

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

Financial statements for the year ended  
31 December 2020  
and  
Independent auditor's report

## **Independent Auditor’s Report**

### **To the Shareholders of TPI Polene Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of TPI Polene Public Company Limited and its subsidiaries (the “Group”) and of TPI Polene Public Company Limited (the “Company”), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2020 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *Basis for Opinion*

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

#### *Key Audit Matters*

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

<i>Valuation of inventory</i>	
Refer to Note 4 and 8 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>Inventory is a significant balance. There is slow moving in some type of inventory. There is a risk arising from the degree of judgment involved in assessing the net realisable value which is based on assumptions concerning future events and activities.</p> <p>Due to the high level of management's judgment and the significant carrying amounts involved, this is one of the key judgmental areas that my audit is concentrated on.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• understanding the Group's business plan and process on estimate the net realisable value derived from business plan;</li> <li>• considering the management's significant assumptions used in their assessment of the net realisable value of inventory, which included comparing them to internally and externally derived data;</li> <li>• assessing the appropriateness of the methodology used to calculate the net realisable value at year end, considering the reasonableness of selling price used by comparing to the selling price during subsequent sales and assessing the accuracy of the calculation; and</li> <li>• evaluating the adequacy of disclosure in accordance with the related Thai Financial Reporting Standards.</li> </ul>

<i>Impairment assessment of property, plant and equipment in consolidated financial statements and loan to in separate financial statements</i>	
Refer to Note 6 and 14 to financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The continuous loss in operation of two subsidiaries; TPI Polene Bio Organics Co., Ltd. and TPI All Seasons Co., Ltd. indicated that property, plant and equipment and loan to may be impaired.</p> <p>Since the consideration of impairment of assets depend on the management's judgments and assumptions in respect to the forecast of operating results, discount rate, economic conditions and key assumptions used to estimate the recoverable amount of aforementioned business, this is one of the key judgmental areas that my audit is concentrated on.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• understanding the management's process of identifying impairment indicator, defining significant increase in credit risk and impairment testing, estimate recoverable amount and expected credit loss;</li> <li>• evaluating key assumptions used in discounted future cash flows such as growth rate, future outcomes, and economic conditions used to measure the credit loss and considering the reasonableness of forecasts by comparing historical estimation with the actual results as well as assessing the appropriateness of discount rate used;</li> <li>• evaluating credit risk and considering the reasonableness of supporting information;</li> <li>• assessing the accuracy of the calculation; and</li> <li>• evaluating the adequacy of disclosure in accordance with the related Thai Financial Reporting Standards.</li> </ul>

<i>Recognition of deferred tax assets</i>	
Refer to Note 4 and 31 to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group has recognised deferred tax assets for unused tax losses that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is in part dependent on the Group's ability to generate future taxable profits sufficient to utilise tax losses (before the latter expire).</p> <p>Due to the inherent uncertainty in forecasting the amount and timing of future taxable profits, this is one of the key judgmental areas that my audit is concentrated on.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• understanding the method of the management's recognition of deferred tax assets and the assessment of assumptions used in projecting the Group's future taxable profits;</li> <li>• considering the reasonableness of the forecast of future taxable profits by comparing the past forecast to the actual operating results and the operation plans and evaluating assumption used by management by comparing to operation plan and external information;</li> <li>• assessing the accuracy of the calculation; and</li> <li>• evaluating the adequacy of disclosure in accordance with the related Thai Financial Reporting Standards.</li> </ul>

*Emphasis of Matter*

Without modifying my opinion, I draw attention to the following matters:

- (a) I draw attention to note 3(C) to the financial statements describing the effect of the Company's changes in accounting policy for investments in subsidiaries and associates in separate financial statements. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2019 after making the adjustments described in note 3(C).
- (b) I draw attention to notes 38(2) and 38(4) to 38(7) to the financial statements, which described 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. The case is pending the consideration of the Court of Appeal and the date of hearing the Court of Appeal's judgement or order was set to be on 22 September 2020, however, the said date of hearing of judgement had been postponed because the case is under mediation during the appeal.
  - 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 annum 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. The Company filed the appeal together with a delay of judgement execution on the Black Case No. SorWor.4/2559 and the Black Case No. SorWor.6/2559 on 8 May 2020. For the Black Case No. SorWor.1/2560, the Company filed the appeal together with a delay of judgement execution on 5 June 2020. The date of hearing the Court of Appeal's judgement or order was set to be on 27 April 2021. All cases are pending the considering of the Court of Appeal.
  - 3) On 24 March 2020, the Civil Court had an order on the Black Case No. SorWor.2/2561, conducting the shale mining unlawfully in the area which has not been granted, that the Company has to return the shale back to the original area where the Company conducted the shale mining unlawfully and restore the area into its previous condition or pay the compensation consisting of the value of the shale and royalty fee in the amount of Baht 67 million with interest at 7.5 percent per annum from the date of violation until the date that payment is made in full. The Company filed the appeal together with a delay of judgement execution on 19 August 2020. The case is pending the considering of the Court of Appeal and the date of hearing the Court of Appeal's judgement or order was set to be on 20 May 2021.

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.

### *Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

## **Notes to the financial statements**

### **For the year ended 31 December 2020**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Bunyarit Thanormcharoen)  
Certified Public Accountant  
Registration No. 7900

KPMG Phoomchai Audit Ltd.  
Bangkok  
19 February 2021



## TPI Polene Public Company Limited and its Subsidiaries

### Statement of financial position

Assets	Note	Consolidated		Separate		
		financial statements		financial statements		
		31 December 2020	31 December 2019	31 December 2020	31 December 2019 (Restated)	1 January 2019 (Restated)
<i>(in thousand Baht)</i>						
<b>Current assets</b>						
Cash and cash equivalents	7	6,657,879	2,743,845	2,034,928	962,604	2,178,247
Trade accounts receivable	6, 35	4,675,711	4,472,456	6,237,977	4,093,572	3,939,913
Other receivables		853,591	879,898	575,380	622,515	499,845
Short-term loans to related parties	6	-	-	478,014	478,396	268,801
Receivables and advances to related parties	6	60,240	79,070	254,442	262,886	238,262
Inventories	8	11,112,402	14,178,058	8,543,237	11,715,704	12,292,063
Other current financial assets	35	3,448,590	2,650,696	1,702,353	-	300,000
Other current assets		486,494	373,504	199,586	149,821	147,952
<b>Total current assets</b>		<b>27,294,907</b>	<b>25,377,527</b>	<b>20,025,917</b>	<b>18,285,498</b>	<b>19,865,083</b>
<b>Non-current assets</b>						
Other non-current financial assets	35	34,979	34,970	18,400	18,351	35,440
Investments in associates	9	805,101	752,558	805,101	752,558	772,197
Investments in subsidiaries	10	-	-	24,911,629	24,591,555	23,469,055
Long-term investments in related parties	6, 12	45,653	45,653	45,653	45,653	45,870
Receivables and advances to related parties	6	-	-	421,076	420,945	420,750
Investment properties	13	506,269	372,750	74,044	74,044	74,044
Property, plant and equipment	14	92,924,990	86,252,301	53,522,755	50,390,531	50,060,551
Right-of-use assets	3, 15	619,236	-	324,990	-	-
Intangible assets	16	501,665	136,550	493,649	136,550	176,170
Advances payment for plant and equipment		93,552	438,713	34,757	268,075	299,215
Deferred tax assets	31	913,788	671,853	688,308	506,621	347,845
Other non-current assets	6	168,762	285,270	127,583	213,768	196,176
<b>Total non-current assets</b>		<b>96,613,995</b>	<b>88,990,618</b>	<b>81,467,945</b>	<b>77,418,651</b>	<b>75,897,313</b>
<b>Total assets</b>		<b>123,908,902</b>	<b>114,368,145</b>	<b>101,493,862</b>	<b>95,704,149</b>	<b>95,762,396</b>

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

## TPI Polene Public Company Limited and its Subsidiaries

### Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements		
		31 December 2020	31 December 2019	31 December 2020	31 December 2019 (Restated)	1 January 2019 (Restated)
		(in thousand Baht)				
<b>Current liabilities</b>						
Short-term loans from financial institutions	17, 35	1,314,807	2,939,529	1,075,182	2,607,863	1,685,614
Trade accounts payable	6, 18	2,877,681	2,535,610	2,453,991	2,307,482	2,910,219
Other payables	19	2,880,830	3,734,776	1,748,956	1,802,895	1,774,191
Short-term loans from related parties	6	-	-	-	-	44,217
Payables and advances from related parties	6	39,271	9,827	936,231	581,604	264,086
Current portion of long-term loans from financial institutions	17, 35	1,607,914	1,605,033	1,607,914	1,605,033	1,576,515
Current portion of lease liabilities (2019: Current portion of finance lease liabilities)	3, 15, 17, 35	132,369	-	83,553	-	775
Current portion of debentures	17, 35	17,180,000	7,205,000	13,180,000	7,205,000	7,750,000
Interest payable		348,777	313,840	298,235	281,416	253,363
Current income tax payable		85,178	62,373	-	-	-
Other current liabilities		251,469	254,596	100,499	97,370	69,704
<b>Total current liabilities</b>		<b>26,718,296</b>	<b>18,660,584</b>	<b>21,484,561</b>	<b>16,488,663</b>	<b>16,328,684</b>
<b>Non-current liabilities</b>						
Long-term loans from financial institutions	17, 35	1,380,711	2,984,304	1,380,711	2,984,304	6,235,392
Lease liabilities (2019: Finance lease liabilities)	3, 15, 17, 35	323,626	-	120,815	-	-
Debentures	17, 35	40,506,200	38,495,000	32,744,200	30,675,000	28,250,000
Deferred tax liabilities	31	50,994	59,578	-	-	-
Non-current provisions for employee benefit	20	2,326,482	2,337,557	1,956,682	1,970,539	1,298,077
Other non-current liabilities		430,856	337,676	252,945	168,531	168,531
<b>Total non-current liabilities</b>		<b>45,018,869</b>	<b>44,214,115</b>	<b>36,455,353</b>	<b>35,798,374</b>	<b>35,952,000</b>
<b>Total liabilities</b>		<b>71,737,165</b>	<b>62,874,699</b>	<b>57,939,914</b>	<b>52,287,037</b>	<b>52,280,684</b>

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

## TPI Polene Public Company Limited and its Subsidiaries

### Statement of financial position

	Note	Consolidated		Separate		
		financial statements		financial statements		
		31 December 2020	31 December 2019	31 December 2020	31 December 2019 (Restated)	1 January 2019 (Restated)
<i>(in thousand Baht)</i>						
<b>Liabilities and equity</b>						
<b>Equity</b>						
Share capital:	21					
Authorised share capital <i>(23,805,500 thousand ordinary shares, par value     at Baht 1 per share)</i>		<u>23,805,500</u>	<u>23,805,500</u>	<u>23,805,500</u>	<u>23,805,500</u>	<u>24,815,000</u>
Issued and paid-up share capital <i>(19,180,500 thousand ordinary shares, par value     at Baht 1 per share)</i>		19,180,500	19,180,500	19,180,500	19,180,500	20,190,000
Share premium:						
Share premium on ordinary shares		60,600	60,600	60,600	60,600	60,600
Other surpluses		9,840,436	9,840,436	9,840,436	9,840,436	9,840,436
Share premium on treasury shares	22	135,058	35,218	135,058	35,218	35,218
Retained earnings						
Appropriated						
Legal reserve	23	925,766	850,858	925,766	850,858	836,921
Treasury shares reserve	22	259,637	-	259,637	-	1,682,625
Unappropriated		13,307,213	13,341,336	13,307,213	13,341,336	12,409,100
Treasury shares	22	(259,637)	-	(259,637)	-	(1,682,625)
Other components of equity		<u>104,375</u>	<u>108,164</u>	<u>104,375</u>	<u>108,164</u>	<u>109,437</u>
<b>Equity attributable to owners of the parent</b>		<b><u>43,553,948</u></b>	<b><u>43,417,112</u></b>	<b><u>43,553,948</u></b>	<b><u>43,417,112</u></b>	<b><u>43,481,712</u></b>
Non-controlling interests	11	<u>8,617,789</u>	<u>8,076,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<b><u>52,171,737</u></b>	<b><u>51,493,446</u></b>	<b><u>43,553,948</u></b>	<b><u>43,417,112</u></b>	<b><u>43,481,712</u></b>
<b>Total liabilities and equity</b>		<b><u>123,908,902</u></b>	<b><u>114,368,145</u></b>	<b><u>101,493,862</u></b>	<b><u>95,704,149</u></b>	<b><u>95,762,396</u></b>

