

Chow Steel Industries Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2021

Independent Auditor's Report

To the Shareholders of Chow Steel Industries Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Chow Steel Industries Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Chow Steel Industries Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chow Steel Industries Public Company Limited and its subsidiaries and of Chow Steel Industries Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to the signing of contracts and memorandums for the disposal and ownership transfer of the group of subsidiaries' assets including related classification and presentation of the financial statements as described in Note 12 to the consolidated financial statements. My opinion is not modified in respect of this matter.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters.

Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

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

Property, plant and equipment, intangible assets, and assets classified as held for sales

The net book values of the Group's property, plant and equipment, intangible assets and assets classified as held for sales as at 31 December 2021 amounted to Baht 8,180 million. I therefore focused on auditing the values of such assets because management is required to exercise significant judgement with respect to depreciation and amortisation rates, depreciation method, useful lives, residual values, condition for classification of assets held for sales and discontinued operations as well as their projections of future operating performance and assessment of future plans, in order to consider whether the assets are impaired.

I assessed the judgement exercised by the Group's management with respect to the matters described above, with a focus on determining that there were no indicators that impairment losses should be recorded in addition to the amounts previously recorded, taking into account whether management had considered information from both external and internal sources and future operating performance throughout the useful lives of the assets. I examined the related documentation and considered the nature and type of benefits derived from the assets in order to assess the appropriateness of the remaining useful lives and the depreciation or amortisation method applied by the Group's management. In addition, I considered the conditions for classification of assets held for sales and discontinued operations, including the disclosure of information in accordance with Thai Financial Reporting Standards. I examined the signing of contracts and memorandums for the disposal and ownership's transfer of the group of subsidiaries' assets, the consent letters from lenders' bank, examined cash receiving from disposal, including the consideration of events related to the COVID-19 which affects to the disposal of the group of subsidiaries' assets.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 25 February 2022

Chow Steel Industries Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents		107,044,925	80,949,001	4,235,075	18,850,454
Restricted bank deposits		-	-	-	-
Current portion of bank deposits pledged as collateral		638,981,097	495,897,441	-	-
Trade and other receivables	7	424,948,174	457,534,929	373,196,775	421,706,323
Current portion of loan receivables - personal loans	8	430,599	-	-	-
Contract assets	9	37,383	-	-	-
Inventories	11	98,129,608	98,493,490	98,129,608	98,493,490
Costs to fulfil contracts with customers	10	262,471	-	-	-
Account receivable - Revenue Department		119,566,088	138,302,659	86,001,993	83,760,662
Derivative assets		3,577,759	-	-	-
Other current assets		81,202,576	39,198,425	4,493,261	3,122,202
		1,474,180,680	1,310,375,945	566,056,712	625,933,131
Assets classified as held for sales	12	6,223,035,472	7,141,507,977	-	-
Total current assets		7,697,216,152	8,451,883,922	566,056,712	625,933,131
Non-current assets					
Bank deposits pledged as collateral - net of current portion		71,407,693	47,811,712	55,470,000	42,046,725
Investments in subsidiaries	13	-	-	482,582,181	447,285,391
Investments in joint ventures	14	755,911	86,591	-	-
Loan receivables - personal loans - net of current portion	8	199,182	-	-	-
Investment property	15	22,815,162	22,818,380	-	-
Property, plant and equipment	16	1,937,543,064	1,444,420,316	1,162,473,024	1,007,602,540
Right-of-use assets	22	24,407,580	26,539,375	11,087,159	3,489,197
Intangible assets	17	19,424,637	88,915,988	1	1
Deferred tax assets	27	72,229,701	32,130,716	-	-
Other non-current assets		52,991,008	75,291,732	2,582,070	10,200,500
Total non-current assets		2,201,773,938	1,738,014,810	1,714,194,435	1,510,624,354
Total assets		9,898,990,090	10,189,898,732	2,280,251,147	2,136,557,485

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institution	18	536,845,503	220,945,242	154,512,000	-
Trade and other payables	20	294,859,204	146,082,011	85,234,487	35,062,572
Current portion of long-term liabilities					
- Long-term loans	21	2,943,795,360	2,947,220,159	1,136,163,219	1,138,863,407
- Lease liabilities	22	12,090,922	11,666,639	3,268,311	2,048,119
Short-term loans from related parties	6	-	-	171,984,563	150,000,000
Short-term loans from unrelated parties	19	265,508,036	297,535,282	97,089,656	149,522,205
Contract liabilities	9	732,438	157,475	-	-
Income tax payable		12,236,570	610,602	-	-
Account payable - Revenue Department		33,669,702	671,119	-	-
Other current liabilities		47,829,655	9,076,553	9,121,216	-
		4,147,567,390	3,633,965,082	1,657,373,452	1,475,496,303
Liabilities directly associated with assets classified as held for sales	12	4,824,513,666	5,547,867,170	-	-
Total current liabilities		8,972,081,056	9,181,832,252	1,657,373,452	1,475,496,303
Non-current liabilities					
Long-term liabilities - net of current portion					
- Lease liabilities	22	12,756,802	15,091,479	7,932,320	1,451,566
Deferred tax liabilities	27	60,436,421	36,547,491	25,455,735	16,323,021
Provision for long-term employee benefits	23	20,425,054	17,830,093	14,146,829	11,805,844
Provision for decommissioning costs of leased assets	24	850,000	850,000	-	-
Other non-current liabilities		16,451,959	16,502,590	15,812,000	16,246,000
Total non-current liabilities		110,920,236	86,821,653	63,346,884	45,826,431
Total liabilities		9,083,001,292	9,268,653,905	1,720,720,336	1,521,322,734

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Shareholders' equity					
Share capital					
Registered					
800,000,000 ordinary shares of Baht 1 each		800,000,000	800,000,000	800,000,000	800,000,000
Issued and fully paid-up					
800,000,000 ordinary shares of Baht 1 each		800,000,000	800,000,000	800,000,000	800,000,000
Share premium		380,845,258	380,845,258	380,845,258	380,845,258
Differences from changes in the ownership interests					
in subsidiaries		(5,517,485)	(5,517,485)	-	-
Retained earnings					
Appropriated - statutory reserve	25	15,400,000	15,400,000	15,400,000	15,400,000
Deficit		(420,495,641)	(315,538,529)	(702,006,533)	(646,302,593)
Other components of shareholders' equity		(53,672,198)	(52,856,947)	65,292,086	65,292,086
Equity attributable to owners of the Company		716,559,934	822,332,297	559,530,811	615,234,751
Non-controlling interests of the subsidiaries		99,428,864	98,912,530	-	-
Total shareholders' equity		815,988,798	921,244,827	559,530,811	615,234,751
Total liabilities and shareholders' equity		9,898,990,090	10,189,898,732	2,280,251,147	2,136,557,485
		-	-	-	-

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Continued operation					
Revenues					
Sales		52,261,468	275,604,642	516,790	223,735,298
Service income		253,464,813	262,746,505	192,894,534	237,505,941
Gain on sales of investment in subsidiary and power plant projects	12	47,458,518	-	-	-
Interest income		1,508,205	2,361,669	181,479	440,857
Other income		6,915,943	12,569,543	649,193	7,708,603
Total revenues		<u>361,608,947</u>	<u>553,282,359</u>	<u>194,241,996</u>	<u>469,390,699</u>
Expenses					
Cost of sales		27,107,598	248,224,297	477,128	220,272,233
Cost of services		132,454,713	204,374,894	78,275,284	181,992,490
Selling and distribution expenses		-	5,782,254	-	5,782,254
Administrative expenses		174,072,087	172,215,068	58,599,006	79,442,251
Loss on exchange		3,396,939	61,472,033	2,121,962	386,503
Total expenses		<u>337,031,337</u>	<u>692,068,546</u>	<u>139,473,380</u>	<u>487,875,731</u>
Operating profit (loss)		24,577,610	(138,786,187)	54,768,616	(18,485,032)
Share of loss from investments in joint ventures	14	(205,430)	(38,359)	-	-
Finance cost		(169,440,171)	(169,441,003)	(101,339,842)	(102,986,977)
Loss before income tax		(145,067,991)	(308,265,549)	(46,571,226)	(121,472,009)
Income tax	27	3,564,608	18,434,730	(9,132,714)	-
Loss for the year from continued operation		<u>(141,503,383)</u>	<u>(289,830,819)</u>	<u>(55,703,940)</u>	<u>(121,472,009)</u>
Discontinued operation					
Profit (loss) after income tax from discontinued operation	12	29,059,159	(2,760,347)	-	-
Loss for the year		<u>(112,444,224)</u>	<u>(292,591,166)</u>	<u>(55,703,940)</u>	<u>(121,472,009)</u>

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currencies		(933,208)	74,900,373	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Change in revaluation of assets		-	6,325,950	-	6,325,950
Less: Income tax effect	27	-	(1,265,190)	-	(1,265,190)
		-	5,060,760	-	5,060,760
Other comprehensive income for the year		<u>(933,208)</u>	<u>79,961,133</u>	<u>-</u>	<u>5,060,760</u>
Total comprehensive income for the year		<u>(113,377,432)</u>	<u>(212,630,033)</u>	<u>(55,703,940)</u>	<u>(116,411,249)</u>
Loss attributable to:					
Equity holders of the Company					
Loss from continued operation		(130,455,144)	(267,426,047)	<u>(55,703,940)</u>	<u>(121,472,009)</u>
Profit (loss) from discontinued operation		<u>25,498,032</u>	<u>(2,298,688)</u>		
		<u>(104,957,112)</u>	<u>(269,724,735)</u>		
Non-controlling interests of the subsidiaries					
Loss from continued operation		(11,048,239)	(22,404,772)		
Profit (loss) from discontinued operation		<u>3,561,127</u>	<u>(461,659)</u>		
		<u>(7,487,112)</u>	<u>(22,866,431)</u>		
		<u>(112,444,224)</u>	<u>(292,591,166)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company					
Total comprehensive income from continued operation		(131,651,516)	(269,757,051)	<u>(55,703,940)</u>	<u>(116,411,249)</u>
Total comprehensive income from discontinued operation		<u>25,879,153</u>	<u>70,526,041</u>		
		<u>(105,772,363)</u>	<u>(199,231,010)</u>		
Non-controlling interests of the subsidiaries					
Total comprehensive income from continued operation		(11,333,291)	(23,474,276)		
Total comprehensive income from discontinued operation		<u>3,728,222</u>	<u>10,075,253</u>		
		<u>(7,605,069)</u>	<u>(13,399,023)</u>		
		<u>(113,377,432)</u>	<u>(212,630,033)</u>		
		-	-		
Earnings per share	29				
Basic loss per share					
Loss attributable to equity holders of the Company		<u>(0.13)</u>	<u>(0.34)</u>	<u>(0.07)</u>	<u>(0.15)</u>
Basic loss per share from continued operation					
Loss attributable to equity holders of the Company		<u>(0.16)</u>	<u>(0.33)</u>	<u>(0.07)</u>	<u>(0.15)</u>

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

..... Director Director
(Mr. Anavin Jiratomsiri) (Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
	Issued and paid-up				Other components of equity			Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Differences from changes in the ownership interests		Exchange differences on translation of financial statements in				
	share capital	Share premium	in subsidiaries	Retained earnings	foreign currencies						
				Appropriated	Deficit						
Balance as at 1 January 2020	800,000,000	380,845,258	(5,517,485)	15,400,000	(45,813,794)	(221,575,588)	98,224,916	(123,350,672)	1,021,563,307	112,311,553	1,133,874,860
Loss for the year	-	-	-	-	(269,724,735)	-	-	-	(269,724,735)	(22,866,431)	(292,591,166)
Other comprehensive income for the year	-	-	-	-	-	65,432,965	5,060,760	70,493,725	70,493,725	9,467,408	79,961,133
Total comprehensive income for the year	-	-	-	-	(269,724,735)	65,432,965	5,060,760	70,493,725	(199,231,010)	(13,399,023)	(212,630,033)
Balance as at 31 December 2020	<u>800,000,000</u>	<u>380,845,258</u>	<u>(5,517,485)</u>	<u>15,400,000</u>	<u>(315,538,529)</u>	<u>(156,142,623)</u>	<u>103,285,676</u>	<u>(52,856,947)</u>	<u>822,332,297</u>	<u>98,912,530</u>	<u>921,244,827</u>
Balance as at 1 January 2021	800,000,000	380,845,258	(5,517,485)	15,400,000	(315,538,529)	(156,142,623)	103,285,676	(52,856,947)	822,332,297	98,912,530	921,244,827
Loss for the year	-	-	-	-	(104,957,112)	-	-	-	(104,957,112)	(7,487,112)	(112,444,224)
Other comprehensive income for the year	-	-	-	-	-	(815,251)	-	(815,251)	(815,251)	(117,957)	(933,208)
Total comprehensive income for the year	-	-	-	-	(104,957,112)	(815,251)	-	(815,251)	(105,772,363)	(7,605,069)	(113,377,432)
Increase in non-controlling interests of the subsidiaries											
from acquisition of the subsidiaries	-	-	-	-	-	-	-	-	-	10,000,310	10,000,310
Decrease in non-controlling interests of a subsidiary											
from reduce share capital and return capital	-	-	-	-	-	-	-	-	-	(1,878,907)	(1,878,907)
Balance as at 31 December 2021	<u>800,000,000</u>	<u>380,845,258</u>	<u>(5,517,485)</u>	<u>15,400,000</u>	<u>(420,495,641)</u>	<u>(156,957,874)</u>	<u>103,285,676</u>	<u>(53,672,198)</u>	<u>716,559,934</u>	<u>99,428,864</u>	<u>815,988,798</u>

