

**TPI Polene Public Company Limited
and its Subsidiaries**

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2022
and
Independent auditor's review report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of TPI Polene Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position of TPI Polene Public Company Limited and its subsidiaries, and of TPI Polene Public Company Limited, respectively, as at 30 June 2022; the consolidated and separate statements of comprehensive income for the three-month and six-month periods ended 30 June 2022, changes in equity and cash flows for the six-month period ended 30 June 2022; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

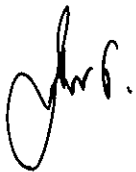
Emphasis of Matter

I draw attention to the following matters:

I draw attention to notes 15(2) and 15(4) to 15(7) to the interim financial statements, which discloses the uncertainty related to the outcome of lawsuits filed against the Company in relation to its operation of mining. The Civil Court issued a judgement as follows:

- 1) On 2 August 2019, the Civil Court had an order on the Black Case No. SorWor.5/2559, engaging the mining activity unlawfully (engaging in the mining restricted area), that the Company has to return the limestone for cement industry back to the area where the mining activity was done and restore the area into its previous condition or pay the compensation of Baht 1,603 million with interest at 7.5 percent per annum from the date of being notified of the land survey result until the date that payment is made in full. The Company filed the appeal together with a delay of judgement execution on 3 December 2019. On 10 May 2022, the Court of Civil, by reading the Court of Appeal's judgement, announced a revision of the calculation of interest. The Court allowed the date to submit the petition to the Supreme Court within 12 September 2022.
- 2) On 13 December 2019, the Civil Court had an order on the Black Case No. SorWor.4/2559, the Black Case No. SorWor.6/2559 and the Black Case No. SorWor.1/2560, engaging the limestone and shale mining activity in the area outside its concession area and engaging the mining activity unlawfully, that the Company has to return the limestone and shale for cement industry back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation of Baht 4,688 million with interest at 7.5 percent per year from the discovery date of the unlawful of mining activity or the date of violation of mining until the date that payment is made in full. On 17 November 2021, the Black Case No. SorWor.4/2559 and the Black Case No. SorWor.6/2559, the Court of Civil, by reading the Court of Appeal's judgement, announced a revision of the calculation of interest. On 17 March 2022, the Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court. The case is currently pending the consideration on the Supreme Court. For the Black Case No. SorWor.1/2560, the Court of Civil, by reading the Court of Appeal's judgement on 24 June 2021, announced a revision of the calculation of interest. Later, The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 9 November 2021. The case is currently pending the consideration on the Supreme Court.
- 3) On 24 March 2020, the Civil Court issued a judgment on the Black Case No. SorWor.2/2561, the violation in relation to Company's operation of mining outside its concession area that the Company has to either make a restitution of shale and a specific performance of soil rehabilitation or pay damages totaling Baht 67 million with interest at 7.5 percent per year from the date of violation of mining to the date that payment is made in full. On 20 October 2021, the Court of Civil, by reading the Court of Appeal's judgement, announced a revision of the calculation of interest. Later, The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgment of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 18 February 2022. The case is currently pending the consideration on the Supreme Court.

The Company has an opinion that the outcome of lawsuit is not yet final and uncertain, the Company has not recorded the provision for liability of lawsuit. My conclusion is not modified in respect of these matters.



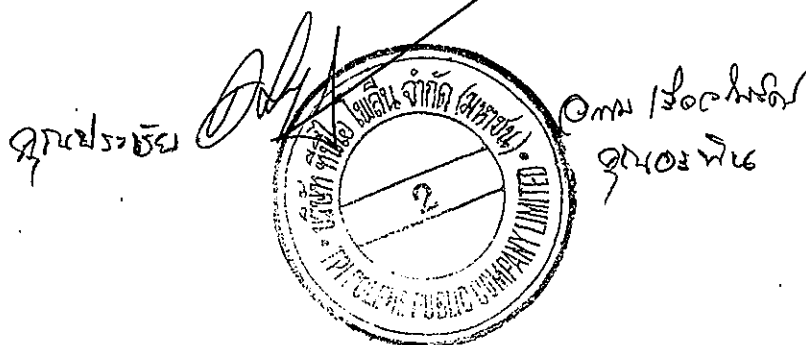
(Bunyarit Thanormcharoen)
Certified Public Accountant
Registration No. 7900

KPMG Phoomchai Audit Ltd.
Bangkok
10 August 2022

TPI Polene Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
<i>Current assets</i>					
Cash and cash equivalents		9,789,642	5,668,608	8,151,292	1,157,874
Trade accounts receivable	2, 3	6,588,273	5,965,998	6,524,539	8,657,063
Other receivables		972,696	952,730	616,868	585,366
Short-term loans to related parties	2	-	-	374,113	418,380
Receivables and advances to related parties	2	33,242	94,889	266,068	470,831
Inventories		16,250,815	15,715,380	12,817,256	12,653,929
Other current financial assets	13, 18	2,345,587	5,995,446	700,194	2,502,208
Other current assets		697,975	638,477	345,412	203,274
Non-current assets classified as held for sale	5	205,094	-	-	-
Total current assets		36,883,324	35,031,528	29,795,742	26,648,925
<i>Non-current assets</i>					
Other non-current financial assets	13, 18	520,689	520,319	18,429	18,447
Investments in associates	4	847,761	842,539	847,761	842,539
Investments in subsidiaries	4	-	-	26,771,398	26,088,167
Long-term investments in related party	2	45,653	45,653	45,653	45,653
Receivables and advances to related parties	2	-	-	421,038	421,115
Investment properties		585,591	585,740	130,516	130,516
Property, plant and equipment	5	97,554,313	96,366,052	54,569,540	54,802,393
Right-of-use assets		557,585	652,953	349,420	359,483
Intangible assets		675,667	660,155	672,562	657,712
Advances payment for plant, machinery and equipment		566,636	240,381	94,077	108,361
Deferred tax assets		548,091	545,114	282,887	291,195
Other non-current assets		188,365	223,164	139,697	163,737
Total non-current assets		102,090,351	100,682,070	84,342,978	83,929,318
Total assets		138,973,675	135,713,598	114,138,720	110,578,243



The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Current liabilities</i>					
Short-term loans from financial institutions	6, 13	4,297,892	3,391,674	4,297,892	3,391,674
Trade accounts payable	2	4,742,208	3,616,626	4,264,232	3,155,688
Other payables		2,976,293	2,961,175	2,012,718	2,312,691
Payables and advances from related parties	2	11,503	7,513	1,692,409	984,447
Current portion of long-term loans from financial institutions		571,429	1,000,000	571,429	1,000,000
Current portion of lease liabilities	2	144,965	157,073	97,622	97,055
Current portion of debentures	7, 13	17,586,200	12,565,000	13,768,200	8,567,000
Interest payable		392,888	383,089	334,235	324,667
Current income tax payable		84,757	72,562	-	-
Other current liabilities		167,103	251,152	44,490	93,905
Total current liabilities		30,975,238	24,405,864	27,083,227	19,927,127
<i>Non-current liabilities</i>					
Lease liabilities	2	269,854	350,856	145,734	150,222
Debentures	7, 13	44,580,400	50,678,600	33,686,000	39,964,200
Deferred tax liabilities		40,473	43,694	-	-
Non-current provisions for employee benefit		2,232,996	2,257,704	1,894,466	1,919,174
Other non-current liabilities		408,980	415,037	238,344	246,261
Total non-current liabilities		47,532,703	53,745,891	35,964,544	42,279,857
Total liabilities		78,507,941	78,151,755	63,047,771	62,206,984

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
Liabilities and equity	Note	2022	2021	2022	2021
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
<i>Equity</i>					
Share capital:					
Authorised share capital		23,751,500	23,751,500	23,751,500	23,751,500
Issued and paid-up share capital		19,126,500	19,126,500	19,126,500	19,126,500
Share premium:					
Share premium on ordinary shares		60,600	60,600	60,600	60,600
Other surpluses		9,840,436	9,840,436	9,840,436	9,840,436
Share premium on treasury shares		220,536	220,536	220,536	220,536
Retained earnings					
Appropriated					
Legal reserve		1,209,292	1,209,292	1,209,292	1,209,292
Treasury shares reserve	8	365,554	-	365,554	-
Unappropriated		20,520,702	17,796,425	20,520,702	17,796,425
Treasury shares	8	(365,554)	-	(365,554)	-
Other components of equity		112,883	117,470	112,883	117,470
Equity attributable to owners of the parent		51,090,949	48,371,259	51,090,949	48,371,259
Non-controlling interests		9,374,785	9,190,584	-	-
Total equity		60,465,734	57,561,843	51,090,949	48,371,259
Total liabilities and equity		138,973,675	135,713,598	114,138,720	110,578,243

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Revenue				
Revenue from sales of goods	12,475,994	10,318,914	9,685,789	7,799,514
Cost of sales of goods	<u>(8,904,478)</u>	<u>(6,734,654)</u>	<u>(7,309,694)</u>	<u>(5,796,711)</u>
Gross profit	3,571,516	3,584,260	2,376,095	2,002,803
Transportation income	359,653	363,958	352,120	318,784
Net foreign exchange gain	420,993	89,857	306,087	-
Investment income	15,507	19,324	15,995	23,009
Other income	<u>294,606</u>	<u>146,533</u>	<u>151,583</u>	<u>120,412</u>
Profit before expenses	<u>4,662,275</u>	<u>4,203,932</u>	<u>3,201,880</u>	<u>2,465,008</u>
Cost of distributions and transportations	(999,378)	(939,816)	(901,640)	(778,683)
Administrative expenses	(450,832)	(521,617)	(284,981)	(287,530)
Net foreign exchange loss	-	-	-	(22,016)
Total expenses	<u>(1,450,210)</u>	<u>(1,461,433)</u>	<u>(1,186,621)</u>	<u>(1,088,229)</u>
Profit from operating activities	3,212,065	2,742,499	2,015,259	1,376,779
Finance costs	(473,429)	(542,113)	(465,722)	(472,353)
Share of profit of subsidiaries accounted for using equity method	-	-	877,421	903,801
Share of profit of associates accounted for using equity method	<u>3,222</u>	<u>1,143</u>	<u>3,222</u>	<u>1,143</u>
Profit before income tax expense	2,741,858	2,201,529	2,430,180	1,809,370
Tax expense	<u>(61,362)</u>	<u>(56,997)</u>	<u>(4,362)</u>	<u>(18,432)</u>
Profit for the period	<u>2,680,496</u>	<u>2,144,532</u>	<u>2,425,818</u>	<u>1,790,938</u>

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other comprehensive income (expense)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	-	74	-	-
Gain on measurement of financial assets	1	1	-	-
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	-	-	1	75
Share of other comprehensive income (expense) of associates accounted for using equity method	704	3,243	704	3,243
Income tax relating to items that will be reclassified	-	-	-	-
Total items that will be reclassified subsequently to profit or loss	705	3,318	705	3,318
<i>Items that will not be reclassified to profit or loss</i>				
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	(21)	9	(21)	9
Income tax relating to items that will not be reclassified	5	(2)	5	(2)
Total items that will not be reclassified to profit or loss	(16)	7	(16)	7
Other comprehensive income (expense) for the period, net of tax	689	3,325	689	3,325
Total comprehensive income for the period	2,681,185	2,147,857	2,426,507	1,794,263
Profit attributable to:				
Owners of the parent	2,425,818	1,790,938	2,425,818	1,790,938
Non-controlling interests	254,678	353,594	-	-
Profit for the period	2,680,496	2,144,532	2,425,818	1,790,938
Total comprehensive income attributable to:				
Owners of the parent	2,426,507	1,794,263	2,426,507	1,794,263
Non-controlling interests	254,678	353,594	-	-
Total comprehensive income for the period	2,681,185	2,147,857	2,426,507	1,794,263
Basic earnings per share (in Baht)	0.128	0.094	0.128	0.094

