until the forecast transaction occurs. When the forecast 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.

5.25 Segment reporting

Operating segment are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resource and assessing performance of the operating segments, has been identified as the Chief Executive Officer and the Executive Committee that make strategic decision.

6 Financial risk management

6.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (currency risk, fair value risk and price risk), credit risk and liquidity risk.

6.1.1 Market risk

a) Foreign exchange risk

The Group hires contractor for construction of power plants. Contractors are operating in overseas. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Japanese Yen, in terms of foreign exchange risk arises from future commercial transactions, recognition of assets and liabilities and net investments in foreign operations. However, the Group does not hedge foreign exchange risk as investments and borrowings were made in the same currency with future cash inflow and cash outflow.

The Company has granted loans denominated in Japanese Yen to its subsidiaries which expose the Company to a foreign exchange risk.

As at 31 December 2020, The Group's exposure to the significant foreign currency risk expressed in Baht are as follows:

- Cash and cash equivalents denominated in Japanese Yen of Baht 432.13 million
- Long-term loans from financial institutions denominated in Japanese Yen of Baht 1,993.50 million
- Construction payables denominated in US Dollar of Baht 5.23 million

Sensitivity

The Group is primarily exposed to changes in Baht and Japanese Yen and Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in Japanese Yen and US Dollar.

	Consolidated financial statements			
	Impact to net profit		Impact to other components of equity	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Baht to Japanese Yen exchange rate				
- increase 1%*	19,170,656	20,975,643	-	-
Baht to Japanese Yen exchange rate				
- decrease 1%*	(19,170,656)	(20,975,643)	-	-
Baht to US Dollar exchange rate				
- increase 1%*	52,364	-	-	-
Baht to US Dollar exchange rate				
- decrease 1%*	(52,364)	-	-	-
* Holding all other variables constant				
	Separate financial statements			
	Impact to net profit		Impact to other components of equity	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Baht to Japanese Yen exchange rate				
- increase 1%*	19,170,656	20,975,643	-	-
Baht to Japanese Yen exchange rate				
- decrease 1%*	(19,170,656)	(20,975,643)	-	-
* Holding all other variables constant				

6 Financial risk management (Cont'd)

6.1 Financial risk factors (Cont'd)

6.1.1 Market risk (Cont'd)

b) Cash flow and fair value interest rate risk

Interest rate risk of the Group occurs from credit facilities of commercial bank which is floating rate. Credit terms and interest rates depend on each borrower's creditability that cause the Company exposing to cash flow risk from interest rate. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. The Group's borrowings at variable rate were mainly denominated in Thai Baht and Japanese Yen.

Instruments used by the Group

The Group and the Company entered interest rate swaps covering TIBOR + 1.22% (2019: TIBOR + 1.22%) of the variable loan principal outstanding. The fixed interest rate of the swaps is 1.97% (2019: 1.97%), and the variable rate of the loans of 0.68% above TIBOR + 1.22% which is 1.29% (2019: 1.29%) at the end of the reporting period.

The swap contracts require settlement of net interest receivable or payable every 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

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. Other components of equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of borrowings and the fair value of debt investments at fair value through other comprehensive income.

	Consolidated financial statements			
	Impact to net profit		Impact to other components of equity	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest rate - increase 10%*	(25,342,347)	(21,070,852)	(2,432,694)	(2,648,490)
Interest rate - decrease 10%*	25,342,347	21,070,852	2,432,694	2,648,490

* Holding all other variables constant

	Separate financial statements			
	Impact to net profit		Impact to other components of equity	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest rate - increase 10%*	(8,878,190)	(8,271,247)	-	-
Interest rate - decrease 10%*	8,878,190	8,271,247	-	-

* Holding all other variables constant

6 Financial risk management (Cont'd)

6.1 Financial risk factors (Cont'd)

6.1.2 Credit risk

Credit risk arises from cash and cash equivalents and derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on tips assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) Impairment

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

- Trade and other receivables
- Loan to related parties

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Loans to related parties

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

6 Financial risk management (Cont'd)

6.1 Financial risk factors (Cont'd)

6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 883.25 million (2019: Baht 643.60 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents 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 necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Financing arrangements

The detail of undrawn facilities as at 31 December are disclosed in Note 24.

b) Maturity of financial liabilities

Construction and other payables financial liabilities have maturity within 1 year. The maturity of the borrowing from financial institutes and debentures are disclosed in Note 24.

6.2 Capital management

Risk management

The objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- 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.

Consistent with others in the industry, the Group monitors capital based on gearing ratio which is determined by dividing net debt with equity.

6.3 Major customer reliance risk

The Group relies on Provincial Electricity Authority (PEA) and Metropolitan Electricity Authority (MEA) who purchase of all electricity generated in specific quantities at specific price based on each specific period according to Power Purchase Agreements, in accordance with Ministry of Energy's policy to encourage production and usage of renewable energy. As a result, agreement termination may significantly impact the Group's operations.

6.4 Risk from generated electricity lower than estimation

The electricity volume generated from solar power plants might be affected by climate change and natural disaster, forming as a risk of production volume is lower than estimation. In consequence, it may impact to revenues and operating results of the Group as well as other electricity generators in this industry.

6 Financial risk management (Cont'd)

6.5 Debt settlement ability risk

According to credit facilities conditions with commercial bank, the Group has to comply with financial covenants stated in the agreement such as to maintain Debt-to-Equity ratio and maintain Debt service coverage ratio. If the Group cannot maintain those financial covenants, the Group might be called up for immediate debt settlement.

7 Fair value

Fair value of financial assets, investment property and derivative liabilities are disclosed in Notes 12, 17 and 25, respectively.

8 Critical estimates and judgements

Estimates 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.

Fair value of derivatives

The fair value of derivatives that are not traded in an active market is determined using valuation techniques based on observable information. Details of valuation technique are disclosed in Note 25.

Estimated impairment of assets

The Group tests whether asset has suffered any impairment, in accordance with the accounting policy stated in Note 5.14. The recoverable amounts of cash-generating units have been determined based on fair value less costs to sell which was determined with reference to market prices for equivalent assets.

Consolidation of entities with less than 50% ownership

Management consider that the Group has de facto control over Bangsawan Green Co., Ltd. even though it has less than 50% of the voting rights. The Group is the major shareholder of Bangsawan Green Co., Ltd. with a 49% equity interest, while all other shareholders individually own less than 51% of its equity shares. There is no history of other shareholders forming a group to exercise their votes collectively.

Determination of discount rate applied to lease liabilities

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

9 Operating segments

The principal business operations of the Group are generation and distribution of electricity from solar power and biomass and operating its business in Thailand and in Japan. Segment information is presented in respect of the Group's geography segments which are domestic and international. The two segments presented were classified and reviewed by authorised persons which are Chief Executive Officer and the Executive Committee.

The following information is used by authorised persons to evaluate operation of each segment.

9 Operating segments (Cont'd)

Financial information by geography segment

	For the year ended 31 December (Million Baht)									
	Domestic		International		Total		Elimination		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from operations	1,291.25	1,095.94	315.29	305.58	1,606.54	1,401.52	(76.09)	(52.63)	1,530.45	1,348.89
Other income	25.60	86.03	3.51	12.34	29.11	98.37	(16.60)	(5.65)	12.51	92.72
Dividends income	490.70	618.38	-	-	490.70	618.38	(490.70)	(618.38)	-	-
Cost of operations	(793.31)	(708.47)	(228.24)	(202.06)	(1,021.55)	(910.53)	(1.80)	(0.83)	(1,023.35)	(911.36)
Operating profit	1,014.24	1,091.88	90.56	115.86	1,104.80	1,207.74	(585.19)	(677.49)	519.61	530.25
Administrative expenses	(288.93)	(228.40)	(93.54)	(58.19)	(382.47)	(286.59)	77.18	53.24	(305.29)	(233.35)
Profit (loss) before finance cost and taxes	725.31	863.48	(2.98)	57.67	722.33	921.15	(508.01)	(624.25)	214.32	296.90
Finance costs	(377.00)	(315.68)	(46.64)	(45.37)	(423.64)	(361.05)	82.91	213.86	(340.73)	(147.19)
Gain (loss) from exchange rate	42.24	(148.52)	(3.51)	(0.11)	38.73	(148.63)	(136.68)	143.22	(97.95)	(5.41)
Share of profit from investments in joint ventures	643.33	659.52	-	-	643.33	659.52	-	-	643.33	659.52
Operating results before taxes	1,033.88	1,058.80	(53.13)	12.19	980.75	1,070.99	(561.78)	(267.17)	418.97	803.82
Income tax	1.37	(3.72)	(1.54)	(1.35)	(0.17)	(5.07)	-	-	(0.17)	(5.07)
Net profit (loss)	1,035.25	1,055.08	(54.67)	10.84	980.58	1,065.92	(561.78)	(267.17)	418.80	798.75
Timing of revenue recognition										
At a point in time									1,483.36	1,304.15
Over time									47.09	44.74
Total revenue									1,530.45	1,348.89
Total assets	18,822.43	14,813.09	10,784.95	7,573.92	29,607.38	22,387.01	(10,430.60)	(6,517.02)	19,176.78	15,869.99
Total liabilities	13,753.34	10,258.84	7,901.64	7,308.28	21,654.98	17,567.12	(8,397.53)	(7,329.45)	13,257.45	10,237.67

10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash on hand	6,435,907	1,870,000	25,000	25,000
Cash at bank	876,810,331	641,724,118	124,949,583	43,818,636
	883,246,238	643,594,118	124,974,583	43,843,636

The average effective interest rate on short-term bank deposits was 0.12% per annum (2019: 0.33% per annum).

11 Restricted bank deposits

Short-term restricted bank deposits comprise saving deposits specially for repayment of debenture's principals and interest, pledged saving deposits and pledged deposits in current accounts of subsidiaries and the transfer of claims in the deposit accounts to the lender according to the specified expenditure conditions to secure the credit facilities.

The long-term restricted bank deposits consist of the pledged saving bank deposits of the Company to guarantee its electricity consumption, the pledged saving bank deposits of the subsidiaries for the specific purpose specified in the credit facility agreement and a fixed deposit of the Company pledged to the lender to guarantee the credit.

12 Financial assets and financial liabilities

As at 31 December 2020, the Group has classified all financial assets and financial liabilities to be measured at amortised cost except trading securities and derivative liabilities. which classified to be measured at fair value through profit or loss. Details and fair value of derivative liabilities are disclosed in Note 25.