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

# TPI Polene Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
					(Restated)
		(in thousand Baht)			
<b>Income</b>					
Revenue from sale of goods	24, 32	34,275,770	37,040,563	23,252,776	26,901,561
Cost of sales of goods	8	<u>(24,937,101)</u>	<u>(28,404,067)</u>	<u>(20,197,351)</u>	<u>(24,312,664)</u>
<b>Gross profit</b>		<b>9,338,669</b>	<b>8,636,496</b>	<b>3,055,425</b>	<b>2,588,897</b>
Transportation income		1,113,565	1,166,524	1,175,558	1,216,592
Net foreign exchange gain		-	404,780	-	337,228
Investment income		59,151	106,125	69,280	60,128
Other income	25	<u>738,177</u>	<u>550,482</u>	<u>650,345</u>	<u>699,817</u>
<b>Profit before expenses</b>		<b>11,249,562</b>	<b>10,864,407</b>	<b>4,950,608</b>	<b>4,902,662</b>
Cost of distributions and transportations	26	(3,164,115)	(4,032,386)	(2,801,669)	(3,589,241)
Administrative expenses	27	(1,748,261)	(2,111,251)	(1,080,343)	(1,398,435)
Impairment loss of assets	14	(1,601,820)	-	-	-
Net foreign exchange loss		<u>(11,943)</u>	<u>-</u>	<u>(29,655)</u>	<u>-</u>
<b>Total expenses</b>		<b>(6,526,139)</b>	<b>(6,143,637)</b>	<b>(3,911,667)</b>	<b>(4,987,676)</b>
<b>Profit from operating activities</b>		<b>4,723,423</b>	<b>4,720,770</b>	<b>1,038,941</b>	<b>(85,014)</b>
Finance costs	30	(2,014,903)	(1,959,023)	(1,750,581)	(1,797,714)
Share of profit of subsidiaries accounted for using equity method	10	-	-	1,971,783	3,128,976
Share of profit (loss) of associates accounted for using equity method	9	<u>56,321</u>	<u>(18,704)</u>	<u>56,321</u>	<u>(18,704)</u>
<b>Profit before income tax expense</b>		<b>2,764,841</b>	<b>2,743,043</b>	<b>1,316,464</b>	<b>1,227,544</b>
Tax income	31	<u>74,325</u>	<u>21,528</u>	<u>181,688</u>	<u>165,981</u>
<b>Profit for the year</b>		<b>2,839,166</b>	<b>2,764,571</b>	<b>1,498,152</b>	<b>1,393,525</b>
<b>Other comprehensive income (expense)</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		(18)	(250)	-	-
Gain (loss) on measurement of financial assets	35	6	(111)	-	(126)
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	10	-	-	(13)	(237)
Share of other comprehensive income (expense) of associates accounted for using equity method	9	(3,778)	(935)	(3,778)	(935)
Income tax relating to items that will be reclassified	31	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(3,790)</b>	<b>(1,271)</b>	<b>(3,791)</b>	<b>(1,273)</b>

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

# TPI Polene Public Company Limited and its Subsidiaries

## Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(Restated)					
(in thousand Baht)					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on investments in equity instruments designated at fair value through other comprehensive income (expense)	35	3	-	3	-
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	10	-	-	-	(30,608)
Losses on remeasurements of defined benefit plans	20	-	(245,792)	-	(207,436)
Income tax relating to items that will not be reclassified	31	(1)	49,235	(1)	41,487
<b>Total items that will not be reclassified to profit or loss</b>		<b>2</b>	<b>(196,557)</b>	<b>2</b>	<b>(196,557)</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(3,788)</b>	<b>(197,828)</b>	<b>(3,789)</b>	<b>(197,830)</b>
<b>Total comprehensive income for the year</b>		<b>2,835,378</b>	<b>2,566,743</b>	<b>1,494,363</b>	<b>1,195,695</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		1,498,152	1,393,525	1,498,152	1,393,525
Non-controlling interests		1,341,014	1,371,046	-	-
<b>Profit for the year</b>		<b>2,839,166</b>	<b>2,764,571</b>	<b>1,498,152</b>	<b>1,393,525</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		1,494,363	1,195,695	1,494,363	1,195,695
Non-controlling interests		1,341,015	1,371,048	-	-
<b>Total comprehensive income for the year</b>		<b>2,835,378</b>	<b>2,566,743</b>	<b>1,494,363</b>	<b>1,195,695</b>
<b>Basic earnings per share (in Baht)</b>	33	<b>0.079</b>	<b>0.073</b>	<b>0.079</b>	<b>0.073</b>

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

**TPI Polene Public Company Limited and its Subsidiaries**  
**Statement of changes in equity**

		<b>Consolidated financial statements</b>													
		Other surpluses (deficits)			Retained earnings				Other components of equity						
Note	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	Treasury shares	Translation reserve	Fair value reserve	comprehensive income (expense) of associates using equity method	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<i>(in thousand Baht)</i>															
<b>Year ended 31 December 2019</b>															
	<b>20,190,000</b>	<b>60,600</b>	<b>9,840,436</b>	<b>35,218</b>	<b>836,921</b>	<b>1,682,625</b>	<b>12,409,100</b>	<b>(1,682,625)</b>	<b>92</b>	<b>(7)</b>	<b>109,352</b>	<b>109,437</b>	<b>43,481,712</b>	<b>7,454,877</b>	<b>50,936,589</b>
	<b>Balance at 1 January 2019</b>														
<b>Transactions with owners, recorded directly in equity</b>															
<i>Contributions by and distributions to owners of the parent</i>															
22	-	-	-	-	-	301,270	(301,270)	(301,270)	-	-	-	-	(301,270)	-	(301,270)
	Treasury shares purchased														
22	(1,009,500)	-	-	-	-	(1,983,895)	1,009,500	1,983,895	-	-	-	-	-	-	-
	Writing off the treasury shares														
34	-	-	-	-	-	-	(959,025)	-	-	-	-	-	(959,025)	(749,591)	(1,708,616)
	Dividends														
	<b>(1,009,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,682,625)</b>	<b>(250,795)</b>	<b>1,682,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,260,295)</b>	<b>(749,591)</b>	<b>(2,009,886)</b>
	<b>Total transactions with owners, recorded directly in equity</b>														
<b>Comprehensive income (expense) for the year</b>															
	-	-	-	-	-	-	1,393,525	-	-	-	-	-	1,393,525	1,371,046	2,764,571
	Profit														
	-	-	-	-	-	-	(196,557)	-	(250)	(88)	(935)	(1,273)	(197,830)	2	(197,828)
	Other comprehensive income (expense)														
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196,968</b>	<b>-</b>	<b>(250)</b>	<b>(88)</b>	<b>(935)</b>	<b>(1,273)</b>	<b>1,195,695</b>	<b>1,371,048</b>	<b>2,566,743</b>
	<b>Total comprehensive income (expense) for the year</b>														
23	-	-	-	-	13,937	-	(13,937)	-	-	-	-	-	-	-	-
	Transfer to legal reserve														
	<b>19,180,500</b>	<b>60,600</b>	<b>9,840,436</b>	<b>35,218</b>	<b>850,858</b>	<b>-</b>	<b>13,341,336</b>	<b>-</b>	<b>(158)</b>	<b>(95)</b>	<b>108,417</b>	<b>108,164</b>	<b>43,417,112</b>	<b>8,076,334</b>	<b>51,493,446</b>
	<b>Balance at 31 December 2019</b>														

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

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

Note	Consolidated financial statements										Other components of equity							
	Other surplus (deficit)			Retained earnings				Treasury shares			Translation reserve		Fair value reserve	Share of other comprehensive income (expense) of associates using equity method	Total other components of equity	Equity attributable to owners of the parent	Non-controlling interests	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	Treasury shares <i>(in thousand Baht)</i>	Translation reserve	Fair value reserve								
<b>Year ended 31 December 2020</b>																		
	<b>19180500</b>	<b>60600</b>	<b>9840436</b>	<b>32218</b>	<b>850858</b>	-	<b>13341336</b>	-	<b>-158</b>	<b>95</b>		<b>108417</b>	<b>108164</b>	<b>43417112</b>	<b>8076334</b>		<b>51493446</b>	
Balance at 31 December 2019 - as reported																		
Impact of changes in accounting policies	3(A)	-	-	-	-	-	-60000	-	-	-	-	-	-	-60000	-	-	-60000	
Balance at 1 January 2020	<b>19180500</b>	<b>60600</b>	<b>9840436</b>	<b>32218</b>	<b>850858</b>	-	<b>13281296</b>	-	<b>-158</b>	<b>95</b>		<b>108417</b>	<b>108164</b>	<b>43357112</b>	<b>8076334</b>		<b>51433486</b>	
<b>Transactions with owners, recorded directly in equity</b>																		
<i>Contributions by and distributions to owners of the parent</i>																		
Treasury shares purchased	22	-	-	-	-	453531	-259637	-453531	-	-	-	-	-	-259637	-	-	-259637	
Treasury shares sold	22	-	-	99840	-	-193894	-	193894	-	-	-	-	-	99840	-	-	99840	
Dividends	34	-	-	-	-	-1137008	-	-	-	-	-	-	-	-1137008	-	-	-1137008	
Total transactions with owners, recorded directly in equity				<b>99840</b>		<b>-259637</b>	<b>-1397327</b>	<b>-259637</b>						<b>-1297547</b>			<b>-2807947</b>	
<b>Comprehensive income (expense) for the year</b>																		
Profit							1498152							1498152	1341014		2839166	
Other comprehensive income (expense)									-18	7		-3778	-3789	-3789	1		-3788	
Total comprehensive income (expense) for the year							<b>1498152</b>		<b>-18</b>	<b>7</b>		<b>-3778</b>	<b>-3789</b>	<b>1494363</b>	<b>1341015</b>		<b>2835378</b>	
Transfer to legal reserve	23				-74908		-74908											
Balance at 31 December 2020	<b>19180500</b>	<b>60600</b>	<b>9840436</b>	<b>135058</b>	<b>925766</b>	<b>259637</b>	<b>13307213</b>	<b>-259637</b>	<b>-176</b>	<b>88</b>		<b>104639</b>	<b>104375</b>	<b>43553948</b>	<b>8617789</b>		<b>52172737</b>	