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Consolidated financial statements Six-month period ended 30 June		Separate financial statements Six-month period ended 30 June	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Revenue					
Revenue from sales of goods	9	24,910,609	19,336,864	19,764,132	13,861,724
Cost of sales of goods		<u>(17,936,912)</u>	<u>(12,970,460)</u>	<u>(15,097,576)</u>	<u>(10,581,288)</u>
Gross profit		6,973,697	6,366,404	4,666,556	3,280,436
Transportation income		796,833	680,596	685,256	640,738
Net foreign exchange gain		466,947	231,130	278,165	-
Investment income		27,402	28,965	29,542	42,081
Other income		<u>468,245</u>	<u>336,379</u>	<u>401,907</u>	<u>204,193</u>
Profit before expenses		<u>8,733,124</u>	<u>7,643,474</u>	<u>6,061,426</u>	<u>4,167,448</u>
Cost of distributions and transportations		(2,072,368)	(1,737,259)	(1,822,384)	(1,480,619)
Administrative expenses		(892,191)	(1,042,139)	(574,825)	(547,471)
Net foreign exchange loss		-	-	-	(46,353)
Total expenses		<u>(2,964,559)</u>	<u>(2,779,398)</u>	<u>(2,397,209)</u>	<u>(2,074,443)</u>
Profit from operating activities		5,768,565	4,864,076	3,664,217	2,093,005
Finance costs		(956,971)	(1,099,884)	(941,452)	(955,380)
Share of profit of subsidiaries accounted for using equity method	4	-	-	1,501,892	1,829,311
Share of profit of associates accounted for using equity method	4	9,603	15,573	9,603	15,573
Profit before income tax expense		<u>4,821,197</u>	<u>3,779,765</u>	<u>4,234,260</u>	<u>2,982,509</u>
Tax expense	10	<u>(86,229)</u>	<u>(154,977)</u>	<u>(8,315)</u>	<u>(27,090)</u>
Profit for the period		<u>4,734,968</u>	<u>3,624,788</u>	<u>4,225,945</u>	<u>2,955,419</u>

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of comprehensive income (Unaudited)

		Consolidated financial statements Six-month period ended 30 June		Separate financial statements Six-month period ended 30 June	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Other comprehensive income (expense)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(177)	211	-	-
Gain on measurement of financial assets		1	1	-	-
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	4	-	-	(176)	212
Share of other comprehensive income (expense) of associates accounted for using equity method	4	(4,381)	2,178	(4,381)	2,178
Income tax relating to items that will be reclassified		-	-	-	-
Total items that will be reclassified subsequently to profit or loss		<u>(4,557)</u>	<u>2,390</u>	<u>(4,557)</u>	<u>2,390</u>
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income		(38)	9	(38)	9
Income tax relating to items that will not be reclassified		8	(2)	8	(2)
Total items that will not be reclassified to profit or loss		<u>(30)</u>	<u>7</u>	<u>(30)</u>	<u>7</u>
Other comprehensive income (expense) for the period, net of tax		<u>(4,587)</u>	<u>2,397</u>	<u>(4,587)</u>	<u>2,397</u>
Total comprehensive income for the period		<u><u>4,730,381</u></u>	<u><u>3,627,185</u></u>	<u><u>4,221,358</u></u>	<u><u>2,957,816</u></u>
Profit attributable to:					
Owners of the parent		4,225,945	2,955,419	4,225,945	2,955,419
Non-controlling interests		509,023	669,369	-	-
Profit for the period		<u><u>4,734,968</u></u>	<u><u>3,624,788</u></u>	<u><u>4,225,945</u></u>	<u><u>2,955,419</u></u>
Total comprehensive income attributable to:					
Owners of the parent		4,221,358	2,957,816	4,221,358	2,957,816
Non-controlling interests		509,023	669,369	-	-
Total comprehensive income for the period		<u><u>4,730,381</u></u>	<u><u>3,627,185</u></u>	<u><u>4,221,358</u></u>	<u><u>2,957,816</u></u>
Basic earnings per share (in Baht)	12	<u><u>0.223</u></u>	<u><u>0.155</u></u>	<u><u>0.223</u></u>	<u><u>0.155</u></u>

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements

	Note	Other surpluses		Retained earnings			Other components of equity					Total equity				
		Share premium on ordinary share	Shareholding changes in Group	Share premium on treasury share	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares (in thousand Baht)	Translation reserve	Fair value reserve	Share of other comprehensive income (loss) of associates using equity method		Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	
Six-month period ended 30 June 2021																
Balance at 1 January 2021																
		19,180,500	60,600	9,840,436	135,958	925,766	259,637	13,307,213	(259,637)	(176)	(98)	104,639	104,375	43,553,948	8,617,789	52,171,737
Transactions with owners, recorded directly in equity																
Contributions by and distributions to owners																
8		(54,000)	-	-	-	-	(63,843)	54,000	63,843	-	-	-	-	-	-	-
8		-	-	-	85,478	-	(195,794)	195,794	195,794	-	-	-	-	281,272	-	281,272
11		-	-	-	-	-	-	(573,795)	-	-	-	-	-	(573,795)	(374,794)	(948,589)
Total transaction with owners, recorded directly in equity		(54,000)	-	-	85,478	-	(259,637)	(324,001)	259,637	-	-	-	-	(292,523)	(374,794)	(667,317)
Comprehensive income for the period																
Profit		-	-	-	-	-	-	2,955,419	-	-	-	-	-	2,955,419	669,369	3,624,788
Other comprehensive income		-	-	-	-	-	-	-	-	211	8	2,178	2,397	2,397	-	2,397
Total comprehensive income (expense) for the period		-	-	-	-	-	-	2,955,419	-	211	8	2,178	2,397	2,957,816	669,369	3,627,185
Balance at 30 June 2021																
		19,126,500	60,600	9,840,436	220,536	925,766	-	15,938,631	-	35	(80)	106,817	106,772	46,219,241	8,912,364	55,131,605

The accompanying notes form an integral part of the interim financial statements.

TPF Polene Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Consolidated financial statements

	Other surpluses			Retained earnings			Other components of equity					Total equity			
	Issued and paid-up share capital	Share premium on ordinary share	Shareholding changes in Group	Share premium on treasury share	Legal reserve	Treasury shares reserve	Unappropriated (in thousand Baht)	Treasury shares	Translation reserve	Fair value reserve	Share of other comprehensive income (loss) of associates using equity method		Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests
Six-month period ended 30 June 2022															
Balance at 1 January 2022	19,126,500	60,600	9,840,436	220,536	1,209,292	-	17,796,425	-	177	(81)	117,374	117,470	48,371,259	9,190,584	57,561,843
Transactions with owners, recorded directly in equity															
Contributions by and Distributions to owners															
Treasury shares purchased	8	-	-	-	-	365,554	(365,554)	(365,554)	-	-	-	-	(365,554)	-	(365,554)
Dividends	11	-	-	-	-	-	(1,136,114)	-	-	-	-	-	(1,136,114)	(324,822)	(1,460,936)
Total transaction with owners, recorded directly in equity		-	-	-	-	365,554	(1,501,668)	(365,554)	-	-	-	-	(1,501,668)	(324,822)	(1,826,490)
Comprehensive income for the period															
Profit	-	-	-	-	-	-	4,225,945	-	-	-	-	-	4,225,945	509,023	4,734,968
Other comprehensive income (expense)	-	-	-	-	-	-	-	-	(177)	(29)	(4,381)	(4,587)	(4,587)	-	(4,587)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	4,225,945	-	(177)	(29)	(4,381)	(4,587)	4,221,358	509,023	4,730,381
Balance at 30 June 2022	19,126,500	60,600	9,840,436	220,536	1,209,292	365,554	20,520,702	(365,554)	-	(110)	112,993	112,883	51,090,949	9,374,785	60,465,734

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

		Separate financial statements										
		Other surplus		Retained earnings			Other components of equity					
Note	Issued and paid-up share capital	Share premium on ordinary share	Shareholding change in Group	Share premium on treasury share	Legal reserve	Treasury shares reserve (in thousand Baht)	Unappropriated	Treasury shares	Fair value reserve	Share of other comprehensive income (loss) of subsidiaries and associates using equity method	Total other components of equity	Total equity
Six-month period ended 30 June 2021												
	19,180,500	60,600	9,840,436	135,058	925,766	259,637	13,307,213	(259,637)	(251)	104,626	104,375	43,553,948
Transaction with owners, recorded directly in equity												
Contributions by and distributions to owners												
8	(54,000)	-	-	-	-	(63,843)	54,000	63,843	-	-	-	-
8	-	-	-	85,478	-	(195,794)	195,794	195,794	-	-	-	281,272
11	-	-	-	-	-	-	(573,795)	-	-	-	-	(573,795)
Total transactions with owners, recorded directly in equity												
	(54,000)	-	-	85,478	-	(259,637)	(324,001)	259,637	-	-	-	(292,523)
Comprehensive income for the period												
	-	-	-	-	-	-	2,955,419	-	-	-	-	2,955,419
	-	-	-	-	-	-	-	-	7	2,390	2,397	2,397
Total comprehensive income (expense) for the period												
	-	-	-	-	-	-	2,955,419	-	7	2,390	2,397	2,957,816
Balance at 30 June 2021												
	19,126,500	60,600	9,840,436	220,536	925,766	-	15,938,631	-	(244)	107,016	106,772	46,219,241

The accompanying notes form an integral part of the interim financial statements.

TP1 Polene Public Company Limited and its Subsidiaries
Statement of changes in equity (Unaudited)

Separate financial statements												
Other surplus				Retained earnings				Other components of equity				
Note	Issued and paid-up share capital	Share premium on ordinary share	Shareholding change in Group	Share premium on treasury share	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Fair value reserve	Share of other comprehensive income (loss) of subsidiaries and associates using equity method	Total other components of equity	Total equity
						(in thousand Baht)						
Six-month period ended 30 June 2022												
Balance at 1 January 2022	19,126,500	60,600	9,840,436	220,536	1,209,292	-	17,796,425	-	(246)	117,716	117,470	48,371,259
Transaction with owners, recorded directly in equity												
Contributions by and distributions to owners												
Treasury shares purchased	8	-	-	-	-	365,554	(365,554)	(365,554)	-	-	-	(365,554)
Dividends	11	-	-	-	-	-	(1,136,114)	-	-	-	-	(1,136,114)
Total transactions with owners, recorded directly in equity		-	-	-	-	365,554	(1,501,668)	(365,554)	-	-	-	(1,501,668)
Comprehensive income for the period												
Profit	-	-	-	-	-	-	4,225,945	-	-	-	-	4,225,945
Other comprehensive income (expense)	-	-	-	-	-	-	-	-	(30)	(4,557)	(4,587)	(4,587)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	4,225,945	-	(30)	(4,557)	(4,587)	4,221,358
Balance at 30 June 2022	19,126,500	60,600	9,840,436	220,536	1,209,292	365,554	20,520,702	(365,554)	(276)	113,159	112,883	51,090,949