The movements of trading securities and held-to-maturity investments financial assets during the year are as follows:

	Consolidated and separate financial statements		
	Trading securities Baht	Held-to-maturity investment due within 1 year Baht	Total Baht
At 1 January 2019	-	459,753	459,753
Additions	995,386,239	4,568	995,390,807
Disposals	(775,234,056)	-	(775,234,056)
Change in fair value	497,803	-	497,803
At 31 December 2019	220,649,986	464,321	221,114,307
Additions	520,000,000	-	520,000,000
Disposals	(740,649,986)	-	(740,649,986)
Interest received	-	2,339	2,339
At 31 December 2020	-	466,660	466,660

The fair value of investments are within level 2 of the fair value hierarchy which is based on bid price in liquidity market as at financial statement date.

13 Trade and other receivables

Trade and other receivables as at 31 December 2020 and 2019 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables	208,663,980	237,261,772	-	-
<u>Less</u> Expected credit loss	-	-	-	-
Total trade receivables, net	208,663,980	237,261,772	-	-
Amounts due from and advances to related parties (Note 37.2)	4,256,449	4,053,761	84,184,990	99,069,193
Prepaid expenses	23,757,557	24,818,977	2,747,118	1,160,482
Dividends receivable (Note 37.2)	88,900,016	153,300,027	88,900,016	153,300,027
Other receivables	15,097,280	10,667,959	10,125,002	10,160,660
Advance payment	1,078,931	297,470	206,420	240,515
Total other receivables	133,090,233	193,138,194	186,163,546	263,930,877
<u>Less</u> Expected credit loss	(894,980)	-	(894,980)	-
Total other receivables, net	132,195,253	193,138,194	185,268,566	263,930,877
Total trade and other receivables	340,859,233	430,399,966	185,268,566	263,930,877

All outstanding trade receivable are not yet due.

14 Other current assets

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Withholding tax deducted at sources	16,596,752	13,745,352	16,430,244	13,736,840
Others	1,063,951	287,658	191,040	191,040
	17,660,703	14,033,010	16,621,284	13,927,880

15 Investments in joint ventures

Movement in investments in joint ventures

	Consolidated financial statements Baht	Separate financial statements Baht
For the year ended 31 December 2020		
Opening net book amount	1,840,054,520	350,000,130
Share of profit	643,333,543	-
Dividends received	(490,700,042)	-
Closing net book amount	1,992,688,021	350,000,130

15 Investments in joint ventures (Cont'd)

Details of joint ventures in 2020 and 2019 are as follows:

	Type of business	Country of incorporation	% Ownership		Measurement method
			2020	2019	
Joint venture directly held by the Company					
Thai Solar Renewable Co., Ltd.	Investment holding	Thailand	60	60	Equity
Joint venture held by Thai Solar Renewable Co., Ltd.					
Siam Solar Energy 1 Co., Ltd.*	Generation and distribution of electricity	Thailand	60	60	Equity

* The Company directly holds 1 share and the remaining shares are held by Thai Solar Renewable Co., Ltd.

Thai Solar Renewable Co., Ltd. is investment holding company and Siam Solar Energy 1 Co., Ltd. engages in the generation and distribution of electricity from solar energy. These companies are private companies and their shares are not traded. These companies were joint venture held by the Company and Global Power Synergy Public Co., Ltd.

Summarised financial information for joint ventures

Financial statements of Siam Solar Energy 1 Co., Ltd., subsidiary of Thai Solar Renewable Co., Ltd., was included in the consolidated financial statements of Thai Solar Renewable Co., Ltd.

Set out below are the summarised consolidated financial statements of Thai Solar Renewable Co., Ltd.

Summarised statement of financial positions

	Consolidated financial statements of Thai Solar Renewable Co., Ltd. As at 31 December	
	2020 Baht	2019 Baht
Current		
Cash and cash equivalents	933,796	1,473,351
Other current assets (excluding cash)	503,573,311	617,286,173
Total current assets	504,507,107	618,759,524
Current financial liabilities (excluding trade payables)	(700,614,716)	(321,750,000)
Other current liabilities (including trade payables)	(187,886,318)	(304,104,265)
Total current liabilities	(888,501,034)	(625,854,265)
Total current net assets	(383,993,927)	(7,094,741)
Non-current		
Assets	4,730,342,032	4,798,663,173
Financial liabilities	(1,162,120,609)	(1,861,540,574)
Total non-current net assets	3,568,221,423	2,937,122,599
Net assets	3,184,227,496	2,930,027,858

15 Investments in joint ventures (Cont'd)

Summarised statement of comprehensive income

	Consolidated financial statements of Thai Solar Renewable Co., Ltd. For the year ended 31 December	
	2020 Baht	2019 Baht
Revenue from sales	490,897,737	513,383,500
Subsidy for adders	1,007,241,723	1,028,311,564
Cost of sales	(309,561,972)	(312,025,608)
Gross profit	1,188,577,488	1,229,669,456
Other income	2,213,106	4,582,965
Administrative expenses	(32,340,387)	(30,098,682)
Finance costs	(85,853,653)	(104,205,283)
Profit before income tax	1,072,596,554	1,099,948,456
Income tax	(373,983)	(752,315)
Profit from continuing operations after income tax	1,072,222,571	1,099,196,141

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts). Under equity method the Group recognised profit or loss of the joint venture in Statement of Comprehensive Income within "Share of profit from investments in joint venture" according to the Group's interest in the joint venture.

Reconciliation of summarised financial information

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

	Thai Solar Renewable Co., Ltd. As at 31 December	
	2020 Baht	2019 Baht
Summarised financial information		
Closing net assets	3,184,227,496	2,930,027,858
Reconciliation:		
The difference from restructuring business under common control	136,913,097	136,913,097
Non-controlling interests	6,109	(183,422)
Closing net assets after reconciliation	3,321,146,702	3,066,757,533
Interest in joint ventures (60%)	1,992,688,021	1,840,054,520
Carrying value	1,992,688,021	1,840,054,520

As at 31 December 2020, Thai Solar Renewable Company Limited has pledged share certificates of Siam Solar Energy 1 Company Limited, amounting to Baht 1,080 million (2019: Baht 1,080 million) as collateral for its subsidiary's credit facilities granted by a commercial bank. In addition, Siam Solar Energy 1 Company Limited has mortgaged land with construction thereon and machinery with a total net book value of Baht 4,523.59 million (2019: Baht 4,754.92 million) and pledged bank deposits amounting to Baht 264 million (2019: Baht 360 million) as collateral for credit facilities granted by a commercial bank.

The Company has pledged all share certificates of the investment in the joint venture with the lender as the collateral for the credit facilities which the joint venture is granted from the commercial bank.

16 Investments in subsidiaries

Details of investments as at 31 December 2020 and 2019 are as follows:

	Type of business	Country of incorporation	Proportion of ordinary shares directly held by parent (%)		Proportion of shares held by non-controlling interests (%)	
			2020	2019	2020	2019
Subsidiaries directly held by the Company						
TSE Rooftop Co., Ltd.	Investment	Thailand	100	100	-	-
Solar Visible Co., Ltd.	Investment	Thailand	100	100	-	-
TSE Overseas Group Co., Ltd.	Investment	Thailand	100	100	-	-
World Solar Co., Ltd.	Investment	Thailand	100	100	-	-
Thai Community Energy Co., Ltd.	Investment	Thailand	100	100	-	-
Subsidiaries held by TSE Rooftop Co., Ltd.						
Green Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
North Rooftop Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Lucky Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Champ Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Roof Energy Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Subsidiaries held by Solar Visible Co., Ltd.						
Solar Community Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Infinity Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
BS Bangsai Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
BS Solar Energy Co., Ltd.	Production and distribution of electricity	Thailand	-	100	-	-
Siam Solar Power Plc.	Production and distribution of electricity	Thailand	100	100	-	-
BP Trading (Thailand) Co., Ltd.	Production and distribution of electricity	Thailand	100	-	-	-
Earth Energy Systems Co., Ltd.	Investment	Thailand	100	-	-	-
Subsidiaries held by Thai Community Energy Co., Ltd.						
Bangsawan Green Co., Ltd.	Production and distribution of electricity	Thailand	49	49	51	51
Oscar Save The World Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Native Power Energy Co., Ltd. (previously “Sun Future Co., Ltd.”)	Production and distribution of electricity	Thailand	-	100	-	-
White Solution Energy Co., Ltd. (previously “The Solar Earth Co., Ltd.”)	Production and distribution of electricity	Thailand	-	100	-	-
Clean Renewable Co., Ltd.	Production and distribution of electricity	Thailand	-	100	-	-
Subsidiary held by Siam Solar Power Plc.						
Siam Waste Power Co., Ltd.	Production and distribution of electricity	Thailand	100	100	-	-
Subsidiary held by Earth Energy Systems Co., Ltd.						
Mars Solar Co., Ltd.	Production and distribution of electricity	Thailand	100	-	-	-
Subsidiaries held by World Solar Co., Ltd.						
Native Power Energy Co., Ltd. (previously “Sun Future Co., Ltd.”)	Production and distribution of electricity	Thailand	100	-	-	-
White Solution Energy Co., Ltd. (previously “The Solar Earth Co., Ltd.”)	Production and distribution of electricity	Thailand	100	-	-	-
Clean Renewable Co., Ltd.	Production and distribution of electricity	Thailand	100	-	-	-

16 Investments in subsidiaries (Cont'd)

Details of investments as at 31 December 2020 and 2019 are as follows: (Cont'd)

	Type of business	Country of incorporation	Proportion of ordinary shares directly held by parent (%)		Proportion of shares held by non-controlling interests (%)	
			2020	2019	2020	2019
Subsidiaries held by TSE Overseas Group Co., Ltd.						
TSE Group International. Pte. Ltd.	Investment	Singapore	100	100	-	-
Solar Assets Pte. Ltd.	Investment	Singapore	100	100	-	-
Onikoube Solar Power Pte. Ltd.	Investment	Singapore	100	100	-	-
TSE Japan GK	Service	Japan	100	-	-	-
Subsidiaries held by TSE Group International. Pte. Ltd.						
Eco Solar Aizu GK	Production and distribution of electricity	Japan	97	97	3	3
Ishikawa Hanamizuki 1 GK	Production and distribution of electricity	Japan	97	97	3	3
Subsidiaries held by Solar Assets Pte. Ltd.						
Ibaraki Ushiku 1 GK	Land lease	Japan	100	100	-	-
Ibaraki Ushiku 2 GK	Land lease	Japan	100	100	-	-
Subsidiaries held by Onikoube Solar Power Pte. Ltd.						
PurpleSol GK	Production and distribution of electricity	Japan	100	100	-	-

Movements of investments in subsidiaries during the year are as follow:

Additional investment under Solar Visible Co., Ltd. (“Solar Visible”)

Investment in BP Trading (Thailand) Co., Ltd. (“BP Trading”)

On 12 June 2020, Solar Visible acquired 8,000 ordinary shares of BP Trading (Thailand) Company Limited, representing 80% of the registered capital, in order to acquire a business with a private Power Purchase Agreement (Private PPA) of the electricity generation from floating solar in Kabinburi Industrial Estate. The acquisition is considered as assets acquisition. Another third party, at the same time, has intended to acquire the remaining 20% of interests.