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

**Statement of changes in equity**

Note	Separate financial statements												
	Issued and paid-up share capital	Share premium	Other surplus (deficits)		Retained earnings				Other components of equity			Total equity	
			Shareholding change in Group	Share premium on treasury share	Legal reserve	Treasury shares reserve	Unappropriated (in thousand Baht)	Treasury shares	Measuring financial asset	Share of other comprehensive income (expense) of subsidiaries and associates using equity	Total other components of equity		
<b>Year ended 31 December 2019</b>													
	<b>Balance at 1 January 2019 - as reported</b>	<b>20,190,000</b>	<b>60,600</b>	-	-	<b>836,921</b>	<b>1,682,625</b>	<b>10,828,299</b>	<b>(1,682,625)</b>	<b>(152)</b>	-	<b>(152)</b>	<b>31,915,668</b>
3(C)	Impact of changes in accounting policies	-	-	9,840,436	35,218	-	-	1,580,801	-	-	109,589	109,589	11,566,044
	<b>Balance at 1 January 2019 - restated</b>	<b>20,190,000</b>	<b>60,600</b>	<b>9,840,436</b>	<b>35,218</b>	<b>836,921</b>	<b>1,682,625</b>	<b>12,409,100</b>	<b>(1,682,625)</b>	<b>(152)</b>	<b>109,589</b>	<b>109,437</b>	<b>43,481,712</b>
<b>Transaction with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners of the parent</i>													
22	Treasury shares purchased	-	-	-	-	-	301,270	(301,270)	(301,270)	-	-	-	(301,270)
22	Writing off the treasury shares	(1,009,500)	-	-	-	-	(1,983,895)	1,009,500	1,983,895	-	-	-	-
34	Dividends	-	-	-	-	-	-	(959,025)	-	-	-	-	(959,025)
	<b>Total transactions with owners, recorded directly in equity</b>	<b>(1,009,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,682,625)</b>	<b>(250,795)</b>	<b>1,682,625</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,260,295)</b>
<b>Comprehensive income (expense) for the year</b>													
	Profit	-	-	-	-	-	-	1,393,525	-	-	-	-	1,393,525
	Other comprehensive income (expense)	-	-	-	-	-	-	(196,557)	-	(101)	(1,172)	(1,273)	(197,830)
	<b>Total comprehensive income (expense) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,196,968</b>	<b>-</b>	<b>(101)</b>	<b>(1,172)</b>	<b>(1,273)</b>	<b>1,195,695</b>
23	Transfer to legal reserve	-	-	-	-	13,937	-	(13,937)	-	-	-	-	-
	<b>Balance at 31 December 2019</b>	<b>19,180,500</b>	<b>60,600</b>	<b>9,840,436</b>	<b>35,218</b>	<b>850,858</b>	<b>-</b>	<b>13,341,336</b>	<b>-</b>	<b>(253)</b>	<b>108,417</b>	<b>108,164</b>	<b>43,417,112</b>

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



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

**Statement of changes in equity**

Note	Separate financial statements											Total equity	
	Issued and paid-up share capital	Share premium	Other surplus (deficits)		Retained earnings				Other components of equity				
			Shareholding change in Group	Share premium on treasury share	Legal reserve	Treasury shares reserve	Unappropriated	Treasury shares	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income (expense)	Share of other comprehensive income (expense) of associates using equity method	Total other components of equity		
<b>Year ended 31 December 2020</b>													
	<b>19,180,500</b>	<b>60,600</b>	-	-	<b>850,858</b>	-	<b>10,676,370</b>	-		<b>(253)</b>	-	<b>(253)</b>	<b>30,768,075</b>
Impact of changes in accounting policies	3(C)	-	-	9,840,436	35,218	-	2,664,966	-	-	-	108,417	108,417	12,649,037
	<b>19,180,500</b>	<b>60,600</b>	<b>9,840,436</b>	<b>35,218</b>	<b>850,858</b>	-	<b>13,341,336</b>	-		<b>(253)</b>	<b>108,417</b>	<b>108,164</b>	<b>43,417,112</b>
Impact of changes in accounting policies	3(A)	-	-	-	-	-	(60,040)	-	-	-	-	-	(60,040)
	<b>19,180,500</b>	<b>60,600</b>	<b>9,840,436</b>	<b>35,218</b>	<b>850,858</b>	-	<b>13,281,296</b>	-		<b>(253)</b>	<b>108,417</b>	<b>108,164</b>	<b>43,357,072</b>
<b>Transaction with owners, recorded directly in equity</b>													
<i>Contributions by and distributions to owners of the parent</i>													
Treasury shares purchased	22	-	-	-	-	-	453,531	(259,637)	(453,531)	-	-	-	(259,637)
Writing off the treasury shares	22	-	-	-	99,840	-	(193,894)	-	193,894	-	-	-	99,840
Dividends	34	-	-	-	-	-	(1,137,690)	-	-	-	-	-	(1,137,690)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>99,840</b>	<b>-</b>	<b>259,637</b>	<b>(1,397,327)</b>	<b>(259,637)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,297,487)</b>
<b>Comprehensive income (expense) for the year</b>													
Profit		-	-	-	-	-	1,498,152	-	-	-	-	-	1,498,152
Other comprehensive income (expense)		-	-	-	-	-	-	-	-	2	(3,791)	(3,789)	(3,789)
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,498,152</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(3,791)</b>	<b>(3,789)</b>	<b>1,494,363</b>
Transfer to legal reserve	23	-	-	-	-	74,908	-	(74,908)	-	-	-	-	-
		<b>19,180,500</b>	<b>60,600</b>	<b>9,840,436</b>	<b>135,058</b>	<b>925,766</b>	<b>259,637</b>	<b>13,307,213</b>	<b>(259,637)</b>	<b>(251)</b>	<b>104,626</b>	<b>104,375</b>	<b>43,553,948</b>

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

## TPI Polene Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(Restated)			
	(in thousand Baht)			
<b>Cash flows from operating activities</b>				
Profit for the year	2,839,166	2,764,571	1,498,152	1,393,525
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Depreciation and amortisation	3,124,488	3,189,045	1,882,762	2,040,662
Interest income	(48,347)	(90,640)	(41,870)	(36,370)
Finance costs	2,014,903	1,959,023	1,750,581	1,797,714
Dividend income	(6)	(5)	(6)	(5)
Unrealised (gain) loss on foreign exchange	21,640	(70,521)	7,404	(8,630)
Reversal of bad and doubtful debt expense	(8,743)	(5,820)	-	-
Reversal of losses on decline in value of inventories	(14,973)	(35,374)	(10,988)	(35,374)
Provision for employees benefits	32,751	611,523	23,466	512,050
Loss on sale and write-off of plant and equipment	1,298	26,100	9,960	30,255
Loss on impairment of exploration assets	1,601,820	-	-	-
Gain from sale investment properties	(29,000)	-	-	-
Gain on disposal of investments in subsidiary	-	-	-	(6,276)
Share of (profit) loss of subsidiaries and associates accounted for using equity method	(56,321)	18,704	(2,028,104)	(3,110,272)
Tax income	(74,325)	(21,528)	(181,688)	(165,981)
	9,404,351	8,345,078	2,909,669	2,411,298
<b>Changes in operating assets and liabilities</b>				
Trade accounts receivable	(201,847)	(164,211)	(2,144,760)	(153,659)
Other receivables	(5,694)	(170,428)	10,777	(63,068)
Receivable and advances to related parties	17,558	(18,237)	6,166	(24,624)
Inventories	3,080,629	191,226	3,183,455	611,733
Other current assets	(97,068)	(12,308)	(34,993)	19,436
Other non-current assets	(54,057)	(27,182)	(39,374)	(17,592)
Trade accounts payable	338,690	(465,634)	143,117	(602,748)
Other payables	(420,890)	170,130	(193,091)	79,111
Payable and advances from related parties	29,444	(9,769)	354,627	317,518
Other current liabilities	(3,127)	54,298	3,129	27,666
Provision for employee benefits	(43,826)	(60,928)	(37,323)	(47,024)
Other non-current liabilities	1,150	105,343	-	-
Cash generated from operating	12,045,313	7,937,378	4,161,399	2,558,047
Net tax received (paid)	(169,312)	(167,241)	(14,772)	27,411
<b>Net cash from operating activities</b>	<b>11,876,001</b>	<b>7,770,137</b>	<b>4,146,627</b>	<b>2,585,458</b>

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

## TPI Polene Public Company Limited and its Subsidiaries

### Statements of cash flows

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019 (Restated)
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	27,291	109,786	15,895	(23,941)
Dividend received	6	5	1,972,381	1,995,504
(Increase) decrease in equity and debt instruments	(797,394)	1,609,956	(1,702,353)	300,000
Decrease in other long-term investments	-	26,942	-	17,000
Decrease in long-term investments in related party	-	217	-	217
Acquisition of investment properties	(14,074)	-	-	-
Acquisition of property, plant and equipment	(10,736,815)	(9,088,372)	(4,173,106)	(2,014,897)
Acquisition of intangible assets	(320,680)	(1,054)	(312,664)	(1,054)
Proceeds from sale of investment properties	29,000	-	-	-
Proceeds from sale of plant and equipment	21,057	9,888	13,479	1,616
Advance payment for plant and equipment	(399,808)	(815,377)	(164,144)	(318,582)
Cash outflow on loans to related parties	-	-	(319,629)	(251,049)
Proceeds from repayment of loans to related parties	-	-	2,000	21,352
Acquisition of subsidiary, net of cash acquired	(2,959)	-	-	-
Proceeds from disposal of investments in subsidiary	-	-	-	105,988
Net cash outflow on addition investment in subsidiary	-	-	-	(99,000)
Cash outflow for decommissioning	(795)	(1,621)	-	-
<b>Net cash used in investing activities</b>	<b>(12,195,171)</b>	<b>(8,149,630)</b>	<b>(4,668,141)</b>	<b>(266,846)</b>

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

## TPI Polene Public Company Limited and its Subsidiaries

### Statements of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(Restated)			
	(in thousand Baht)			
<b><i>Cash flows from financing activities</i></b>				
Finance cost paid	(2,281,358)	(2,021,474)	(1,930,224)	(1,817,461)
Dividend paid to owners of the Company	(1,937,250)	(1,708,616)	(1,137,690)	(959,025)
Payment of lease liabilities (2019: Finance lease payments)	(135,450)	(775)	(85,932)	(775)
Increase (decrease) in short-term loans from financial institutions	(1,624,782)	298,653	(1,532,681)	922,373
Proceeds from short-term loan from related party	-	-	695,000	-
Repayment of short-term loans from related parties	-	-	(695,000)	(43,873)
Proceeds from long-term loans from financial institutions	-	2,727,600	-	2,727,600
Repayment of long-term loans from financial institutions	(1,605,033)	(5,942,445)	(1,605,033)	(5,942,445)
Proceeds from issue of debentures	19,544,000	13,450,000	15,600,000	9,630,000
Repayment of debentures	(7,555,800)	(7,750,000)	(7,555,800)	(7,750,000)
Proceeds from sale treasury shares	293,734	-	293,734	-
Payment of treasury shares	(453,531)	(301,270)	(453,531)	(301,270)
<b>Net cash from (used in) financing activities</b>	<b>4,244,530</b>	<b>(1,248,327)</b>	<b>1,592,843</b>	<b>(3,534,876)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	3,925,360	(1,627,820)	1,071,329	(1,216,264)
Effect of exchange rate changes	(11,801)	5,105	995	621
Cash and cash equivalents from changes in holding of investments in subsidiary	475	-	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,914,034</b>	<b>(1,622,715)</b>	<b>1,072,324</b>	<b>(1,215,643)</b>
Cash and cash equivalents at 1 January	2,743,845	4,366,560	962,604	2,178,247
<b>Cash and cash equivalents at 31 December</b>	<b>6,657,879</b>	<b>2,743,845</b>	<b>2,034,928</b>	<b>962,604</b>
<b><i>Non-cash transactions</i></b>				
Advances of plant and equipment	-	438,713	-	268,075
Other payables - plant and equipment	737,159	1,396,662	161,310	22,158
Other non-current liabilities - intangible assets	84,414	-	84,414	-

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

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 19 February 2021.

**1 General information**

TPI Polene Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 26/56, TPI Tower, Chan Tat Mai Road, Tungmahamek, Sathorn, Bangkok.

The Company was listed on the Stock Exchange of Thailand in November 1990.

The Company operates in 3 major industries and has 18 distribution terminals around the country. It operates in the cement industry at Kang-Khoi, Saraburi and has 8 plants consisting of 4 cement manufacturing plants and 4 dry mortar manufacturing plants. It operates in the construction materials industry at Amphur Chalermprakiet, Saraburi and has cement roof tiles and fibre cement board manufacturing plants. It operates in the plastic industry at Amphur Muang, Rayong and has 2 LDPE and EVA plastic manufacturing plants. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 10.

**2 Basis of preparation of the financial statements**

*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 *Financial Instruments* and relevant standards and interpretations and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3(A) and 3(B).

In addition, the Group has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

*(b) Functional and presentation currency*

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

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(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4(k) and 15 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options;
- whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

4(u) Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- whether revenue from sales of products is recognised over time or at a point in time;
- commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;
- whether long-term advances received from customers have significant financing component;

5 Impact of COVID-19 Outbreak ; and

9, 10 Equity-accounted investees: whether the Group has significant influence over an investee.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- 4(k) Determining the incremental borrowing rate to measure lease liabilities;
- 4(u) Revenue recognition: estimate of expected returns;
- 5 Impact of COVID-19
- 8 Measurement of allowance for decline in value of inventories adjusted to net realisable value
- 14 Impairment test of key assumptions underlying recoverable amounts
- 20 Measurement of defined benefit obligations: key actuarial assumptions;
- 38 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- 35 Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate;
- 31 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
- 35 Determining the fair value of financial instruments on the basis of significant unobservable inputs.