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated financial statements Six-month period ended 30 June		Separate financial statements Six-month period ended 30 June	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit for the period	4,734,968	3,624,788	4,225,945	2,955,419
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Depreciation and amortisation	1,651,687	1,502,941	1,011,873	875,435
Interest income	(7,100)	(27,129)	(11,829)	(15,143)
Finance costs	956,971	1,099,884	941,452	955,380
Dividend income	(9)	(4)	(9)	(4)
Unrealised (gain) loss on foreign exchange	(178,662)	105,297	(136,011)	16,927
(Reversal of) expected credit losses	(5,970)	(1,489)	868	(1,604)
Reversal of losses on decline in value of inventories	(29,824)	(11,427)	(15,270)	(9,533)
(Gain) loss on sale and write-off of machine and equipment	3,312	9,907	(53,374)	11,010
Gain on fair value adjustment	(2,719)	(8,265)	(194)	(1,456)
Share of profit of subsidiaries and associates accounted for using equity method	(9,603)	(15,573)	(1,511,495)	(1,844,884)
Tax expense	86,229	154,977	8,315	27,090
	<u>7,199,280</u>	<u>6,433,907</u>	<u>4,460,271</u>	<u>2,968,637</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(570,003)	(826,243)	2,163,195	126,056
Other receivables	(21,493)	(24,671)	(32,826)	(24,917)
Receivable and advances to related parties	61,647	30,612	204,763	5,650
Inventories	(505,611)	(1,597,026)	(148,057)	(1,636,209)
Other current assets	(40,073)	(79,119)	(126,781)	(55,222)
Other non-current assets	34,799	(24,619)	24,040	(18,565)
Trade accounts payable	1,118,125	1,145,578	1,101,042	1,158,362
Other payables	(418,762)	(274,058)	(297,181)	(233,010)
Payable and advances from related parties	3,990	(23,377)	707,962	(126,234)
Other current liabilities	(84,049)	40,768	(49,415)	35,739
Provisions for employee benefits	(24,708)	(2,399)	(24,708)	(397)
Other non-current liabilities	5,018	(2,356)	1,279	-
Cash generate from operating	<u>6,758,160</u>	<u>4,796,997</u>	<u>7,983,584</u>	<u>2,199,890</u>
Taxes received (paid)	<u>(99,649)</u>	<u>(105,010)</u>	<u>(15,357)</u>	<u>14,038</u>
Net cash from operating activities	<u>6,658,511</u>	<u>4,691,987</u>	<u>7,968,227</u>	<u>2,213,928</u>

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	2,809	57,924	13,248	43,191
Dividend received	9	4	818,571	1,063,129
(Increase) decrease in equity and debt instruments	3,657,989	(3,444,870)	1,802,208	104,429
Acquisition of property, plant and equipment	(2,049,757)	(3,302,197)	(1,111,024)	(1,201,098)
Acquisition of investment properties	-	(23,299)	-	-
Acquisition of intangible assets	(49,126)	(60,361)	(48,310)	(58,784)
Proceeds from sale of machine and equipment	4,020	2,219	632,783	38
Proceeds from sale of intangible assets	-	1,776	-	1,776
Advance payment for plant, machine and equipment	(501,208)	(145,017)	(106,997)	(118,800)
Cash outflow on loans to related parties	-	-	-	(38,600)
Proceeds from repayment of loans to related parties	-	-	44,153	-
Cash outflow for decommissioning	(1,160)	-	-	-
Net cash from (used in) investing activities	1,063,576	(6,913,821)	2,044,632	(204,719)

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated financial statements		Separate financial statements	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from financing activities</i>				
Interest paid	(1,230,407)	(1,242,460)	(971,307)	(1,017,097)
Dividend paid	(1,460,936)	(948,589)	(1,136,114)	(573,795)
Payment of lease liabilities	(89,011)	(104,713)	(55,545)	(39,587)
Increase in short-term loans from financial institutions	906,218	828,024	906,218	1,068,024
Proceeds from short-term loan from related party	-	-	700,000	878,000
Repayment of short-term loans from related party	-	-	(700,000)	(878,000)
Repayment of long-term loans from financial institutions	(428,571)	(988,625)	(428,571)	(988,625)
Proceeds from issue of debentures	3,745,000	10,845,600	3,745,000	8,000,000
Repayment of debentures	(4,822,000)	(9,805,000)	(4,822,000)	(9,805,000)
Proceeds from sale treasury shares	-	281,272	-	281,272
Payment of treasury shares	(365,554)	-	(365,554)	-
Net cash used in financing activities	(3,745,261)	(1,134,491)	(3,127,873)	(3,074,808)
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates	3,976,826	(3,356,325)	6,884,986	(1,065,599)
Effect of exchange rate changes	144,208	(44,534)	108,432	577
Net increase (decrease) in cash and cash equivalents	4,121,034	(3,400,859)	6,993,418	(1,065,022)
Cash and cash equivalents at 1 January	5,668,608	6,657,879	1,157,874	2,034,928
Cash and cash equivalents at 30 June	9,789,642	3,257,020	8,151,292	969,906
<i>Non-cash transactions</i>				
Advances of plant, machine and equipment	566,636	167,727	94,077	125,415
Other payable - plant and equipment	679,502	275,280	183,120	135,096
Other non - current liabilities - intangible assets	69,813	1,083	69,813	1,083

The accompanying notes form an integral part of the interim financial statements.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Note	Contents
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TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were authorised for issue by the audit committee, as appointed by the Board of Directors of the Company, on 10 August 2022.

1 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2021.

2 Related parties

Relationships with subsidiaries and associates are described in notes 4. Key management and other related parties which have no material changes in relationships during the period.

The pricing policies have no material changes in during the six-month period ended 30 June 2022.

The Group had significant transactions with during the period were as follows:

<i>Significant transactions with related parties</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<i>Six-month period ended 30 June</i>				
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sale of goods	-	-	7,764,797	7,514,355
Transportation income	-	-	91,245	99,605
Purchase of raw materials and spare parts	-	-	271,971	146,777
Purchase of electricity	-	-	800,589	936,077
Purchase of steam	-	-	16,935	15,538
Purchase of goods for sales promotion	-	-	50,508	43,898
Dividend income	-	-	818,562	1,063,125
Interest income	-	-	7,570	15,694
Interest expense	-	-	3,658	741
Other income	-	-	267,495	134,568
Administrative expenses	-	-	16,349	16,790

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

<i>Significant transactions with related parties</i> <i>Six-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Associates				
Sale of goods	4,357	1,792	4,167	1,755
Purchase of raw materials	265,460	279,192	247,188	266,243
Interest expense	877	3,155	88	9
Other income	-	5	-	5
Insurance premium	10,039	13,325	8,095	9,543
Other related parties				
Sale of goods	1,170	1,420	120	191
Transportation income	70	69	4	1
Interest expense	2,361	2,161	1,190	1,340
Insurance premium	128,957	112,932	60,901	56,230
Administrative expenses	30,874	38,148	29,080	35,195
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	164,649	160,190	119,705	117,807
Post-employment benefits	1,994	1,325	-	-
Total key management personnel compensation	166,643	161,515	119,705	117,807

Balances as at 30 June 2022 and 31 December 2021 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	1,735,707	1,524,103
TPI Polene Power Public Co., Ltd.	-	-	207,036	122,773
TPI All Seasons Co., Ltd.	-	-	586,319	444,953
Polene Silicon Co., Ltd. (Formerly: Polene Plastic Co., Ltd.)	-	-	758,965	5,601,944
TPI Polene Bio Organics Co., Ltd.	-	-	12,051	12,953
TPI Commercial Co., Ltd.	-	-	3,851	5,459
Thai Nitrate Co., Ltd.	-	-	64	38
Associates				
BUI Life Insurance Public Co., Ltd.	9	7	-	-
United Grain Industry Co., Ltd.	196	117	33	37
Thai Plastic Products Co., Ltd.	4,430	-	4,430	-

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
<i>Trade accounts receivable (continue)</i>				
Other related parties				
Bangkok Union Insurance Public Co., Ltd.	16	17	7	4
Pornchai Enterprise Co., Ltd.	275	165	9	23
Lampang Food Products Co., Ltd.	10	9	10	9
Rayong Forest Co., Ltd.	865	455	-	-
Leophairatana Enterprise Co., Ltd.	35	-	-	-
Hong Yiah Seng Co., Ltd.	5	-	-	-
	<u>5,841</u>	<u>770</u>	<u>3,308,482</u>	<u>7,712,296</u>
Less allowance for expected credit loss	-	-	-	-
Net	<u>5,841</u>	<u>770</u>	<u>3,308,482</u>	<u>7,712,296</u>

	Interest rate			Separate financial statements		
	1	30	1			30
	January	June	January			June
	2022	2022	2022	Increase	Decrease	2022
	(% per annum)			(in thousand Baht)		
<i>Short-term loans to related parties</i>						
Subsidiaries						
TPI Polene Bio Organics Co., Ltd.	MLR-1.5	MLR-1.5	253,096	-	-	253,096
TPI All Seasons Co., Ltd.	MLR-1.5	-	44,153	-	(44,153)	-
TPI Commercial Co., Ltd.	MLR-1.5	MLR-1.5	97,993	-	-	97,993
Master Achieve (Thailand) Co., Ltd.	MLR-1.5	MLR-1.5	20,790	-	-	20,790
TPI Healthcare Co., Ltd.	MLR-1.5	MLR-1.5	1,000	-	-	1,000
			417,032	-	(44,153)	372,879
Accrued interest receivable			1,348	7,570	(7,684)	1,234
Total			418,380	7,570	(51,837)	374,113
<i>Less allowance for expected credit loss</i>			-			-
Net			418,380			374,113

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Receivables and advances to related parties - current				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	2,423	3,019
TPI Polene Power Public Co., Ltd.	-	-	88,447	74,970
TPI All Seasons Co., Ltd.	-	-	10,588	16,508
Polene Silicon Co., Ltd.	-	-	14,188	200,014
TPI Polene Bio Organics Co., Ltd.	-	-	100,753	98,994
TPI Commercial Co., Ltd.	-	-	263	66
TPI Service Co., Ltd.	-	-	72	139
Thai Nitrate Co., Ltd.	-	-	180	180
TPI Polene Power (International) Co., Ltd.	-	-	-	65
TPI Biomass Power Co., Ltd. (Formerly: TPI Polene Power (On Nut) Co., Ltd.)	-	-	-	65
Thai Propoxide Co., Ltd.	-	-	1	65
TPI Healthcare Co., Ltd.	-	-	23,205	36,319
TPI Bio Pharmaceuticals Co., Ltd.	-	-	38	75
Master Achieve (Thailand) Co., Ltd.	-	-	588	293
TPI Polene Power Investment Co., Ltd.	-	-	-	34
TPI Distribution Center Co., Ltd. (Formerly: TPI Olefins Co., Ltd.)	-	-	1	1
Mondo Thai Co., Ltd.	-	-	1	-
Associates				
BUI Life Insurance Public Co., Ltd.	4,673	5,415	3,937	4,642
United Grain Industry Co., Ltd.	8	8	8	8
Other related parties				
Bangkok Union Insurance Public Co., Ltd.	24,573	86,615	21,361	35,173
Pornchai Enterprise Co., Ltd.	3,977	2,718	3	68
Rayong Forest Co., Ltd.	1	67	1	67
TPI Holding Co., Ltd.	8	-	8	-
TPI EOEG Co., Ltd.	1	1	1	1
Thai Petrochemical Industry Co., Ltd.	1	65	1	65
Total	33,242	94,889	266,068	470,831
Less allowance for expected credit loss	-	-	-	-
Net	33,242	94,889	266,068	470,831

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Long-term investments in related parties				
Related parties				
Pornchai Enterprise Co., Ltd.	<u>45,653</u>	<u>45,653</u>	<u>45,653</u>	<u>45,653</u>

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Receivables and advances to related party - non-current				
Subsidiary				
Thai Propoxide Co., Ltd.	-	-	421,984	421,984
Less losses recognised using the equity method in excess of the investment	<u>-</u>	<u>-</u>	<u>(946)</u>	<u>(869)</u>
Net	<u>-</u>	<u>-</u>	<u>421,038</u>	<u>421,115</u>

In 1997, the Company entered into an agreement to sell land to Thai Propoxide Co., Ltd. (a subsidiary) at the price of Baht 477 million, in consideration for a loan payable by August 2000, with interest of 16%. No payments of principal or interest were subsequently made by the subsidiary and consequently the Company deferred recording the gain on the sale land of Baht 40 million and interest income of Baht 155 million in income, and ceased accrued interest. The deferred gain and interest income are disclosed as non-current liabilities in the statement of financial position of the separate financial statements.

The subsidiary used the land as collateral for a bank loan, the proceeds of which were subsequently loaned to the Company. In 2000 the subsidiary's bank loan was assigned to the Company. Subsequently, in 2011, the land has been released by the bank as collateral and the subsidiary has sold a part of land to the Company and repaid a part of the land loan to the Company of Baht 68 million.