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

..... Director Director
 (Mr. Anavin Jiratomsiri) (Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2021

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		Total shareholders' equity
			Appropriated	Deficit	Other comprehensive income Surplus on revaluation of assets	Total other components of shareholders' equity	
Balance as at 1 January 2020	800,000,000	380,845,258	15,400,000	(524,830,584)	60,231,326	60,231,326	731,646,000
Loss for the year	-	-	-	(121,472,009)	-	-	(121,472,009)
Other comprehensive income for the year	-	-	-	-	5,060,760	5,060,760	5,060,760
Total comprehensive income for the year	-	-	-	(121,472,009)	5,060,760	5,060,760	(116,411,249)
Balance as at 31 December 2020	<u>800,000,000</u>	<u>380,845,258</u>	<u>15,400,000</u>	<u>(646,302,593)</u>	<u>65,292,086</u>	<u>65,292,086</u>	<u>615,234,751</u>
							-
Balance as at 1 January 2021	800,000,000	380,845,258	15,400,000	(646,302,593)	65,292,086	65,292,086	615,234,751
Loss for the year	-	-	-	(55,703,940)	-	-	(55,703,940)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(55,703,940)	-	-	(55,703,940)
Balance as at 31 December 2021	<u>800,000,000</u>	<u>380,845,258</u>	<u>15,400,000</u>	<u>(702,006,533)</u>	<u>65,292,086</u>	<u>65,292,086</u>	<u>559,530,811</u>
							-

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Loss before tax from continued operation	(145,067,991)	(308,265,549)	(46,571,226)	(121,472,009)
Profit before tax from discontinued operation	<u>37,675,973</u>	<u>7,811,407</u>	-	-
Loss before tax	(107,392,018)	(300,454,142)	(46,571,226)	(121,472,009)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation	310,069,812	360,786,249	12,591,189	56,922,677
Amortisation	87,301,413	90,438,851	-	-
Impairment loss on financial assets	3,576,400	6,099,422	3,570,000	6,099,422
Reversal of inventory to net realisable value	(171,459)	-	(171,459)	-
Gain on sales of investment in subsidiary and power plant projects	(47,458,518)	-	-	-
Loss (gain) on disposals of other fixed assets	(2,500,909)	1,814,725	-	231,263
Loss on impairment of assets held for sales	19,645,000	-	-	-
Impairment loss on non-financial assets	1,535,389	-	7,038,589	-
Share of loss from investments in joint ventures	205,430	38,359	-	-
Provision for long-term employee benefits	4,329,002	3,794,786	2,340,985	2,434,583
Unrealised loss on exchange	18,788,134	19,829,263	2,202,947	-
Unrealised gain on forward contracts	(3,577,758)	-	-	-
Loss from write-off of refundable withholding tax deducted at source	6,250,370	-	6,250,370	-
Loss (gain) on change in right-of-use assets	(4,108,873)	28,408	-	(212,232)
Interest income	(1,593,305)	(2,451,214)	(181,479)	(440,857)
Interest expenses	<u>382,285,957</u>	<u>401,985,014</u>	<u>101,339,842</u>	<u>102,986,977</u>
Profit from operating activities before changes in operating assets and liabilities	667,184,067	581,909,721	88,409,758	46,549,824
Operating assets (increase) decrease				
Trade and other receivables	36,386,762	45,153,434	44,939,548	(32,093,671)
Inventories	535,341	197,919,032	535,341	197,919,032
Costs to fulfill contracts with customers	(262,471)	-	-	-
Account receivable - Revenue Department	24,548,247	46,596,208	(2,241,331)	(5,331,663)
Other current assets	(144,577,686)	(34,369,203)	(1,371,059)	12,929,624
Other non-current assets	1,641,335	(9,593,261)	3,152,274	(326,000)
Operating liabilities increase (decrease)				
Trade and other payables	7,037,558	(168,855,756)	(18,499,244)	(193,425,760)
Account payable - Revenue Department	21,031,034	(31,935,084)	-	-
Other current liabilities	44,105,857	9,164,225	9,121,216	-
Other non-current liabilities	<u>(51,097)</u>	<u>186,062</u>	<u>(434,000)</u>	-
Cash flows from operating activities	657,578,947	636,175,378	123,612,503	26,221,386
Cash received from interest income	1,589,281	2,451,214	181,479	440,857
Cash paid for interest expenses	(350,968,590)	(332,470,724)	(86,402,589)	(85,693,820)
Cash received from corporate income tax	4,693,955	5,121,120	-	-
Cash paid for corporate income tax	(16,024,523)	(11,760,296)	(1,784,214)	(189,872)
Cash paid for long-term employee benefits	<u>(1,734,041)</u>	<u>(62,400)</u>	-	-
Net cash flows from (used in) operating activities	<u>295,135,029</u>	<u>299,454,292</u>	<u>35,607,179</u>	<u>(59,221,449)</u>

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

Chow Steel Industries Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Cash paid for investment in subsidiaries	-	-	(41,999,990)	-
Cash receipt from investment in subsidiary	-	-	1,200,000	-
Cash paid for investments in joint ventures	(874,750)	(124,950)	-	-
Decrease (increase) in restricted bank deposits	3,801,941	(22,225,881)	-	-
Decrease (increase) in bank deposits pledged as collateral	(148,607,482)	30,829,423	(13,423,275)	7,381,328
Acquisition of property, plant and equipment	(188,926,655)	(25,281,861)	(100,634,131)	(53,540)
Acquisition of intangible assets	(1,118,188)	(60,000)	-	-
Increase in loan receivables - personal loans	(662,000)	-	-	-
Cash receipt from repayment of loan receivables - personal loans	36,105	-	-	-
Proceeds from sales of investment in subsidiary and power plant projects	417,760,982	-	-	-
Proceeds from sales of motor vehicles and other equipment	13,390,414	3,503,738	-	703,738
Net cash flows from (used in) investing activities	94,800,367	(13,359,531)	(154,857,396)	8,031,526
Cash flows from financing activities				
Increase in bank overdrafts and short-term loans from financial institutions	313,029,360	30,361,671	154,512,000	-
Increase in short-term loans from a related party	-	-	21,984,563	111,000,000
Increase (decrease) in short-term loans from unrelated parties	(48,357,092)	68,681,670	(58,994,675)	43,077,637
Cash received from long-term loans	-	82,164,600	-	-
Payments of front-end and extension of the maturity period fees	(10,795,075)	(1,655,030)	(10,795,075)	-
Repayment of long-term loans	(573,567,707)	(475,827,204)	-	(100,000,000)
Payment of lease liabilities	(43,554,347)	(12,441,466)	(2,071,975)	(2,844,951)
Cash received from issuance shares for non-controlling interest of a subsidiaries	10,000,310	-	-	-
Cash paid to non-controlling interests for decrease share capital of subsidiary	(1,878,907)	-	-	-
Net cash flows from (used in) financing activities	(355,123,458)	(308,715,759)	104,634,838	51,232,686
Increase (decrease) in translation adjustments	(16,256,657)	10,094,544	-	-
Net increase (decrease) in cash and cash equivalents	18,555,281	(12,526,454)	(14,615,379)	42,763
Cash and cash equivalents at beginning of year from continued operation	80,949,001	64,647,885	18,850,454	18,807,691
Cash and cash equivalents at beginning of year from discontinued operation	13,769,370	42,596,940	-	-
Cash and cash equivalents at the end of year from discontinued operation	(6,228,727)	(13,769,370)	-	-
Cash and cash equivalents at end of year from continued operation	107,044,925	80,949,001	4,235,075	18,850,454
	-	-	-	-

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

..... Director
(Mr. Anavin Jiratomsiri)

..... Director
(Ms. Koo Man Wai)

2. Basis of preparation

2.1 As of the date of the statement of financial position, the Group had current liabilities in excess of current assets, deficit and loss for the year in significant amounts. Although these conditions raise substantial doubt about the Group's ability to continue as a going concern, the Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders and has working capital management plan such as entering into the transaction of disposal of the group of subsidiaries' assets as described in Note 12 to the consolidated financial statements. For this reason, the financial statements have been prepared on the going concern basis.

2.2 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 26 December 2019, issued under the Accounting Act B.E. 2543. The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

2.3 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Chow Steel Industries Public Company Limited (the “Company”) and the following subsidiary companies (the “subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			<u>2021</u>	<u>2020</u>	<u>2021</u> (Percent)	<u>2020</u> (Percent)
<u>Held by the Company</u>						
Vertex Logistics Services Company Limited	Dormant	Thailand	Baht 1.242 Million	Baht 18 Million	40	40
Chow Energy Public Company Limited	Investment in and consulting on investment in renewable power generation and distribution business	Thailand	Baht 570 Million	Baht 570 Million	87.36	87.36
Captain Cash Holding Company Limited	Investment in Personal loan and Nano finance under supervision	Thailand	Baht 50 Million	-	84	-
<u>Held by the subsidiaries</u>						
<u>Subsidiary held by Captain Cash Holding Company Limited</u>						
Captain Cash Capital Company Limited	Personal loan and Nano finance under supervision	Thailand	Baht 50 Million	-	100	-

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			<u>2021</u>	<u>2020</u>	<u>2021</u> (Percent)	<u>2020</u> (Percent)
<u>Subsidiaries held by Chow Energy Public Company Limited</u>						
Chow International Company Limited	Investment in and consulting on investment in renewable power generation and distribution business and is the share service center for the Group	Thailand	Baht 1,540 Million	Baht 1,540 Million	100	100
Premier Solution Company Limited	Consulting on investment in renewable power generation and distribution businesses and service for design, installation and maintenance of power generation systems	Thailand	Baht 50 Million	Baht 50 Million	100	100
Chow Shining Energy Company Limited	Investment in renewable power generation and distribution business	Thailand	Baht 1 Million	Baht 1 Million	100	100
<u>Subsidiaries held by Chow International Company Limited</u>						
RICI International Investment Pte Ltd	Investment in solar power generation projects	Singapore	SGD 100 USD 15.85 Million	SGD 100 USD 15.85 Million	100	100
Thai Solar Rooftop CP Company Limited	Investment in renewable power generation and distribution business	Thailand	-	Baht 1 Million	-	100

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			<u>2021</u>	<u>2020</u>	<u>2021</u> (Percent)	<u>2020</u> (Percent)
Chow International Trading China Company Limited	Investment in renewable power generation and distribution business and distribution of equipment in relation to power generation systems	Hong Kong	HKD 0.01 Million	-	100	-
<u>Subsidiaries held by Chow Shining Energy Company Limited</u>						
S.R.G.A. Company Limited	Investment in and consulting on investment in renewable power generation and distribution business	Thailand	Baht 20 Million	Baht 1 Million	100	100
Thai Solar Rooftop CP Company Limited	Investment in renewable power generation and distribution business	Thailand	Baht 1 Million	-	100	-
S.R.O.A. Company Limited	Investment in and consulting on investment in renewable power generation and distribution business	Thailand	Baht 20 Million	-	90	-
<u>Subsidiaries held by RIC International Investment Pte Ltd</u>						
Hamada Mega Solar Godo Kaisha*	Power generation and distribution	Japan	-	JPY 320 Million	-	100
Premier Solution Australia 2 Pty Ltd	Investment in solar power generation and distribution business	Australia	AUD 10	AUD 10	100	100
<u>Subsidiaries held by Premier Solution Company Limited</u>						
Premier Solution Japan Kabushiki Kaisha	Construction and management of power plants	Japan	JPY 100 Million	JPY 100 Million	100	100

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			<u>2021</u>	<u>2020</u>	<u>2021</u> (Percent)	<u>2020</u> (Percent)
Premier Solution GmbH	Project insurance and efficiency insurance for renewable power plants (currently in the process of liquidation)	Germany	EUR 0.025 Million	EUR 0.025 Million	100	100
Premier Solution Australia Pty Ltd	Investment in solar power generation and distribution business	Australia	AUD 0.55 Million	AUD 0.55 Million	100	100
<u>A subsidiary held by Premier Solution Australia Pty Ltd</u>						
Premier Solution Holdco Pty Ltd	Investment in solar power generation and distribution business	Australia	AUD 10	AUD 10	100	100
<u>A subsidiary held by Premier Solution Holdco Pty Ltd</u>						
Premier Solution Opco Pty Ltd	Solar power generation and distribution	Australia	AUD 10	AUD 10	100	100
<u>Subsidiaries held by Premier Solution Japan Kabushiki Kaisha</u>						
AE Solar Godo Kaisha	Power generation and distribution	Japan	JPY 9.836 Million	JPY 9.836 Million	100	100
Sun Energy Godo Kaisha*	Power generation and distribution	Japan	JPY 0.01 Million	JPY 0.01 Million	100	100
Sol Power Godo Kaisha*	Power generation and distribution	Japan	JPY 0.01 Million	JPY 0.01 Million	100	100
Sun Partner Japan Godo Kaisha*	Power generation and distribution	Japan	JPY 11.771 Million	JPY 11.771 Million	100	100
CC Hamada Solar Godo Kaisha*	Power generation and distribution	Japan	JPY 17.873 Million	JPY 17.873 Million	100	100
Hamada 1 Godo Kaisha*	Power generation and distribution	Japan	JPY 320.02 Million	JPY 0.02 Million	100	100
Mega Solar Park 3 Godo Kaisha*	Power generation and distribution	Japan	JPY 35.884 Million	JPY 35.884 Million	100	100
Good Solar Godo Kaisha*	Power generation and distribution	Japan	-	JPY 0.01 Million	-	100

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
					(Percent)	(Percent)
Sun Power Godo Kaisha*	Power generation and distribution	Japan	JPY 0.01 Million	JPY 0.01 Million	100	100
Sun Solar Godo Kaisha	Power generation and distribution	Japan	JPY 0.01 Million	JPY 0.01 Million	100	100

*Subsidiaries related to the transaction of the disposal of the group of subsidiaries' assets as described in Note 12 to the consolidated financial statements

- b) The Group is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.
 - d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
 - f) Material balances and transactions between companies in the Group have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - h) A change in the ownership interest of subsidiaries of the Group, without a loss of control, are recorded as "Differences from the changes in the ownership interests in subsidiaries" within equity in the consolidated statement of financial position.
- 2.4 The separate financial statements present investments in subsidiaries and joint ventures under the cost method net of allowance for impairment loss (if any).