In August 2020, the buyer of the 20% interests decided not to pursue with the acquisition. Therefore, Solar Visible agreed to acquire entire 100% interests in BP Trading for a total consideration of Baht 67.24 million.

Investment in Earth Energy System Co., Ltd.

On 14 July 2020, Solar Visible acquired 1,000,000 ordinary shares of Earth Energy System Company Limited, representing 100% of the registered capital for a total consideration of Baht 56.69 million, in order to acquire a business with a ground-mounting solar power plant with the production capacity of 5 MW which operated by its subsidiary, MARS Solar Company Limited. The acquisition is considered as business acquisition.

Disposal of investment under Solar Visible Co., Ltd.

On 25 September 2020, Solar Visible disposed investment in BS Solar Energy Co., Ltd. for a consideration of Baht 84.61 million. The Group recognised a loss from disposal of investment amounting to Baht 2.70 million under “Administrative expenses” in the statement of comprehensive income in consolidated financial statements.

16 Investments in subsidiaries (Cont'd)

Changes in investment under Thai Community Energy Co., Ltd.

On 29 July 2020, the Group restructured its investments by selling shares of 3 subsidiaries under Thai Community Energy Co., Ltd. at book value to World Solar Co., Ltd. Details are as follows:

Subsidiaries	Investments Baht
Native Power Energy Co., Ltd.	249,995
White Solution Energy Co., Ltd.	249,995
Clean Renewable Co., Ltd.	249,995
	749,985

Additional investment under TSE Overseas Group Co., Ltd. ("TSE Overseas Group")

On 20 August 2020, the Group has established TSE Japan GK for the purpose of overseas investments. TSE Overseas Group subscribed 100% of interests in TSE Japan GK and fully paid for the subscription amounting to Baht 876,414. The Group classified the investment in TSE Japan GK as investment in subsidiary.

17 Investment properties

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost	124,193,203	110,193,203	110,193,203	110,193,203
<u>Less</u> Accumulated depreciation	(120,736)	-	-	-
Provision for impairment	(20,215,318)	(20,215,318)	(20,215,318)	(20,215,318)
Net book amount	103,857,149	89,977,885	89,977,885	89,977,885
Fair value	138,420,100	124,420,100	124,420,100	124,420,100
For the year ended 31 December				
Opening net book amount	103,857,149	89,977,885	89,977,885	89,977,885
Acquisition of a subsidiary	-	14,000,000	-	-
Depreciation	(964,636)	(120,736)	-	-
Closing net book amount	102,892,513	103,857,149	89,977,885	89,977,885
As at 31 December				
Cost	124,193,203	124,193,203	110,193,203	110,193,203
<u>Less</u> Accumulated depreciation	(1,085,372)	(120,736)	-	-
Provision for impairment	(20,215,318)	(20,215,318)	(20,215,318)	(20,215,318)
Net book amount	102,892,513	103,857,149	89,977,885	89,977,885
Fair value	138,420,100	138,420,100	124,420,100	124,420,100

The fair value of investment property are within level 2 of the fair value hierarchy which are based on market comparable approach by comparing with the current price of recently sold properties in the same location.

Amounts recognised in profit and loss that are related to investment properties are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Rental income	532,500	418,500	418,500	418,500
Direct operating expense relating to rental income	3,323	6,612	397	6,612
Operating expense not relating to rental income	4,190	9,355	4,190	9,355

18 Property, plant and equipment

	Consolidated financial statements								
	Land Baht	Land improvement Baht	Power plants Baht	Office buildings Baht	Tools and equipment Baht	Office equipment Baht	Vehicles Baht	Asset under construction Baht	Total Baht
At 1 January 2019									
Cost	609,433,377	58,195,883	4,574,328,943	30,083,233	19,966,047	14,872,170	66,861,970	2,520,347,308	7,894,088,931
<u>Less</u> Accumulated depreciation	-	(1,490,201)	(390,380,175)	(5,511,705)	(5,176,154)	(7,758,627)	(9,772,296)	-	(420,089,158)
Provision for impairment	-	(1,903,108)	(536,573,146)	(6,780,379)	(268,849)	(184,262)	(206,834)	-	(545,916,578)
Net book amount	609,433,377	54,802,574	3,647,375,622	17,791,149	14,521,044	6,929,281	56,882,840	2,520,347,308	6,928,083,195
For the year ended 31 December 2019									
Opening net book amount	609,433,377	54,802,574	3,647,375,622	17,791,149	14,521,044	6,929,281	56,882,840	2,520,347,308	6,928,083,195
Acquisition of subsidiaries	163,000,000	27,732,999	638,609,155	-	117,062	2,426,834	3,168,000	25,950	835,080,000
Additions	9,476,156	2,532,759	27,279,116	-	5,029,853	2,609,453	16,638,017	294,458,295	358,023,649
Disposals/write-off, net	-	-	(17,416,533)	-	(3,108)	(403,549)	(559,595)	-	(18,382,785)
Transfer-in (out)	-	(1,349,686)	1,903,509,970	1,354,583	10,800	149,760	-	(1,903,675,427)	-
Depreciation charge	-	(4,792,480)	(269,951,014)	(4,172,029)	(3,355,155)	(2,525,400)	(13,383,310)	-	(298,179,388)
(Impairment charge) reversal of impairment	-	-	(13,492,208)	-	145,127	61,056	206,834	-	(13,079,191)
Exchange differences	(25,972,728)	-	(180,043,684)	-	-	(13,799)	-	(35,656,099)	(241,686,310)
Closing net book amount	755,936,805	78,926,166	5,735,870,424	14,973,703	16,465,623	9,233,636	62,952,786	875,500,027	7,549,859,170
At 31 December 2019									
Cost	755,936,805	87,111,955	6,946,266,967	31,437,816	25,099,132	19,269,824	85,068,987	875,500,027	8,825,691,513
<u>Less</u> Accumulated depreciation	-	(6,282,681)	(660,331,189)	(9,683,734)	(8,509,787)	(9,912,982)	(22,116,201)	-	(716,836,574)
Provision for impairment	-	(1,903,108)	(550,065,354)	(6,780,379)	(123,722)	(123,206)	-	-	(558,995,769)
Net book amount	755,936,805	78,926,166	5,735,870,424	14,973,703	16,465,623	9,233,636	62,952,786	875,500,027	7,549,859,170

Thai Solar Energy Public Company Limited
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18 Property, plant and equipment (Cont'd)

	Consolidated financial statements								
	Land Baht	Land improvement Baht	Power plants Baht	Office buildings Baht	Tools and equipment Baht	Office equipment Baht	Vehicles Baht	Asset under construction Baht	Total Baht
For the year ended 31 December 2020									
Opening net book amount	755,936,805	78,926,166	5,735,870,424	14,973,703	16,465,623	9,233,636	62,952,786	875,500,027	7,549,859,170
Reclassification due to adoption of TFRS 16 (Note 4)	-	-	(9,635,319)	(1,498,301)	-	-	(32,070,664)	-	(43,204,284)
Opening net book amount - restated	755,936,805	78,926,166	5,726,235,105	13,475,402	16,465,623	9,233,636	30,882,122	875,500,027	7,506,654,886
Acquisition of subsidiaries (Note 36)	-	14,800,000	167,385,707	-	-	14,293	-	-	182,200,000
Disposal of a subsidiary	-	(4,772,031)	(177,444,551)	-	(27,226)	-	-	-	(182,243,808)
Additions	-	4,674,575	2,907,726	163,000	8,222,062	2,160,253	449,110	2,670,390,646	2,688,967,372
Disposals/write-off, net	-	-	(21,572,633)	-	-	(20,170)	-	-	(21,592,803)
Transfer-in (out)	-	78,084	53,260,721	945,948	2,481,580	-	-	(56,766,333)	-
Depreciation charge	-	(10,842,311)	(304,283,868)	(3,417,931)	(4,199,755)	(3,586,096)	(9,215,002)	-	(335,544,963)
Impairment charge	-	-	(637,220)	-	-	-	-	-	(637,220)
Exchange differences	22,324,324	-	136,083,248	-	-	21,001	-	22,240,720	180,669,293
Closing net book amount	778,261,129	82,864,483	5,581,934,235	11,166,419	22,942,284	7,822,917	22,116,230	3,511,365,060	10,018,472,757
At 31 December 2020									
Cost	778,261,129	101,892,583	7,073,122,189	30,092,186	35,775,548	21,441,920	45,926,121	3,511,365,060	11,597,876,736
<u>Less</u> Accumulated depreciation	-	(17,124,992)	(954,043,248)	(12,145,388)	(12,709,542)	(13,495,797)	(23,809,891)	-	(1,033,328,858)
Provision for impairment	-	(1,903,108)	(537,144,706)	(6,780,379)	(123,722)	(123,206)	-	-	(546,075,121)
Net book amount	778,261,129	82,864,483	5,581,934,235	11,166,419	22,942,284	7,822,917	22,116,230	3,511,365,060	10,018,472,757

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18 Property, plant and equipment (Cont'd)