At 30 June 2022, the outstanding amount of accounts receivable from the subsidiary from the sale of land total Baht 422 million and the deferred gain on the sale of Baht 35 million and deferred interest income of Baht 134 million in the statement of financial position of the separate financial statements.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Expected credit loss for the six-month period ended 30 June</i>				
Trade account receivables	-	-	-	-
Short-term loans to related parties	-	-	-	-
Receivables and advances to related parties	-	-	-	-
	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(in thousand Baht)			
<i>Trade accounts payable</i>				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	-	30
TPI Polene Power Public Co., Ltd.	-	-	110,047	43,595
TPI All Seasons Co., Ltd.	-	-	11,489	13,872
Polene Silicon Co., Ltd.	-	-	10,047	1,110
TPI Polene Bio Organics Co., Ltd.	-	-	136	171
Thai Nitrate Co., Ltd.	-	-	8,469	9,288
TPI Healthcare Co., Ltd.	-	-	10,252	4,499
TPI Bio Pharmaceuticals Co., Ltd.	-	-	96	-
Associate				
United Grain Industry Co., Ltd.	2,347	2,559	-	15
Thai Plastic Film Co., Ltd.	130,494	142,098	130,082	141,620
Thai Plastic Products Co., Ltd.	195,143	167,372	187,156	159,573
Total	327,984	312,029	467,774	373,773

	Interest rate	Separate financial statements			
	30 June 2022	1 January 2022			30 June 2022
	(% per annum)		Increase	Decrease	
			(in thousand Baht)		
<i>Short-term loans from related parties</i>					
Subsidiaries					
TPI Polene Power Public Co., Ltd.	1.45	-	700,000	(700,000)	-
		-	700,000	(700,000)	-
Accrued interest		-	2,336	(2,336)	-
Total		-	702,336	(702,336)	-

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Payables and advances from related parties				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	1,715	1,944
TPI Polene Power Public Co., Ltd.	-	-	1,664,391	966,211
TPI All Seasons Co., Ltd.	-	-	2,000	2,000
Polene Silicon Co., Ltd.	-	-	15	12
TPI Polene Bio Organics Co., Ltd.	-	-	7,899	5,084
TPI Healthcare Co., Ltd.	-	-	5,438	4,020
TPI Bio Pharmaceuticals Co., Ltd.	-	-	1,038	983
Master Achieve (Thailand) Co., Ltd.	-	-	2,717	-
Associates				
BUI Life Insurance Public Co., Ltd.	168	164	168	164
United Grain Industry Co., Ltd.	3,552	2,335	-	4
Thai Plastic Film Co., Ltd.	798	732	597	732
Other related parties				
Pornchai Enterprise Co., Ltd.	1,463	1,145	1,156	443
Bangkok Union Insurance Public Co., Ltd.	5,111	2,998	4,864	2,711
Hong Yiah Seng Co., Ltd.	390	109	390	109
Rayong Forest Co., Ltd.	21	30	21	30
Total	11,503	7,513	1,692,409	984,447

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Current portion of lease liabilities				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	4,989	-
TPI Polene Bio Organics Co., Ltd.	-	-	3,104	-
Mondo Thai Co., Ltd.	-	-	153	151
Thai Nitrate Co., Ltd.	-	-	1,528	-
Associates				
United Grain Industry Co., Ltd.	7,824	6,612	3,680	1,449
Other related parties				
Pornchai Enterprise Co., Ltd.	27,567	35,233	22,030	31,294
Hong Yiah Seng Co., Ltd.	2,322	2,810	2,054	2,015
Rayong Forest Co., Ltd.	23	23	23	23
Saraburi Ginning Mill Co., Ltd.	2,146	2,144	950	972
Leophairatana Enterprise Co., Ltd.	4,216	4,204	-	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,196	1,173	-	-
Total	45,294	52,199	38,511	35,904

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Lease liabilities				
Subsidiaries				
TPI Concrete Co., Ltd.	-	-	7,856	-
TPI Polene Bio Organics Co., Ltd.	-	-	4,888	-
Mondo Thai Co., Ltd.	-	-	15,164	14,878
Associates				
United Grain Industry Co., Ltd.	98,887	153,723	3,801	2,281
Other related parties				
Pornchai Enterprise Co., Ltd.	24,875	33,440	16,276	26,297
Hong Yiah Seng Co., Ltd.	1,594	2,631	1,594	2,631
Rayong Forest Co., Ltd.	943	985	943	985
Saraburi Ginning Mill Co., Ltd.	2,536	3,599	-	459
Leophairatana Enterprise Co., Ltd.	7,707	9,811	-	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	2,536	3,139	-	-
Total	139,078	207,328	50,522	47,531

Significant agreements with related parties

(a) Office building lease agreements

The Company and its subsidiary have long-term office building lease agreements with a related company. Previously, the initial lease term for each lease agreement was for 3 years, with the lease being renewable. In July 1999, the Company and a subsidiary entered into a 90 years office building lease agreement with a related company to replace the expired original office building lease agreements in which the Company and a subsidiary made one payment for the whole lease period (*the total rental for the 90 years term of the lease is Baht 40,000 per square meter, equivalent to a monthly rental, before discounting cash flows, of Baht 37 per square meter*). The annual rental is deducted from the prepaid rentals. Subsequently, on 24 July 2001, the Company and its subsidiary agreed to sign the amendments in addition to the existing office building lease agreements with a related company. The initial period of the lease is for 30 years, commencing from the original date on which the rentals of each respective agreement were prepaid. The related party warranted that the lease would be renewable for another 2 subsequent periods of 30 years under the same conditions, including rental fee as set out in the original agreements.

On 25 August 2006, the Company and its subsidiary registered the lease with the Land Department.

Should either party terminate the lease agreement, the unused prepaid rentals are refundable to the Companies. Both parties agreed in principle to execute a mortgage on the office building as security for the unused prepaid rentals. As at 30 June 2022, there was no mortgage agreement as security for the unused prepaid rentals, so the recoverability of prepaid rentals depends on the ability of the related company to repay.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

(b) Electricity supply agreement

The Company entered into an electricity supply contract with a subsidiary company, to provide the waste heat to the subsidiary that will be used in the manufacturing process for electricity. The subsidiary company shall supply the electricity to the Company based on certain percentage as specified in the agreement. The agreement shall remain in full force and effect so long as, unless it is terminated by mutual agreement in writing of both parties.

(c) Significant agreements with related parties

The Company and its subsidiaries entered into office building service agreements with related parties for 3 years. The details as follows:

<i>At 30 June 2022</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Non-cancellable service contract commitments</i>		
Within one year	22,231	13,489
After one year but within five years	21,618	13,106
Total	43,849	26,595

The subsidiaries had made several land rental agreements with its related parties which specified that lessee has to decommission the assets from rental area at the end of contract, causing lessee to set up the decommissioning costs as at 30 June 2022 in amount of Baht 299.6 million (31 December 2021: Baht 298.3 million).

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

3 Trade account receivable

		Consolidated		Separate	
		financial statements		financial statements	
		30	31	30	31
		June	December	June	December
	<i>Note</i>	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Related parties	2	5,841	770	3,308,482	7,712,296
Other parties		6,625,999	6,014,765	3,249,432	977,274
Total		6,631,840	6,015,535	6,557,914	8,689,570
Less allowance for expected credit loss		(43,567)	(49,537)	(33,375)	(32,507)
Net		6,588,273	5,965,998	6,524,539	8,657,063

Aging analyses for trade accounts receivable were as follows:

		Consolidated		Separate	
		financial statements		financial statements	
		30	31	30	31
		June	December	June	December
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Related parties					
Within credit terms		5,549	689	1,039,929	2,024,029
Overdue:					
1 - 30 days		269	58	594,353	1,536,660
31 - 60 days		7	4	476,862	1,389,295
61 - 90 days		11	14	230,602	1,086,110
More than 90 days		5	5	966,736	1,676,202
Total		5,841	770	3,308,482	7,712,296
Less allowance for expected credit loss		-	-	-	-
Net		5,841	770	3,308,482	7,712,296
Other parties					
Within credit terms		6,059,506	5,533,308	3,049,648	810,043
Overdue:					
1 - 30 days		309,026	321,775	120,316	106,223
31 - 60 days		87,586	48,208	25,130	6,451
61 - 90 days		44,037	25,980	2,496	2,939
More than 90 days		125,844	85,494	51,842	51,618
Total		6,625,999	6,014,765	3,249,432	977,274
Less allowance for expected credit loss		(43,567)	(49,537)	(33,375)	(32,507)
Net		6,582,432	5,965,228	3,216,057	944,767
Net total		6,588,273	5,965,998	6,524,539	8,657,063

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

	Consolidated financial statements		Separate financial statements	
<i>Expected credit losses</i>				
<i>For the six-month period ended</i>				
<i>30 June</i>	2022	2021	2022	2021
		(in thousand Baht)		
- (Reversal) addition - net	(5,970)	(1,489)	868	(1,604)

The Group requires various customers to provide cash, bank and personal guarantees as collateral.

The normal credit term granted by the Group ranges from 30 days to 360 days.

4 Investments in subsidiaries and associates

Investments in subsidiaries

		Separate financial statements	
	Note	2022	2021
<i>Six-month period ended 30 June</i>		(in thousand Baht)	
<i>Subsidiaries</i>			
At 1 January		26,088,167	24,911,629
Share of profit of subsidiaries		1,501,892	1,829,311
Dividend income		(818,562)	(1,063,125)
Losses recognised using the equity method in excess of the investment	2	77	5,328
Share of other comprehensive income (expense) of subsidiaries		(176)	212
At 30 June		<u>26,771,398</u>	<u>25,683,355</u>

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotations, except for TPI Polene Power Public Co., Ltd. which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 3.60 at 30 June 2022 (31 December 2021: Baht 4.16), the fair value of the Company's investment in TPI Polene Power Public Co., Ltd. was Baht 21,240 million (31 December 2021: Baht 24,544 million).

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Investments in subsidiaries as at 30 June 2022 and 31 December 2021, dividend income from those investments for the six-month periods ended 30 June 2022 and 2021, were as follows:

Separate financial statements												
Type of business	Ownership interest		Paid-up capital		Cost		At equity method		Dividend			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	30 June 2021	Income for the six-month periods ended	
	(in thousand Baht)											
Direct subsidiaries												
TPI Concrete Co., Ltd.	Manufacturing and distributing ready mixed concrete	99.99	99.99	2,000,000	2,000,000	1,999,999	1,999,999	1,443,427	1,477,194	-	-	-
TPI Polene Power Public Co., Ltd.	Distributing gasoline, diesel and natural gas / Manufacturing and distributing electricity and refuse derived fuel (RDF) and organics waste	70.24	70.24	8,400,000	8,400,000	5,899,999	5,899,999	21,621,241	21,227,078	767,000		885,000
TPI All Seasons Co., Ltd.	Manufacturing and distributing melt sheets	99.99	99.99	450,000	450,000	450,000	450,000	377,464	316,923	-	-	-
TPI Polene Bio Organics Co., Ltd.	Manufacturing and distributing organic fertilizer	99.99	99.99	3,300,000	3,300,000	2,654,400	2,654,400	1,565,288	1,590,417	-	-	-
Thai Propoxide Co., Ltd.	Manufacturing electricity (dormant)	99.99	99.99	250	250	250	250	-	-	-	-	-
Thai Nitrate Co., Ltd.	Manufacturing and distributing nitric acids and ammonium nitrate	99.99	99.99	468,750	468,750	784,409	784,409	1,536,517	1,317,325	51,562		178,125
TPI Healthcare Co., Ltd.	Manufacturing and distributing products for humans	99.99	99.99	5,050	5,050	4,950	4,950	27,014	7,256	-	-	-