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

The Group recognises revenue when the revenue and related costs can be reliably measured; it is probable that future economic benefits will flow to the entity, which relates to these transactions as follows.

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue under the Power Purchase Agreements which are not classified as lease

Revenues from sales under power purchase agreements are recognised on delivery at the point specified in the agreements. Revenue is measured at the amount of the consideration received or receivable, excluding value-added tax.

Revenue under the Power Purchase Agreements which are classified as lease

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

Rental income from operating lease under the power purchase agreements is recognised on a straight-line basis over the period of the agreements.

Service income under finance and operating lease agreements related to power purchase agreements, is recognised when the services are rendered.

Contingent rents are recognised in profit or loss in the period in which they are incurred. Contingent rent is that portion of lease payments that is not fixed in amount but varies based on a future factor, such as the amount of use or production.

Rendering of services

Revenue from toll manufacturing and other related services are recognised upon completion of the service which the Group has a right to invoice as it corresponds directly to the contract with customer.

Revenues from construction contract of renewable energy power generation systems

The Group has determined that its construction contracts generally have one performance obligation. The Group recognises construction revenue over time where the stage of completion is measured using an input method, based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs at completion.

The likelihood of contract variations claims and liquidated damages, delays in delivery or contractual penalties are taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the carrying amount of a financial asset net of allowance the expected credit loss (if any).

Finance cost

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

4.2 Cash and cash equivalents

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

4.3 Contract assets/Contract liabilities

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional

Contract liabilities

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer services to its customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

4.4 Costs to fulfil contracts with customers

The Group recognises costs to fulfil contracts with customers as an asset, provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. Costs of construction are recognised in accordance with satisfied performance obligations in the contract when incurred. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained.

4.5 Inventories

Finished goods is valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, chemicals, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

4.6 Investments in subsidiaries and joint ventures

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries are accounted for in the separate financial statements using the cost method, net of allowance for impairment loss (if any).

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.7 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Any gains or losses arising from changes in the value of investment property are recognised in profit or loss when incurred.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.8 Property, plant and equipment/Depreciation

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair value. Revaluations is made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When land's carrying amount is increased as a result of a revaluation of the Group's land, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When land's carrying amount is decreased as a result of a revaluation of the Group's land, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

The Group reviewed and prospectively changed the depreciation method of machinery and equipment in the production process from the straight-line method to the unit of production method to reflect the pattern of consumption of the expected future economic benefits which is more appropriate as the use of assets and the business operations have changed.

Depreciation of plant and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives, except for machinery and equipment in production line which is depreciated using the units-of-production method.

	<u>Useful lives</u>
Buildings and utility systems	5-30 years
Machinery and equipment	production units estimated
- Production phase 1	at a total of 2 million tons
- Production phase 2	at a total of 6 million tons
Power plants and related equipment and solar rooftop equipment	Terms of the power purchase agreements
Fixtures and office equipment	5-20 years
Motor vehicles	5 years

Depreciation is charged to profit or loss. No depreciation is provided on land and assets under installation and construction.

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

4.9 Borrowing costs

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

4.10 Intangible assets/Amortisation

Intangible assets are carried at cost less accumulated amortisation and allowance for loss on impairment of assets (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

	<u>Useful lives</u>
Computer software	5-10 years
Rights in power purchase agreements	Terms of the power purchase agreements

4.11 Leases

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

The Group as a lessee

The Group recognises right-of-use assets and lease liabilities for all lease at the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognises rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made on or before the commencement date of the lease less any reimbursement or other compensation received from a lessor.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease term or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land	15-21	years
Office building space	2-3	years
Rooftop space	4	years
Office equipment	2	years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is remeasured if there is a lease modification.

The Group as a lessor

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

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income

4.12 Related party transactions

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

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

4.13 Foreign currencies

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

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

Gains and losses on exchange are charged to profit or loss.

4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets, computer software and rights in power purchase agreements of the Group whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An allowance of impairment loss is recognised in profit and loss.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides an other long-term employee benefit plan, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

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

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

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

4.16 Assets held for sales and discontinued operations

The Group classifies disposal assets as held for sales if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. The criteria for held for sales classification is regarded as met only when the sales is highly probable, and the disposal assets are available for immediate sales in its present condition. Management must be committed to the sales, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Disposal groups classified as held for sales are measured at the lower of their carrying amount and fair value less costs to sell.

Gain or loss from discontinued operations are excluded from the results of continuing operations and are presented as a single amount in the profit or loss.

4.17 Provisions

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

4.18 Income tax

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

Current income tax

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

Deferred income tax

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

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

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

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

4.19 Financial instruments

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

These financial assets include derivative financial instruments and equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

The Group's financial liabilities are initially recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Recognition and derecognition of financial instruments

Regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date on which the Group becomes a party to contractual provisions of the instrument or the settlement date, i.e., the date on which an asset is delivered to or by the Group.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have been expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control over it.

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

Impairment of financial assets

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

The Group classifies financial assets into three groups (Three-stage approach) in order to measure the expected credit loss, with the classification of the financial assets determined on the basis of the change in credit quality since the initial transaction date, as follows:

- Stage 1: Receivables with no significant increase in credit risk (Performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses in the next 12 months. For receivables under loan agreements with remaining periods of less than 12 months, recognition is based on the probability of default over the remaining period.
- Stage 2: Receivables with a significant increase in credit risk (Under-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.
- Stage 3: Receivables that are credit-impaired (Non-performing) - The Group recognises expected credit losses in an amount equal to the expected credit losses over the lifetime of the receivable.

The Group performs an assessment, at the end of each reporting period, of whether a receivable's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life and the credit risk at the date of initial recognition. The Group applies both its own internal quantitative and qualitative criteria and forward-looking information in assessing whether there has been a decrease in the credit quality of the receivables such as debtors overdue for more than 30 days. Evaluations of whether credit risk has increased significantly since the initial recognition date may be conducted individually or collectively for groups of financial assets. The Group considers a financial asset in default when contractual payments are 90 days past due.

In subsequent periods, if the credit quality of financial assets improves and it is assessed that there is no longer significant increase in credit risk from the initial recognition date that was assessed in the previous period, the Group will change from recognising expected credit loss over the expected lifetime to recognising the 12-months expected credit loss.

In order to estimate expected credit losses, the Group considers historically collected loss data, adjusted on the basis of current observable data. In addition, the Group applies forward-looking macroeconomic information that is supportable and reasonable and appropriately exercises judgement. At least once a year the Group also considers whether to adjust forward-looking information and the weighting of the probability of each scenario used in determining the expected credit losses. Most of the information used by the Group is announced by the Bank of Thailand or other government agencies and adjusted to reflect the Group's internal perspective. The Group calculates expected credit losses based on three probability-weighted scenarios, which are a base scenario, best-case scenario and worst-case scenario. For the base scenario, the Group applies an unbiased market perspective that incorporates forecasts of macroeconomic factors.

For trade and other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. The Group recognises ECLs based on its historical credit loss experience and adjusted for forward-looking factors specific and the economic environment.

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

Offsetting of financial instruments

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

4.20 Derivatives

The Group uses forward currency contracts to hedge its foreign currency risks.

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

Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.

4.21 Earnings per share

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

4.22 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

Allowance for expected credit losses of receivables

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

Investment property

The Group presents investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 15 to the consolidated financial statements.

Property, plant and equipment/Depreciation

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

The Group measures land at revalued amounts. Such amounts are determined by the independent appraiser using the market approach and the income approach. The valuation involves certain assumptions and estimates as described in Note 16 to the consolidated financial statements.

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

Intangible assets

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Rental income	-	-	-	3	<i>Contract rate</i>
Transportation expenses	-	-	-	3	<i>Contract rate</i>
Rental expenses	-	-	2	1	<i>Contract rate</i>
Interest expenses	-	-	5	3	<i>2.08-3.34 percent per annum</i>
<u>Transactions with a related company</u>					
Consulting expenses	8	3	-	-	<i>Agreed-upon price</i>

The balances of the accounts between companies in the Group and those related individuals or companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Other receivables - related parties (Note 7)</u>				
Subsidiaries	-	-	96	1,379
Joint ventures	-	7	-	-
Related individuals (shareholders and director of the Company and its subsidiaries)	4,000	-	4,000	-
Total other receivables - related parties	<u>4,000</u>	<u>7</u>	<u>4,096</u>	<u>1,379</u>
<u>Prepaid expenses - related parties</u>				
Subsidiaries	-	-	163	9
<u>Right-of-use assets - related party</u>				
Subsidiary	-	-	1,396	3,489

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Other non-current assets - related party</u>				
Subsidiary	-	-	-	120
<u>Trade and other payables - related parties (Note 20)</u>				
Subsidiaries	-	-	580	429
Joint venture	-	125	-	-
Related company (related by common directors)	27,359	1,078	-	-
Related individuals (shareholders and directors of the Company its subsidiaries)	-	348	-	-
Total trade and other payables - related parties	<u>27,359</u>	<u>1,551</u>	<u>580</u>	<u>429</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Lease liabilities - related party</u>				
Subsidiary	-	-	1,452	3,500
Less: Current portion	-	-	(1,452)	(2,048)
Lease liabilities - related party				
- net of current portion	-	-	-	1,452
<u>Other non-current liabilities - related parties</u>				
Subsidiaries	-	-	-	434

Short-term loans from related parties

The balances of short-term loans between the Company and its subsidiaries and the movements are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at 31 December 2020	Increase during the year	Decrease during the year	Balance as at 31 December 2021
<u>Short-term loans from</u>				
<u>Subsidiaries</u>				
Chow Energy Public Company Limited	120,000	63,500	(60,293)	123,207
Premier Solution Company Limited	30,000	77,000	(107,000)	-
Chow International Company Limited	-	1,000	(1,000)	-
Captain Cash Holding Company Limited	-	100,000	(51,222)	48,778
Total	150,000	241,500	(219,515)	171,985

Directors and management's remuneration

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	33	35	7	8
Post-employment benefits	3	2	1	1
Termination benefits	1	-	-	-
Total	37	37	8	9

Guarantee obligations with related parties

The Company has outstanding guarantee obligations to its subsidiaries and the Group has outstanding guarantee obligations from related party, as described in Note 32.2 a) and Note 32.2 b) to the consolidated financial statements, respectively.

7. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	201,035	183,802	136,410	111,226
Past due				
Up to 3 months	73,404	32,262	67,323	31,443
3 - 6 months	152	72,736	-	72,723
6 - 12 months	32,291	4	32,258	-
Over 12 months	153,853	227,820	152,462	224,808
Total	460,735	516,624	388,453	440,220
Less: Allowance for expected credit losses	(25,184)	(21,665)	(23,891)	(20,321)
Total trade receivables				
- unrelated parties - net	435,551	494,959	364,562	419,879
<u>Other receivables</u>				
Other receivables - related parties	4,000	-	4,096	216
Other receivables - unrelated parties	48,502	38,056	4,539	448
Interest receivable - financial institutions	9	5	-	-
Interest receivable - related party	-	-	-	1,163
Advances - related parties	-	7	-	-
Advances - unrelated parties	11	129	-	-
Total	52,522	38,197	8,635	1,827
Less: Allowance for expected credit losses	(11,217)	(11,219)	-	-
Total other receivables - net	41,305	26,978	8,635	1,827
Classified as asset held for sales (Note 12)	(51,908)	(64,402)	-	-
Total trade and other receivables - net	424,948	457,535	373,197	421,706

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance as at 1 January	32,884	26,216	20,321	14,222
Provision for expected credit losses	3,570	13,314	3,570	13,314
Amount written-off	-	(7,215)	-	(7,215)
Translation adjustment	(53)	569	-	-
Balance as at 31 December	<u>36,401</u>	<u>32,884</u>	<u>23,891</u>	<u>20,321</u>

8. Loan receivables - personal loans

8.1 As at 31 December 2021, loan receivables - personal loans classified by contractual due date are as follows.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2021		
	Amounts of installments receipt under the agreements		
	Up to 1 year	1 - 3 years	Total
Loan receivables - personal loans	545	242	787
Less: Deferred income	(110)	(41)	(151)
Total loan receivables - personal loans	435	201	636
Less: Allowance for expected credit losses	(4)	(2)	(6)
Total loan receivables - personal loans - net	<u>431</u>	<u>199</u>	<u>630</u>

As at 31 December 2021, the outstanding balance represents loan receivables - personal loans with receipt in monthly installments and carries effective interest at rates of 25 percent per annum (2020: nil). The terms of the agreements are generally between 1 and 3 years. The loan receivables are unsecured.