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**3 Changes in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards, TFRS 16. And at the Board of Directors' meeting of the Company held on 28 January 2021, the Board of Directors' acknowledged the changes of its accounting policies of investments in subsidiaries and associates in separate financial statement from the cost method to the equity method and retrospectively adjusted to the financial statements.

		Consolidated	Separate	
		financial statements	financial statements	Other components of equity
<b>Impact on changes in accounting policies</b>		Retained earnings	Retained earnings	
	<i>Note</i>		<i>(in thousand Baht)</i>	
At 31 December 2018 - as reported		12,409,100	10,828,299	(152)
<i>Increase (decrease) due to:</i>				
Change in accounting policy for investments in subsidiaries and associates in separate financial statements	(C)	-	1,580,801	109,589
<b>At 1 January 2019 - restated</b>		<b>12,409,100</b>	<b>12,409,100</b>	<b>109,437</b>
At 31 December 2019 - as reported		13,341,336	10,676,370	(253)
<i>Increase (decrease) due to:</i>				
Adoption of TFRS - Financial instruments standards				
Impairment losses on financial assets	(A)	(60,040)	(60,040)	-
Change in accounting policy for investments in subsidiaries and associates in separate financial statements	(C)	-	2,664,966	108,417
<b>At 1 January 2020 - restated</b>		<b>13,281,296</b>	<b>13,281,296</b>	<b>108,164</b>

**(A) TFRS - Financial instruments standards**

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:



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Impairment - Financial assets

IFRS 9 introduces the ‘expected credit loss’ (ECL) model whereas previously the Group estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. IFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost and debt investments measured at FVOCI except for investments in equity instruments.

The Group has determined that the application of IFRS 9’s impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Allowance for impairment losses at 31 December 2019</b>		
Allowance for doubtful debts - other receivables	-	-
	-	-
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Other receivables	60,040	60,040
<b>Allowance for impairment losses at 1 January 2020</b>	<b>60,040</b>	<b>60,040</b>

The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

**(B) IFRS 16 Leases**

From 1 January 2020, the Group has initially adopted IFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group as a lessee, recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease. Under IFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- exclude initial direct costs from measuring the right-of-use asset.

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	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Impact from the adoption of TFRS 16</i></b>		
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	626,762	325,790
Decrease in other receivables	(1,486)	(14)
Decrease in receivables and advances to related parties	(1,272)	(1,712)
Decrease in other non-current assets	(170,565)	(125,559)
Increase in lease liabilities	(453,439)	(198,505)
<b><i>Measurement of lease liability</i></b>		
Operating lease commitment as disclosed at 31 December 2019	623,208	276,957
Recognition exemption for short-term leases	(31,882)	(24,203)
Service agreement that does not qualify	(83,008)	(81,599)
Extension option of the lease term	53,929	46,009
	<b><u>562,247</u></b>	<b><u>217,164</u></b>
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	453,439	198,505
Finance lease liabilities recognised as at 31 December 2019	-	-
<b>Lease liabilities recognised at 1 January 2020</b>	<b><u>453,439</u></b>	<b><u>198,505</u></b>
Weighted-average incremental borrowing rate ( <i>% per annum</i> )	<b><u>3.89 - 4.51</u></b>	<b><u>3.89</u></b>

Right-of-use assets and lease liabilities shown above were presented as part of Construction Materials, Petrochemical & Chemicals, Energy & Utilities and Agriculture segments.

**(C) Changes in accounting policy for investments in subsidiaries and associates in separate financial statements**

The Company changed the accounting policy for recognition and subsequent measurement of investments in the separate financial statements from the cost method to the equity method. Under the cost method the investments are carried at cost and only dividends received by the Company from the subsidiaries and associates are recognised in profit. Under the equity method investments in subsidiaries and associates are initially recognised at cost. Subsequently the carrying value of the investments are adjusted for the Company's share in profit or loss, other comprehensive income and dividends received. As the Company has significantly expanded its business through investment in subsidiaries and associates, the Company believes that the equity method better reflects the rights of its shareholders to profit and loss, other comprehensive income and accumulated equity from subsidiaries and associates than the cost method. The change in this accounting policy is carried out in accordance with Thai Accounting Standard No. 27, *Separate Financial Statements*. The Company has applied this policy since 1 January 2020 and retrospectively adjusted the previous periods' separate financial statements for comparison purpose as follows;

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	<b>Separate financial statements</b>					
	As reported	At 1 January 2019 Impact of changes in accounting policies	Restated <i>(in thousand Baht)</i>	As reported	At 31 December 2019 Impact of changes in accounting policies	Restated
<b>Statement of financial position</b>						
<b>Current assets</b>						
Short-term loans to related parties	268,801	-	268,801	499,171	(20,775)	478,396
<b>Non-current assets</b>						
Investments in subsidiaries	12,444,474	11,024,581	23,469,055	12,443,762	12,147,793	24,591,555
Investments in associates	229,500	542,697	772,197	229,500	523,058	752,558
Receivables and advances to related parties	421,984	(1,234)	420,750	421,984	(1,039)	420,945
	<u><b>13,364,759</b></u>	<u><b>11,566,044</b></u>	<u><b>24,930,803</b></u>	<u><b>13,594,417</b></u>	<u><b>12,649,037</b></u>	<u><b>26,243,454</b></u>
<b>Equity</b>						
Retained earnings - unappropriated	10,828,299	1,580,801	12,409,100	10,676,370	2,664,966	13,341,336
Other surpluses	-	9,840,436	9,840,436	-	9,840,436	9,840,436
Share premium on treasury shares	-	35,218	35,218	-	35,218	35,218
Other components of equity	(152)	109,589	109,437	(253)	108,417	108,164
	<u><b>10,828,147</b></u>	<u><b>11,566,044</b></u>	<u><b>22,394,191</b></u>	<u><b>10,676,117</b></u>	<u><b>12,649,037</b></u>	<u><b>23,325,154</b></u>

**TPI Polene Public Company Limited and its Subsidiaries**  
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	<b>Separate financial statements</b>		
	For the year ended 31 December 2019		
	As reported	Impact of changes in accounting policies <i>(in thousand Baht)</i>	Restated
<b>Statement of comprehensive income</b>			
Investment income	2,055,627	(1,995,499)	60,128
Share of profit of subsidiaries accounted for using equity method	-	3,128,976	3,128,976
Share of profit (loss) of associates accounted for using equity method	-	(18,704)	(18,704)
<b>Profit for the year</b>	<b>278,752</b>	<b>1,114,773</b>	<b>1,393,525</b>
<b>Other comprehensive income (expense)</b>			
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	-	(30,845)	(30,845)
Share of other comprehensive income (expense) of associates accounted for using equity method	-	(935)	(935)
<b>Other comprehensive income (expense) for the year, net of tax</b>	<b>(166,050)</b>	<b>(31,780)</b>	<b>(197,830)</b>
<b>Total comprehensive income (expense) for the year</b>	<b>112,702</b>	<b>1,082,993</b>	<b>1,195,695</b>
<b>Earning per share (basic) (in Baht)</b>	<b>0.015</b>	<b>0.058</b>	<b>0.073</b>

	<b>Separate financial statements</b>	
	For the year ended 31 December 2020 <i>(in thousand Baht)</i>	
<b>Statement of comprehensive income</b>		
Decrease in investment income		(1,972,376)
Increase in share of profit of subsidiaries accounted for using equity method		1,971,783
Increase in share of profit (loss) of associates accounted for using equity method		56,321
<b>Increase in profit (loss) for the year</b>		<b>55,728</b>
Decrease in share of other comprehensive income (expense) of subsidiaries accounted for using equity method		(13)
Decrease in share of other comprehensive income (expense) of associates accounted for using equity method		(3,778)
<b>Decrease in other comprehensive income (expense) for the year, net of tax</b>		<b>(3,791)</b>
<b>Increase in total comprehensive income (expense) for the year</b>		<b>51,937</b>
<b>Increase in earning per share (basic) (in Baht)</b>		<b>0.003</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
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**4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

*Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Interests in equity - accounted investees*

The Group's interests in equity - accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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**(b) *Investments in subsidiaries and associates***

Investments in subsidiaries and associates in the separate financial statements of the Company are accounted for using the equity method.

Interests in subsidiaries and associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or control ceases.

*Disposal of investments in the separate financial statements*

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

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(c) *Foreign currencies***

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates ruling at that date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI (2019: *available-for-sale equity investments*) (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss);

*Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

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When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

**(d) Financial instruments**

***Accounting policies applicable from 1 January 2020***

***(d.1) Recognition and initial measurement***

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

***(d.2) Classification and subsequent measurement***

***Financial assets - classification***

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.



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All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets - business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets - assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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*Financial assets - subsequent measurement and gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial liabilities - classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*Accounting policies applicable before 1 January 2020*

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

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**(e) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

**(f) Trade and other accounts receivable**

A receivable is recognised when the Group has an unconditional right to receive consideration.

A receivable is measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(g) Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost of finished goods, diesel and natural gas, is calculated using the first in first out principle. Cost of other inventories are calculated using the weighted average cost principle. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

A right to recover returned products is recognised when the products are expected to be returned by customers and measured by reference to the former carrying amount of the sold inventories less any expected costs to recover those products.

**(h) Investment properties**

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of condominium which are 20 years.

No depreciation is provided on land for rent and freehold land.

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**(i) *Property, plant and equipment***

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Exploration assets*

The Company follows the full cost method of accounting for petroleum and natural gas properties and related expenses whereby all costs associated with the exploration for productive and non-productive wells are treated as capitalised and will be charged to profit or loss when the exploratory wells have not identified proved reserves or have identified proved reserves but have not been found to be commercially producible or have abandoned.

Costs of properties comprise total acquisition costs of petroleum rights or the portion of costs applicable to properties as well as the decommissioning costs.

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*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment or on units of production method of relevant assets. The estimated useful lives are as follows:

Land improvement	5 years
Leasehold improvement	8 - 10 years
Buildings and structures	10 - 49 years and per lease period
Machinery and equipment for production (concrete)	3 - 10 years
Other machinery and equipment for production	5 - 40 years
Tools and factory equipment	3 - 30 years
Furniture, fixtures and office equipment	3, 5 and 10 years
Vehicles	5 - 25 years

Machinery and equipment for production of LDPE, construction materials and machine for melt sheets and mixer trucks calculate depreciation based on units of production.

No depreciation is provided on freehold land, assets under construction and installation, and major spare parts have not been issued.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) Intangible assets**

*Concession*

Cost of concessions on mining limestone and shale are include acquisition, exploration and development costs and are measured at cost less accumulated amortisation and accumulated impairment losses.

*Research and development*

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

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*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Concessions	Life of concessions :	13 - 25	years
Software licenses		3 - 12	years
Capitalised development costs		5	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(k) Leases**

*Accounting policies applicable from 1 January 2020*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments also include amount under extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

***Accounting policies applicable before 1 January 2020***

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.



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As a lessor, rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**(l) Impairment of financial asset**

*Accounting policies applicable from 1 January 2020*

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), debt investments measured at FVOCI, contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

*Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*Accounting policies applicable before 1 January 2020*

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

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*Calculation of recoverable amount*

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

*Reversal of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

**(m) Impairment of non-financial assets**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

*Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversal of impairment*

Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(n) Interest-bearing liabilities**

Interest-bearing liabilities are recognised at cost.

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**(o) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

*Refund liabilities*

A refund liability is the obligation to refund some or all of the consideration received from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The refund liability is reassessed at each reporting date and make a corresponding change to the amount of revenue recognised.

**(p) Contract liabilities**

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

**(q) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

A defined benefit plans is a post-employment benefit plan. The Group's net obligation in respect of defined benefit legal severance pay plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay

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this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(r) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

*Decommissioning costs*

The Group recorded provision for decommissioning cost whenever it is probable that there is an obligation as a result of the past event and reliable amount of obligation.