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Separate financial statements										
	Type of business	Ownership interest		Paid-up capital		Cost		At equity method		Dividend income for the six-month periods ended
		30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	
		(in thousand Baht)								
Direct subsidiaries										
<i>(continue)</i>										
TPI Commercial Co., Ltd.	Retailing business	99.94	99.94	100	100	-	-	5,419	4,292	-
TPI Service Co., Ltd.	Construction service	95.10	95.10	4,600	4,600	4,457	4,457	11,167	10,211	-
Master Achieve (Thailand) Co., Ltd.	Manufacturing and distributing factory equipment	99.99	99.99	100,000	100,000	99,931	99,931	104,183	102,172	-
TPI Bio Pharmaceuticals Co., Ltd.	Manufacturing and distributing products for animals	99.99	99.99	5,500	5,500	5,647	5,647	10,762	7,547	-
Indirect subsidiaries										
Mondo Thai Co., Ltd.	Property developing	83.27	83.27	36,000	36,000	10,350	10,350	9,533	9,479	-
Polene Silicon Co., Ltd.	Export and import business	99.93	99.93	10,000	10,000	-	-	59,383	18,273	-
TPI Polene Power Investment Co., Ltd.	Generate and distribute electricity in Cambodia (dissolution)	-	70.24	-	3,957	-	-	-	-	-
TPI Biomass Power Co., Ltd.	Generate electricity from waste and biomass (dormant)	70.23	70.23	187,500	187,500	-	-	-	-	-
TPI Polene Power (International) Co., Ltd.	Investing in alternative energy business (dormant)	70.23	70.23	100,000	100,000	-	-	-	-	-
TPI Deep Sea Port Co., Ltd.	Port business operation (dormant)	70.23	70.23	25,000	25,000	-	-	-	-	-

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Separate financial statements									
Type of business	Ownership interest		Paid-up capital		Cost		At equity method		Dividend income for the six-month periods ended
	30 June 2022	31 December 2021 (%)	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Investments in associates

<i>Six-month period ended 30 June</i>	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
<i>Associates</i>		
At 1 January	842,539	805,101
Share of profit of associates accounted for using equity method	9,603	15,573
Share of other comprehensive income (expense) of associates accounted for using equity method	(4,381)	2,178
At 30 June	847,761	822,852

The Group has not recognised loss relating to an investment in an indirect associate accounted for using the equity method where its share of loss exceeds the carrying amount of its investment. As at 30 June 2022, the Group's cumulative share of unrecognised loss was Baht 985 million (30 June 2021: Baht 985 million). The Group has no obligation in respect of this loss.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Investments in associates as at 30 June 2022 and 31 December 2021 were as follows:

Type of business	Consolidated financial statements					
	Ownership interest		Paid-up capital		Cost	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(%)			(in thousand Baht)	
<i>Associates</i>						
BUI Life Insurance Public Co., Ltd.	25.00	25.00	500,000	500,000	125,000	125,000
United Grain Industry Co., Ltd.	19.00	19.00	550,000	550,000	104,500	104,500
					229,500	229,500
<i>Indirect associates</i>						
Thai Special Steel Industry Public Co., Ltd.	29.53	29.53	4,220,000	4,220,000	1,246,200	1,246,200
Thai Plastic Film Co., Ltd.	19.00	19.00	40,000	40,000	-	-
Thai Plastic Products Co., Ltd.	19.00	19.00	60,000	60,000	-	-
Total					1,475,700	1,475,700
					847,761	842,539

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Separate financial statements

Type of business	Ownership interest		Paid-up capital		Cost		At equity method	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(%)				(in thousand Baht)			
<i>Associates</i>								
BUI Life Insurance Public Co., Ltd. Life insurance	25.00	25.00	500,000	500,000	125,000	125,000	123,019	128,711
United Grain Industry Co., Ltd. Manufacture and sale of packaging	19.00	19.00	550,000	550,000	104,500	104,500	724,742	713,828
Total					<u>229,500</u>	<u>229,500</u>	<u>847,761</u>	<u>842,539</u>

No dividend distribution from investments in associates held by the Group and the Company during the six-month periods ended 30 June 2022 and 2021.

None of the Group's and the Company's associates are publicly listed and consequently do not have published price quotations.

All associates were incorporated in Thailand.

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

5 Property, plant and equipment

<i>For the six-month period ended 30 June 2022</i>	Consolidated financial statements <i>(in thousand Baht)</i>	Separate financial statements
Acquisitions - at cost	2,936,537	1,272,478
Transfer to asset held for sale	(205,094)	-
Disposals - net book value	(7,331)	(579,409)

Security

At 30 June 2022, the Company's land, buildings, machinery and equipment with a net book value of Baht 5,851 million (*31 December 2021: Baht 5,557 million*) are mortgaged or pledged as collateral for the loan.

Non-current assets classified as held for sale

A subsidiary has partially disposed of machinery and equipment for production, with a total book value of Baht 205 million. The partial disposal of machinery and equipment for production will be completed within the second quarter of 2023. Therefore, the subsidiary has classified machinery and equipment for production as non-current assets classified as held for sale in the financial statement.

6 Short-term loans from financial institutions

Movements during the six-month periods ended 30 June 2022 of short-term loans from financial institutions were as follows:

	Consolidated and Separate financial statements Promissary Note <i>(in thousand Baht)</i>
At 1 January	3,391,674
Increase - net	906,218
At 30 June	<u>4,297,892</u>

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

7 Debentures

As at 30 June 2022, the Group and the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 62,167 million and Baht 47,454 million, respectively (31 December 2021: Baht 63,244 million and Baht 48,531 million, respectively) as follows:

Consolidated financial statements					
30 June 2022					
Issued Date	The period to maturity within one year	Long-term (in thousand Baht)	Total	Interest Rate (% p.a.)	Term
5 August 2015	3,743,000	-	3,743,000	5.20	7 years
1 April 2016	2,640,500	-	2,640,500	4.80	7 years
11 July 2019	2,820,000	-	2,820,000	3.90	3 years 6 months
11 July 2019	-	2,888,000	2,888,000	4.90	5 years 6 months
9 August 2019	4,000,000	-	4,000,000	3.50	3 years 3 months
16 January 2020	4,382,700	-	4,382,700	3.50	3 years
2 July 2020	-	4,127,000	4,127,000	4.25	3 years 9 months
19 August 2020	-	3,789,600	3,789,600	3.90	3 years 11 months
5 November 2020	-	3,515,300	3,515,300	4.25	4 years
5 November 2020	-	3,410,700	3,410,700	4.50	5 years
4 March 2021	-	4,000,000	4,000,000	4.15	4 years 3 months
30 April 2021	-	4,000,000	4,000,000	3.50	2 years 9 months
10 June 2021	-	3,000,000	3,000,000	3.00	2 years 6 months
8 October 2021	-	3,581,200	3,581,200	3.55	4 years 6 months
8 October 2021	-	4,000,000	4,000,000	3.70	4 years 11 months
12 November 2021	-	4,523,600	4,523,600	3.55	4 years 3 months
30 June 2022	-	3,745,000	3,745,000	4.10	5 years
Total	17,586,200	44,580,400	62,166,600		

TPI Polene Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Separate financial statements 30 June 2022					
Issued Date	The period to maturity within one year	Long-term (in thousand Baht)	Total	Interest Rate (% p.a.)	Term
5 August 2015	3,745,000	-	3,745,000	5.20	7 years
1 April 2016	2,640,500	-	2,640,500	4.60	6 years
11 July 2019	3,000,000	-	3,000,000	3.90	3 years 6 months
11 July 2019	-	2,888,000	2,888,000	4.90	5 years 6 months
16 January 2020	4,382,700	-	4,382,700	3.50	3 years
2 July 2020	-	4,127,000	4,127,000	4.25	3 years 9 months
5 November 2020	-	3,515,300	3,515,300	4.25	4 years
5 November 2020	-	3,410,700	3,410,700	4.50	5 years
4 March 2021	-	4,000,000	4,000,000	4.15	4 years 3 months
30 April 2021	-	4,000,000	4,000,000	3.50	2 years 9 months
8 October 2021	-	4,000,000	4,000,000	3.55	4 years 6 months
8 October 2021	-	4,000,000	4,000,000	3.70	4 years 11 months
30 June 2022	-	3,745,000	3,745,000	4.10	5 years
Total	<u>13,768,200</u>	<u>33,686,000</u>	<u>47,454,200</u>		

8 Treasury shares

During 2021, the Company has sold 165.61 million treasury shares totalling to Baht 281.27 million, consisting the cost of the repurchased treasury shares calculated by the weighted average method in the amount of Baht 195.79 million and surplus on sale of treasury shares (Surplus on treasury shares) in the amount of Baht 85.48 million, presented as a separate category within equity.

On 16 June 2021, the Company's treasury shares has remained 54.00 million shares. The Company registered to decrease capital totalling 54.00 million shares, at par value Baht 1 per share, by writing off the treasury shares totalling 54.00 million shares that could not be sold through the Securities Exchange of Thailand on 11 June 2021 with the Ministry of Commerce and write-off all treasury shares and treasury shares reserve from equity.

At the Board of Directors meeting held on 23 December 2021, it approved the Company's share repurchase for financial management purposes scheme, the maximum amount for the share repurchase is not greater than Baht 450 million, number of shares repurchased 191.27 million shares, at par value Baht 1 per share, or representing 1% of the total paid-up capital. The repurchase period has started from 10 January 2022 to 10 April 2022.

On 21 January 2022, the Company has completely repurchased the shares under the program of 191.27 million shares at a total cost of Baht 365.55 million.

TPI Polene Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and six-month periods ended 30 June 2022 (Unaudited)

9 Segment information and disaggregation of revenue

(a) Reportable segment results

	Consolidated financial statements					
	Revenue from external customers		Inter-segment revenue		Total reportable segment revenue	
	2022	2021	2022	2021	2022	2021
<i>Six-month period ended 30 June</i>						
				<i>(in thousand Baht)</i>		
Construction Materials	11,931,739	9,027,887	3,520,931	3,231,450	15,452,670	12,259,337
Petrochemical & Chemicals	8,569,626	5,646,551	4,376,412	4,435,597	12,946,038	10,082,148
Energy & Utilities	4,337,232	4,589,545	1,007,238	984,460	5,344,470	5,574,005
Agriculture	72,012	72,881	74,069	63,124	146,081	136,005
Total	24,910,609	19,336,864	8,978,650	8,714,631	33,889,259	28,051,495
Other gains (losses)					2,203	(16,951)
					<u>7,523,450</u>	<u>6,397,750</u>
Finance costs					(956,971)	(1,099,884)
Depreciation and amortisation					(1,651,687)	(1,502,941)
Share of profit of associates accounted for using equity method					9,603	15,573
Elimination of inter-segment (profit) loss					(103,198)	(30,733)
Profit before income tax expense for the period					<u>4,821,197</u>	<u>3,779,765</u>

Timing of reportable segment revenue recognition of the Group is at a point in time.

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Notes to the condensed interim financial statements

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<i>Six-month period ended 30 June</i>	Consolidated financial statements	
	Reportable segment	
	profit (loss) before tax	
	2022	2021
	(in thousand Baht)	
Construction Materials	116,020	(635,205)
Petrochemical & Chemicals	3,196,002	2,368,347
Energy & Utilities	1,721,526	2,306,954
Agriculture	1,200	(23,085)
Total	5,034,748	4,017,011
Other gains (losses)	892	(23,837)
Finance costs for investment	(146,285)	(204,652)
Elimination of inter-segment (profit) loss	(68,158)	(8,757)
Profit (loss) before income tax expense for the period	4,821,197	3,779,765

(b) Reportable segment financial position

	Consolidated financial statements	
	Segment assets	
	30 June	31 December
	2022	2021
	(in thousand Baht)	
Construction Materials	82,002,405	76,935,278
Petrochemical & Chemicals	11,954,235	15,297,125
Energy & Utilities	45,982,421	43,031,698
Agriculture	2,104,728	2,117,248
Others	585,152	584,705
	142,628,941	137,966,054
Unallocated assets	4,036,747	9,059,366
Total	146,665,688	147,025,420
Elimination of inter-segment assets	(7,692,013)	(11,311,822)
Total assets	138,973,675	135,713,598

(c) Disaggregation of revenue

<i>Six-month period ended 30 June</i>	Separate financial statements	
	Revenue from sale of goods	
	2022	2021
	(in thousand Baht)	
Construction Materials	12,230,950	8,727,187
Petrochemical & Chemicals	7,533,182	5,134,537
Total	19,764,132	13,861,724

Timing of revenue recognition of the Company is at a point in time.