	Separate financial statements								Total Baht
	Land Baht	Land improvement Baht	Power plants Baht	Office buildings Baht	Tools and equipment Baht	Office equipment Baht	Vehicles Baht	Asset under construction Baht	
At 1 January 2019									
Cost	37,552,064	3,141,059	887,448,339	30,083,233	2,616,544	12,227,812	23,467,522	243,583	996,780,156
<u>Less</u> Accumulated depreciation	-	(544,867)	(153,181,379)	(5,511,705)	(1,895,989)	(6,111,727)	(3,384,221)	-	(170,629,888)
Provision for impairment	-	(1,903,108)	(536,573,146)	(6,780,379)	(268,849)	(184,262)	(206,834)	-	(545,916,578)
Net book amount	37,552,064	693,084	197,693,814	17,791,149	451,706	5,931,823	19,876,467	243,583	280,233,690
For the year ended 31 December 2019									
Opening net book amount	37,552,064	693,084	197,693,814	17,791,149	451,706	5,931,823	19,876,467	243,583	280,233,690
Additions	-	-	665,000	-	-	1,213,413	-	22,800	1,901,213
Disposals - net	-	-	-	-	-	(252,660)	-	-	(252,660)
Transfer-in (out)	-	-	-	105,583	10,800	-	-	(116,383)	-
Depreciation charge	-	-	(25,164)	(3,785,109)	(381,485)	(1,814,182)	(2,716,087)	-	(8,722,027)
Reversal of impairment	-	-	164,689	-	145,127	61,056	206,834	-	577,706
Closing net book amount	37,552,064	693,084	198,498,339	14,111,623	226,148	5,139,450	17,367,214	150,000	273,737,922
At 31 December 2019									
Cost	37,552,064	3,141,059	888,113,339	30,188,816	2,627,344	12,846,631	23,467,522	150,000	998,086,774
<u>Less</u> Accumulated depreciation	-	(544,867)	(153,206,543)	(9,296,814)	(2,277,474)	(7,583,975)	(6,100,308)	-	(179,009,980)
Provision for impairment	-	(1,903,108)	(536,408,457)	(6,780,379)	(123,722)	(123,206)	-	-	(545,338,872)
Net book amount	37,552,064	693,084	198,498,339	14,111,623	226,148	5,139,450	17,367,214	150,000	273,737,922
For the year ended 31 December 2020									
Opening net book amount	37,552,064	693,084	198,498,339	14,111,623	226,148	5,139,450	17,367,214	150,000	273,737,922
Reclassification due to adoption of TFRS 16 (Note 4)	-	-	-	(1,498,298)	-	-	(17,367,214)	-	(18,865,512)
Opening net book amount - restated	37,552,064	693,084	198,498,339	12,613,325	226,148	5,139,450	-	150,000	254,872,410
Additions	-	-	487,500	-	36,600	1,568,030	-	-	2,092,130
Disposals - net	-	-	-	-	-	(20,170)	-	-	(20,170)
Depreciation charge	-	-	(24,615)	(3,305,463)	(134,995)	(1,909,575)	-	-	(5,374,648)
Closing net book amount	37,552,064	693,084	198,961,224	9,307,862	127,753	4,777,735	-	150,000	251,569,722
At 31 December 2020									
Cost	37,552,064	3,141,059	888,600,839	27,734,238	2,663,944	14,391,211	-	150,000	974,233,355
<u>Less</u> Accumulated depreciation	-	(544,867)	(153,231,158)	(11,645,997)	(2,412,469)	(9,490,270)	-	-	(177,324,761)
Provision for impairment	-	(1,903,108)	(536,408,457)	(6,780,379)	(123,722)	(123,206)	-	-	(545,338,872)
Net book amount	37,552,064	693,084	198,961,224	9,307,862	127,753	4,777,735	-	150,000	251,569,722

18 Property, plant and equipment (Cont'd)

Borrowing costs incurring from the borrowings for the construction of the power plants during the year were capitalised and included as "Additions" for Baht 57.87 million (2019: Baht 20.34 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (2019: 3.01% to 4.58% per annum) to calculate the borrowing costs for the capitalisation. The capitalisation rate are the actual rate of the borrowings which were used for the construction, and the interest rate differential between borrowing costs that would incur if the company borrowed in its functional currency and actual borrowing costs incurred on foreign currency borrowing.

Depreciation expense has been recognised in the statement of comprehensive income as follows;

	Consolidated financial statements		Separate financial statements	
	2020 Baht million	2019 Baht million	2020 Baht million	2019 Baht million
Cost of sales	319.32	278.10	0.16	0.41
Administrative expense	16.22	20.08	5.22	8.32
	<u>335.54</u>	<u>298.18</u>	<u>5.38</u>	<u>8.73</u>

Land, building and equipment with the net book value amounting to Baht 8,234.74 million (2019: Baht 4,783 million) have been pledged as collaterals for credit facilities obtained from commercial bank.

19 Right-of-use assets

Right-of-use assets as at 31 December comprise the following:

	Consolidated financial statements			
	Properties Baht	Equipment Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2020 (Note 4.2)	221,841,476	16,266,751	37,889,656	275,997,883
Additions	53,905,558	-	18,635,144	72,540,702
Acquisition of subsidiary (Note 4)	3,300,000	-	-	3,300,000
Lease termination	(1,196,570)	-	-	(1,196,570)
Depreciation	(20,828,726)	(1,134,485)	(8,701,817)	(30,665,028)
Translation adjustments	5,669,591	-	-	5,669,591
Net book value as at 31 December 2020	<u>262,691,329</u>	<u>15,132,266</u>	<u>47,822,983</u>	<u>325,646,578</u>

	Separate financial statements		
	Properties Baht	Vehicles Baht	Total Baht
Balance as at 1 January 2020 (Note 4.2)	13,433,173	21,029,335	34,462,508
Additions	-	3,797,387	3,797,387
Depreciation	(3,900,879)	(4,016,044)	(7,916,923)
Net book value as at 31 December 2020	<u>9,532,294</u>	<u>20,810,678</u>	<u>30,342,972</u>

The expenses relating to leases that not included in the measurement of lease liabilities and right-of-use assets are as follows:

	Consolidated financial statements	Separate financial statements
	2020 Baht	2020 Baht
Expense relating to short-term leases	716,162	716,162
Expense relating to leases of low-value assets	218,760	108,840
Expense relating to variable lease payments	7,963,784	-
Total cash outflow of leases	<u>43,123,971</u>	<u>9,311,745</u>

20 Goodwill

	Consolidated financial statements	
	2020 Baht	2019 Baht
As 1 January		
Cost	18,084,426	17,726,430
<u>Less</u> Provision for impairment	(971,663)	-
Net book amount	<u>17,112,763</u>	<u>17,726,430</u>
For the year ended 31 December		
Opening net book amount	17,112,763	17,726,430
Acquisition of a subsidiary (Note 36)	35,605,786	357,996
Disposal of a subsidiary	(341,711)	-
Impairment charge	(1,521,796)	(971,663)
Closing net book amount	<u>50,855,042</u>	<u>17,112,763</u>
At 31 December		
Cost	53,332,214	18,084,426
<u>Less</u> Provision for impairment	(2,477,172)	(971,663)
Net book amount	<u>50,855,042</u>	<u>17,112,763</u>

The Group has reduced the carrying amount of goodwill to the amount that is recoverable by recognising the loss from impairment of goodwill. Such losses are included in cost of sales and services in profit or loss.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a contractual period of power purchase agreement. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

Gross margin ¹	51.64 - 69.29 %
Growth rate ²	0.46 - 0.50 %
Discount rate ³	8.00 %

- ¹ Budgeted gross margin
- ² Weighted average growth rates used to extrapolate cash flows for the budget period
- ³ Post-tax discount rates applied to the cash flow projections

These assumptions are used for analysis a CGU generating cash in business segments.

Management determined budgeted gross margin based on past performance and expected market growth. The weighted average growth rates used are consistent with the forecasts throughout contractual period of power purchase agreement. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The impairment charge arose from the decreasing in the expected period of the operation in respect of the duration of the specified Power Purchase Agreement.

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21 Intangible assets

	Consolidated financial statements					Total Baht
	Software Baht	Power purchase agreement Baht	Right to use - land Baht	Right to use - transmission line Baht	Works in progress Baht	
As at 1 January 2019						
Cost	8,950,261	4,352,309,048	9,144,026	17,712,735	1,822,121	4,389,938,191
<u>Less</u> Accumulated amortisation	(3,054,731)	(9,276,290)	(713,086)	(313,842)	-	(13,357,949)
Net book amount	5,895,530	4,343,032,758	8,430,940	17,398,893	1,822,121	4,376,580,242
For the year ended 31 December 2019						
Opening net book amount	5,895,530	4,343,032,758	8,430,940	17,398,893	1,822,121	4,376,580,242
Acquisition of subsidiaries	744,075	358,204,298	-	-	-	358,948,373
Additions	790,780	187,908,635	-	-	731,500	189,430,915
Transfer - in (out)	1,822,121	-	-	-	(1,822,121)	-
Amortisation charge	(2,215,445)	(39,441,378)	(365,761)	(1,132,141)	-	(43,154,725)
Exchange differences	-	(211,906,604)	-	-	-	(211,906,604)
Closing net book amount	7,037,061	4,637,797,709	8,065,179	16,266,752	731,500	4,669,898,201
As at 31 December 2019						
Cost	12,307,237	4,686,515,377	9,144,026	17,712,735	731,500	4,726,410,875
<u>Less</u> Accumulated amortisation	(5,270,176)	(48,717,668)	(1,078,847)	(1,445,983)	-	(56,512,674)
Net book amount	7,037,061	4,637,797,709	8,065,179	16,266,752	731,500	4,669,898,201
For the year ended 31 December 2020						
Opening net book amount	7,037,061	4,637,797,709	8,065,179	16,266,752	731,500	4,669,898,201
Reclassification due to adoption of TFRS 16 (Note 4)	-	-	(8,065,179)	(16,266,752)	-	(24,331,931)
Opening net book amount - restated	7,037,061	4,637,797,709	-	-	731,500	4,645,566,270
Acquisition of subsidiaries (Note 36)	-	189,500,000	-	-	-	189,500,000
Disposal of a subsidiary	-	(63,298,617)	-	-	-	(63,298,617)
Additions	347,956	47,282,699	-	-	-	47,630,655
Transfer - in (out)	731,500	-	-	-	(731,500)	-
Amortisation charge	(2,434,751)	(53,833,923)	-	-	-	(56,268,674)
Exchange differences	-	182,139,963	-	-	-	182,139,963
Closing net book amount	5,681,766	4,939,587,831	-	-	-	4,945,269,597
As at 31 December 2020						
Cost	13,386,693	5,037,813,126	-	-	-	5,051,199,819
<u>Less</u> Accumulated amortisation	(7,704,927)	(98,225,295)	-	-	-	(105,930,222)
Net book amount	5,681,766	4,939,587,831	-	-	-	4,945,269,597

21 Intangible assets (Cont'd)

	Separate financial statements		
	Computer software Baht	Works in progress Baht	Total Baht
As at 1 January 2019			
Cost	8,880,301	1,822,121	10,702,422
<u>Less</u> Accumulated amortisation	(3,023,092)	-	(3,023,092)
Net book amount	<u>5,857,209</u>	<u>1,822,121</u>	<u>7,679,330</u>
For the year ended 31 December 2019			
Opening net book amount	5,857,209	1,822,121	7,679,330
Additions	790,780	731,500	1,522,280
Transfer-in (out)	1,822,121	(1,822,121)	-
Amortisation charge	(2,144,434)	-	(2,144,434)
Closing net book amount	<u>6,325,676</u>	<u>731,500</u>	<u>7,057,176</u>
As at 31 December 2019			
Cost	11,493,202	731,500	12,224,702
<u>Less</u> Accumulated amortisation	(5,167,526)	-	(5,167,526)
Net book amount	<u>6,325,676</u>	<u>731,500</u>	<u>7,057,176</u>
For the year ended 31 December 2020			
Opening net book amount	6,325,676	731,500	7,057,176
Additions	125,055	-	125,055
Transfer-in (out)	731,500	(731,500)	-
Amortisation charge	(2,062,100)	-	(2,062,100)
Closing net book amount	<u>5,120,131</u>	<u>-</u>	<u>5,120,131</u>
As at 31 December 2020			
Cost	12,349,757	-	12,349,757
<u>Less</u> Accumulated amortisation	(7,229,626)	-	(7,229,626)
Net book amount	<u>5,120,131</u>	<u>-</u>	<u>5,120,131</u>

Borrowing costs incurring from the borrowings specifically for developing the power plant projects to its intended use were capitalised and included as "Additions" for Baht 47.28 million (2019: Baht 187.91 million). The Group used the capitalisation rates of 3.01% to 4.58% per annum (2019: 3.01% to 4.58% per annum) to calculate the borrowing costs for the capitalisation. The capitalisation rate are the actual rate of the borrowings which were used for borrowing, and the interest rate differential between borrowing costs that would incur if the company borrowed in its functional currency and actual borrowing costs incurred on foreign currency borrowing.