Decommissioning costs is based on discounting the expected future cash flows of provision for decommissioning costs. The estimates of decommissioning costs have been determined based on reviews and estimates by the Group's own engineers and managerial judgment.

**(s) Fair values measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(t) Treasury shares**

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

**(u) Revenue**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods and services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on surveys of work performed. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.



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*Customer loyalty programme*

The consideration received are allocated based on the relative stand-alone selling price of the products and the loyalty points. The amount allocated to the loyalty points is recognised as contract liabilities and revenue is recognised when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The stand-alone selling prices of the points is estimated based on discount provided to customers and the likelihood that the customers will redeem the points, and the estimate shall be reviewed at the end of the reporting period.

(v) ***Investment income***

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

*Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

*Dividend income*

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

*Interest income*

Interest income is recognised in profit or loss as it accrues.

(w) ***Interest***

***Accounting policies applicable from 1 January 2020***

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**TPI Polene Public Company Limited and its Subsidiaries**  
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*Accounting policies applicable before 1 January 2020*

Interest income is recognised in profit or loss at the rate specified in the contract.

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(x) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

**TPI Polene Public Company Limited and its Subsidiaries**  
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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(y) *Earnings per share***

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

**(z) *Related parties***

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**(aa) *Segment reporting***

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets.

## **5 Impact of COVID-19 Outbreak**

Due to the COVID-19 outbreak at the beginning of 2020, Thailand has enacted several protective measures against the outbreak, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected economy. The management is closely monitoring the situation to manage the negative impact on the business as much as possible. At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

**(a) *Impairment of assets***

The Group considered impairment of trade accounts receivable under simplified approach using historical loss rate and did not take forward-looking information into account.

**(b) *Fair value measurement***

The Company elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

**(c) *Deferred tax assets***

The Group elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

**TPI Polene Public Company Limited and its Subsidiaries**  
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**6 Related parties**

Relationships with subsidiaries and associates are described in notes 10 and 9. Other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.
Pornchai Enterprise Co., Ltd.	Thailand	Co-director
TPI Holding Co., Ltd.	Thailand	Co-director
Leophairatana Enterprise Co., Ltd.	Thailand	Co-director
Bangkok Union Insurance Public Co., Ltd.	Thailand	Co-director
Lampang Food Products Co., Ltd.	Thailand	Co-director
Hong Yiah Seng Co., Ltd.	Thailand	Co-director
Saraburi Ginning Mill Co., Ltd.	Thailand	Co-director
Thai Petrochemical Industry Co., Ltd.	Thailand	Co-director
Rayong Forest Co., Ltd.	Thailand	Co-director
Hong Yiah Seng Real Estates and Investment Co., Ltd.	Thailand	Co-director
TPI EOEG Co., Ltd.	Thailand	Co-director

The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Sale of goods	Market price
Transportation income	Market price
Energy service for electrical manufacturing income	Agreed price
Shared service income	Agreed price
Waste disposal income	Referred to market price
Purchase of raw materials and spare parts	Referred to market price
Purchase of electricity	Referred to market price
Purchase of steam	Agreed price
Purchase of goods for sales promotion	Market price
Sale of investment	Book value
Interest income	MLR-1.5% / Agreed price
Interest expense	MLR-1.5%, 1.65% and 3.89% - 4.51%
Insurance premium	Market price
Paper bag production charge	2.0 - 2.6 Baht per bag

**TPI Polene Public Company Limited and its Subsidiaries**  
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Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	14,536,701	14,684,117
Transportation income	-	-	224,215	226,767
Purchase of raw materials and spare parts	-	-	370,105	2,897,040
Purchase of electricity	-	-	1,982,754	2,131,265
Purchase of steam	-	-	35,397	33,801
Purchase of goods for sales promotion	-	-	70,248	36,436
Sale of investment (see note 10)	-	-	-	105,988
Interest income	-	-	25,544	15,785
Interest expense	-	-	2,687	1,475
Waste disposal income	-	-	201,786	230,866
Other income	-	-	206,687	195,587
Administrative expenses	-	-	32,045	55,587
<b>Associates</b>				
Sale of goods	264	6,332	132	6,153
Purchase of raw materials	574,255	612,923	546,483	574,052
Interest expense	6,336	-	55	-
Other income	-	13	-	13
Insurance premium	28,133	24,165	20,350	17,826
Administrative expenses	-	2,528	-	1,568
<b>Other related parties</b>				
Sales of goods	3,261	5,801	933	717
Transportation income	9	20	6	20
Interest expense	3,031	-	1,769	-
Other income	499	240	499	240
Insurance premium	288,507	211,474	114,374	111,727
Administrative expenses	84,503	113,936	78,690	99,812
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	372,120	393,651	290,248	314,786
Post-employment benefits	4,474	49,991	1,745	44,370
<b>Total key management personnel compensation</b>	<b>376,594</b>	<b>443,642</b>	<b>291,993</b>	<b>359,156</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
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Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	1,047,111	1,002,883
TPI Polene Power Public Co., Ltd.	-	-	144,107	196,727
TPI All Seasons Co., Ltd.	-	-	338,467	309,302
Polene Plastic Co., Ltd.	-	-	3,897,628	1,675,989
TPI Polene Bio Organics Co., Ltd.	-	-	16,321	27,335
TPI Commercial Co., Ltd.	-	-	4,532	3,529
Thai Nitrate Co., Ltd.	-	-	17	16
<b>Associates</b>				
BUI Life Insurance Public Co., Ltd.	3	12	-	-
United Grain Industry Co., Ltd.	96	42	64	20
Thai Plastic Products Co., Ltd.	-	1,284	-	1,284
<b>Other related parties</b>				
Bangkok Union Insurance Public Co., Ltd.	11	32	6	23
Pornchai Enterprise Co., Ltd.	178	47	55	6
Lampang Food Products Co., Ltd.	-	6	-	6
Rayong Forest Co., Ltd.	410	1,292	-	-
Leophairatana Enterprise Co., Ltd.	-	57	-	57
Hong Yiah Seng Co., Ltd.	382	-	-	-
	<b>1,080</b>	<b>2,772</b>	<b>5,448,308</b>	<b>3,217,177</b>
<i>Less allowance for expected credit loss</i> <i>(2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b>1,080</b>	<b>2,772</b>	<b>5,448,308</b>	<b>3,217,177</b>
Expected credit losses <i>(2019: Bad and doubtful debts expense)</i> for the year	-	-	-	-

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<i>Short-term loans to related parties</i>	<b>Interest rate</b>		<b>Separate financial statements</b>			
	2019	2020	1 January 2020	Increase	Decrease	31 December 2020
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
<b>Subsidiaries</b>						
TPI Polene Bio Organics Co., Ltd.	MLR-1.5	MLR-1.5	245,796	7,300	-	253,096
TPI All Seasons Co., Ltd.	MLR-1.5	MLR-1.5	44,153	-	-	44,153
TPI Service Co., Ltd.	MLR-1.5	MLR-1.5	2,000	-	(2,000)	-
TPI Commercial Co., Ltd.	MLR-1.5	MLR-1.5	97,993	-	-	97,993
TPI Refinery (1997) Co., Ltd.	MLR-1.5	MLR-1.5	104,319	293,539	-	397,858
Master Achieve (Thailand) Co., Ltd.	MLR-1.5	MLR-1.5	3,000	17,790	-	20,790
TPI Healthcare Co., Ltd.	-	MLR-1.5	-	1,000	-	1,000
			<u>497,261</u>	<u>319,629</u>	<u>(2,000)</u>	<u>814,890</u>
Accrued interest receivable			1,910	25,750	(23,517)	4,143
<b>Total</b>			<b><u>499,171</u></b>	<b><u>345,379</u></b>	<b><u>(25,517)</u></b>	<b><u>819,033</u></b>
<i>Less losses recognised using the equity method in excess of the investment</i>						
TPI Commercial Co., Ltd.			(20,775)	(28)	-	(20,803)
TPI Refinery (1997) Co., Ltd.			-	(320,216)	-	(320,216)
<i>Less allowance for expected credit loss (2019: allowance for doubtful accounts)</i>						
			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net</b>			<b><u>478,396</u></b>	<b><u>25,135</u></b>	<b><u>(25,517)</u></b>	<b><u>478,014</u></b>
			<b>Consolidated</b>	<b>Separate</b>		
			<b>financial statements</b>	<b>financial statements</b>		
			2020	2019	2020	2019
			<i>(in thousand Baht)</i>			
Expected credit losses (2019: <i>Bad and doubtful debts expense</i> ) of loans to for the year			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* Please see Note 14 impairment assessment for loan to related parties.

As at 31 December 2020, all short-term loans to related parties are promissory notes which have repayment schedules on demand.



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

<i>Short-term loans to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
At 1 January	-	-	497,261	267,564
Increase	-	-	319,629	251,049
Decrease	-	-	(2,000)	(21,352)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>814,890</b>	<b>497,261</b>
<i>Receivables and advances to related parties - current</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	3,255	3,098
TPI Polene Power Public Co., Ltd.	-	-	88,298	105,593
TPI All Seasons Co., Ltd.	-	-	29,086	26,632
TPI Refinery (1997) Co., Ltd.	-	-	324	65
Polene Plastic Co., Ltd.	-	-	5,947	4,441
TPI Polene Bio Organics Co., Ltd.	-	-	103,768	87,154
TPI Commercial Co., Ltd.	-	-	327	104
TPI Service Co., Ltd.	-	-	144	161
Thai Nitrate Co., Ltd.	-	-	187	173
TPI Polene Power (International) Co., Ltd.	-	-	65	64
TPI Polene Power (On Nut) Co., Ltd.	-	-	64	-
Mondo Thai Co., Ltd.	-	-	-	504
Thai Propoxide Co., Ltd.	-	-	64	64
TPI Healthcare Co., Ltd.	-	-	1,105	65
TPI Bio Pharmaceuticals Co., Ltd.	-	-	1,078	86
Master Achieve (Thailand) Co., Ltd.	-	-	207	4,114
TPI Polene Power Investment Co., Ltd.	-	-	34	34
<b>Associates</b>				
BUI Life Insurance Public Co., Ltd.	2,071	6,839	1,267	5,875
United Grain Industry Co., Ltd.	6	3,488	6	4
<b>Other related parties</b>				
Bangkok Union Insurance Public Co., Ltd.	57,290	67,502	19,504	24,029
Pornchai Enterprise Co., Ltd.	672	1,040	77	425
Rayong Forest Co., Ltd.	73	73	73	73
TPI Holding Co., Ltd.	64	64	64	64
TPI EOEG Co., Ltd.	64	64	64	64
<b>Total</b>	<b>60,240</b>	<b>79,070</b>	<b>255,008</b>	<b>262,886</b>
<i>Less losses recognised using the equity method in excess of the investment</i>				
TPI Bio Pharmaceuticals Co., Ltd.	-	-	(566)	-
<i>Less allowance for expected credit loss (2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b>60,240</b>	<b>79,070</b>	<b>254,442</b>	<b>262,886</b>
<i>Expected credit losses (2019: Bad and doubtful debts expense)</i>	-	-	-	-

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For the year	<b>Consolidated</b>		<b>Separate</b>	
<i>Long-term investments in related parties</i>	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Pornchai Enterprise Co., Ltd.	45,653	45,653	45,653	45,653
<i>Receivables and advances to related parties - non-current</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Thai Propoxide Co., Ltd.	-	-	421,984	421,984
<i>Less losses recognised using the equity method in excess of the investment</i>	-	-	(908)	(1,039)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>421,076</b>	<b>420,945</b>

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 31 December 2020, the outstanding amount of accounts receivable from the subsidiary from the sale of land total Baht 422 million (2019: Baht 422 million) and the deferred gain on the sale of Baht 35 million (2019: Baht 35 million) and deferred interest income of Baht 134 million (2019: Baht 134 million) in the statement of financial position of the separate financial statements.