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(d) Disaggregation of finance cost

<i>Six-month period ended 30 June</i>	Separate financial statements	
	Finance cost	
	2022	2021
	<i>(in thousand Baht)</i>	
Construction Materials	739,640	749,480
Petrochemical & Chemicals	55,527	1,248
Investing	146,285	204,652
Total	941,452	955,380

10 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group and the Company's consolidated effective tax rate in respect of continuing operations for the six-month ended 30 June 2022 was 1.79% and 0.20% respectively (30 June 2021: 4.10% and 0.91% respectively). This change in effective tax rate was caused mainly by the following factors:

- The decrease of expenses not deductible for tax purposes of a subsidiary.

11 Dividends

At the annual general meeting of the shareholders of the Company held on 22 April 2021, the shareholders approved the appropriation of dividend from the Company's retained earnings of Baht 0.06 per share, amounting to Baht 1,150.83 million. After a deduction of the interim dividends of Baht 0.03 per share which paid to the Company's shareholders in 2020, the remaining dividends of Baht 0.03 per share, totalling Baht 573.79 million. The dividend was paid to the shareholders in May 2021.

At the annual general meeting of the shareholders of the Company held on 20 April 2022, the shareholders approved the appropriation of dividend from the Company's retained earnings of Baht 0.09 per share, amounting to Baht 1,721.39 million (not yet deducting the 191.265 million repurchase shares at record date, which doesn't have the right to receive dividend payment pursuant to related legal regulations imposed). After a deduction of the interim dividends of Baht 0.03 per share which paid to the Company's shareholders in 2020, the remaining dividends of Baht 0.06 per share, totalling Baht 1,136.11 million. The dividend was paid to the shareholders in May 2022.

TPI Polene Public Company Limited and its Subsidiaries**Notes to the condensed interim financial statements****For the three-month and six-month periods ended 30 June 2022 (Unaudited)****12 Basic earnings per share**

The calculations of basic earnings per share for the six-month periods ended 30 June 2022 and 2021 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period, after adjusting the treasury shares. The calculations are as follows:

<i>Six-month period ended 30 June</i>	Consolidated and Separate financial statements	
	2022	2021
	<i>(in thousand Baht / thousand shares)</i>	
Profit attributable to ordinary shareholders of the Company (Basic)	<u>4,225,945</u>	<u>2,955,419</u>
Number of ordinary shares outstanding at 1 January	19,126,500	19,180,500
Effect of treasury shares	<u>(174,581)</u>	<u>(103,692)</u>
Weighted average number of ordinary shares outstanding (basic)	<u>18,951,919</u>	<u>19,076,808</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>0.223</u>	<u>0.155</u>

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13 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, but does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

Consolidated financial statements									
	Note	Carrying amount			Fair value			Total	
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Level 1	Level 2	Level 3		
<i>At 30 June 2022</i>									
Financial assets									
Other financial assets									
Investment in equity instruments		-	195	-	195	-	-	-	195
Investment in debt instruments		1,546,426	1,208	512,862	2,060,496	1,505,520	487,476	-	1,992,996
Total other financial assets		<u>1,546,426</u>	<u>1,403</u>	<u>512,862</u>	<u>2,060,691</u>				
Financial liabilities									
Promissory Note	6	-	-	4,297,892	4,297,892	-	4,298,259	-	4,298,259
Debentures	7	-	-	62,166,600	62,166,600	-	61,768,003	-	61,768,003
Total other financial liabilities		<u>-</u>	<u>-</u>	<u>66,464,492</u>	<u>66,464,492</u>				

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Consolidated financial statements									
		Carrying amount			Fair value				
		Financial instruments measured at FVOCI	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
<i>At 31 December 2021</i>									
<i>Financial assets</i>									
Other financial assets									
Investment in equity instruments		233	-	-	233	233	-	-	233
Investment in debt instruments	18	1,207	3,849,788	512,454	4,363,449	3,806,496	541,970	-	4,348,466
Promissary Note		-	-	2,145,658	2,145,658	-	2,145,658	-	2,145,658
Total other financial assets		<u>1,440</u>	<u>3,849,788</u>	<u>2,658,112</u>	<u>6,509,340</u>				
<i>Financial liabilities</i>									
Promissary Note		-	-	3,391,674	3,391,674	-	3,392,337	-	3,392,337
Debentures		-	-	63,243,600	63,243,600	-	63,905,528	-	63,905,528
Total other financial liabilities		<u>-</u>	<u>-</u>	<u>66,635,274</u>	<u>66,635,274</u>				

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	Note	Carrying amount			Separate financial statements			Fair value	
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
At 30 June 2022									
Financial assets									
Other financial assets									
Investment in equity instruments		-	195	-	195	195	-	-	195
Investment in debt instruments		700,194	-	11,809	712,003	700,194	11,861	-	712,055
Total other financial assets		700,194	195	11,809	712,198				
Financial liabilities									
Promissory Note	6	-	-	4,297,892	4,297,892	-	4,298,259	-	4,298,259
Debentures	7	-	-	47,454,200	47,454,200	-	47,209,451	-	47,209,451
Total other financial liabilities		-	-	51,752,092	51,752,092				

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	Carrying amount			Separate financial statements			Fair value	
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December 2021</i>								
<i>Financial assets</i>								
Other financial assets		233	-	233		-	-	233
Investment in equity instruments	-	-	11,789	1,815,780	1,803,991	12,486	-	1,816,477
Investment in debt instruments	1,803,991	-	698,218	698,218	-	698,218	-	698,218
Promissary Note	-	-	710,007	2,514,231				
Total other financial assets	1,803,991	233						
<i>Financial liabilities</i>								
Promissary Note	-	-	3,391,674	3,391,674	-	3,392,337	-	3,392,337
Debentures	-	-	48,531,200	48,531,200	-	49,120,253	-	49,120,253
Total other financial liabilities	-	-	51,922,874	51,922,874				

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The following table presents valuation technique of financial instruments measured at fair value in statement of financial position

Type	Valuation technique
Corporate debt securities / Investments in government bonds guaranteed by the government, classified as financial assets measured at amortised cost	Thai Bond Market Association Government Bond Yield Curve as of the reporting date.
Corporate debt securities (Private funds)	<i>Market comparison/discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.
Investments in marketable unit trusts classified as financial assets measured at FVTPL or FVOCI	The net asset value as of the reporting date.
Debentures	A valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

14 Commitments with non-related parties

	Consolidated financial statements	Separate financial statements
<i>At 30 June 2022</i>		
<i>Capital commitments</i>		
Agreements for construction, machine and equipment	<u>6,021,547</u>	<u>1,313,958</u>
<i>Other commitments</i>		
Short-term lease and services commitments	3,490	-
Unused letters of credit	898,908	874,252
Purchase agreement for raw material	302,160	302,160
Bank guarantees	<u>320,226</u>	<u>189,650</u>
Total	<u>1,524,784</u>	<u>1,366,062</u>

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15 Contingent liabilities

As at 30 June 2022, the Company had the major lawsuits as follows:

- 1) Due to on 20 February 2017, Tham Phra Phothisat Temple (the "Plaintiff") filed a complaint with the Central Administrative Court (the "Court") being the Black Case No. Sor. 3/2560, and claimed that Plaintiff is authorized by the Fine Arts Department to be the caretaker of the Phothisat cave (Tham Phra Phothisat), but did not have a written power of attorney, and alleged that the Company's mining activity caused damage to the engraved images in Phothisat cave. Later, on 2 June 2017, the Court called the Company to be a party (as an interpleader) in the case where the Plaintiff filed a lawsuit against the Minister of the Ministry of Industry, 1st Defendant, the Director-General of Department of Primary Industries and Mines, 2nd Defendant, Department of Mineral Resources, 3rd Defendant and Saraburi Provincial Industry Office, 4th Defendant (collectively "Defendants"); claiming that the Defendants' issuance of Prathanabat to the Company is done in contradiction to regulation of Ministry of Interior on the Conditions and Means of Prathanabat Issuance, under Section 9 of the Land Code B.E. 2497, which such regulation of Ministry of Interior was issued in B.E. 2535; thus, the Plaintiff requested that such Prathanabat issued by the Defendants to "Petrochemical Industry Company Limited" which such Prathanabat was later assigned to the Company, be revoked. Further, the Plaintiff filed a request for an emergency interim measure demanding that the Court orders the Company to stop the blasting of rocks for mining activity, until the decision of this case is reached.

On 3 August 2017, the Court, together with the parties of this case went to examine the location at Phothisat cave and found the Bas-relief art images of Buddha, Shiva god, Narai god, Hermit, etc. located at the front area of the cave; and during the examination at the location, the officer of Fine Arts Department informed that according to the evidences which are the photographed pictures of the art images which were taken in B.E. 2507, B.E. 2508, B.E. 2534, B.E. 2535, B.E. 2559 and B.E. 2560, there is no traces of any changes to the art images based on comparison with those pictures. Further, the Court, together with the parties of this case, examined the area of the Company (interpleader) which was granted with Prathanabat by witnessing the rock blasting activity of the interpleader around 15.30 o'clock, standing approximately 300-400 metres from the area of blasting activity; which at the time of blasting, it made a slightly loud sound, but no vibration was detected. Later, on 8 September 2017, Court denied the Plaintiff's request for an emergency interim measure for the Company to comply with the order of the 4th Defendant.

The 1st Defendant submitted a written statement dated 8 May 2017 to the Court, which stated that the 1st Defendant is authorized with the power to issue Prathanabat to each applicant in accordance with the Minerals Act, B.E. 2510. The 2nd Defendant submitted a written statement dated 4 May 2017 to the Court, which stated that the 2nd Defendant was assigned with the administration power from Department of Mineral Resources according to the Reorganization of Ministry, Sub-Ministry, and Department Act, B.E. 2545 and is authorized with the duty to consider the application for Prathanabat which have been submitted to the officials at the local Industry Office, and the 2nd Defendant is authorized with the power to grant Prathanabat in accordance with Section 54 of the Minerals Act, B.E. 2510; and after Prathanabat is granted, the 2nd Defendant has the duty to control, monitor and inspect that the person whom has been granted with Prathanabat, shall comply with the Minerals Act, B.E. 2510 and the conditions set forth in the annex of Prathanabat. The 3rd Defendant submitted a written statement dated 28 March 2017 to the Court, which stated that the presently, the 3rd Defendant is not authorized by the laws related to the issuance of Prathanabat, which is due to the Royal Decree on transfer of administration duty and power of the administrative agencies issued according to the Reorganization of Ministry, Sub-Ministry, and Department Act, B.E. 2545, Section 151 which transferred the said duty, power and asset to Department of Primary Industries and Mines (2nd Defendant). The Fine Arts Department also submitted a written statement dated 5 April 2017 to the Court, which stated that the Phothisat cave is deemed as ancient monument under

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Section 4 of Act on ancient monuments, antiques, objects of art and national museum, B.E. 2504 and the Fine Arts Department had already announced the registration of Phothisat cave as ancient monuments in the government gazette since 6 April 1965; and the Fine Arts Department authorized the director of Regional Office of the Arts Department, No.3, Ayutthaya, with the authority to file any complaint to the inquiry officer who has authority in the area, against any wrongdoer. The statement further clarified that on 14 December 2016, the Fine Arts Department had inspected the Phothisat cave and there appeared to be no traces of any damage, nor any damage to the Bas-relief art images from Dvaravati era, e.g. images of Buddha, Narai god, Shiva god or other persons; which are in good order and it was found that the conditions of the other areas within the cave are normal without traces of any damage being caused by the mining activity of the Company.