Amortisation expenses recognised in the statement of comprehensive income are as follows;

	Consolidated financial statements		Separate financial statements	
	2020 Baht million	2019 Baht million	2020 Baht million	2019 Baht million
Cost of sales	53.84	40.94	-	-
Administrative expense	2.43	2.22	2.06	2.14
	<u>56.27</u>	<u>43.16</u>	<u>2.06</u>	<u>2.14</u>

22 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred income tax assets				
Deferred income tax asset to be utilised within 12 months	-	-	-	-
Deferred income tax asset to be utilised after more than 12 months	85,869,845	39,328,779	-	-
	<u>85,869,845</u>	<u>39,328,779</u>	<u>-</u>	<u>-</u>
Deferred income tax liabilities				
Deferred income tax liabilities to be settled within 12 months	(2,013,872)	(1,309,420)	(2,013,872)	(1,309,420)
Deferred income tax liabilities to be settled after more than 12 months	(106,103,821)	(64,463,327)	(2,674,683)	(1,802,190)
	<u>(108,117,693)</u>	<u>(65,772,747)</u>	<u>(4,688,555)</u>	<u>(3,111,610)</u>
Deferred income taxes - net	<u>(22,247,848)</u>	<u>(26,443,968)</u>	<u>(4,688,555)</u>	<u>(3,111,610)</u>

Movement of deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	(26,443,968)	1,074,379	(3,111,610)	(1,266,952)
Impact of first-time adoption of new financial reporting standard (Note 4)	274,654	-	(3,231,252)	-
As at 1 January - restated	(26,169,314)	1,074,379	(6,342,862)	(1,266,952)
Acquisition of subsidiaries (Note 36)	(1,431,699)	(25,692,896)	-	-
Disposal of a subsidiary	3,438,465	-	-	-
Charged / (credited) to profit or loss	1,893,081	(1,785,395)	1,654,307	(1,832,206)
Charged / (credited) directly to equity	-	(12,452)	-	(12,452)
Exchange differences	21,619	(27,604)	-	-
As at 31 December	<u>(22,247,848)</u>	<u>(26,443,968)</u>	<u>(4,688,555)</u>	<u>(3,111,610)</u>

22 Deferred income taxes (Cont'd)

Movements of deferred income tax assets and liabilities during the year are as follows:

	Consolidated financial statements			
	Tax losses Baht	Retirement benefits Baht	Others Baht	Total Baht
Deferred income tax assets				
As at 1 January 2019	125,376	1,721,301	9,234,240	11,080,917
Acquisition of subsidiaries	-	-	29,922,871	29,922,871
Charged / (credited) to profit or loss	-	(1,708,849)	92,995	(1,615,854)
Charged / (credited) directly to equity	-	(12,452)	-	(12,452)
Exchange differences	(7,336)	-	(39,367)	(46,703)
As at 31 December 2019	118,040	-	39,210,739	39,328,779
As at 1 January 2020	118,040	-	39,210,739	39,328,779
Impact of first-time adoption of new financial reporting standard	-	-	16,481,534	16,481,534
As at 1 January - restated	118,040	-	55,692,273	55,810,313
Acquisition of subsidiaries (Note 36)	-	-	22,571,769	22,571,769
Disposal of a subsidiary	-	-	(1,921,913)	(1,921,913)
Charged / (credited) to profit or loss	-	-	9,370,522	9,370,522
Exchange differences	6,306	-	32,848	39,154
As at 31 December 2020	124,346	-	85,745,499	85,869,845

	Consolidated financial statements			
	Deferred debt issuance Baht	Depreciation Baht	Other Baht	Total Baht
Deferred income tax liabilities				
As at 1 January 2019	(5,261,479)	(5,582,682)	837,623	(10,006,538)
Acquisition of subsidiaries	-	-	(55,615,767)	(55,615,767)
Charged / (credited) to profit or loss	1,360,707	(2,065,472)	535,224	(169,541)
Exchange differences	126,733	337,694	(445,328)	19,099
As at 31 December 2019	(3,774,039)	(7,310,460)	(54,688,248)	(65,772,747)
As at 1 January 2020	(3,774,039)	(7,310,460)	(54,688,248)	(65,772,747)
Impact of first-time adoption of new financial reporting standard	-	(16,206,880)	-	(16,206,880)
As at 1 January - restated	(3,774,039)	(23,517,340)	(54,688,248)	(81,979,627)
Acquisition of subsidiaries (Note 36)	-	-	(24,003,468)	(24,003,468)
Disposal of a subsidiary	-	-	5,360,378	5,360,378
Charged / (credited) to profit or loss	1,227,044	(10,951,199)	2,246,714	(7,477,441)
Exchange differences	(110,145)	(272,953)	365,563	(17,535)
As at 31 December 2020	(2,657,140)	(34,741,492)	(70,719,061)	(108,117,693)

22 Deferred income taxes (Cont'd)

Movements of deferred income tax assets and liabilities during the year are as follows: (Cont'd)

	Separate financial statements
	Retirement benefits Baht
Deferred income tax assets	
As at 1 January 2019	1,721,301
Charged/(credited) to profit or loss	(1,708,849)
Charged/(credited) directly to equity	(12,452)
As at 31 December 2019	-
As at 31 December 2020	-

	Separate financial statements			
	Deferred debt issuance cost Baht	Depreciation Baht	Others Baht	Total Baht
Deferred income tax liabilities				
As at 1 January 2019	(2,988,253)	-	-	(2,988,253)
Charged/(credited) to profit or loss	1,217,457	-	(1,340,814)	(123,357)
As at 31 December 2019	(1,770,796)	-	(1,340,814)	(3,111,610)
As at 1 January - previously report	(1,770,796)	-	(1,340,814)	(3,111,610)
Impact of first-time adoption of new financial reporting standard (Note 4)	-	(3,231,252)	-	(3,231,252)
As at 1 January - restated	(1,770,796)	(3,231,252)	(1,340,814)	(6,342,862)
Charged/(credited) to profit or loss	1,079,626	334,666	240,015	1,643,307
As at 31 December 2020	(691,170)	(2,896,586)	(1,100,799)	(4,688,555)

Presentation in the statements of financial position is as follows:

	Consolidated financial statements		Separate financial statements	
As at 31 December	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Deferred income tax assets	21,733,866	1,623,005	-	-
Deferred income tax liabilities	(43,981,714)	(28,066,973)	(4,688,555)	(3,111,610)
Deferred income tax, net	(22,247,848)	(26,443,968)	(4,688,555)	(3,111,610)

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial position are presented at net amount of assets and liabilities incurred in each entity.

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 profits is probable. The Group did not recognise deferred income tax assets of Baht 202.12 million (2019: Baht 135.28 million) in respect of losses carry forward amounting to Baht 1,011.60 million (2019: Baht 676.40 million).

22 Deferred income taxes (Cont'd)

A summary of the tax losses carried forward and the expiry dates are set out below:

Expiry year	Consolidated financial statements Baht	Separate financial statements Baht
2021	62,513,081	53,390,602
2022	219,953,530	210,429,201
2023	308,083,865	291,765,982
2024	420,051,182	410,500,432
	<u>1,010,601,658</u>	<u>966,086,217</u>

23 Construction and other payables

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Construction payables and retention guarantee	18,153,132	6,993,242	7,500	7,500
Other payables	48,235,144	72,557,019	832,285	5,957,523
Payables from acquisition of investments	-	37,059,807	249,995	249,995
Dividends payable	105,884,814	-	105,884,814	-
Other accrued expenses	82,017,753	82,657,365	43,536,308	39,753,570
	<u>254,290,843</u>	<u>199,267,433</u>	<u>150,510,902</u>	<u>45,968,588</u>

24 Borrowings

24.1 Short-term borrowings from financial institutions

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
Short-term borrowings from financial institutions	250,000,000	98,470,171

Movements in short-term borrowings from financial institutions during 2020 and 2019 are analysed as follows:

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
Opening amount as at 1 January	98,470,171	98,794,277
Cash items:		
Additions	1,330,000,000	150,000,000
Discount on notes payable	(2,370,387)	(4,076,860)
Repayment of borrowings	(1,180,000,000)	(150,000,000)
Non-cash items:		
Amortisation of discount on notes payable	3,900,216	3,752,754
Closing amount as at 31 December	<u>250,000,000</u>	<u>98,470,171</u>

At 31 December 2020, the short-term borrowings comprised promissory note issued to financial institution amounting to Baht 250 million with interest rate of 2.95% per annum. The principal repayment is due by 28 May 2021.