- 8.2 As at 31 December 2021, loan receivables - personal loans and an allowance for expected credit losses by a general approach classified by the stage of credit risk are as follows.

(Unit: Thousand Baht)

General approach	Consolidated financial statements	
	As at 31 December 2021	
	Loan receivables - personal loans less deferred income	Allowance for expected credit losses
Stage 1	636	(6)
Total	636	(6)

9. Contract assets/Contract liabilities

9.1 Contract balances

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Contract assets		
Unbilled receivables	37	-
Total contract assets	37	-
Contract liabilities		
Construction revenue received in advance	732	157
Total contract liabilities	732	157

9.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2021, revenue amounting to Baht 12.45 million (2020: Baht 53.31 million) is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied. The Group expects to satisfy these performance obligations within 1 year (2020: 1 year).

10. Cost to fulfil contracts with customers

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Balance as at 1 January	-	-
Additions	59,716	-
Disposals	(59,454)	-
Balance as at 31 December	<u>262</u>	<u>-</u>

11. Inventories

(Unit: Thousand Baht)

	Consolidated / Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Supplementary materials	28,363	28,817	(4,292)	(4,464)	24,071	24,353
Supplies	74,336	74,417	(277)	(277)	74,059	74,140
Total	<u>102,699</u>	<u>103,234</u>	<u>(4,569)</u>	<u>(4,741)</u>	<u>98,130</u>	<u>98,493</u>

During the current year, the Company reversed the write-down of cost of inventories by Baht 0.17 million (2020: Baht 23 million) and reduced the amount of inventories recognised as expenses during the year.

12. Assets classified as held for sales

12.1 Asset group A and Asset group B

On 17 December 2020, the meeting of the Board of Directors of the Company passed a resolution to approve Premier Solution Japan Kabushiki Kaisha (“PSJP”) and RICI International Investment Pte Ltd (“RICI”), referred to as “the group of subsidiaries”, entering into the transaction of disposal of the six subsidiaries in Japan that owned nine solar power plants. The disposal of the group of subsidiaries’ assets consists of the following.

- All ordinary shares in six subsidiaries in Japan
- The investment proportion (TK’s interest) under TK-GK agreement of the nine solar power plants
- Land owned by PSJP

The group of subsidiaries disposes of the assets to the two groups of renewable energy business operators in Japan (“Buyers”), who have neither relationship nor connection with the Group. The disposal is classified as “Asset group A” with a price of not less than JPY 12,000 million and “Asset group B” with a price of not less than JPY 2,000 million. However, the selling prices are subject to change as agreed upon by the Buyers and the group of subsidiaries.

Subsequently, on 25 December 2020, the group of subsidiaries entered into the purchase agreements of Asset group A as follows:

1. Transfer of Tokumei Investor Position under Tokumei Kumiai Agreement
2. Unit Purchase Agreement
3. Land sale agreement

On 22 January 2021, RICI transferred all of its shares in Hamada Mega Solar Godo Kaisha (“HMS”) to merge with Hamada 1 Godo Kaisha (“HMD1”) in accordance with conditions of entering into a purchase agreement for solar power plant in Japan. RICI became the TK investor in HMD1 as consideration for the transfer of HMS shares. The merger between HMD1 and HMS was completed on 25 January 2021. On 27 January 2021, the Extraordinary General Meeting of Shareholders No.1/2021 of the Company approved the disposal of the group of subsidiaries’ assets.

On 25 May 2021, RICl entered into the transfer of Tokumei Investor Position under Tokumei Kumiai Agreement with respect to an investment in a solar power plant, and PSJP entered into Unit Purchase Agreement to transfer shares of Good Solar Godo Kaisha (“GOOD”), which is the owner of the solar power plant (Asset B), to the buyer following the resolution of the Board of Directors’ meeting. The Group of subsidiaries has met all terms and conditions stipulated in the agreements and transferred of its interest to buyer on 25 June 2021, the Group loss control over GOOD as a result.

The transactions of disposal of assets and liabilities classified as held for sales of GOOD are summarised as follows:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Proceeds from sale of assets	96,336
Less:	
Costs of net assets sold *	(26,649)
Direct costs related to disposal	(3,291)
Other comprehensive income to be reclassified to profit or loss	<u>223</u>
Gain on sales of investment in subsidiary and power plant project on the delivery date	<u><u>66,619</u></u>

* The costs of net assets sold of GOOD are as follows:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
	25 June 2021
	<u>(the delivery date)</u>
Assets	
Cash and cash equivalents	14,371
Restricted bank deposits	14,803
Bank deposits pledged as collateral	2,839
Plant and equipment - assets related to the power plant project (Note 16)	64,485
Intangible assets - rights in power purchase agreements (Note 17)	6,704
Other assets	<u>13,680</u>
Total assets	<u><u>116,882</u></u>
Liabilities	
Long-term loans (Note 21)	78,251
Other liabilities	<u>11,982</u>
Total liabilities	<u><u>90,233</u></u>
Total costs of net assets sold	<u><u>26,649</u></u>

On 31 August 2021, Sun Partner Japan Godo Kaisha (“SPN”) entered into the Business Transfer Agreement (Asset B) and the Memorandum of Understanding for Purchase Price with respect to the solar power projects in Asset group B as below:

- The Memorandum of Understanding for Purchase Price for Project Goryo on 30 September 2021 and were transferred completely to the buyer on 30 September 2021.
- The Memorandum of Understanding for Purchase Price for Project Shibushi and Project Nogata on 22 December 2021 and were transferred completely to the buyer on 22 December 2021.

The transactions of disposal of assets classified as held for sales of SPN are summarised as follows:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Proceeds from sale of assets	335,796
Less: Costs of net assets sold *	<u>(354,956)</u>
Loss on sales of power plants projects on the delivery date	<u><u>(19,160)</u></u>

* The costs of SPN’s net assets sold are as follows:

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Plant and equipment - assets related to the power plant project (Note 16)	123,853
Intangible assets - rights in power purchase agreements (Note 17)	176,116
Other	<u>54,987</u>
Total	<u><u>354,956</u></u>

The assets and liabilities of subsidiaries in Japan separately presented under the caption of “Assets classified as held for sales” and “Liabilities directly associated with assets classified as held for sales” in the statement of financial position as at 31 December 2021. The operating results of the group of subsidiaries were separately presented under “Profit (loss) after income tax from discontinued operation for the year” in the consolidated profit or loss for the years ended 31 December 2021 and 31 December 2020 being presented for comparative purposes. The details are as follows:

(Unit: Thousand Baht)

Consolidated financial statements

	31 December 2021	31 December 2020
<u>Statement of financial positions</u>		
Assets		
Cash and cash equivalents	6,229	13,769
Restricted bank deposits	275,815	294,420
Bank deposits pledged as collateral	260,973	281,884
Trade and other receivables (Note 7)	51,908	64,402
Property, plant and equipment (Note 16)	4,216,824	4,877,922
Right-of-use assets (Note 22)	135,839	162,123
Intangible assets (Note 17)	1,184,434	1,380,998
Other assets	110,658	65,990
Less: allowance for impairment of assets	(19,645)	-
Assets classified as held for sales	6,223,035	7,141,508
Liabilities		
Trade and other payables (Note 20)	43,503	69,612
Long-term loans (Note 21)	4,660,480	5,303,270
Lease liabilities	89,165	127,807
Other liabilities	31,366	47,178
Liabilities directly associated with assets classified as held for sales	4,824,514	5,547,867

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	For the year ended	
	31 December	
	<u>2021</u>	<u>2020</u>
<u>Statements of comprehensive income</u>		
Revenues		
Sales	750,853	752,004
Other income	13,168	628
Total revenues	<u>764,021</u>	<u>752,632</u>
Expenses		
Cost of sales	(488,840)	(506,810)
Administrative expenses	(24,659)	(5,467)
Total expenses	<u>(513,499)</u>	<u>(512,277)</u>
Profit before finance cost and income tax	250,522	240,355
Finance cost	(212,846)	(232,544)
Profit before income tax	37,676	7,811
Income tax	(8,617)	(10,571)
Profit (loss) after income tax for the year from discontinued operation	<u>29,059</u>	<u>(2,760)</u>
<u>Other comprehensive income</u>		
Exchange differences on translation of financial statement in foreign currencies	436	83,362
Other comprehensive income for the year	<u>436</u>	<u>83,362</u>

Cash flow information of the discontinued operation is as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	For the year	
	ended 31 December	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities	52,756	499,739
Cash flows from (used in) investing activities	537,829	(582,904)
Cash flows used in financing activities	(573,568)	(228,213)

Details of profit (loss) per share of the discontinued operation is as follows:

	Consolidated financial statements	
	For the year ended 31 December	
	<u>2021</u>	<u>2020</u>
Profit (loss) attributable to equity holders of the Company (Baht)	0.03	(0.01)

The disposal of the group of subsidiaries' assets adheres to objective, policy and strategy for operating solar power plant business through subsidiaries. The Group has a plan to invest in solar power plant in Japan and other countries. Therefore, entering into the mentioned transactions is considered a strategic distribution of renewable power plants business as a normal business.

During the year 2021, the group of subsidiaries completely transferred the ownership of Asset B in accordance with the resolution of the Board of Directors' meeting. However, as a result of the new outbreak of the COVID-19 pandemic in Japan, the Japanese government declared a state of emergency and issued a travel ban. This is beyond the control of the group of subsidiaries and causes the delay of the transfer of ownership of Asset A. However, the group of subsidiaries and its buyers continue to pursue the terms and conditions of the purchase obligations. If the situation improves, the group of subsidiaries expects that they will be able to complete the transfer of the ownership of Asset A within a short period of time. Therefore, the assets and liabilities of the group of subsidiaries are separately presented under the caption of "Assets classified as held for sales" and "Liabilities directly associated with assets classified as held for sales" in the statement of financial position as at 31 December 2021, as mentioned above.

12.2 The disposal of subsidiaries and the Group's assets

On 30 July 2021, PSJP entered has enter into an agreement to sell the assets of Sun Power Godo Kaisha, consisting of a solar power plant under construction project and ordinary shares of Sun Power Godo Kaisha to an unrelated buyer in Japan in accordance with the resolution of the Board of Directors' meeting at a price of JPY 230 million (approximately Baht 67 million), with the Group receiving a deposit of JPY 20 million (approximately Baht 6 million) from the buyer on 30 July 2021. The Group presents deposit under the caption of "other current liabilities" in the statement of financial position as at 31 December 2021.

On 18 November 2021, PSJP entered into an agreement to sell the assets of Sol Power Godo Kaisha, consisting of two solar power plant under construction projects and ordinary shares of Sol Power Godo Kaisha to an unrelated buyer in Japan in accordance with the resolution of the Board of Directors' meeting at a price of JPY 200 million (approximately Baht 58 million), with the Group receiving a deposit of JPY 40 million (approximately Baht 12 million) from buyer on 26 October 2021 and 19 November 2021. The Group presents deposit under the caption of "other current liabilities" in the statement of financial position as at 31 December 2021.

On the purchase agreement date of Sun Power Godo Kaisha and Sun Power Godo Kaisha, the book value of net assets to be sold was Baht 71 million and Baht 74 million, respectively and the Group's management therefore set up an allowance of Baht 4 million and Baht 16 million in its accounts, respectively, which was presented as part of profit (loss) after income tax from discontinued operations in the consolidated financial statements of comprehensive income for the year ended 31 December 2021. The Group presented two subsidiaries' assets held for sales (net allowance for impairment) and related liabilities as part of "Assets classified as held for sales" and "Liabilities directly associated with assets classified as held for sales" in the statement of financial position as at 31 December 2021 which were presented in Note 12.1 to the consolidated financial statements.

Subsequently, on 15 February 2022, the Group met all terms and conditions stipulated in the agreements and transferred its interest in Sol Power Godo Kaisha to the buyer on the same date, the Group lost control over subsidiary as a result.