<i>Trade accounts payable - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	24	-
TPI Polene Power Public Co., Ltd.	-	-	3,190	4,585
TPI All Seasons Co., Ltd.	-	-	14,302	9,086
Polene Plastic Co., Ltd.	-	-	8,422	251,973
TPI Polene Bio Organics Co., Ltd.	-	-	5	16
Thai Nitrate Co., Ltd.	-	-	8,089	5,393
TPI Healthcare Co., Ltd.	-	-	8,792	7,919
TPI Bio Pharmaceuticals Co., Ltd.	-	-	2	7
<b>Associate</b>				
United Grain Industry Co., Ltd.	3,636	2,069	9	-
Thai Plastic Film Co., Ltd.	137,076	84,896	136,445	84,452
Thai Plastic Products Co., Ltd.	210,678	152,996	205,773	148,736
<b>Total</b>	<b>351,390</b>	<b>239,961</b>	<b>385,053</b>	<b>512,167</b>

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**TPI Polene Public Company Limited and its Subsidiaries**  
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<i>Short-term loans from related parties</i>	<b>Interest rate</b>		<b>Separate financial statements</b>			
	2019	2020	1 January 2020	Increase	Decrease	31 December 2020
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
<b>Subsidiaries</b>						
TPI Polene Power Public Co., Ltd.	-	1.65	-	695,000	(695,000)	-
			-	695,000	(695,000)	-
Accrued interest payable			-	2,883	(2,883)	-
<b>Total</b>			<b>-</b>	<b>697,883</b>	<b>(697,883)</b>	<b>-</b>

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

<i>Short-term loans from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
At 1 January	-	-	695,000	43,873
Decrease	-	-	(695,000)	(43,873)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<i>Payables and advances from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	1,367	1,478
TPI Polene Power Public Co., Ltd.	-	-	911,237	569,442
TPI All Seasons Co., Ltd.	-	-	2,000	2,140
Polene Plastic Co., Ltd.	-	-	11	51
TPI Polene Bio Organics Co., Ltd.	-	-	2,903	1,488
TPI Healthcare Co., Ltd.	-	-	2,871	386
TPI Bio Pharmaceuticals Co., Ltd.	-	-	556	455
<b>Associates</b>				
BUI Life Insurance Public Co., Ltd.	1,017	243	993	243
United Grain Industry Co., Ltd.	2,382	2,530	-	-
Thai Plastic Film Co., Ltd.	683	585	633	547
<b>Other related parties</b>				
Pornchai Enterprise Co., Ltd.	803	760	443	401
Bangkok Union Insurance Public Co., Ltd.	34,213	5,560	13,043	4,867
Hong Yiah Seng Co., Ltd.	107	149	107	106
Rayong Forest Co., Ltd.	66	-	67	-
<b>Total</b>	<b>39,271</b>	<b>9,827</b>	<b>936,231</b>	<b>581,604</b>

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<i>Current portion of lease liabilities</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
TPI Concrete Co., Ltd.	-	-	5,288	-
TPI Polene Bio Organics Co., Ltd.	-	-	3,290	-
Mondo Thai Co., Ltd.	-	-	143	-
<b>Associates</b>				
United Grain Industry Co., Ltd.	8,878	-	775	-
<b>Other related parties</b>				
Pornchai Enterprise Co., Ltd.	23,664	-	22,196	-
Hong Yiah Seng Co., Ltd.	1,556	-	537	-
Rayong Forest Co., Ltd.	11	-	11	-
Saraburi Ginning Mill Co., Ltd.	2,063	-	935	-
Leophairatana Enterprise Co., Ltd.	4,062	-	-	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	1,128	-	-	-
<b>Total</b>	<b>41,362</b>	<b>-</b>	<b>33,175</b>	<b>-</b>

<i>Lease liabilities</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Mondo Thai Co., Ltd.	-	-	15,031	-
<b>Associates</b>				
United Grain Industry Co., Ltd.	156,666	-	-	-
<b>Other related parties</b>				
Pornchai Enterprise Co., Ltd.	15,223	-	11,257	-
Hong Yiah Seng Co., Ltd.	795	-	1,458	-
Rayong Forest Co., Ltd.	1,458	-	1,431	-
Saraburi Ginning Mill Co., Ltd.	5,743	-	-	-
Leophairatana Enterprise Co., Ltd.	14,015	-	-	-
Hong Yiah Seng Real Estates and Investment Co., Ltd.	4,312	-	-	-
<b>Total</b>	<b>198,212</b>	<b>-</b>	<b>29,177</b>	<b>-</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*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 31 December 2020, 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.

*(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) Office building services agreements*

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Non-cancellable operating lease commitments</i></b>				
Within one year	32,278	42,632	31,326	41,923
After one year but within five years	10,717	40,464	10,328	39,676
<b>Total</b>	<b>42,995</b>	<b>83,096</b>	<b>41,654</b>	<b>81,599</b>

# TPI Polene Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2020

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 31 December 2020 in amount of Baht 294.6 million (2019: Baht 286.1 million).

#### 7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	3,576	16,143	2,703	15,277
Cash at banks - current accounts	32,200	20,151	20,474	6,575
Cash at banks - savings accounts	6,470,544	2,435,748	1,911,383	939,759
Cash at banks - savings accounts (Private funds)	896	13,516	10	10
Highly liquid short-term investments	150,663	258,287	100,358	983
<b>Total</b>	<b>6,657,879</b>	<b>2,743,845</b>	<b>2,034,928</b>	<b>962,604</b>

#### 8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	1,098,870	3,116,993	1,446,287	1,935,255
Work in process	4,154,549	4,632,290	2,157,430	4,309,508
Raw materials and chemicals	1,165,931	1,384,478	991,804	1,184,596
Packages	434,596	450,699	347,534	356,715
Oil and coal	511,214	1,127,884	424,555	1,032,484
Spare parts and general supplies	3,721,522	3,589,020	2,816,579	2,728,117
Goods in transit	406,634	272,581	402,833	223,802
<b>Total</b>	<b>11,493,316</b>	<b>14,573,945</b>	<b>8,587,022</b>	<b>11,770,477</b>
Less allowance for decline in value	(380,914)	(395,887)	(43,785)	(54,773)
<b>Net</b>	<b>11,112,402</b>	<b>14,178,058</b>	<b>8,543,237</b>	<b>11,715,704</b>
Inventories recognised in cost of sales of goods				
- Cost	24,952,074	28,439,441	20,208,339	24,348,038
- (Reversal of) write-down to net realisable value	(14,973)	(35,374)	(10,988)	(35,374)
<b>Net</b>	<b>24,937,101</b>	<b>28,404,067</b>	<b>20,197,351</b>	<b>24,312,664</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**9 Investments in associates**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019 (Restated)
		<i>(in thousand Baht)</i>			
<b>Associates</b>					
<b>At 1 January - as reported</b>		<b>752,558</b>	<b>772,197</b>	<b>229,500</b>	<b>229,500</b>
Impact of changes in accounting policy					
- Change in accounting policy for investments in associates in separate financial statements	3(C)	-	-	523,058	542,697
<b>At 1 January - restated</b>		<b>752,558</b>	<b>772,197</b>	<b>752,558</b>	<b>772,197</b>
Share of profit (loss) of associates accounted for using equity method		56,321	(18,704)	56,321	(18,704)
Share of other comprehensive income (expense) of associates accounted for using equity method		(3,778)	(935)	(3,778)	(935)
<b>At 31 December</b>		<b>805,101</b>	<b>752,558</b>	<b>805,101</b>	<b>752,558</b>

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 31 December 2020, the Group's cumulative share of unrecognised loss was Baht 985 million (2019: Baht 985 million). The Group has no obligation in respect of this loss.



**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Investments in associates as at 31 December were as follows:

	Type of business	Ownership interest		Consolidated financial statements				Equity	
		2020	2019	Paid-up capital		Cost		2020	2019
		(%)		2020	2019	2020	2019	(in thousand Baht)	
<b>Associates</b>									
BUI Life Insurance Public Co., Ltd.	Life insurance	25.00	25.00	500,000	500,000	125,000	125,000	116,535	86,695
United Grain Industry Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	550,000	550,000	104,500	104,500	688,566	665,863
						229,500	229,500	805,101	752,558
<b>Indirect associates</b>									
Thai Special Steel Industry Public Co., Ltd.	Manufacture and sale of steel (in the process of registering the dissolution)	29.53	29.53	4,220,000	4,220,000	1,246,200	1,246,200	-	-
Thai Plastic Film Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	40,000	40,000	-	-	-	-
Thai Plastic Products Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	60,000	60,000	-	-	-	-
<b>Total</b>						<b>1,475,700</b>	<b>1,475,700</b>	<b>805,101</b>	<b>752,558</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**Separate financial statements**

	Type of business	Ownership interest		Paid-up capital		Cost		Equity	
		2020	2019	2020	2019	2020	2019	2020	2019 (Restated)
		( <i>%</i> )		<i>(in thousand Baht)</i>					
<i>Associates</i>									
BUI Life Insurance Public Co., Ltd.	Life insurance	25.00	25.00	500,000	500,000	125,000	125,000	116,535	86,695
United Grain Industry Co., Ltd.	Manufacture and sale of packaging	19.00	19.00	550,000	550,000	104,500	104,500	688,566	665,863
<b>Total</b>						<b>229,500</b>	<b>229,500</b>	<b>805,101</b>	<b>752,558</b>

No dividend distribution from investments in associates held by the Group and the Company during years ended 31 December 2020 and 2019.

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 financial statements**  
**For the year ended 31 December 2020**

*Immaterial associates*

The following is summarised financial information for the Group's interest in immaterial associates based on the amounts reported in the Group's consolidated financial statements:

	2020	2019
	<i>(in thousand Baht)</i>	
Carrying amount of interests in immaterial associates	<b>805,101</b>	<b>752,558</b>
Group's share of:		
- Profit (loss) from continuing operations	56,321	(18,704)
- Other comprehensive income (expense)	(3,778)	(935)
- <b>Total comprehensive income (expense)</b>	<b><u>52,543</u></b>	<b><u>(19,639)</u></b>

**10 Investments in subsidiaries**

		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019
			<i>(Restated)</i>
		<i>(in thousand Baht)</i>	
<b><i>Subsidiaries</i></b>			
<b>At 1 January - as reported</b>		<b>12,443,762</b>	<b>12,444,474</b>
Impact of changes in accounting policy			
- Change in accounting policy for investments in subsidiaries in separate financial statements	3(C)	12,147,793	11,023,347
<b>At 1 January - restated</b>		<b><u>24,591,555</u></b>	<b><u>23,467,821</u></b>
Acquisition of subsidiary		-	99,000
Share of profit of subsidiaries		1,971,783	3,128,976
Dividends income		(1,972,375)	(1,995,499)
Sale of investment		-	(99,712)
Losses recognised using the equity method in excess of the investment		320,679	21,814
Share of other comprehensive income of subsidiaries		(13)	(30,845)
<b>At 31 December</b>		<b><u>24,911,629</u></b>	<b><u>24,591,555</u></b>

*Master Achieve (Thailand) Co., Ltd.*

On 27 June 2019, the Company's Board of Directors's meeting passed the resolution to approve payment for increasing of share capital in Master Achieve (Thailand) Co., Ltd. with 100% paid up of 990,000 ordinary shares at par value of Baht 100 each, in the amount of Baht 99 million which was paid to the subsidiary in July 2019.