24 Borrowings (Cont'd)

24.2 Lease liabilities

The present value of lease liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not later than 1 year	28,895,457	7,195,003	8,233,557	2,720,032
Later than 1 year but not later than 5 years	309,524,936	13,280,673	12,298,150	5,259,640
	<u>338,420,393</u>	<u>20,475,676</u>	<u>20,531,707</u>	<u>7,979,672</u>

Movements in lease can be analysed as follows:

	Consolidated financial statements		
	Lease payables	Deferred interest	Lease liabilities
As at 1 January 2019	11,397,742	(798,186)	10,599,556
Cash items:			
Repayment	(6,757,229)	-	(6,757,229)
Non-cash items:			
Additions	16,876,782	(670,514)	16,206,268
Amortised deferred interest	-	427,081	427,081
As at 31 December 2019	<u>21,517,295</u>	<u>(1,041,619)</u>	<u>20,475,676</u>
As at 1 January 2020	21,517,295	(1,041,619)	20,475,676
Reclassification due to adoption of new financial reporting standards (Note 4)	286,293,642	(61,531,286)	224,762,356
Opening net balance - restated	307,810,937	(62,572,905)	245,238,032
Cash items:			
Repayment	(34,081,298)	-	(34,081,298)
Non-cash items:			
Additions	102,884,422	(33,128,071)	69,756,351
Lease termination	(1,156,381)	5,868	(1,150,513)
Acquisition of subsidiaries	71,033,288	(25,810,003)	45,223,285
Amortised deferred interest	-	8,462,455	8,462,455
Foreign currency translation differences	5,439,234	(467,153)	4,972,081
As at 31 December 2020	<u>451,930,202</u>	<u>(113,509,809)</u>	<u>338,420,393</u>

24 Borrowings (Cont'd)

24.2 Lease liabilities (Cont'd)

Movements in lease can be analysed as follows:(Cont'd)

	Separate financial statements		
	Lease payables	Deferred interest	Lease liabilities
As at 1 January 2019	11,397,742	(798,186)	10,599,556
Cash items:			
Repayment	(2,973,324)	-	(2,973,324)
Non-cash items:			
Amortised deferred interest	-	353,440	353,440
As at 31 December 2019	8,424,418	(444,746)	7,979,672
As at 1 January 2020	8,424,418	(444,746)	7,979,672
Reclassification due to adoption of new financial reporting standards (Note 4)	17,584,028	(1,234,143)	16,349,885
Opening net balance - restated	26,008,446	(1,678,889)	24,329,557
Cash items:			
Repayment	(8,502,143)	-	(8,502,143)
Non-cash items:			
Addition	4,211,520	(414,134)	3,797,386
Amortised deferred interest	-	906,907	906,907
As at 31 December 2020	21,717,823	(1,186,116)	20,531,707

24.3 Long-term borrowings from financial institutions

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current portion of long-term borrowings	2,443,767,344	737,755,685	2,144,265,435	272,894,555
Long-term borrowings payable between 1 to 5 years	4,172,879,911	3,453,869,298	337,164,964	2,240,180,868
Long-term borrowings payable more than 5 years	2,105,700,428	2,282,565,092	57,220,886	50,879,734
	8,722,347,683	6,474,190,075	2,538,651,285	2,563,955,157

The long-term borrowings from financial institutions are secured by the pledge and the assignment of rights over the Group's bank deposits, land with construction thereon and machinery, the assignment of rights under all project agreements, pledge of the certain shares held by the subsidiaries and the joint venture's shares held by the Company, pledge of the Company's shares that held by P.M. Energy Company Limited, shares of subsidiaries, and the right to receive dividends from subsidiaries and joint venture.

The loan agreements contain covenants imposed on the Group as specified in the agreements, related to such matters as dividend payment, reduction of share capital, merger or consolidation with any other entities and maintenance of certain debt to equity and debt service coverage ratios.

24 Borrowings (Cont'd)

24.3 Long-term borrowings from financial institutions (Cont'd)

Movements in long-term borrowings from financial institutions during 2020 and 2019 are analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Opening amount as at 1 January	6,474,190,075	6,359,875,341	2,563,955,157	2,238,668,459
Cash items:				
Addition	3,155,668,685	909,770,842	370,000,000	548,192,531
Financial service fee	(85,136,624)	(9,519,560)	(1,012,500)	(1,734,500)
Repayment of borrowings	(1,095,850,251)	(942,089,214)	(501,434,656)	(203,166,050)
Non-cash items:				
Acquisition of subsidiaries (Note 36)	174,292,767	270,157,262	-	-
Disposal of a subsidiary	(113,340,552)	-	-	-
Amortisation of financial service fee	17,703,069	28,118,005	4,302,816	5,495,536
Foreign currency translation differences	194,820,514	(142,122,601)	102,840,468	(23,500,819)
Closing amount as at 31 December	8,722,347,683	6,474,190,075	2,538,651,285	2,563,955,157

The contractual interest rates of the long-term borrowings at the statement of financial position date are as follows :

Consolidated financial statements				
Currency	Fixed interest rates	Floating interest rates	Fixed interest rates	Floating interest rates
Yen	-	TIBOR + 1.22 to 3.00	-	TIBOR + 1.22 to 3.00
Baht	3.25	Fixed deposit rate + 3.35 THBFIX + 3.50 MLR - 1.95	-	Fixed deposit rate + 3.35 THBFIX + 3.50 MLR - 0.50 to 1.95

Separate financial statements				
Currency	Fixed interest rates	Floating interest rates	Fixed interest rates	Floating interest rates
Yen	-	TIBOR + 3.00	-	TIBOR + 3.00
Baht	3.25	MLR - 1.95	-	MLR - 0.50 to 1.95

24 Borrowings (Cont'd)

24.4 Borrowing facilities

The Group and the Company have the following undrawn committed borrowing facilities:

	Currency	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Floating rate					
Expiring beyond one year	Baht Thousand	105,350	178,874	400	400
	Yen Thousand	601,115	601,115	601,115	601,115
Fixed rate					
Expiring beyond one year	Baht Thousand	4,966	4,966	-	-

24.5 Debentures

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
Current portion of debentures	-	949,800,983
Debentures payable between 1 to 5 years	3,444,096,320	2,345,024,775
	<u>3,444,096,320</u>	<u>3,294,825,758</u>

Movements in debentures during 2020 and 2019 are analysed as follows:

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
Opening amount as at 1 January	3,294,825,758	2,997,595,996
Cash items:		
Issuance of debentures	1,099,600,000	2,350,000,000
Maturing of debentures	(950,000,000)	(2,050,000,000)
Deferred issuance cost	(2,850,000)	(5,287,500)
Non-cash items:		
Amortisation of issuance cost	2,520,562	2,517,262
Closing amount as at 31 December	<u>3,444,096,320</u>	<u>3,294,825,758</u>

As at 31 December 2020, outstanding debentures comprise name-registered certificate of unsubordinated and unsecured debentures totaling 2,350,000 units and 1,099,600 units with the fixed interest of 4.50% per annum, with the interest payable every 3 and 6 months, respectively. Debentures have the face value of Baht 1,000. The debentures amounting to Baht 2,350 million and Baht 1,099.60 million will be redeemed on 22 October 2022 and 21 April 2023, respectively.

24 Borrowings (Cont'd)

24.6 Fair value

The carrying amounts and fair values of certain long-term borrowings are as follows:

	Consolidated financial statements			
	Carrying amounts		Fair value	
	31 December	1 January	31 December	1 January
	2020 Baht	2020 Baht	2020 Baht	2020 Baht
Lease liabilities	309,524,936	245,238,032	310,596,362	238,155,841
Long-term borrowings				
from financial institutions	6,278,580,339	5,736,434,390	9,386,425,888	6,277,087,595
Debentures	3,444,096,320	3,294,825,757	3,419,264,566	3,313,923,268
	Separate financial statements			
	Carrying amounts		Fair value	
	31 December	1 January	31 December	1 January
	2020 Baht	2020 Baht	2020 Baht	2020 Baht
Lease liabilities	12,298,150	24,329,557	15,100,807	20,076,883
Long-term borrowings				
from financial institutions	394,385,850	2,563,955,157	383,241,228	2,574,542,377
Debentures	3,444,096,320	3,294,825,758	3,419,264,566	3,313,923,268

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

The fair values of non-current borrowings are based on discounted cash flows using a discount rate based upon the borrowing rates of 1.88% to 3.71% (2019: 1.88% to 5.64%) and are within level 2 of the fair value hierarchy.

24.7 Interest rates

The effective interest rates at the statement of financial position date are as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finance lease liabilities	2.34% - 4.89%	3.76% - 6.44%	4.15% - 4.20%	3.76%
Borrowings from financial institutions	1.88% - 3.71%	1.88% - 5.64%	3.34% - 3.42%	3.17% - 5.64%
Debentures	4.58%	4.58%	4.58%	4.58%

25 Derivative liabilities

	Consolidated financial statements	
	2020 Baht	2019 Baht
Current interest rate swap	-	-
Non-current interest rate swap	58,355,907	-
Total interest rate swap	58,355,907	-

The fair value of interest rate swaps are within level 2 of the fair value hierarchy which are calculated as the present value of the estimated future cash flows based on observable yield curve.

Cash flow hedging on long-term borrowing

To avoid the uncertainty of floating interest rate exposure under JPY denominated borrowing, the Group entered into interest rate swap agreement of principal amounting to Baht 1,243.16 million with financial institution in March 2017 to swap floating rate to a fixed rate until 2037.

The ineffective portion that arises from cash flow hedge amounts will be recognised in the profit or loss; however, there is no ineffectiveness for the year ended 31 December 2020. The effective portion of the fair value of swap is recognised in the other comprehensive income (OCI).

The following table shows a reconciliation of cash flow hedge reserve.

	Consolidated financial statements Baht
As at 31 December 2019	
Impact of first-time adoption of new financial reporting standards (Note 4)	47,852,251
As at 1 January - restated	47,852,251
Add: Change in fair value of hedge instrument recognised in OCI for the year	8,119,981
Foreign currency translation differences	2,383,661
Closing balance 31 December 2020	58,355,907

26 Employee benefit obligations

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
Statement of financial position:		
Retirement benefits		
Liability in the statement of financial position	17,371,256	13,521,825
Profit or loss charge included in operating profit for:		
Retirement benefits	3,849,431	5,959,136
Remeasurement for:		
Retirement benefits	-	2,873,219

26 Employee benefit obligations (Cont'd)

The movement in the defined benefit obligations over the year is as follows:

	Consolidated and Separate financial statements	
	2020 Baht	2019 Baht
At 1 January	13,521,825	8,606,509
Current service cost	3,626,307	2,511,169
Past service cost	-	3,213,871
Interest expense	223,124	234,096
Remeasurements:		
Loss from change in financial assumptions	-	2,873,219
Benefit payment	-	(3,917,039)
At 31 December	17,371,256	13,521,825

The principal actuarial assumptions used were as follows:

	Consolidated and Separate financial statements	
	2020	2019
Discount rate	1.65%	1.65%
Salary growth rate	4.00%	4.00%

The sensitivity analyses of significant actuarial assumptions in pension liability calculations.

	Change in assumption		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	2020	2019	2020	2019	2020	2019
Discount rate	1%	1%	Decrease by 11.10%	Decrease by 11.53%	Increase by 13.18%	Increase by 13.68%
Salary growth rate	1%	1%	Increase by 13.81%	Increase by 13.21%	Decrease by 11.83%	Decrease by 11.39%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

26 Employee benefit obligations (Cont'd)

Through its defined benefit retirement plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields A decrease in Government bond yields will increase plan liabilities.