13. Investments in subsidiaries

13.1 Details of investments in subsidiaries as presented in the separate financial statements as at 31 December 2021 and 2020 are as follows:

Company's name	(Unit: Thousand Baht)	
	Investment cost	
	<u>2021</u>	<u>2020</u>
<u>Domestic subsidiaries</u>		
Vertex Logistics Services Company Limited	497	7,200
Chow Energy Public Company Limited	440,085	440,085
Captain Cash Holding Company Limited	42,000	-
Total	<u>482,582</u>	<u>447,285</u>

The paid-up capital and percentage of shareholding are presented in Note 2.3 to the consolidated financial statements.

13.2 Movements of the investments in subsidiaries during the year ended 31 December 2021 are summarised below.

Investor	Investee	Approved by	Number of ordinary shares (Shares)	Par value (Baht per share)	Paid-up value (Percent)	Portion of interest (Percent)	Total (Thousand Baht)
The Company	Captain Cash Holding Company Limited	On 25 February 2021, the Board of Directors Meeting No.1/2021 of the Company (Resolution to establish company)	5,000,000	10	100	84	42,000
Captain Cash Holding Company Limited (The Company's direct subsidiary)	Captain Cash Capital Company Limited	On 25 February 2021, the Board of Directors Meeting No.1/2021 of the Company (Resolution to establish company)	5,000,000	10	100	100	50,000
Chow Shining Energy Company Limited (The Company's indirect subsidiary)	S.R.O.A. Company Limited ("SROA")	On 25 February 2021, the Board of Directors Meeting No.1/2021 of the Company (Resolution to establish company)	10,000	100	100	90	900
		On 29 July 2021, the EGM of shareholders No.2/2021 of SROA (Resolution to increase company's registered share capital)	190,000	100	100	90	17,100
Chow International Company Limited (The Company's indirect subsidiary)	Chow International Trading China Company Limited	On 13 November 2020, the Board of Directors Meeting No.5/2020 of the Company (Resolution to establish company)	100	410	100	100	41
Chow Shining Energy Company Limited (The Company's indirect subsidiary)	S.R.G.A. Company Limited ("SRGA")	On 14 July 2021, the EGM of shareholders No.2/2021 of SRGA (Resolution to increase company's registered share capital)	190,000	100	100	100	19,000

Thai Solar Rooftop CP Company Limited (“TSR”)

On 29 March 2021, Chow International Company Limited transferred its ordinary shares in TSR at the price of Baht 0.9997 million (9,997 ordinary shares of Baht 100 each) to Chow Shining Energy Company Limited. The transaction did not have any significant impact on the Group’s financial statements.

Vertex Logistics Services Company Limited (“VT”)

On 4 June 2021, the Extraordinary General Meeting of Shareholders No.1/2021 of VT approved a decrease of Baht 13.5 million in issued and fully paid-up share capital, from Baht 18 million (18,000 ordinary shares with a par value of Baht 1,000 each) to Baht 4.5 million (18,000 ordinary shares with a par value of Baht 250 each) by decreasing a par value from Baht 1,000 each to Baht 250 each and VT registered the capital decrease with the Ministry of Commerce on 19 July 2021. On 29 July 2021, the Extraordinary General Meeting of Shareholders No.2/2021 of VT approved a decrease of Baht 3.258 million in issued and fully paid-up share capital, from Baht 4.5 million (18,000 ordinary shares with a par value of Baht 250 each) by decreasing a par value from Baht 250 each to Baht 69 each. VT registered the capital decrease with the Ministry of Commerce on 28 October 2021. The Company recorded impairment loss on investment in VT of Baht 6.9 million, which was presented as part of administrative expense in profit or loss in the separate financial statements of comprehensive income for the year ended 31 December 2021.

Chow Shining Energy Company Limited (“CSN”)

On 17 February 2022, the Extraordinary General Meeting of Shareholders No.2/2022 of CSN approved an increase of Baht 199 million in the registered share capital, from Baht 1 million (10,000 ordinary shares with a par value of Baht 100 each) to Baht 200 million (2,000,000 ordinary shares with a par value of Baht 100 each). CSN has initially called up Baht 89.55 million (1,990,000 ordinary shares of Baht 45 each), representing 45% of the Company’s new shares.

14. Investments in joint ventures

14.1 Investments in joint ventures represent investment in entity which is jointly controlled by the subsidiary and other company. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2021 (Percent)	2020 (Percent)	2021	2020	2021	2020
Chow and Haco Solar Company Limited	Sale of renewable energy-based power generation systems	50	50	500	125	311	87
Chow and CKE Renewable Company Limited	Renewable energy-based power generation systems	50	-	500	-	445	-
Total				1,000	125	756	87

14.2 Movements of the investments in joint ventures during the year are summarized below.

Investor	Investee	Joint venture	Approved by	Number of ordinary shares (Shares)	Par value (Baht per share)	Paid-up value (Percent)	Portion of interest (Percent)	Total (Thousand Baht)
Chow Shining Energy Company Limited (The Company's indirect subsidiary)	Chow and CKE Renewable Company Limited	Charoen Krung Engineering Company Limited	On 13 November 2020, the Board of Directors Meeting No.5/2020 of the Company	10,000	100	100	50	500
Chow Shining Energy Company Limited (The Company's indirect subsidiary)	Chow and Haco Solar Company Limited	Haco Electric (Thailand) Company Limited	On 17 December 2020, the Board of Directors Meeting No.6/2020 of the Company	10,000	100	75	50	375

Chow and Haco Solar Company Limited (“CHS”)

On 11 February 2022, Chow Shining Energy Company Limited transferred its ordinary shares in CHS at the price of Baht 0.4998 million (4,998 ordinary shares of Baht 100 each) to Chow Energy Public Company Limited. The transaction did not have any significant impact on the Group’s financial statements.

Chow and CKE Renewable Company Limited (“CKE”)

On 11 February 2022, Chow Shining Energy Company Limited transferred its ordinary shares in CKE at the price of Baht 0.4998 million (4,998 ordinary shares of Baht 100 each) to Chow Energy Public Company Limited. The transaction did not have any significant impact on the Group’s financial statements.

14.3 Share of comprehensive income

During the years, the Group recognised its share of comprehensive income from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements	
	Share of loss from investment in joint ventures during the year	
	<u>2021</u>	<u>2020</u>
Chow and Haco Solar Company Limited	(151)	(38)
Chow and CKE Renewable Company Limited	(54)	-
Total	<u>(205)</u>	<u>(38)</u>

15. Investment property

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Balance as at 1 January	22,818	22,147
Translation adjustment	(3)	671
Balance as at 31 December	<u>22,815</u>	<u>22,818</u>

The balance represents land held for rent for solar power projects in Japan. Its fair value has been determined based on the valuation performed by an independent appraiser, using the income approach and categorised within Level 3 of the fair value hierarchy.

Key assumptions used in the valuation are summarised below:

	<u>Consolidated financial statements</u>	<u>Result to fair value whereas an increase in assumption value</u>
Discount rate (percent)	4.5 - 5.0	Decrease in fair value
Rental rate (JPY million per annum)	0.6 - 1.5	Increase in fair value

The Group's management believes that the fair value as at 31 December 2021 and the fair value appraised by an independent appraiser in 2017 were not materially different.

16. Property, plant and equipment

(Unit: Thousand Baht)

Consolidated financial statements

Cost basis

	Revaluation basis	Buildings and utility systems	Machinery and equipment	Power plants and related equipment, and solar rooftop equipment	Fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
	Land							
Cost / Revalued amount:								
1 January 2020	389,225	669,994	1,115,200	5,247,470	29,111	151,208	418,576	8,020,784
Additions	-	-	2,223	835	98	-	131,383	134,539
Disposals	-	-	-	(345)	(242)	(24,419)	-	(25,006)
Transfers	-	-	195,668	64,020	-	-	(265,805)	(6,117)
Revaluations	6,326	-	-	-	-	-	-	6,326
Capitalised interest	-	-	-	-	-	-	7,442	7,442
Classified as assets held for sales (Note 12)	(274,308)	(406)	-	(5,158,163)	(404)	-	(233,676)	(5,666,957)
Translation adjustment	11,806	42	-	261,060	97	16	20,769	293,790
31 December 2020	133,049	669,630	1,313,091	414,877	28,660	126,805	78,689	2,764,801
Assets held for sales at the beginning of year (Note 12)	274,308	406	-	5,158,163	404	-	233,676	5,666,957
Additions	13,193	574	14	294	441	-	300,486	315,002
Disposals	-	(198)	-	(595)	(1,265)	(67,182)	(990)	(70,230)
Disposal of assets held for sales (Note 12)	(9,174)	(407)	-	(233,038)	(326)	-	-	(242,945)
Transfers	-	-	-	-	-	-	(6,337)	(6,337)
Capitalised interest	-	-	-	-	-	-	10,383	10,383
Classified as assets held for sales (Note 12)	(245,251)	-	-	(4,905,621)	(78)	-	(54,951)	(5,205,901)
Translation adjustment	(41)	-	-	(391)	-	-	851	419
31 December 2021	166,084	670,005	1,313,105	433,689	27,836	59,623	561,807	3,232,149

(Unit: Thousand Baht)

Consolidated financial statements

Cost basis

	Revaluation	Buildings and utility systems	Machinery and equipment	Power plants and related equipment, and solar rooftop equipment	Fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
	basis Land							
Accumulated depreciation:								
1 January 2020	-	353,883	710,088	536,157	23,607	115,161	-	1,738,896
Transfers	-	-	-	(345)	-	-	-	(345)
Depreciation for the year	-	20,362	34,301	280,364	2,590	1,773	-	339,390
Depreciation on disposals	-	-	-	(21)	(242)	(19,424)	-	(19,687)
Classified as assets held for sales (Note 12)	-	(70)	-	(766,633)	(66)	-	-	(766,769)
Translation adjustment	-	25	-	23,615	70	3	-	23,713
31 December 2020	-	374,200	744,389	73,137	25,959	97,513	-	1,315,198
Assets held for sales at the beginning of year (Note 12)	-	70	-	766,633	66	-	-	766,769
Depreciation for the year	-	10,059	326	275,109	814	1,175	-	287,483
Depreciation on disposals	-	(198)	-	(37)	(1,164)	(57,941)	-	(59,340)
Depreciation on disposals of assets held for sales (Note 12)	-	(88)	-	(53,745)	(75)	-	-	(53,908)
Classified as assets held for sales (Note 12)	-	-	-	(967,498)	(14)	-	-	(967,512)
Translation adjustment	-	-	-	(802)	-	-	-	(802)
31 December 2021	-	384,043	744,715	92,797	25,586	40,747	-	1,287,888

(Unit: Thousand Baht)

Consolidated financial statements

Cost basis

	Revaluation basis	Buildings and utility systems	Machinery and equipment	Power plants and related equipment, and solar rooftop equipment	Fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
	Land							
Allowance for impairment loss:								
1 January 2020	21,199	-	5,183	-	-	-	-	26,382
Classified as assets held for sales (Note 12)	(22,266)	-	-	-	-	-	-	(22,266)
Translation adjustment	1,067	-	-	-	-	-	-	1,067
31 December 2020	-	-	5,183	-	-	-	-	5,183
Assets held for sales at the beginning of year (Note 12)	22,266	-	-	-	-	-	-	22,266
Increase during the year	-	-	1,535	-	-	-	-	1,535
Classified as assets held for sales (Note 12)	(21,565)	-	-	-	-	-	-	(21,565)
Allowance for impairment of disposal of assets as held for sales (Note 12)	(699)	-	-	-	-	-	-	(699)
Translation adjustment	(2)	-	-	-	-	-	-	(2)
31 December 2021	-	-	6,718	-	-	-	-	6,718
Net book value:								
31 December 2020	133,049	295,430	563,519	341,740	2,701	29,292	78,689	1,444,420
31 December 2021	166,084	285,962	561,672	340,892	2,250	18,876	561,807	1,937,543
Depreciation for the year								
2020 (Baht 307 million included in cost of sales and the balance in administrative expenses)								339,390
2021 (Baht 285 million included in cost of sales and services and the balance in administrative expenses)								287,483

(Unit: Thousand Baht)

Separate financial statements

	Cost basis						Total
	Revaluation	Buildings and utility systems	Machinery and equipment	Fixtures and office equipment	Motor vehicles	Assets under installation and construction	
	basis Land						
Cost / Revalued amount:							
1 January 2020	126,274	655,570	1,115,200	14,999	62,294	85,884	2,060,221
Additions	-	-	2,222	54	-	111,154	113,430
Disposals	-	-	-	(242)	(5,451)	-	(5,693)
Transfers	-	-	195,668	-	-	(195,668)	-
Revaluations	6,326	-	-	-	-	-	6,326
31 December 2020	132,600	655,570	1,313,090	14,811	56,843	1,370	2,174,284
Additions	-	-	14	64	-	166,743	166,821
31 December 2021	132,600	655,570	1,313,104	14,875	56,843	168,113	2,341,105
Accumulated depreciation:							
1 January 2020	-	346,450	710,088	14,365	41,476	-	1,112,379
Depreciation for the year	-	18,076	34,300	286	1,215	-	53,877
Depreciation on disposals	-	-	-	(242)	(4,516)	-	(4,758)
31 December 2020	-	364,526	744,388	14,409	38,175	-	1,161,498
Depreciation for the year	-	9,223	326	248	619	-	10,416
31 December 2021	-	373,749	744,714	14,657	38,794	-	1,171,914
Allowance for impairment loss:							
31 December 2020	-	-	5,183	-	-	-	5,183
Increase during the year	-	-	1,535	-	-	-	1,535
31 December 2021	-	-	6,718	-	-	-	6,718

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis	Cost basis				Assets under installation and construction	Total
		Buildings and utility systems	Machinery and equipment	Fixtures and office equipment	Motor vehicles		
Net book value:							
31 December 2020	132,600	291,044	563,519	402	18,668	1,370	1,007,603
31 December 2021	132,600	281,821	561,672	218	18,049	168,113	1,162,473
Depreciation for the year							
2020 (Baht 27 million included in cost of sales and the balance in administrative expenses)							53,877
2021 (Baht 9 million included in cost of services and the balance in administrative expenses)							10,416

Due to the change in the significant accounting policy relating to depreciation method of machinery and equipment used in the production, loss of the Group and the Company for the year ended 31 December 2021 decreased by Baht 46 million.