*TPI Polene Power (International) Co., Ltd.*

On 29 August 2019, the Company's Board of Directors's meeting passed the resolution to approve the sale of common share capital in TPI Polene Power (International) Co., Ltd. (formerly: Zenith International Power Co., Ltd.), the main objective is to restructure the shareholding of the Group to support business expansion. Thereafter, on 24 September 2019, the Company sold 999,980 shares or equivalent to 99.99% of the paid-up share capital at the price of Baht 105.99 per share, in the amount of Baht 105.99 million to a subsidiary and recognised gain on sale of investment in the amount of Baht 6.28 million in the separate financial statement, thereby become an indirect subsidiary of the Company.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Investments in subsidiaries as at 31 December 2020 and 2019, dividend income from those investments for the years then ended, were as follows:

	Type of business	Ownership interest		Paid-up capital		Separate financial statements				Dividend Income for the year			
		2020	2019	2020	2019	Cost		Equity		2020	2019		
		2020		2019		2020	2019	2020	2019	2020	2019		
		<i>(%)</i>		<i>(in thousand Baht)</i>									
<b>Direct subsidiaries</b>													
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	1,664,654	1,421,116	-	-		
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	19,872,638	18,597,290	1,888,000	1,770,000		
TPI All Seasons Co., Ltd.	Manufacturing and distributing melt sheets	99.99	99.99	450,000	450,000	450,000	450,000	287,651	276,760	-	-		
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	1,668,657	1,768,849	-	-		
TPI Refinery (1997) Co., Ltd.	Petroleum exploration	99.99	99.99	1,300,000	1,300,000	1,299,620	1,299,620	-	1,292,297	-	-		
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	1,292,544	1,111,813	84,375	187,500		
TPI Healthcare Co., Ltd.	Manufacturing and distributing products for humans	99.99	99.99	5,050	5,050	4,950	4,950	6,387	3,310	-	-		
TPI Commercial Co., Ltd.	Retailing business	99.94	99.94	100	100	-	-	-	-	-	-		

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	Type of business	Ownership interest		Paid-up capital		Separate financial statements				Dividend Income for the year	
		2020	2019	2020	2019	Cost		Equity		2020	2019
		(%)				2020	2019	2020	2019 (Restated)		
<i>(in thousand Baht)</i>											
<b>Direct subsidiaries (continue)</b>											
TPI Service Co., Ltd.	Construction service	95.10	95.10	4,600	4,600	4,457	4,457	9,973	7,566	-	-
Master Achieve (Thailand) Co., Ltd.	Manufacturing and distributing factory equipment	99.99	99.99	100,000	100,000	99,931	99,931	99,796	99,254	-	-
TPI Bio Pharmaceuticals Co., Ltd.	Manufacturing and distributing products for animals	99.99	99.99	5,500	5,500	5,647	5,647	-	4,117	-	-
<b>Indirect subsidiaries</b>											
Mondo Thai Co., Ltd.	Property developing	83.27	83.27	36,000	36,000	10,350	10,350	9,329	9,183	-	-
Polene Plastic Co., Ltd.	Export and import business	99.93	99.93	10,000	10,000	-	-	-	-	-	-
TPI Polene Power Investment Co., Ltd.	Generate and distribute electricity in Cambodia (in the process of registering the dissolution)	70.24	70.24	3,957	3,957	-	-	-	-	-	-
TPI Polene Power (On Nut) Co., Ltd.	Generate and distribute electricity from refuse derived fuel (RDF) (dormant)	70.23	70.23	187,500	187,500	-	-	-	-	-	-
TPI Polene Power (International) Co., Ltd. (Formerly: Zenith International Power Co., Ltd.)	Investing in alternative energy business (dormant)	70.23	70.23	100,000	100,000	-	-	-	-	-	37,999
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 financial statements**  
**For the year ended 31 December 2020**

	Type of business	Ownership interest		Paid-up capital		Separate financial statements				Dividend Income for the year	
		2020	2019	2020	2019	Cost		Equity		2020	2019
		2020		2019		2020	2019	2020	2019	2020	2019
		(%)				(in thousand Baht)					
<b><i>Indirect subsidiaries (continue)</i></b>											
TPI Olefins Co., Ltd.	Generate electricity and related businesses (dormant)	70.23	-	1,000	-	-	-	-	-	-	-
TPI Polene Power (Songkhla) Co., Ltd.	Generate electricity from refuse derived fuel and biomass (dormant)	70.22	70.22	1,000	1,000	-	-	-	-	-	-
TPI Solar Power Co., Ltd.	Generate electricity from solar energy (dormant)	70.22	70.22	1,000	1,000	-	-	-	-	-	-
TPI Wind Power Co., Ltd.	Generate electricity from wind energy (dormant)	70.22	70.22	1,000	1,000	-	-	-	-	-	-
<b>Total</b>						<b>13,214,012</b>	<b>13,214,012</b>	<b>24,911,629</b>	<b>24,591,555</b>	<b>1,972,375</b>	<b>1,995,499</b>

Disaggregation of finance cost are given in note 24(d).

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

All subsidiaries were incorporated and operated in Thailand, except TPI Polene Power Investment Co., Ltd. which was incorporated and operated in Cambodia. As at 31 December 2020, the Company is in the process of dissolution and liquidation.

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 4.28 at 31 December 2020 (*2019: Baht 4.40*), the fair value of the Company's investment in TPI Polene Power Public Co., Ltd. was Baht 25,252 million (*2019: Baht 25,960 million*).

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

The following table summarises the financial information of the subsidiaries as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	TPI Concrete Co., Ltd.		TPI Polene Power Public Co., Ltd.		Thai Nitrate Co., Ltd.	
	2020	2019	2020	2019	2020	2019
				(Restated)		
			<i>(in thousand Baht)</i>			
Revenue	5,029,337	4,911,723	11,444,002	10,905,825	1,005,863	1,138,375
Profit from continuing operations	241,119	(152,175)	4,505,825	4,606,808	248,062	242,277
Other comprehensive income	(119)	(1,236)	(18)	(24,857)	-	-
Total comprehensive income (100%)	<u>241,000</u>	<u>(153,411)</u>	<u>4,505,807</u>	<u>4,581,951</u>	<u>1,253,925</u>	<u>1,378,246</u>
Total comprehensive income of the Group's interest	241,000	(153,411)	3,164,878	3,218,362	1,253,925	1,378,246
Elimination of unrealised profit on downstream sales	<u>(2,134)</u>	<u>(2,342)</u>	<u>(993,810)</u>	<u>(1,210,502)</u>	<u>-</u>	<u>-</u>
<b>Group's share of total comprehensive income</b>	<b><u>238,866</u></b>	<b><u>(155,752)</u></b>	<b><u>2,171,068</u></b>	<b><u>2,007,860</u></b>	<b><u>1,253,925</u></b>	<b><u>1,378,246</u></b>
Current assets	1,160,484	1,176,164	7,158,067	6,667,086	881,602	712,578
Non-current assets	2,197,819	1,868,205	36,617,085	31,185,488	470,190	405,376
Current liabilities	(1,417,650)	(1,381,372)	(5,784,194)	(2,334,269)	(134,053)	(71,082)
Non-current liabilities	<u>(276,311)</u>	<u>(239,655)</u>	<u>(9,062,820)</u>	<u>(8,407,974)</u>	<u>(51,888)</u>	<u>(44,708)</u>
Net assets (100%)	<u>1,664,342</u>	<u>1,423,342</u>	<u>28,928,138</u>	<u>27,110,331</u>	<u>1,165,851</u>	<u>1,002,164</u>
Group's share of net assets	1,664,342	1,423,342	20,319,124	19,042,296	1,165,851	1,002,164
Elimination of unrealised profit on downstream sales	<u>312</u>	<u>(2,226)</u>	<u>(446,486)</u>	<u>(445,006)</u>	<u>126,693</u>	<u>109,649</u>
<b>Carrying amount of interest in subsidiaries</b>	<b><u>1,664,654</u></b>	<b><u>1,421,116</u></b>	<b><u>19,872,638</u></b>	<b><u>18,597,290</u></b>	<b><u>1,292,544</u></b>	<b><u>1,111,813</u></b>



**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Immaterial subsidiaries*

The following is summarised financial information for the Group's interest in immaterial subsidiaries based on the amounts reported in the Group's consolidated financial statements:

	2020	2019
	<i>(in thousand Baht)</i>	
Carrying amount of interest in Immaterial subsidiaries	<b>2,081,793</b>	<b>3,461,336</b>
Group's share of:		
- Profit (loss) from continuing operations	(1,692,095)	(132,238)
- Other comprehensive income (expense)	6	15
- <b>Total comprehensive income (expense)</b>	<b><u>(1,692,089)</u></b>	<b><u>(132,223)</u></b>

**11 Non-controlling interests**

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

<i>As at 31 December</i>	2020		2019	
	TPI Polene Power Public Co., Ltd.	<b>Total</b>	TPI Polene Power Public Co., Ltd.	<b>Total</b>
			(Restated)	
			<i>(in thousand Baht)</i>	
Non-controlling interest percentage	29.76%		29.76%	
Current assets	7,158,067		6,667,086	
Non-current assets	36,617,085		31,185,488	
Current liabilities	(5,784,194)		(2,334,269)	
Non-current liabilities	(9,062,820)		(8,407,974)	
<b>Net assets</b>	<b><u>28,928,138</u></b>		<b><u>27,110,331</u></b>	
Carrying amount of non-controlling interest	<u>8,609,014</u>	<b>8,609,014</b>	<u>8,068,035</u>	<b>8,068,035</b>
Other individually immaterial subsidiaries		8,775		8,299
<b>Total</b>		<b><u>8,617,789</u></b>		<b><u>8,076,334</u></b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>For the year ended 31 December</i>	2020		2019	
	TPI Polene Power Public Co., Ltd.	<b>Total</b>	TPI Polene Power Public Co., Ltd. (Restated)	<b>Total</b>
	<i>(in thousand Baht)</i>			
Revenue	11,444,002		10,905,825	
Profit	4,505,825		4,606,808	
Other comprehensive income	(18)		(24,857)	
<b>Total comprehensive income</b>	<b><u>4,505,807</u></b>		<b><u>4,581,951</u></b>	
Total comprehensive income allocated to non-controlling interest	<u>1,340,928</u>	<b>1,340,928</b>	<u>1,363,589</u>	<b>1,363,589</b>
Other individually immaterial subsidiaries		87		7,459
<b>Total</b>		<b><u>1,341,015</u></b>		<b><u>1,371,048</u></b>
Cash flows from operating activities	1,434,564		1,359,105	
Cash flows from investing activities	(1,454,024)		(1,720,599)	
Cash flows from financing activities (Dividends to non- controlling interest of Baht 800 million (2019: Baht 750 million)).	346,999		401,293	
Others	127		31,444	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>327,666</u></b>		<b><u>71,243</u></b>	

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**12 Long-term investments in related parties**

	Type of business	Relationship	Ownership interest		Paid-up capital		Consolidated and Separate financial statements	
			2020	2019	2020	2019	2020	2019
			(%)		<i>(in thousand Baht)</i>			
<i>Related parties</i>								
Pornchai Enterprise Co., Ltd.	Real estate and service rental	Shareholder	0.65	0.65	4,599,920	4,599,920	45,653	45,653
<b>Total</b>							<b>45,653</b>	<b>45,653</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**13 Investment properties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 January	390,394	390,394	74,044	74,044
Additions	133,819	-	-	-
Disposals	(14,000)	-	-	-
<b>At 31 December</b>	<b><u>510,213</u></b>	<b><u>390,394</u></b>	<b><u>74,044</u></b>	<b><u>74,044</u></b>
<b>Depreciation and impairment losses</b>				
At 1 January	17,644	16,706	-	-
Depreciation charge for the year	300	938	-	-
Disposals	(14,000)	-	-	-
<b>At 31 December</b>	<b><u>3,944</u></b>	<b><u>17,644</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net book value</b>				
<b>At 1 January</b>	<b><u>372,750</u></b>	<b><u>373,688</u></b>	<b><u>74,044</u></b>	<b><u>74,044</u></b>
<b>At 31 December</b>	<b><u>506,269</u></b>	<b><u>372,750</u></b>	<b><u>74,044</u></b>	<b><u>74,044</u></b>

The fair value of investment properties of the Group and the Company as at 31 December 2020 of Baht 964 million and Baht 75 million, respectively (2019: Baht 694 million and Baht 75 million, respectively) was determined by independent professional valuers, at open market values on an existing use basis. The fair value of measurement for investment property has been categorised as a Level 3 fair value.

Investment properties include land for rent, freehold land and condominiums.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**Measurement of fair value**

*Fair value hierarchy*

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuers provide the fair value of the Group's investment property portfolio on a regular basis.

The fair value measurement of all investment property has been categorised as level 3 fair value based on the inputs to the valuation technique used.