Inflation risk Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities.

The weighted average duration of the defined benefit obligation is 24.38 years (2019: 26.15 years).

Expected maturity analysis of undiscounted retirement:

	Consolidated and Separate financial statements				
	Less than a year Baht	Between 1-2 years Baht	Between 2-5 years Baht	Over 5 years Baht	Total Baht
Retirement benefits					
As at 31 December 2019	-	117,079	1,029,252	223,284,445	224,430,776
As at 31 December 2020	117,079	409,672	752,438	223,151,587	224,430,776

27 Share capital and premium on share capital

	Consolidated and Separate financial statements				
	Number of shares Shares	Issued and paid Shares	Issued and paid up Baht	Share premium Baht	Total Baht
At 1 January 2019	2,450,250,000	1,905,749,580	1,905,749,580	727,554,273	2,633,303,853
Capital reduction	(1,116,225,294)	-	-	-	-
Register new ordinary shares	1,143,449,748	-	-	-	-
Exercise of TSR	-	211,966,701	211,966,701	317,950,052	529,916,753
At 31 December 2019	2,477,474,454	2,117,716,281	2,117,716,281	1,045,504,325	3,163,220,606
At 31 December 2020	2,477,474,454	2,117,716,281	2,117,716,281	1,045,504,325	3,163,220,606

As at 31 December 2020, the total authorised number of ordinary shares is 2,477,474,454 shares (2019: 2,477,474,454 shares) with a par value of Baht 1 each (2019: Baht 1 each). 2,117,716,281 shares are issued and fully paid (2019: 2,117,716,281 shares).

28 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
At 1 January	81,303,726	63,972,012	67,603,094	50,894,012
Appropriation during the year	25,454,173	17,331,714	12,487,860	16,709,082
At 31 December	106,757,899	81,303,726	80,090,954	67,603,094

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

29 Other income

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Rental income	1,025,100	974,799	1,025,100	974,799
Gain on disposal of assets	3,281	21,887	3,281	21,887
Interest income	797,169	1,756,685	16,836,996	6,463,021
Realised gain on disposal of trading securities	218,977	1,472,295	218,977	1,472,296
Insurance claims	-	12,055,207	-	-
Gain on bargain purchase	-	56,004,450	-	-
Other income	10,467,824	20,431,321	505,569	821,501
	12,512,351	92,716,644	18,589,923	9,753,504

30 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Salary, wages and employees' benefits	159,273,659	149,811,557	140,435,542	127,969,732
Depreciation	367,174,627	298,300,124	13,291,571	8,722,027
Amortisation	56,268,674	43,154,725	2,062,100	2,144,434
(Gain) loss on exchange rate	97,952,615	5,414,481	(75,635,864)	194,165,264
Impairment loss	2,159,016	14,050,854	-	-
Loss from disposals and write-off	16,792,429	548,712	(35,990)	-
Professional fees	214,705,547	136,496,042	30,175,554	25,127,095
Operation and maintenance of power plants	25,024,512	26,575,317	-	120
Expected credit loss	894,980	-	894,980	-

31 Finance costs

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Interest on borrowing from financial institutions	313,545,207	122,280,333	269,908,871	190,444,053
Financial service fees	15,095,345	20,202,368	10,019,748	8,072,796
Interest on lease liabilities	12,087,764	4,708,820	906,907	353,440
	<u>340,728,316</u>	<u>147,191,521</u>	<u>280,835,526</u>	<u>198,870,291</u>

32 Income tax

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current tax on profits for the year	2,067,311	3,114,945	-	-
Deferred tax (Note 22)	(1,893,081)	1,785,395	(1,654,307)	1,832,206
Adjustments in respect of prior year	-	172,781	-	-
	<u>174,230</u>	<u>5,073,121</u>	<u>(1,654,307)</u>	<u>1,832,206</u>

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

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit (loss) before tax	418,980,931	803,815,620	204,170,426	118,650,315
Tax calculated at a tax rate of 20% (2019: 20%)	83,796,186	160,763,124	40,834,085	23,730,063
Tax effect of:				
Foreign tax rate difference	12,395,452	(1,244,335)	-	-
Joint venture's results reported net of tax	(128,666,709)	(131,903,537)	-	-
Tax exemption for income under BOI	(58,065,402)	(51,358,005)	-	-
Income subject to tax	14,307,703	24,116,157	12,644,887	22,324,668
Income not subject to tax	(108,634)	(115,552)	(98,140,017)	(123,791,563)
Expenses not deductible for tax purpose	9,447,470	8,709,627	1,725,325	3,154,361
Expense deducted at greater amount	(10,630,573)	(8,939,732)	(6,390,517)	(7,515,615)
Tax losses for which no deferred income tax asset was recognised	64,282,318	82,642,581	48,006,596	82,100,086
Utilisation of previously unrecognised tax losses	(285,827)	(9,270,320)	-	-
Deferred tax expense relating to the origination and reversal of temporary differences	(430,284)	1,785,395	(334,666)	1,832,206
Unrealised gain (loss) from intercompany transactions	14,132,530	(70,285,063)	-	-
Adjustment in respect of prior periods	-	172,781	-	-
Tax charge	<u>174,230</u>	<u>5,073,121</u>	<u>(1,654,307)</u>	<u>1,832,206</u>

33 Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net profit attributable to ordinary shareholders of the company (Baht)	421,428,545	774,584,221	205,824,733	116,818,109
Weighted average number of outstanding ordinary shares (Shares)	2,117,716,281	1,950,465,843	2,117,716,281	1,950,465,843
Basic earnings per share (Baht per share)	0.20	0.40	0.10	0.06

There are no potential dilutive ordinary shares during 2020 and 2019.

34 Promotional privileges

The Group is granted with 34 certificates of promotional privileges from the Board of Investment for the production of electricity generated from solar power and biomass, the privilege include an exemption of import duty on imported machinery, an exemption for corporate income tax for a period of 8 years from the date the promoted operation commenced generating revenue (the commercial operation date).

The Group's operating revenue from sales and subsidy for adders as per the statements of comprehensive income for the years ended 31 December 2020 and 2019 wholly derive from promoted operations in Thailand. Details of operating segments are disclosed in Note 9.

35 Dividends

2020

On 25 March 2020, the Board of Directors Meeting (special occasion) approved a dividend payment in respect of operating results for the year 2019 to the shareholders at Baht 0.12 per share, totaling Baht 254 million. The dividends were paid on 20 April 2020.

On 9 December 2020, the Board of Directors Meeting approved a dividend payment in respect of operating results during January to September 2020 to the shareholders at Baht 0.05 per share, totaling Baht 106 million. The dividends were paid on 8 January 2021.

2019

On 22 April 2019, the Annual General Meeting of Shareholders approved a dividend payment in respect of operating results for the year 2018 to the shareholders at Baht 0.055 per share, totaling Baht 105 million. The dividends were paid on 21 May 2019.

36 Business combination

On 12 June 2020, Solar Visible acquired 8,000 ordinary shares of BP Trading (Thailand) Company Limited, representing 80% of the registered capital, in order to acquire a business with a private Power Purchase Agreement (Private PPA) of the electricity generation from floating solar in Kabinburi Industrial Estate. The acquisition is considered as assets acquisition. Another third party, at the same time, has intended to acquire the remaining 20% of interests.

In August 2020, the buyer of the 20% interests decided not to pursue with the acquisition. Therefore, Solar Visible agreed to acquire entire 100% interests in BP Trading for a total consideration of Baht 67.24 million.

The following table summarises the consideration paid for acquiring BP Trading (Thailand) Company Limited, and the assets acquired and liabilities assumed recognised on acquisition date.

Consideration paid	Baht
Cash	27,600,000
Payables from acquisition of investments	39,635,324
Total consideration	67,235,324
 Recognised amounts of identifiable assets acquired and liabilities assumed	 Baht
Cash and cash equivalents	734,943
Other current liabilities	381
Power Purchase Agreement	66,500,000
Total	67,235,324

Expenses related to the acquisition of subsidiary amounting to Baht 24.75 million are recognised as administrative expenses in the consolidated financial statements for the period ended 31 December 2020.

The Group has settled the payables from acquisition amounting to Baht 39.64 million on 31 August 2020.

On 14 July 2020, Solar Visible acquired 1,000,000 ordinary shares of Earth Energy System Company Limited, representing 100% of the registered capital for a total consideration of Baht 56.69 million, in order to acquire a business with a ground-mounting solar power plant with the production capacity of 5 MW which operated by its subsidiary, MARS Solar Company Limited. The acquisition is considered as business acquisition.

36 Business combination (Cont'd)

The following table summarises the consideration paid for acquiring Earth Energy System Company Limited and the subsidiary, and the assets acquired and liabilities assumed recognised on acquisition date.

Consideration paid	Baht
Cash	56,688,363
Total consideration	56,688,363
 Recognised amounts of identifiable assets acquired and liabilities assumed	 Baht
Cash and cash equivalents	28,237
Trade and other receivables	9,514,929
Other current assets	1,513,632
Restricted bank deposits	17,986,240
Property, plant and equipment	182,200,000
Right-of-use assets	3,300,000
Right in power purchase agreement	123,000,000
Other non-current assets	4,766,070
Trade and other payables	(2,990,662)
Short-term loans from related parties	(95,482,624)
Other current liabilities	(494,134)
Lease liabilities	(45,223,285)
Long-term loans from financial institutions	(174,292,767)
Provisions of decommissioning cost	(1,311,360)
Deferred tax liabilities	(1,431,699)
 Total identifiable net assets	 21,082,577
Goodwill	35,605,786
 Total	 56,688,363

Expenses related to the acquisition of subsidiary amounting to Baht 8.35 million are recognised as administrative expenses in the consolidated financial statements for the period ended 31 December 2020.

The revenue and net profit contributed by MARS Solar Company Limited from 14 July 2020 to 31 December 2020 included in the consolidated statement of comprehensive income were Baht 14 million and 0.3 million respectively.

37 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

The Company is controlled by P.M. Energy Company Limited (incorporated in Thailand) which owns 37% of the Company's shares. The remaining 63% of the shares are held by Wave Entertainment (Public) Company Limited, Sino-Thai Engineering & Construction Public Company Limited and individual shareholders. The significant investments in joint venture, and subsidiaries are set out in Notes 15 and 16.