The subsidiary in Japan arranged for an independent appraiser to appraise the value of plot of certain land in 2017 on an asset-by-asset basis. The subsidiary's plot of land were revalued using the market approach and the income approach, respectively, and categorised within Level 3 of the fair value hierarchy.

In July 2020, the Company arranged for an independent appraiser to appraise the value of the plot of land using the market approach. The appraised value of the land was Baht 133 million. As a result of the appraisal, the Company recorded surplus arising from the revaluation of Baht 6 million in other comprehensive income and recognised the cumulative increase under the heading "Revaluation surplus".

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements	Separate financial statements	Result to fair value where as an increase in assumption value
<u>The market approach</u>			
Price per Rai (million Baht)	2	2	Increase in fair value
<u>The income approach</u>			
Discount rate (percent)	6	-	Decrease in fair value
Feed-in tariff			
(JPY per kilowatt-hour)	36 - 40	-	Increase in fair value
Electricity generated			
(megawatts per annum)	1,388 - 32,370	-	Increase in fair value

Had the land been carried in the consolidated financial statements on a historical cost basis, its net book value as of 31 December 2021 would have been approximately Baht 266 million (2020: approximately Baht 262 million) (the Company only: Baht 51 million (2020: Baht 51 million)).

As at 31 December 2021, the subsidiaries had power plants and related equipment with net book values of approximately Baht 147 million (2020: approximately Baht 157 million) that were constructed, in which rights were transferred and for which rights to use in their solar power generation and distribution businesses were granted under the grid connection agreements and were presented as a part of assets classified as held for sales in Note 12 to the consolidated financial statements.

As at 31 December 2021, certain items of buildings and leasehold improvement and power plants and related equipment had been fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 146 million (2020: approximately Baht 184 million) (The Company only: Baht 142 million (2020: Baht 111 million)).

The Group has pledged its land and structures thereon, power plants and related equipment with net book values as at 31 December 2021, amounting to approximately Baht 4,732 million (2020: approximately Baht 5,197 million) (The Company only: Baht 778 million (2020: Baht 778 million) as collateral for credit facilities granted by financial institutions, as discussed in Note 21 to the consolidated financial statements and were presented as a part of assets classified as held for sales in Note 12 to the consolidated financial statements.

17. Intangible assets

	Consolidated financial statements				Separate financial statements
	Rights in power purchase agreements	Computer software	Rights in power purchase agreements of power plants under construction	Total	Computer software
(Unit: Thousand Baht)					
Cost:					
1 January 2020	1,595,764	22,998	98,838	1,717,600	8,841
Additions	-	60	-	60	-
Transfers	7,279	-	(7,279)	-	-
Classified as assets held for sales (Note 12)	(1,687,313)	(978)	(12,112)	(1,700,403)	-
Translation adjustment	85,408	61	2,031	87,500	-
31 December 2020	1,138	22,141	81,478	104,757	8,841
Assets held for sales at the beginning of year (Note 12)	1,687,313	978	12,112	1,700,403	-
Additions	-	1,118	-	1,118	-
Transfers	-	-	2,735	2,735	-
Amortisations	-	(177)	-	(177)	-
Disposal of intangible assets held for sales (Note 12)	(259,955)	-	-	(259,955)	-
Classified as assets held for sales (Note 12)	(1,427,650)	(978)	(84,074)	(1,512,702)	-
Translation adjustment	292	-	(141)	151	-
31 December 2021	1,138	23,082	12,110	36,330	8,841

	Consolidated financial statements				Separate financial statements
	Rights in power purchase agreements	Computer software	Rights in power purchase agreements of power plants under construction	Total	Computer software
Accumulated					
amortisation:					
1 January 2020	220,833	13,019	-	233,852	8,841
Amortisation for the year	88,654	1,785	-	90,439	-
Classified as assets held for sales (Note 12)	(319,297)	(108)	-	(319,405)	-
Translation adjustment	10,948	7	-	10,955	-
31 December 2020	1,138	14,703	-	15,841	8,841
Assets held for sales at the beginning of year (Note 12)	319,297	108	-	319,405	-
Amortisation for the year	85,963	1,338	-	87,301	-
Amortisation for disposals	-	(177)	-	(177)	-
Amortisation on disposals of assets held for sales (Note 12)	(77,135)	-	-	(77,135)	-
Classified as assets held for sales (Note 12)	(328,063)	(205)	-	(328,268)	-
Translation adjustment	(62)	-	-	(62)	-
31 December 2021	1,138	15,767	-	16,905	8,841
Net book value:					
31 December 2020	-	7,438	81,478	88,916	-
31 December 2021	-	7,315	12,110	19,425	-
Amortisation for the year					
2020 (Baht 89 million included in cost of sales and the balance in administrative expenses)				90,439	-
2021 (Baht 86 million included in cost of sales and the balance in administrative expenses)				87,301	-

The subsidiaries have pledged their rights in power purchase agreements with net book values as at 31 December 2021, amounting to approximately Baht 1,100 million (2020: Baht 1,369 million), as collateral for credit facilities granted by financial institutions, as discussed in Note 21 to the consolidated financial statements and were presented as a part of assets classified as held for sales in Note 12 to the consolidated financial statements.

18. Bank overdrafts and short-term loans from financial institutions

The balances represent bank overdrafts and short-term loans from banks, on which interest is charged at the fixed rates stipulated in the agreements. The loans are secured by the Group's directors and bank deposits.

19. Short-term loans from unrelated parties

As at 31 December 2021, the balance represents short-term loans from an unrelated company in the form of a bill of exchange and from 3 unrelated individuals in the form of promissory notes (2020: from an unrelated company in the form of a bill of exchange and from 4 unrelated individuals in the form of promissory notes), on which interest is charged at the fixed rates stipulated in the agreements. The loans are secured by the Company.

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related party	-	-	-	13
Trade payables - unrelated parties	9,373	7,432	146	120
Other payables for purchases of assets - related party	19,824	-	-	-
Other payables for purchases of assets - unrelated parties	123,952	21,303	66,188	-
Other payables - related parties	45	863	200	83
Other payables - unrelated parties	27,788	15,084	1,793	1,923
Accrued interest expenses				
to financial institutions	67,120	58,922	11,020	10,129
Accrued interest expenses - related parties	-	-	380	333
Accrued expenses - related party	7,490	400	-	-
Accrued expenses - unrelated parties	47,972	76,180	2,881	19,661
Advances received	-	160	-	-
Advances - related parties	-	288	-	-
Advances - unrelated parties	34,798	35,062	2,626	2,801
Classified as liabilities directly associated with assets classified as held for sales (Note 12)	(43,503)	(69,612)	-	-
Total trade and other payables	<u>294,859</u>	<u>146,082</u>	<u>85,234</u>	<u>35,063</u>

21. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Long-term loans from financial institutions	6,468,112	7,111,627	-	-
Debentures	1,136,163	1,138,863	1,136,163	1,138,863
Total	7,604,275	8,250,490	1,136,163	1,138,863
Classified as liabilities directly associated with assets classified as held for sales (Note 12)	(4,660,480)	(5,303,270)	-	-
Less: Current portion	(2,943,795)	(2,947,220)	(1,136,163)	(1,138,863)
Long-term loans - net of current portion	-	-	-	-

21.1 Long-term loans from financial institutions

Loan	Interest rate	Repayment schedule	(Unit: Thousand Baht)	
			Consolidated	
			financial statements	
			<u>2021</u>	<u>2020</u>
	(Percent)			
1	Reference to Tokyo Interbank Offered Rate (TIBOR)	Full repayment made within February 2022, (repayment was rescheduled on 27 January 2022)	1,807,632	1,808,357
2	At a fixed interest rate specified in the agreement	65 quarterly installments, from March 2015 to March 2031	567,648	619,015
3	Reference to Tokyo Interbank Offered Rate (TIBOR)	32 semi-annual installments, from June 2017 to December 2032	-	153,791
4	At a fixed interest rate and reference to Intercontinental Exchange London Interbank Offered Rate (ICE LIBOR)	35 semi-annual installments, from December 2017 to December 2034	1,010,178	1,075,169

			(Unit: Thousand Baht)	
			Consolidated	
			financial statements	
Loan	Interest rate (Percent)	Repayment schedule	<u>2021</u>	<u>2020</u>
5	At a fixed interest rate specified in the agreement and reference to Intercontinental Exchange London Interbank Offered Rate (ICE LIBOR)	35 semi-annual installments, from November 2020 to November 2035	2,560,568	2,718,421
6	Reference to Tokyo Interbank Offered Rate (TIBOR)	34 semi-annual installments, from August 2021 to February 2037	522,086	555,304
7	Reference to Tokyo Interbank Offered Rate (TIBOR)	29 semi-annual installments, from June 2021 to February 2033	-	101,198
8	At a fixed interest rates specified in the agreement	33 semi-annual installments, from April 2021 to April 2037	-	80,372
Total			6,468,112	7,111,627
Classified as liabilities directly associated with assets classified as held for sales (Note 12)			(4,660,480)	(5,303,270)
Less: Current portion			<u>(1,807,632)</u>	<u>(1,808,357)</u>
Long-term loans from financial institutions - net of current portion			<u>-</u>	<u>-</u>

Movements in the long-term loan from financial institution account during the year were summarised below.

		(Unit: Thousand Baht)
		Consolidated
		financial statements
Balance as at 1 January 2021		1,808,357
Classified as liabilities directly associated with assets classified as held for sales at the beginning of year (Note 12)		5,303,270
Repayments during the year		(573,568)
Amortisation of front-end fees during the year		8,616
Unrealised gain on exchange		(725)
Classified as liabilities directly associated with assets classified as held for sales at the end of year (Note 12)		(4,660,480)
Disposal of liabilities classified as held for sales (Note 12)		(78,251)
Translation adjustment		413
Balance as at 31 December 2021		<u>1,807,632</u>

The loans are secured by the mortgage of power plants and related equipment and the rights in power purchase agreements, as discussed in Notes 16 and 17 to the consolidated financial statements, the provision of consent to the banks to control the bank account used to receive the electricity income, and the pledge of two subsidiaries' shares held by another subsidiary, guarantees provided by the Company, and land and structures thereon of the Company, and bank deposits and personal assets of the Company's directors.

Under the conditions of the loan agreements, a subsidiary agrees not to mortgage or otherwise encumber its assets with any other parties throughout the loan period, and the loan agreements contain several covenants which, among other things, require the subsidiaries to maintain their debt-to-equity ratio and debt service coverage ratio at the rate prescribed.

21.2 Debentures

The Company issued to institutional investors and participating dealers registered, senior and unsecured long-term debentures with a trustee, which can be redeemed before maturity. They have a face value of Baht 1,000 each and carry interest, payable every 3 months throughout the life of the debentures. Details of these debentures are as follows:

				(Unit: Thousand Baht)	
				Consolidated/Separate financial statements	
Debenture	Interest rate	Issue date	Maturity date	<u>2021</u>	<u>2020</u>
				(Percent)	
1	6.75 - 7.25	7 August 2019	7 August 2022	955,600	955,600
2	6.75 - 7.25	20 September 2019	20 August 2022	184,400	184,400
Face value				1,140,000	1,140,000
Less: Debenture issuance fees and extension of the maturity periods fee				(3,837)	(1,137)
				1,136,163	1,138,863
Less: Current portion				1,136,163	(1,138,863)
Debentures - net of current portion				-	-

On 25 January 2021, the meeting of a Company's debenture holders passed a resolution to extend the maturity period of CHOW212A debentures in the amount of Baht 995.6 million for another six months by revising the maturity date from 7 February 2021 to 7 August 2021, change the coupon rate from 6.75% to 7.00%, and amend the provisions relating to the rights and obligations of the debenture issuer and holders to align with such changes.

On 9 March 2021, the meeting of the Company's debenture holders passed a resolution to extend the maturity period of CHOW213A debentures in the amount of Baht 184.4 million for another five months by revising the maturity date from 21 March 2021 to 20 August 2021, change the coupon rate from 6.75% to 7.00%, and amend the provisions relating to the rights and obligations of the debenture issuer and holders to align with such changes.