The fact-finding procedure of the case had ended and the Court had set the first trial date to be 9 September 2020 together with submission of summary of facts from the Judge who presided over this case dated 11 August 2020 and scheduled the date of rendering the Court's decision to be on 30 September 2020.

The Court ruled that the Defendants lawfully issued Prathanabat to "Petrochemical Industry Company Limited" and in accordance with the Land Code and Minerals Act, B.E. 2510, which such Prathanabat was later transferred to the Company, which were done lawfully and legitimately; the mining activity of the Company which is the blasting of rocks according to Prathanabat and using the explosives not exceeding the rate of 130 kilograms, further, the result of vibration or compression level inspection are according to the safety standard, when compared with the standard set forth by the Ministry of Natural Resources and Environment. Additional, the Fine Arts Department also stated that according to the inspection result, there is no additional damage, the Bas-relief art images are in good condition and there is no damage to the area within the cave; thus, the Court has no reason nor cause to issue the order according to the Plaintiff's request and the Court has ruled that the case is dismissed and the Court's order relating to the emergency interim measure dated 8 September 2017 shall be revoked starting from the first day of which the appeal submission period has expired (in case there is no appeal submission) or starting from the date on which the Court has ordered its decision to accept or not accept the appeal (in case there is submission of an appeal), as the case maybe.

The Plaintiff submitted the appeal to the Court on 27 October 2020 and the Court accepted the appeal of the Plaintiff. Therefore, the Court's order dated 8 September 2017 relating to the emergency interim measure ceased to be in effect. The Court allowed the date to submit the answer to the appeal to be within 21 February 2021. The interpleader submitted the answer to the appeal on 5 February 2021. The case is pending the considering of the Supreme Court.

- 2) This case is due to the Company received permit to dig the water-well, from Mittraphap Subdistrict Administration Organization and the Company dig the water-well in the Company's own land, in order to preserve the environment and to be used for prevention of fire (the Black Case No. SorWor.2/2561). Later, on 21 June 2018, the Department of Primary Industry and Mines, Ministry of Industry, by representation of the district attorney, the Office of Attorney General (the "Plaintiff"), filed a lawsuit against the Company (the "Defendant") at the Civil Court (the "Court"), claiming the violation in mining activity with the principal amount of claim of Baht 71,566,889.42. The Plaintiff claimed that the Company conducted its shale mining unlawfully in the area in which Prathanabat for such area has not been granted, totaling 2 locations; thus, requesting that the Court to order the Company to return the shale totaling of 249,159.96 metric tons back to the original area and restore the area into its previous condition or pay the compensation consisting of the value of the shale and royalty fee to the government in the amount of Baht 66,650,289.31 together with interest.

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The Company plead in its defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence, the Plaintiff claimed that the Company conducted unlawful mining activity, however, the claim is fault, the Company did not commit any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim. The hearing was finished and the Court ordered the date to render the Court's decision to be on 24 March 2020.

On 24 March 2020, the Court ordered the Company to return the shale totaling 249,159.96 metric tons back to the original area and restore the area to its previous condition or pay the compensation consisting of the value of the shale and royalty fee to the government in the amount of Baht 66,650,289.31 together with interest at the rate of 7.5 percent per annum on the said amount, starting from the date of the violation (28 June 2017) until the date of the complaint filing (359 days) making the interest to be Baht 4,916,600.11. Total amount of combined principal and interest is Baht 71,566,289.31. The Court also ordered that the interest on the principal amount of Baht 66,650,289.31, in the rate of 7.5 percent per annum would be paid calculating from the next day after the date of filing of the complaint until the payment is received in full together with the court fees in behalf of the Plaintiff and attorney fee of Baht 80,000.

The Company filed the appeal together with the request for delay of judgement execution on 19 August 2020.

On 20 October 2021, the Civil Court pronounced the judgement of the Court of Appeal in which the Court of Appeal modified the judgement by charging interest at a rate of 5 percent per annum pursuant to the judgement of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the consideration of Court of Appeal shall govern.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 18 February 2022. The case is pending consideration of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines' filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

- 3) On 20 June 2019, Tham Phra Phothisat Temple (the "Plaintiff") filed a lawsuit against the Ministry of Industry, as 1st defendant and other related persons as co-defendants, totaling 31 persons, in a Black Case No. Sor. 17/2562, which the Company is the 30th Defendant in the lawsuit and the Plaintiff also filed request for the Court to order an emergency interim measure, until the decision of this case is reached. Later on, the Court also ordered the Committee of Professional on Environmental Impact Assessment Report (the "Committee"), as the 32nd Defendant. The Court has considered and issued the order dated 17 September 2019, to accept the complaint against some of the respondents and denied to accept the complaint against some respondents and some claims (the Court only accept the followings as defendants: Ministry of Industry, as 1st Defendant, Minister of

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Ministry of Industry, as 2nd Defendant, Department of Primary Industry and Mines, as 3rd Defendant, Director-General of Department of Primary Industry and Mines, as 4th Defendant, the Company, as the 30th Defendant and the Committee, as the 32nd Defendant, respectively). The Court also issued order dated 17 September 2019 which denied the Plaintiff's request for an emergency interim measure. The Plaintiff claimed to be the authorized person from the Fine Arts Department as caretaker of the Phothisat Cave, but did not have a written power of attorney, but requested to the Court to order that the application for Prathanabat of the Company is unlawful, the Plaintiff also claimed that the resolution of the 32nd Defendant which approved the Company's Environmental Impact Assessment Report for the Company's mining activity, concealed the facts, thus, unlawful. The Plaintiff requested the Court to order the revocation of the Company's application for Prathanabat of limestone mining, in which the Company has submitted for approval.

The Defendant submitted written statement of defense which informed the Court that the Plaintiff has no authority to file the complaint and this complaint repeated the complaint filed in Black Case No. Sor.3/2560, and the Company's application for Prathanabat of limestone mining is lawful and in accordance with the rules, procedures and methods as prescribed by the laws, further, the applied area for Prathanabat is not the restricted area under the laws in respect of Mineral and Forest; and there is an Environmental Impact Assessment Report which have been prepared correctly and completely in accordance with the law in relation to Enhancement and Conservation of National Environmental Quality and law related to Mineral, for application for Prathanabat which have been submitted for approval from the authority. The application for Prathanabat is pending the consideration for approval of the authority and the Company's application for Prathanabat did not cause any damage or grievance to the Plaintiff, thus, the Defendant requested the Court to dismiss the complaint.

The Company have made and submitted the additional statement of defense to the Court on 14 January 2021, the case is under the process of the Court's fact finding procedure.

- 4) On 8 July 2015, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the Saraburi Office of District Attorney (the "Plaintiff") filed a civil lawsuit (the Black Case No. SorWor.4/2559) against the Company (the "Defendant") with the principle amount of claim in total of Baht 4,066,535,823. The Plaintiff later amended the complaint to increase the amount of claim to be the total of Baht 4,338,558,231.54; claiming that the Company engaged its limestone mining activity in the area outside the designated area under the Prathanabat and requested that the Company returned the limestone ore in total of 31,522,374.26 metric tons and restore the area to be in its previous condition or pay the compensation together with the 7.5 percent per annum interest.

The Company plead in its statement of defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

The case was requested to be transferred to the Environmental Law Division of the Civil Court to be jointly considered with other related cases and the Court granted the said request.

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On 13 December 2019, the Civil Court ordered the Company to return the limestone ore in total of 31,522,374.26 metric tons back to the area where the mining activity was done and to restore such area to the previous condition or pay the compensation of Baht 4,047,472,854.98 together with the 7.5 percent per annum interest on the said principle amount, calculating from the discovery date of the unlawful mining activity (24 July 2014) until the date of the filing of complaint (350 days) totaling Baht 291,085,376.56 making it Baht 4,338,558,231.54 in total. The Court also ordered the Defendant to pay 7.5 percent per annum interest on the principal of Baht 4,047,472,854.98 counting from the day after the complaint filing date until the payment is made in full.

The Company filed an appeal with the request for a delay of judgement execution on 8 May 2020.

On 17 November 2021, the Civil Court pronounced the judgement of the Court of Appeal in which the Court of Appeal modified the judgement by charging interest at a rate of 5 percent per annum pursuant to the judgement of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgement of Court of Appeal shall govern. There is no court cost at the appellate level.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 17 March 2022. The case is pending a judgement of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines's filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

- 5) On 24 March 2016, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the Saraburi Office of District Attorney (the "Plaintiff") filed a civil lawsuit (the Black Case No. SorWor.6/2559) against the Company (the "Defendant") claiming that the Company engaged its limestone mining activity in the area outside the designated area under the Prathanabat. The complaint requested the Company to return the limestone ore of 2,447,906.76 metric tons and restore the area into the previous condition or pay the compensation of Baht 327,680,219.25 together with 7.5 percent per annum interest.

The Company plead in its defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

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The case was requested to be jointly considered with other related cases and the Court granted the said request.

On 13 December 2019, the Civil Court ordered the Company to return the limestone ore for cement industry, in total of 2,447,906.76 metric tons back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation of Baht 314,311,227.98 together with the 7.5 percent per annum interest, calculating from the discovery date of the unlawful mining activity (31 August 2015) until the date of the filing of complaint (207 days) totaling Baht 13,368,991.27 making it Baht 327,680,219.25 in total. The Court also ordered the Defendant to pay 7.5 percent per annum interest on the principal of Baht 314,311,227.98 counting from the day after the complaint filing date until the payment is made in full and ordered that the Defendant pay the court fees on the Plaintiff's behalf (court fee shall be calculated from the amount of claim ordered in favour of the Plaintiff) and to pay the attorney fee of Baht 100,000.

The Company filed an appeal with the request for a delay of judgement execution on 8 May 2020.

On 17 November 2021, the Civil Court pronounced the judgement of the Court of Appeal in which the Court of Appeal modified the judgement by charging interest at a rate of 5 percent per annum pursuant to the judgement of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgement of Court of Appeal shall govern. There is no court cost at the appellate level.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 17 March 2022. The case is pending a judgement of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines' filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

- 6) On 24 March 2016, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the Saraburi Office of District Attorney (the "Plaintiff") filed a civil lawsuit (the Black Case No. SorWor.5/2559) against the Company (the "Defendant") in the civil case claiming for compensation totaling Baht 1,671,128,829.14 stating that the Company engaged its limestone mining activity unlawfully (engaged in the mining restricted area) demanding that the ore totaling 12,484,023.50 metric tons be returned and the area be restored into its previous condition or pay the compensation together with the 7.5 percent per annum interest.

The Company plead in its statement of defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally,

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the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

On 2 August 2019, the Court ordered the Company to return the limestone for cement industry totaling 12,484,023.50 metric tons back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation of Baht 1,602,948,617.40 together with the interest of 7.5 percent per annum of such amount calculating from the date of being notified of the land survey result (31 August 2015) until the date of the filing of complaint (207 days) making the interest to be Baht 68,180,211.74, making it Baht 1,671,128,829.14 in total, together with payment of 7.5 percent per annum interest on the principle amount of Baht 1,602,948,617.40 counting from the day after the complaint filing date until the payment is made in full and ordered that the Defendant pay the court fees on the Plaintiff's behalf (court fee shall be calculated from the amount of claim ordered in favour of the Plaintiff) and to pay the attorney fee of Baht 200,000.

The Company does not agree with the decision of the Court of the First Instance and filed the appeal together with the request for a delay of judgement execution on 3 December 2019. The case is pending the consideration of the Court of Appeal. The Court makes an appointment for the hearing of a judgement or order of the Court of Appeal on 22 September 2020 but the appointment was postponed because the case is pending mediation during the appeal. Subsequently, the mediation in the appellate stage was terminated.