37 Related party transactions (Cont'd)

The following material transactions were carried out with related parties:

37.1 Sales of goods and services

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Subsidiaries				
Management service income	-	-	64,330,000	48,314,135
Operation and maintenance income	-	-	1,680,000	1,680,000
Dividends income	-	-	-	11,830,055
	-	-	66,010,000	61,824,190
Joint venture				
Management service income	46,978,170	44,741,114	46,978,170	44,741,114
Rental income	453,600	453,600	453,600	453,600
Dividends income	45	56	490,700,087	606,550,052
	47,431,815	45,194,770	538,131,857	651,744,766

37.2 Outstanding balances arising from sales/purchases of goods/services

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Amounts due from and advances to related parties (Note 13)				
Subsidiaries	-	-	79,928,541	95,015,432
Joint venture	4,256,449	4,053,761	4,256,449	4,053,761
	4,256,449	4,053,761	84,184,990	99,069,193
Dividends receivable (Note 13)				
Joint venture	88,900,016	153,300,027	88,900,016	153,300,027
Receivables from disposal of investments				
Subsidiaries	-	-	1,383,683,149	1,383,683,149

Receivables from disposal of investments arose due to the Group's restructuring.

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Payables from acquisition of investments				
Subsidiaries	-	-	249,995	249,995

37 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

37.3 Short-term loans to subsidiaries

For the year ended 31 December	Separate financial statements	
	2020 Baht	2019 Baht
Short-term loans to subsidiaries	-	701,000,825

Movements in loans to subsidiaries are analysed as follows:

	Separate financial statements	
	2020 Baht	2019 Baht
Opening net book amount	701,000,825	335,287,932
Cash items:		
Addition	41,300,000	488,000,000
Repayment received	(69,450,000)	(67,287,107)
Non-cash items:		
Offset loans (Note 37.5)	(22,500,000)	-
Transferred to long-term loan (Note 37.4)	(650,350,825)	(55,000,000)
Closing net book amount	-	701,000,825

During the year, the Company offset the short-term loan to subsidiary with short-term loan from the same subsidiary amounting to Baht 22.50 million (Note 37.5).

37.4 Long-term loans to subsidiaries

	Separate financial statements	
	2020 Baht	2019 Baht
Current portion of long-term loans to subsidiaries	81,140,000	61,600,000
Long-term loans to subsidiaries	6,133,449,798	5,004,151,459
	6,214,589,798	5,065,751,459

Movements in loans to subsidiaries for the year ended 31 December are analysed as follows:

	Separate financial statements	
	2020 Baht	2019 Baht
Opening net book amount	5,065,751,459	4,333,468,428
Cash items:		
Addition	619,772,929	1,018,162,498
Repayment received	(292,168,628)	(161,816,773)
Non-cash items:		
Transferred from short-term loan (Note 37.3)	650,350,825	55,000,000
Foreign currency translation differences	170,883,213	(179,062,694)
Closing net book amount	6,214,589,798	5,065,751,459

Long-term loans to subsidiaries are in form of loan agreements denominated in Japanese Yen and Thai Baht. Loans carry non-bearing interest and the rates range from 4.3% to 6.0% per annum respectively. Certain loans are due for repayment at call and other loans have maturity within 2021 to 2028.

The management do not have intention to call the for repayment of loans due at call in the next 12 months and classify these loans as long-term accordingly.

37 Related party transactions (Cont'd)

The following material transactions were carried out with related parties: (Cont'd)

37.5 Short-term loan from subsidiary

	Separate financial statements	
	2020 Baht	2019 Baht
Short-term loan from subsidiary	-	22,500,000

Movement of short-term loan from subsidiary is as follows:

	Separate financial information	
	2020 Baht	2019 Baht
Opening net book value	22,500,000	22,500,000
Non-cash items:		
Offset loans (Note 37.3)	(22,500,000)	-
Closing net book value	-	22,500,000

37.6 Key management compensation

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Short-term employee benefits	39,210,338	40,090,999	22,281,141	24,527,887
Post-employment benefits	1,575,687	1,389,182	1,575,687	1,389,182
	40,786,025	41,480,181	23,856,828	25,917,069

38 Contingencies

Guarantees

As at 31 December 2020, there were outstanding bank guarantees amounting to Baht 6 million (2019: Baht 6 million) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

39 Commitments

39.1 Capital commitments

Capital commitments exist as at the date of the statement of financial position but not included in the financial statements are as follows:

	Currency	Consolidated and Separate financial statements	
		31 December 2020	31 December 2019
Power plants	THB	106,724,300	-
Power plants	USD	40,986,702	400
Power plants	JPY	14,773,350,000	-

39 Commitments (Cont'd)

39.2 Power purchase agreements

Domestic

As at 31 December 2020, the Group has 34 power purchase agreements with the Provincial Electricity Authority ("PEA") and the Metropolitan Electricity Authority ("MEA") (2019: 33 agreements). Currently, the Group has commenced the production and distribution of electricity under 33 power purchase agreements which are summarised as follows:

	The electricity generated system	Company	Number of agreements	Production capacity MW	Electricity rate (Baht/kilowatt-hour)	The term of the agreements
Production and distribution of electricity	Renewable energy	Company	1	4.5	Peak period amounting to Baht 4.21 and off-peak period amounting to Baht 2.63 for the quantity which do not exceed the capacity factor and peak period amounting to Baht 4.22 and off-peak period amounting to Baht 2.36 for the quantity which exceed the capacity factor and the Company had also been granted an adder amounting to Baht 8 granted for a period of 10 years commencing from commercial operation date (COD).	The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination.
Production and distribution of electricity	Solar farm	Joint venture	10	80	Peak period amounting to Baht 4.21 and off-peak period amounting to Baht 2.63 for the quantity which do not exceed the capacity factor and peak period amounting to Baht 4.22 and off-peak period amounting to Baht 2.36 for the quantity which exceed the capacity factor and the Company had also been granted an adder amounting to Baht 6.50 granted for a period of 10 years commencing from commercial operation date (COD).	The agreements are for a period of 5 years and will be automatically renewed every 5 years until the contract termination.
Production and distribution of electricity	Solar rooftops	Subsidiaries	14	14	Feed-in Tariff system (FIT) amounting to Baht 6.16.	The agreements are for a period of 25 years commencing from commercial operation date (COD).
Production and distribution of electricity	Solar farm	Subsidiary	3	8	Feed-in Tariff system (FIT) amounting to Baht 5.66.	The agreements are for a period of 25 years commencing from commercial operation date (COD).
Production and distribution of electricity	Biomass energy	Subsidiary	1	4.6	Feed-in Tariff system (FIT) amounting to Baht 4.27 and Feed-in Tariff system (FIT) Premium amounting to Baht 0.30 granted for a period of 8 years commencing from commercial operation date (COD).	The agreements are for a period of 20 years commencing from commercial operation date (COD).
Production and distribution of electricity	Biomass energy	Subsidiary	2	17.6	Feed-in Tariff system (FIT) amounting to Baht 4.27 and Feed-in Tariff system (FIT) Premium amounting to Baht 0.30 granted for a period of 8 years commencing from commercial operation date (COD).	The agreements are for a period of 15 years 4 months commencing from commercial operation date (COD).
Production and distribution of electricity	Solar farm	Subsidiary	1	5	Feed-in Tariff system (FIT) amounting to Baht 4.12.	The agreements are for a period of 25 years commencing from commercial operation date (COD).
Production and distribution of electricity	Solar farm	Subsidiary	1	8	Peak period amounting to Baht 4.18 and off-peak period amounting to Baht 2.60 for the quantity which do not exceed the capacity factor and peak period amounting to Baht 4.22 and off-peak period amounting to Baht 2.36 for the quantity which exceed the capacity factor and the Company had also been granted an adder amounting to Baht 8 granted for a period of 10 years commencing from commercial operation date (COD).	The agreements are for a period of 1 year and will be automatically renewed every 1 year until the contract termination.
Under development and construction	Floating Solar	Subsidiary	1	8	Time of Use Rate (TOU) and FT rate specified by the Provincial Electricity Authority (PEA)	For a period of 25 years commencing from commercial operation date (COD)

39 Commitments (Cont'd)

39.2 Power purchase agreements (Cont'd)

Overseas

As at 31 December 2020, subsidiaries operating in Japan have 7 power purchase agreements (2019: 7 agreements) with the power purchasing agencies, of which the power plants have already commenced generating and distributing the electricity. In addition, subsidiaries have 1 power purchase agreement and right to develop for the power purchase agreement (2019: 1 agreements) for the projects which have not yet commenced generating and distributing the electricity. The agreements are summarised as follows:

	The electricity generated system	Company	Number of agreements	Production capacity MW	Electricity rate (Baht/kilowatt-hour)	The term of the agreements
Production and distribution of electricity	Solar farm	Subsidiary	7	21.74	Feed-in Tariff system (FIT) amounting to Yen 32 - 36.	The agreements are for a period of 20 years starting from commercial operation date (COD).
Under development and construction	Solar farm	Subsidiary	1	154.98	Feed-in Tariff system (FIT) amounting to Yen 36.	The agreement has maturity within 2040 starting from commercial operation date (COD).

39.3 Contracts and other commitments

- a) A joint venture has commitments in respect of a management service agreement with the other venture amounting to Baht 6 million per annum for a period of 10 years from May 2013, with the service fee to increase on an annual basis at the rate specified in the agreement. The fees for the year ended 31 December 2020 amounting to Baht 4 million (2019: Baht 4 million) (in proportionate of the Company's interest in the joint venture) were recognised as expenses.
- b) A joint venture has commitments in respect of the operation and maintenance agreements of seven power plants with a company, amounting to Baht 9 million per annum for the period of 10 years from the commercial operation date. The fees for the year ended 31 December 2020 amounting to approximately Baht 5 million (2019: Baht 5 million) (in proportionate of the Company's interest in the joint venture) were recognised as expenses.
- c) A joint venture has commitments in respect of the operation and maintenance agreements of three power plants with a company, amounting to Baht 8 million per annum for the period of 5 years from June 2017. The fees for the year ended 31 December 2020 amounting to Baht 5 million per annum (2019: Baht 5 million) (in proportionate of the Company's interest in the joint venture) were recognised as expenses.
- d) A subsidiary has commitments in respect of the operation and maintenance agreements of two power plants with a company, amounting to Baht 44 million per annum for the period of 5 years from the commercial operation date. The fees for the year ended 31 December 2020 amounting to Baht 44 million (2019: Baht 44 million) were recognised as expenses.
- e) A subsidiary has commitments in respect of the operation and maintenance agreements of one power plants with a company, amounting to Baht 18 million per annum for the period of 5 years from the commercial operation date. The fees for the year ended 31 December 2020 amounting to Baht 18 million (2019: Baht 18 million) were recognised as expenses.

40 Events after the reporting period

Forward contracts

The Company entered into forward contracts to hedge foreign exchange risk for the repayments of long-term borrowings amounting to Yen 220 million equivalent to Baht 62.92 million in February 2021.