On 21 July 2021, the meeting of the Company's debenture holders passed a resolution to extend the maturity period of CHOW212A debentures in the amount of Baht 995.6 million and CHOW213A debentures in the amount of Baht 184.4 million for another one year by revising the maturity date from 7 August 2021 to 7 August 2022 and 20 August 2021 to 20 August 2022 respectively, change the coupon rate from 7.00% to 7.25%, and amend the provisions relating to the rights and obligations of the debenture issuer and holders to align with such changes.

Movements in the debenture account during the year are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
	<hr/>
Balance as at 1 January 2021	1,138,863
Payments of front-end and extension of the maturity period fees	(10,795)
Amortisation of debenture issuance and extension of the maturity period fees for the year	8,095
	<hr/>
Balance as at 31 December 2021	<u>1,136,163</u>

Under the provisions relating to the rights and obligations of the debenture issuer and holders, the Company is not to take any action affecting its ability to service its debt to the debenture holders, and the Company is required to comply with several covenants, such as to maintain a prescribed debt-to-equity ratio.

22. Leases

22.1 The Group as a lessee

The Group has lease contracts used in its operations. Leases generally have lease terms between 2-22 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Office building		Office		Total
	Land	space	Rooftop space	equipment	
1 January 2020	163,073	18,402	22,938	163	204,576
Additions	-	19,077	-	-	19,077
Decrease from cancellation	-	(21,160)	-	-	(21,160)
Depreciation for the year	(9,754)	(6,728)	(6,117)	(91)	(22,690)
Classified as assets held for sales (Note 12)	(162,123)	-	-	-	(162,123)
Translation adjustment	8,804	46	-	9	8,859
31 December 2020	-	9,637	16,821	81	26,539
Assets held for sales at the beginning of year (Note 12)	162,123	-	-	-	162,123
Additions	21,155	9,773	-	-	30,928
Decreases	(615)	-	-	-	(615)
Depreciation for the year	(10,680)	(5,721)	(6,117)	(69)	(22,587)
Classified as assets held for sales (Note 12)	(135,839)	-	-	-	(135,839)
Disposal of assets classified as held for sales	(36,164)	-	-	-	(36,164)
Translation adjustment	20	3	-	-	23
31 December 2021	-	13,692	10,704	12	24,408

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Office building		Office	Total
		space	Rooftop space	equipment	
1 January 2020	-	10,375	-	-	10,375
Additions	-	8,476	-	-	8,476
Decrease from cancellation	-	(12,317)	-	-	(12,317)
Depreciation for the year	-	(3,045)	-	-	(3,045)
31 December 2020	-	3,489	-	-	3,489
Additions	-	9,773	-	-	9,773
Depreciation for the year	-	(2,175)	-	-	(2,175)
31 December 2021	-	11,087	-	-	11,087

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	26,181	27,775	12,202	3,730
Less: Deferred interest expenses	(1,333)	(1,017)	(1,002)	(230)
Total	24,848	26,758	11,200	3,500
Less: Portion due within one year	(12,091)	(11,667)	(3,268)	(2,048)
Lease liabilities - net of current portion	<u>12,757</u>	<u>15,091</u>	<u>7,932</u>	<u>1,452</u>

A maturity analysis of lease payments is disclosed in Note 33.1 to the consolidated financial statements under the liquidity risk.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expense of right-of-use assets	22,587	22,690	2,175	3,045
Interest expense on lease liabilities	4,116	4,688	256	517

d) Others

The Group has total cash outflows for leases for the year ended 31 December 2021 of Baht 47.63 million (2020: Baht 15.42 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

22.2 The Group as a lessor

The Group has entered into long-term power purchase agreements with industry customers in the form where the Group is an investor in renewable energy generating systems to sell electricity to the customers under agreements. The power purchase agreements are not defined as legal leases, but are define as leases under TFRS 16 Leases due to customer having the right to use the assets, and the Group receives consideration in the form of monthly electricity revenue. During the current year, the Group is in the process of complying with the agreements and commercial operation has not begun yet.

23. Provision for long-term employee benefits

Provision for long-term employee benefits in Thailand, which represents compensation payable to employees after they retire and long service awards, is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Provision for defined benefits at beginning of year	16,032	12,658	10,721	8,493
Included in profit or loss:				
Current service cost	2,921	3,086	1,874	2,012
Interest cost	429	351	265	216
Benefits paid during the year	<u>(879)</u>	<u>(63)</u>	<u>-</u>	<u>-</u>
Provision for defined benefits at ending of year	18,503	16,032	12,860	10,721
Add: Provision for other long-term employee benefits	<u>1,922</u>	<u>1,798</u>	<u>1,287</u>	<u>1,085</u>
Total provision for long-term employee benefits	<u>20,425</u>	<u>17,830</u>	<u>14,147</u>	<u>11,806</u>

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit was 10-25 years (2020: 10-25 years) (the Company only: 10-13 years (2020: 10-13 years)).

Significant actuarial assumptions are summarised below:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate	2.55 - 3.53	2.55 - 3.53	2.55 - 2.92	2.55 - 2.92
Salary increase rate	4 - 6	4 - 6	5	5
Turnover rate	1.91 - 34.38	1.91 - 34.38	1.91 - 22.92	1.91 - 22.92

The result of sensitivity analysis on significant assumptions that increase (decrease) the present value of the long-term employee benefit obligation is summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Discount rate				
Increase 0.5 percent	(978)	(872)	(468)	(435)
Decrease 0.5 percent	1,023	943	497	464
Salary increase rate				
Increase 1 percent	2,558	2,151	1,288	1,074
Decrease 1 percent	(2,198)	(1,851)	(1,140)	(952)
Turnover rate				
Increase 20 percent	(2,305)	(1,947)	(1,214)	(1,009)
Decrease 20 percent	2,811	2,365	1,416	1,172

24. Provision for decommissioning costs of leased assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Balance as at 1 January	850	7,158
Liabilities directly associated with assets classified as held for sales at beginning of year	6,898	-
Amortisation of deferred interest expenses for the year	252	255
Classified as liabilities directly associated with assets classified as held for sales	(5,410)	(6,898)
Disposal of liabilities classified as held for sales	(1,742)	-
Translation adjustment	2	335
Balance as at 31 December	<u>850</u>	<u>850</u>

25. Statutory reserve

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

26. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Continued operation				
Salaries, wages and other employee benefits	102,647	118,913	44,713	66,368
Depreciation and amortisation	41,371	82,967	12,591	56,923
Utilities expenses	6,553	81,245	4,922	79,641
Operation assets and management fees	3,118	4,156	-	-
Consulting fees	23,679	21,528	5,259	4,234
Cost of construction contract of renewable energy power generation systems	52,117	3,611	-	-
Discontinued operation				
Salaries, wages and other employee benefits	4,440	5,647	-	-
Depreciation and amortisation	356,000	362,948	-	-
Utilities expenses	2,485	2,632	-	-
Operation assets and management fees	44,075	45,757	-	-
Consulting fees	13,234	3,977	-	-
Fixed assets tax related to renewable power plants	54,391	62,394	-	-

27. Income tax

Income tax for the years are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Current income tax charge	21,232	11,288	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(16,210)	(19,151)	9,133	-
Income tax expenses (income) reported in profit or loss	<u>5,022</u>	<u>(7,863)</u>	<u>9,133</u>	<u>-</u>

The amounts of income tax relating to each component of other comprehensive income for the years are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on gain from revaluation of land	-	(1,265)	-	(1,265)
Total	<u>-</u>	<u>(1,265)</u>	<u>-</u>	<u>(1,265)</u>

The reconciliation between accounting loss and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss before tax from continued operation	(145,068)	(308,266)	(46,571)	(121,472)
Profit before tax from discontinued operation	<u>37,676</u>	<u>7,812</u>	<u>-</u>	<u>-</u>
	<u>(107,392)</u>	<u>(300,454)</u>	<u>(46,571)</u>	<u>(121,472)</u>
Applicable tax rate (percent)	15 - 30	15 - 30	20	20
Accounting loss before tax multiplied by income tax rate	(19,570)	(115,960)	(9,314)	(24,294)
Utilisation of previously unrecognised tax losses	(3,732)	-	(3,246)	-
Effects of:				
Exception of income	(33,665)	(555)	-	-
Non-deductible expenses	18,569	21,678	3,405	2,771
Additional expenses deductions allowed	(3,724)	(18,472)	(1)	(232)
Promotional privileges	18,289	14,864	18,289	14,864
International Business Center	(370)	-	-	-
Tax loss of prior year for which a deferred tax assets was recognised for the year	(25,463)	(14,447)	-	-
Tax loss for the year for which a deferred tax asset was not recognised	<u>54,718</u>	<u>105,029</u>	<u>-</u>	<u>6,891</u>
Income tax expenses (income) reported in profit or loss	<u>5,052</u>	<u>(7,863)</u>	<u>9,133</u>	<u>-</u>

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

(Unit: Thousand Baht)

	Statement of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets				
Allowance for asset impairment	4,955	5,125	-	-
Provision for long-term employee benefits	1,393	1,205	-	-
Unused tax loss	52,428	23,093	-	-
Others	13,454	2,708	-	-
Total	72,230	32,131	-	-
Deferred tax liabilities				
Surplus on revaluation of assets	29,050	29,050	16,323	16,323
Accumulated depreciation and amortisation	14,116	4,266	9,133	-
Others	17,270	3,231	-	-
Total	60,436	36,547	25,456	16,323
Deferred tax liabilities - net	11,794	(4,416)	(25,456)	(16,323)
Presented as follows:				
Deferred tax assets	72,230	32,131	-	-
Deferred tax liabilities	(60,436)	(36,547)	(25,456)	(16,323)
	<u>11,794</u>	<u>(4,416)</u>	<u>(25,456)</u>	<u>(16,323)</u>

As at 31 December 2021, the Group had deductible temporary differences and unused tax losses totaling Baht 1,514 million (2020: Baht 4,364 million) (the Company only: Baht 1,008 million (2020: Baht 3,805 million)), on which deferred tax assets have not been recognised as the Group believes that future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of Baht 1,580 million will expire in 2026 and Baht 142 million do not have an expiry date.

As at 31 December 2021, the total amount of temporary differences associated with investments in subsidiaries for which deferred tax liability has not been recognised was Baht 522 million (2020: Baht 478 million).

28. Promotional privileges

The Group has received promotional privileges from the Board of Investment for the manufacture of steel billets and the solar rooftop projects, pursuant to the investment promotion certificates as follows:

		<u>Date the promoted operations began generating revenues</u>
-	No. 1337(2)/2548 issued on 20 April 2005	1 December 2005
-	No. 2558(2)/2550 issued on 7 December 2007	1 July 2008
-	No. 62-0326-1-00-1-0 issued on 28 March 2019	31 May 2020
-	No. 64-1051-1-00-1-0 issued on 8 October 2021	Nil
-	No. 64-1052-1-00-1-0 issued on 8 October 2021	Nil
-	No. 64-1064-1-00-1-0 issued on 12 October 2021	Nil
-	No. 64-1075-1-00-1-0 issued on 12 October 2021	Nil

Subject to certain imposed conditions, the privileges include exemptions from corporate income tax for periods of 8 years from the date the promoted operations begin generating revenue, or 4 years in the case of investment promotion certificate No. 62-0326-1-00-1-0. The corporate income tax exemptions of investment promotion certificates No. 1337(2)/2548 and No. 2558(2)/2550 expired on 30 November 2013 and on 30 June 2016, respectively.

29. Earnings per share

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

	<u>Consolidated</u> <u>financial statements</u>		<u>Separate</u> <u>financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Earnings per share				
Loss attributable to equity holders of the Company (Million Baht)	(104.96)	(269.72)	(55.70)	(121.47)
Weighted average number of ordinary shares (Million shares)	800	800	800	800
Loss per share (Baht)	(0.13)	(0.34)	(0.07)	(0.15)
Earnings per share from continued operation				
Loss attributable to equity holders of the Company (Million Baht)	(130.46)	(267.43)	(55.70)	(121.47)
Weighted average number of ordinary shares (Million shares)	800	800	800	800
Loss per share (Baht)	(0.16)	(0.33)	(0.07)	(0.15)

30. Segment information

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

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

- (1) Original Equipment Manufacturer (OEM) business: This segment is responsible for the manufacturing of steel billets in according with a contract with a domestic unrelated company.
- (2) Trading of steel billets business: This segment is responsible for steel billet trading.
- (3) Investment in renewable power plant business: This segment is responsible for the distribution electricity from renewable energy, the strategic distribution of renewable energy power plant projects and the distribution of equipment related to the construction of renewable energy power plants.
- (4) Consultancy on investments related to the renewable energy business: This segment is responsible for the design, distribution and installation of systems for power generation from renewable energy by providing services in the fields of Engineering Procurement and Construction ("EPC").
- (5) Other businesses: Other businesses are as follows:
 - Financial business: Personal loan under supervision and nano finance under supervision
 - Logistics business: Logistics services provided within the Group and to external customers. During the year, this business has been ceased.