On 10 May 2022, The Civil Court pronounced the judgment of the Court of Appeal in which the Court of Appeal modified the judgment by charging interest at a rate of 5 percent per annum pursuant to the judgment of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgment of Court of Appeal shall govern. There is no court cost at the appellate level. The future court fee on entry of a complaint of Baht 100 baht shall be paid back to the defendant. The defendant shall be required to pay for the appellate fees on behalf of the plaintiff together with an attorney fee imposed at Baht 200,000.

A due date for filing a motion for permission to lodge an appeal and then lodging the appeal to the Supreme Court or a motion for permission to extend a period for lodging the appeal to the Supreme Court is on 10 June 2022. However, the motion for permission to lodge an appeal and then lodging the appeal to the Supreme Court has not yet finished. The Company has applied for the third permission to extend the period for lodging the appeal to the Supreme Court. The Court allowed the date to submit the petition to the Supreme Court until 12 September 2022.

- 7) On 2 March 2017, the Department of Primary Industries and Mines, Ministry of Industry by the representation of the district attorney of the Office of the Attorney General (the "Plaintiff"), filed a complaint against the Company (the "Defendant") at the Civil Court, Environmental Law Department (the Black Case No. SorWor.1/2560) with the lawsuit amount of Baht 344,882,135.15 claiming that the Company partially engaged its mining activity in the area designated in the Prathanabat unlawfully requesting that the shale totaling 1,220,559.82 metric tons be returned to the area and the area be restored into its previous condition or to pay compensation together with the 7.5 percent per annum interest.

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The Company plead in its statement of defense that the Plaintiff does not have any authority to file such lawsuit according to the Enhancement and Conservation of National Environmental Quality Act B.E. 2535, the lawsuit is vague, delusive without any evidence and is already time-barred by prescription period; further, the lawsuit is a civil claim in connection with criminal offence relating to unlawful mining activity, however, the Company has not committed any criminal offence and did not infringe any rights of the Plaintiff, thus, the civil claim does not exist due to non-existence of infringement, the Company has not committed any wrongdoing according to the complaint and is not liable to any claim, therefore, the Company denied all claims under the complaint. Additionally, the Company also has, in reserve pursuant to the Prathanabat, several hundred million tons of limestone and the said reserves, if not used before the expiration of the Prathanabat, would not be usable after the expiration date, therefore, the Defendant does not have any cause or necessity to the engage in mining activity outside the designated area.

On 13 December 2019, the Civil Court ordered the Company to return the shale for cement production industry totaling 1,220,559.82 metric tons back to the area where the mining activity was done and restore such area to the previous condition or pay the compensation consisting of the value of the shale and royalty fee to the government in the amount totaling Baht 326,499,751.86 together with 7.5 percent per annum interest calculating from the date of the violation (2 June 2016) until the date of the complaint filing (274 days) making the interest to be Baht 18,382,383.29. The total amount from combining the principal and interest, is the amount of Baht 344,882,135.15. The Court also ordered that the interest on the principal amount of Baht 326,499,751.86 in the rate of 7.5 percent per annum be paid counting from the day after the complaint filing date until the payment is made in full together with the court fees in behalf of the Plaintiff and attorney fee of Baht 200,000.

The Company filed the appeal with the request for delay of judgement execution to Court on 5 June 2020. On 24 June 2021, the Civil Court pronounced the judgement of the Court of Appeal in which the Court of Appeal modified the judgement by charging interest at a rate of 5 percent per annum pursuant to the judgement of the Court of First Instance from 11 April 2021 onwards until payment to the Plaintiff in full or by making an adjustment to decrease or increase the interest in accordance with the Royal Decree enacted under newly amended Section 7 of the Civil Procedure Code plus an increasing rate of 2 percent per annum but not exceeding the rate of 7.5 percent per annum as requested by the Plaintiff. Other than the amendment, the judgement of Court of Appeal shall govern. There is no court cost at the appellate level.

The Company has applied for permission to lodge an appeal to the Supreme Court challenging the judgement of the Court of Appeal together with a stay of execution pending the appeal to the Supreme Court on 9 November 2021. The case is pending consideration of the Supreme Court.

The complaint of this case described that the lawsuit is a civil claim in connection with the criminal offence for the part concerning the Department of Primary Industry and Mines' filling of report to the inquiry official requesting the inquiry official to commence the criminal proceeding against the Company for unlawful mining activity without permit; and the inquiry official issued the opinion that this case shall not be prosecuted and later on, the District Attorney also concurred and issued the final order that the criminal case will not be prosecuted against the Company, thus, the criminal case is final.

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Incidentally, the information regarding cases 1) - 7) above are under the consideration of the court, the above cases are not final. The Company and the legal advisors hereby opines that based on the evidence and information the Company possesses, the Company did not commit any wrongful acts against the plaintiff as detailed in the complaints; the plaintiff claimed that the defendant committed wrongful action against the plaintiff, therefore, the plaintiff has the burden of proof to prove that the defendant had committed such act as the plaintiff claimed and since the plaintiff had not presented the evidences which show that in fact, the defendant had committed wrongful act against the plaintiff, the, the court could consider to dismiss the case. However, the judgement depends on the consideration and discretion of the court. As at 30 June 2022, the outcome of lawsuit is not yet final, the Company has not recorded a provision for liability of lawsuit in the financial statements.

- 8) On 16 December 2019, individuals in total of 222 people sued Energy Regulatory Commission (ERC) et al to the Central Administrative Court which a subsidiary was listed as the 5th Defendant. The Plaintiffs requested that the approval of Environmental and Health Impact Assessment (EHIA) report for the project of 150 megawatts thermal power plant, the license to operate electricity generating business and the construction approval of the subsidiary be revoked. The Plaintiffs also requested that the Court take evidence out of Court and issued an interim measure and ordering that the electricity generating system be temporarily stopped until the final decision is reached.

On 25 December 2019, the Court inquired both Parties in considering the request for interim measure and rendered its decision on 28 January 2020 denied the request for interim measure due to the lack of reason to believe that the license to operate electricity generating business of the subsidiary is unlawful.

On 31 January 2020, the Court issued an order accepting the compliant and requesting the subsidiary to file the answer. The lawyer submitted the answer to Court on 1 July 2020. The case is under the Court consideration.

On 7 December 2020, the Court sent the objection to the answer of the 5th Defendant and requested the Subsidiary to submit additional answer to the Court within the prescribed period. The Subsidiary submitted the additional answer to the Court on 12 March 2021, the case is under the Court consideration.

The subsidiary's legal consultant considered the complaint and its appendixes and hereby opines that the subsidiary lawfully and transparently received the license to operate the electricity generating business and the construction approval from the competent authorities, in accordance with the applicable laws and that the relevant public official have lawfully and honestly performed their duties without any conflict of interest in issuing the said license. The complaint of the Plaintiffs is untrue. As the case is in the preparation for answer, the subsidiary has causes to relieve itself of any liability generated from the complaint depending on the Central Administrative Court Decision. Moreover, the subsidiary has pressed charges against the 222 Plaintiffs to the Muak Lek police station, Saraburi, for taking the false information to charge the person in the Court. The case is under the investigation of the police.

For all above lawsuit, the Group's legal consultant opines that, based on the Group's evidences and information, the Group has a chance to defend itself in the court trial depending on the consideration of each courts.

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16 Other

- 1) The subsidiary is a power company that produces electricity by turning community municipal solid waste to energy, which is clean and green energy. The subsidiary has participated in the Thailand Voluntary Emission Reduction Program, according to Thai standards, which is a waste management project ("T-VER"), with the Thailand Greenhouse Gas Management Organization ("TGO").

At the end of year 2021, the subsidiary registered with the TGO to apply for the reduction of greenhouse gases, which subsequently TGO has certified the reduction of greenhouse gases (carbon credit) for the subsidiary's project of 82,056 tons of carbon dioxide equivalent, and after sale of 34,690 tons of carbon dioxide equivalent, the subsidiary has the balance of 47,366 tons of carbon dioxide equivalent.

Subsequently, on 24 May 2022, TGO has certified the reduction of greenhouse gases (carbon credit) for the subsidiary's project for the period from 1 May 2017 to 31 December 2020, increased by 717,931 tons of carbon dioxide equivalent. As a result, the subsidiary has the balance of 765,297 tons of carbon dioxide equivalent.

In 2021, the subsidiary used approximately 2.19 million tons of all types of waste as fuel in the subsidiary's power plants and Cement Plants of TPI Polene Public Company Limited, which can reduce greenhouse gas emissions or carbon reductions by approximately 5.08 million tons of carbon dioxide equivalent. The subsidiary is currently applying to TGO for approval for the reduction of greenhouse gases (carbon credit) for these new projects.

- 2) From December 2021 until the second quarter 2022, the Company has been granted limestone and shale concession for the manufacturing of cement industry from the Department of Primary Industries and Mines, Ministry of Industry, totaling 24 plots, with long-term concession period of 27 years for total areas of 6,389 Rai, with limestone and shale reserves of 372,539,500 tons and 43,043,400 tons, respectively, totaling 415,582,900 tons (average of 15.39 million tons per year).

17 Events after the reporting period

- 1) On 30 June 2022, The Company's Board of Directors's meeting passed a resolution to determine the period for resale of the Company's 191.265 million repurchase shares (equal to 1.0% of the total paid-up capital) by offering in SET on 22 July 2022.

The Company has written off the Company's 191.265 million unsold repurchase shares at the par value of Baht 1 per share, totalling Baht 191.265 million and has already registered the change of the Company's registered and paid-up registered capital with the Commercial Registration Department, the Ministry of Commerce on 27 July 2022 together with the de-recognition of all the repurchase shares and repurchase shares reserve in owner's equity as per details as follows.

Registered and paid-up registered capital (Formerly)		Registered and paid-up registered capital (New)	
Registered capital (shares)	23,751,500,000	Registered capital (shares)	23,560,235,000
Registered capital (Baht)	23,751,500,000	Registered capital (Baht)	23,560,235,000
Paid-up registered capital (shares)	19,126,500,000	Paid-up registered capital (shares)	18,935,235,000
Paid-up registered capital (Baht)	19,126,500,000	Paid-up registered capital (Baht)	18,935,235,000
Par value (Baht/share)	1.00	Par value (Baht/share)	1.00

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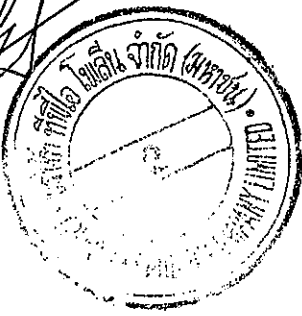
- 2) During 8-10 August 2022, a subsidiary issued and offered for sale of debenture with maturity of 5 years, at a fixed interest rate of 4.10% per annum, interest payable every 3 months, with an offering value of not exceeding Baht 4,000 million and green shoe option value of not exceeding Baht 2,000 million. Total offering value was not exceeding Baht 6,000 million.
- 3) At the Extraordinary General Meeting of Shareholders of a subsidiary held on 21 June 2022, the subsidiary's shareholders approved to increase the subsidiary's authorised share capital of Baht 1,700 million (increased from Baht 2,000 million to Baht 3,700 million) by issuing 17 million new ordinary shares with the par value of Baht 100 per share and approved to call for fully paid-up share capital amounting to Baht 1,700 million. The subsidiary registered the increased in the authorised share capital with the Ministry of Commerce on 4 July 2022.

18 Adjustment of accounts

Other current financial assets disclosed in the consolidated financial statements as at 31 December 2021 have been adjusted to conform with the remaining period and the objective of the subsidiary's business model.

Consolidated financial statements			
31 December 2021			
	Before adjustment	Adjustment (in thousand Baht)	After adjustment
<i>Statement of financial position</i>			
Other current financial assets	6,480,787	(485,341)	5,995,446
Other non-current financial assets	34,978	485,341	520,319
		-	

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