The following table presents revenue and profit (loss) information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Million Baht)

	Original Equipment Manufacturing (OEM) service segment		Trading of steel billets segment		Investment in renewable power plant segment		Consultancy on investments in renewable energy segment		Other segment		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sales and service income														
Revenue from external customers	194	237	1	245	52	56	59	-	-	-	-	-	306	538
Segment profit (loss)	114	55	(1)	6	25	25	8	-	-	-	-	-	146	86
Gain on sales of investment in subsidiary and power plant projects	-	-	-	-	47	-	-	-	-	-	-	-	47	-
Unallocated income and expenses:														
Interest income													2	2
Other income													7	13
Selling and administrative expenses													(174)	(178)
Gain (loss) on exchange													(4)	(62)
Finance cost													(169)	(169)
Income tax													4	18
Loss for the year from continued operation													(141)	(290)
Profit (loss) for the year from discontinued operation													29	(3)
Loss for the year													(112)	(293)
Loss attributable to non-controlling interests of the subsidiaries													7	23
Loss attributable to equity holders of the Company													(105)	(270)

Revenues from continuing operation of external customers is wholly from Thailand.

For the year 2021, the Group has revenues from 4 major customers, representing 97 percent of revenues from external customers, arising from investment in renewable power plant segment and consultancy on investments in renewable energy segment and arising from OEM segment (2020: 3 major customers, representing 80 percent of revenues from, arising from trading of steel billets segment and OEM segment).

31. Provident fund

The Group in Thailand and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The employees contribute to the fund monthly at rates of between 3 and 15 percent of basic salary. The Group contributes to the fund monthly at rates of between 3 and 7 percent of basic salary. The fund, which is managed by TMB Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to Baht 3 million (2020: Baht 3 million) (the Company only: Baht 1 million (2020: Baht 1 million)) were recognised as expenses.

32. Commitments and contingent liabilities

32.1 Capital commitments and long-term commitments

- a) Subsidiaries had outstanding capital commitments relating to the installation of a power generation system and to purchase power generation equipment for the solar farm and solar rooftop projects, the construction of solar power plant and the compliance with terms and conditions stipulated in the contracts of asset disposal as follows:

(Unit: Million)

Foreign currency	Consolidated financial statements	
	As at 31 December 2021	As at 31 December 2020
Baht	111	8
US Dollar	7	-

- b) As at 31 December 2021, the Group had outstanding payment commitments in respect of service agreements amounting to Baht 3 million (the Company only: nil) (2020: Baht 8 million (the Company only: Baht 0.4 million)).

- c) The subsidiaries have entered into asset management agreements and asset operation and maintenance agreements with certain unrelated companies in Japan, whereby they will receive asset management-related services, other management services and documentation services, as stated in the agreements, and services related to the repair and maintenance of power plants to enable the solar power plants to operate efficiently throughout the term of the power purchase agreement, which is guaranteed by defined conditions. As at 31 December 2021, the subsidiaries had outstanding future commitments in respect of service agreements of Baht 1,139 million (2020: Baht 1,221 million).
- d) Under the conditions of the manufacturing management agreements, the Company is to pay a monthly management fee at a rate stipulated in the agreement, or a management fee of approximately US Dollar 800,000 and Baht 15,000 per annum.

32.2 Guarantees

- a) As at 31 December 2021, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 1,808 million (2020: Baht 1,808 million).
- b) As at 31 December 2021, a related company has guaranteed bank credit facilities and credit line for the Group amounting at least Baht 390 million (2020: nil).
- c) As at 31 December 2021, there were outstanding bank guarantees of Baht 30 million (2020: Baht 64 million) (the Company only: 64 million, (2020: Baht 64 million)) issued by banks on behalf of the Group to guarantee electricity use and contractual performance, as required in the normal course of business. The bank guarantees are secured by the pledge of the Company's bank deposits.
- d) As at 31 December 2021, the Company has bank guarantees of Baht 25 million issued by banks on behalf of tax assessment as discussed in Notes 32.4 to the consolidated financial statements

32.3 Credit line

The Group had short-term and long-term credit facilities from financial institutions, guaranteed by the Group and related company's certain deposits and fixed assets in full limit amount, as follows:

(Unit: Million)

Consolidated financial statements				
As at 31 December 2021				
	Total credit line	Credit line used	Remaining amount	Currency
Letter of guarantee	75	68	7	Baht
Standby letter of credit	5,285	1,326	3,959	Yen
Overdraft	3	-	3	Baht
Overdraft	3,000	-	3,000	Yen
Promissory note	2,020	589	1,431	Baht
Long-term loan	22,284	22,284	-	Yen
Trust receipt	350	217	133	Baht
Forward contract	205	202	3	Baht

(Unit: Million)

Consolidated financial statements				
As at 31 December 2020				
	Total credit line	Credit line used	Remaining amount	Currency
Letter of guarantee	80	64	16	Baht
Standby letter of credit	5,000	836	4,164	Yen
Overdraft	3	-	3	Baht
Overdraft	3,000	-	3,000	Yen
Promissory note	850	513	337	Baht
Long-term loan	24,890	24,890	-	Yen

32.4 Tax assessment

During the current year, the Company, from the Revenue Department, received notices of the assessment of value-added tax, penalties and surcharges totaling approximately Baht 31 million. The Company has appealed the assessment to the Tax Appeal Committee and the appeal is currently under consideration. The Company's management believes that no significant losses will be resulted from the assessment, and therefore no provision for this assessment has been made in its accounts.

33. Financial instruments

33.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and bank deposits, trade and other receivables, contract assets, loan receivables, trade and other payables, bank overdrafts, short-term and long-term borrowings. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, contract assets, loan receivables and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade and other receivable, loan receivables, and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, outstanding trade and other receivables, contract assets, and loan receivables are regularly monitored. However, the Group is exposed to concentrations of credit risk with respect to receivables because the Group has a few major customers being in the same industry.

At each reporting date, the Group determines expected credit losses on the basis of an aging profile of outstanding debts for customer groups with similar credit risks, or on the basis of the cash flows that the Group expects to receive, discounted at the effective interest rate.

Financial instruments and bank deposits

The Group manages the credit risk on bank deposits is limited because the Group have a policy to consider and approve credit limits assigned to each counterparty by the Group's Board of Directors. The credit risk on derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, loans, bank overdrafts, short-term and long-term debentures and borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

As at 31 December 2021

	Consolidated financial statements						Separate financial statements							
	Fixed interest rates			Floating	Non-	Effective	Fixed interest rates			Floating	Non-	Effective		
	Within	1-5	Over	interest	interest	interest	Within	1-5	Over	interest	interest	interest		
	1 year	years	5 years	rate	bearing	Total	1 year	years	5 years	rate	bearing	Total	rate	
	(% per annum)						(% per annum)							
Financial assets														
Cash and cash equivalents	-	-	-	92	14	106	0.001-0.35	-	-	-	2	2	4	0.05-0.35
Trade and other receivables	-	-	-	-	425	425	Note 7	-	-	-	-	373	373	Note 7
Loan receivables - personal loans	1	-	-	-	-	1	0.14	-	-	-	-	-	-	-
Bank deposits pledged as collateral	443	-	-	266	-	710	0.01-0.38	55	-	-	-	-	55	0.38
	<u>444</u>	<u>-</u>	<u>-</u>	<u>358</u>	<u>439</u>	<u>1,242</u>		<u>55</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>375</u>	<u>432</u>	
Financial liabilities														
Short-term loans														
from related parties	-	-	-	-	-	-	-	-	-	-	172	-	172	Note 6
Contract liabilities	-	-	-	-	1	1	Note 9	-	-	-	-	-	-	Note 9
Short-term loans														
from a financial institution	537	-	-	-	-	537	Note 18	155	-	-	-	-	155	Note 18
Short-term loans														
from unrelated parties	265	-	-	-	-	265	Note 19	97	-	-	-	-	97	Note 19
Trade and other payables	-	-	-	-	295	295	Note 20	-	-	-	-	85	85	Note 20
Long-term loans	1,136	-	-	1,808	-	2,944	Note 21	1,136	-	-	-	-	1,136	Note 21
Lease liabilities	14	12	-	-	-	26	Note 22	3	8	-	-	-	11	Note 22
	<u>1,952</u>	<u>12</u>	<u>-</u>	<u>1,808</u>	<u>296</u>	<u>4,068</u>		<u>1,391</u>	<u>8</u>	<u>-</u>	<u>172</u>	<u>85</u>	<u>1,656</u>	

(Unit: Million Baht)

As at 31 December 2020

	Consolidated financial statements						Separate financial statements							
	Fixed interest rates			Floating	Non-	Effective	Fixed interest rates			Floating	Non-	Effective		
	Within	1-5	Over	interest	interest	interest	Within	1-5	Over	interest	interest	interest		
	1 year	years	5 years	rate	bearing	Total	1 year	years	5 years	rate	bearing	Total	rate	
	(% per annum)						(% per annum)							
Financial assets														
Cash and cash equivalents	-	-	-	57	24	81	0.001-1.1	-	-	-	1	18	19	0.1-1.1
Trade and other receivables	-	-	-	-	458	458	-	-	-	-	-	422	422	-
Bank deposits pledged as collateral	291	-	-	253	-	544	0.01-0.651	42	-	-	-	-	42	0.651
	<u>291</u>	<u>-</u>	<u>-</u>	<u>310</u>	<u>482</u>	<u>1,083</u>		<u>42</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>440</u>	<u>483</u>	
Financial liabilities														
Bank overdrafts and short-term loans from a financial institution	213	-	-	-	8	221	Note 18	-	-	-	-	-	-	-
Short-term loans from unrelated parties	298	-	-	-	-	298	Note 19	150	-	-	-	-	150	Note 19
Trade and other payables	-	-	-	-	146	146	-	-	-	-	-	35	35	-
Short-term loans from a related party	-	-	-	-	-	-	-	-	-	-	150	-	150	Note 6
Long-term loans	1,139	-	-	1,808	-	2,947	Note 21	1,139	-	-	-	-	1,139	Note 21
Lease liabilities	12	15	-	-	-	27	Note 22	2	2	-	-	-	4	Note 22
	<u>1,662</u>	<u>15</u>	<u>-</u>	<u>1,808</u>	<u>154</u>	<u>3,639</u>		<u>1,291</u>	<u>2</u>	<u>-</u>	<u>150</u>	<u>35</u>	<u>1,478</u>	

An increase or decrease of 0.25 percent in the interest rates of the Group's floating rate borrowings as at 31 December 2021 and 2020, assuming that the amounts and all other variables remain constant over one year and the floating legs of the borrowings have not yet been set interest rates, would result in a respective decrease or increase in the Group's profit before tax amounting of Baht 6 million and Baht 9 million, respectively. This information is not a forecast or prediction of future market conditions.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading and service transactions or loans that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
Hong Kong Dollar	2	1	-	-	4.28855	3.87525
US Dollar	-	-	8	-	33.41990	30.03710
Yen	-	-	6,245	6,146	0.29064	0.29068

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	-	-	2	-	33.41990	30.03710

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US Dollar and Yen exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2021 and 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Consolidated financial statements

Currency	As at 31 December 2021		As at 31 December 2020	
	Weakened/ (Strengthened)	Effect on profit (loss) before income tax	Weakened/ (Strengthened)	Effect on profit (loss) before income tax
	(Percent)	(Million Baht)	(Percent)	(Million Baht)
US Dollar	1	(3)	-	-
	(1)	3	-	-
Yen	1	(18)	1	(18)
	(1)	18	(1)	18

This information is not a forecast or prediction of future market conditions and should be used with care.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts and bank loans. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On Demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Short-term loans from financial institution	-	169	-	-	169
Trade and other payables	-	272	-	-	272
Lease liabilities	-	14	43	80	137
Long-term loans	-	3,644	2,373	4,922	10,939
Short-term loans from unrelated parties	-	266	-	-	266
Other financial liability	-	-	-	16	16
Total non-derivatives	-	4,365	2,416	5,018	11,799

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2021					
	On Demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Trade and other payables	-	74	-	-	74
Lease liabilities	-	4	9	-	13
Long-term loans	-	1,200	-	-	1,200
Short-term loans from related parties	172	-	-	-	172
Short-term loans from unrelated individuals	-	97	-	-	97
Other financial liability	-	-	-	16	16
Total non-derivatives	172	1,375	9	16	1,572

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2020					
	On Demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Bank overdrafts and short-term loans from financial institutions	-	222	-	-	222
Trade and other payables	-	157	-	-	157
Lease liabilities	-	19	52	118	189
Long-term loans	-	3,580	2,100	4,272	9,952
Short-term loans from unrelated parties	-	297	-	-	297
Other financial liability	-	-	-	16	16
Total non-derivatives	-	4,275	2,152	4,406	10,833

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	On Demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives					
Trade and other payables	-	25	-	-	25
Lease liabilities	-	2	1	-	3
Long-term loans	-	1,193	-	-	1,193
Short-term loans from related parties	150	-	-	-	150
Short-term loans from unrelated individuals	-	150	-	-	150
Other financial liability	-	-	-	16	16
Total non-derivatives	150	1,370	1	16	1,537

33.2 Fair values of financial instruments

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

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

34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2022.