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant Unobservable inputs</b>
<i>Discounted cash flows</i> ; The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of its location (prime vs secondary), tenant credit quality and lease terms.	<ul style="list-style-type: none"><li>• Contractually agreed lease income over the remaining period.</li><li>• Risk-adjusted discount rates</li></ul>
<i>Market approach</i>	The adjusted quoted price and the actual selling price of comparable investment properties.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**14 Property, plant and equipment**

	<b>Consolidated financial statements</b>									
	Land and land improvement	Buildings and structures	Machinery and equipment for production	Tools and factory equipment	Office furniture, fixture and equipment	Vehicle	Major spare parts	Exploration assets	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>									
<b>Cost</b>										
At 1 January 2019	4,964,800	17,004,731	72,561,898	8,500,744	655,672	2,444,027	472,303	1,244,758	10,534,427	118,383,360
Additions	4,233,450	94,575	364,938	308,200	31,728	17,583	-	119,684	4,809,533	9,979,691
Transfers - net	-	1,034,708	9,289,814	42,290	8,439	767	(21,002)	-	(10,355,016)	-
Disposals	-	(18,040)	(127,126)	(23,785)	(1,146)	(30,218)	-	-	-	(200,315)
<b>At 31 December 2019 and 1 January 2020</b>	<b>9,198,250</b>	<b>18,115,974</b>	<b>82,089,524</b>	<b>8,827,449</b>	<b>694,693</b>	<b>2,432,159</b>	<b>451,301</b>	<b>1,364,442</b>	<b>4,988,944</b>	<b>128,162,736</b>
Additions	4,005,750	6,433	293,881	359,471	28,599	3,173	84,462	237,378	6,216,394	11,235,541
Transfers - net	-	73,708	1,638,008	54,662	4,867	-	(2,688)	-	(1,768,557)	-
Disposals	(296)	(17,023)	(229,540)	(8,496)	(26,333)	(50,797)	-	-	-	(332,485)
<b>At 31 December 2020</b>	<b>13,203,704</b>	<b>18,179,092</b>	<b>83,791,873</b>	<b>9,233,086</b>	<b>701,826</b>	<b>2,384,535</b>	<b>533,075</b>	<b>1,601,820</b>	<b>9,436,781</b>	<b>139,065,792</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**Consolidated financial statements**

	Land and land improvement	Buildings and structures	Machinery and equipment for production	Tools and factory equipment	Office furniture, fixture and equipment	Vehicle	Major spare parts	Exploration assets	Assets under construction and installation	Total
	<i>(in thousand Baht)</i>									
<b><i>Depreciation and impairment losses</i></b>										
At 1 January 2019	140	6,070,872	25,427,511	5,079,363	486,931	1,858,093	-	-	4,532	38,927,442
Depreciation charge for the year	224	532,684	2,071,508	439,223	40,041	63,640	-	-	-	3,147,320
Disposals	-	(14,662)	(114,298)	(5,834)	(1,114)	(28,419)	-	-	-	(164,327)
<b>At 31 December 2019 and 1 January 2020</b>	<b>364</b>	<b>6,588,894</b>	<b>27,384,721</b>	<b>5,512,752</b>	<b>525,858</b>	<b>1,893,314</b>	-	-	<b>4,532</b>	<b>41,910,435</b>
Depreciation charge for the year	224	532,829	1,864,385	437,060	40,681	63,498	-	-	-	2,938,677
Impairment loss	-	-	-	-	-	-	-	1,601,820	-	1,601,820
Disposals	-	(14,851)	(215,482)	(5,222)	(26,326)	(48,249)	-	-	-	(310,130)
<b>At 31 December 2020</b>	<b>588</b>	<b>7,106,872</b>	<b>29,033,624</b>	<b>5,944,590</b>	<b>540,213</b>	<b>1,908,563</b>	-	<b>1,601,820</b>	<b>4,532</b>	<b>46,140,802</b>
<b><i>Net book value</i></b>										
At 31 December 2019	<u>9,197,886</u>	<u>11,527,080</u>	<u>54,704,803</u>	<u>3,314,697</u>	<u>168,835</u>	<u>538,845</u>	<u>451,301</u>	<u>1,364,442</u>	<u>4,984,412</u>	<u>86,252,301</u>
At 31 December 2020	<u>13,203,116</u>	<u>11,072,220</u>	<u>54,758,249</u>	<u>3,288,496</u>	<u>161,613</u>	<u>475,972</u>	<u>533,075</u>	<u>-</u>	<u>9,432,249</u>	<u>92,924,990</u>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

	Separate financial statements								
	Land and land improvement	Buildings and structures	Machinery and equipment for production	Tools and factory equipment	Office	Vehicle	Major spare parts	Assets under construction and installation	Total
					furniture, fixture and equipment				
(in thousand Baht)									
<b>Cost</b>									
At 1 January 2019	2,984,494	15,195,925	51,273,753	8,195,444	547,901	2,407,720	396,165	1,504,158	82,505,560
Additions	109,263	-	6,771	282,252	17,496	17,645	-	1,928,412	2,361,839
Transfers - net	-	347,461	691,472	25,905	2,150	767	(44,415)	(1,023,340)	-
Disposals	-	-	(16,028)	(21,683)	(1,116)	(30,213)	-	-	(69,040)
<b>At 31 December 2019 and 1 January 2020</b>	<b>3,093,757</b>	<b>15,543,386</b>	<b>51,955,968</b>	<b>8,481,918</b>	<b>566,431</b>	<b>2,395,919</b>	<b>351,750</b>	<b>2,409,230</b>	<b>84,798,359</b>
Additions	1,977	-	6,528	333,675	15,788	3,057	-	4,544,826	4,905,851
Transfers - net	-	28,628	1,377,509	47,034	1,673	-	(64,280)	(1,390,564)	-
Disposals	(296)	-	(23,591)	(8,205)	(21,105)	(50,796)	-	(2,907)	(106,900)
<b>At 31 December 2020</b>	<b>3,095,438</b>	<b>15,572,014</b>	<b>53,316,414</b>	<b>8,854,422</b>	<b>562,787</b>	<b>2,348,180</b>	<b>287,470</b>	<b>5,560,585</b>	<b>89,597,310</b>
<b>Depreciation and impairment losses</b>									
At 1 January 2019	-	5,477,327	19,831,009	4,912,251	401,143	1,823,279	-	-	32,445,009
Depreciation charge for the year	-	412,262	1,081,501	413,596	32,507	60,122	-	-	1,999,988
Disposals	-	-	(3,721)	(3,934)	(1,100)	(28,414)	-	-	(37,169)
<b>At 31 December 2019 and 1 January 2020</b>	<b>-</b>	<b>5,889,589</b>	<b>20,908,789</b>	<b>5,321,913</b>	<b>432,550</b>	<b>1,854,987</b>	<b>-</b>	<b>-</b>	<b>34,407,828</b>
Depreciation charge for the year	-	416,432	827,994	414,180	31,614	59,968	-	-	1,750,188
Disposals	-	-	(9,171)	(4,942)	(21,098)	(48,250)	-	-	(83,461)
<b>At 31 December 2020</b>	<b>-</b>	<b>6,306,021</b>	<b>21,727,612</b>	<b>5,731,151</b>	<b>443,066</b>	<b>1,866,705</b>	<b>-</b>	<b>-</b>	<b>36,074,555</b>
<b>Net book value</b>									
At 31 December 2019	<u>3,093,757</u>	<u>9,653,797</u>	<u>31,047,179</u>	<u>3,160,005</u>	<u>133,881</u>	<u>540,932</u>	<u>351,750</u>	<u>2,409,230</u>	<u>50,390,531</u>
At 31 December 2020	<u>3,095,438</u>	<u>9,265,993</u>	<u>31,588,802</u>	<u>3,123,271</u>	<u>119,721</u>	<u>481,475</u>	<u>287,470</u>	<u>5,560,585</u>	<u>53,522,755</u>

The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 12,515 million and Baht 9,438 million, respectively (2019: Baht 12,649 million and Baht 9,263 million, respectively).



**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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*Security*

At 31 December 2020 the Company's land, buildings, machinery and equipment with a net book value of Baht 5,363 million. (2019: Baht 5,259 million) are mortgaged or pledged as collateral for the long-terms loan.

Capitalised borrowing costs relating to the acquisition of the construction of new factory of the Group and the Company as at 31 December 2020 are Baht 311 million and Baht 196 million, respectively (2019: Baht 108 million and Baht 47 million, respectively), with capitalisation in the consolidated and separate financial statements of 1.19% - 5.20% (2019: 2.1% - 5.3%).

***Impairment assessment for property plant and equipment and loan to***

Two subsidiaries of the Company; TPI Polene Bio Organics Co., Ltd. and TPI All Seasons Co., Ltd. has continuous loss in operation which indicated the impairment in property, plant and equipment in consolidated financial statement and loan to in separate financial statement. The Group and the Company have assessed the recoverable amount base on value in use; determined by discounting future cash flows to be generated from the continuing use of assets. The key assumptions used to determine recoverable amount included sale volume and selling price, long-term growth rate derived from expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth and discount rate referred to weighted average cost of capital (WACC) of TPI Polene Bio Organics Co., Ltd. and TPI All Seasons Co., Ltd. at 8.33% and 10.05%, respectively (2019: 8.10% and 10.05%, respectively). Base on impairment assessment, the recoverable amount was estimated to be higher than its carrying amount and no impairment was required to the Company's financial statements. Increasing in discount rate and decreasing in long-term growth rate could cause the carrying amount to exceed the recoverable amount.

***Exploration assets***

For the exploration assets which the net book value as at 31 December 2019 of Baht 1,388 million. In June 2020, a subsidiary has granted an extension of time until January 2021 for petroleum exploration. Base on the study of the consulting company and the assessment of a subsidiary, the area has high petroleum potential. If a subsidiary continues to explore and drill for the well, it is highly probable to find petroleum.

In the 4<sup>th</sup> quarter, the subsidiary has assessed petroleum exploration drilling results, which found but insufficient reserves for commercial development, and therefore cancelled all petroleum exploration. The Group has recognised loss on impairment of the petroleum exploration assets in the amount of Baht 1,602 million as expense in the consolidated financial statement for the year ended 31 December 2020.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**15 Lease**

*As a lessee*

<b>At 31 December 2020</b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Right-of-use assets</i></b>		
Land	257,183	45,654
Buildings	211,326	161,230
Equipment	7,243	7,243
Vehicles	143,484	110,863
<b>Total</b>	<b><u>619,236</u></b>	<b><u>324,990</u></b>

In 2020, additions to the right-of-use assets of the Group was increased Baht 138 million and Baht 92 million, respectively.

The Group lease a number of land, buildings and vehicles for 2-30 years, with extension options at the end of lease term. The rental is payable monthly as specified in the contract

*Extension options*

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

<b><i>For the year ended 31 December</i></b>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Amounts recognised in profit or loss</i></b>				
Depreciation of right-of-use assets:				
- Land	40,481	-	2,115	-
- Buildings	39,884	-	37,292	-
- Equipment	2,426	-	2,426	-
- Vehicles	62,741	-	50,762	-
Interest on lease liabilities	17,731	-	7,265	-
Expenses relating to short-term leases	99,633	-	65,630	-
Lease expense	-	252,613	-	170,601
Contingent rent expense	-	541,609	-	276,957

In 2020, total cash outflow for leases of the Group and the Company were Baht 252.81 million and Baht 158.83 million, respectively.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*As a lessor*

The leases comprise a number of land, machinery and trucks under operating leases. Each of the leases contains an initial non-cancellable period of 1 to 7 years. Subsequent renewals are negotiated with the lessee. Rental income of land and truck leases is fixed under the contracts. For machinery leases, the rental income is machinery's production-based or minimum rental fee as specified.

<b>Maturity of operating lease receivables presented in 'other receivables'</b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>At 31 December 2020</b>		
1 <sup>st</sup> year	72,766	9,436
2 <sup>nd</sup> year	72,600	3,881
3 <sup>rd</sup> year	72,600	320
4 <sup>th</sup> year	46,365	-
5 <sup>th</sup> year	4,400	-
<b>Total</b>	<b>268,731</b>	<b>13,637</b>
<b>Minimum lease payments under non-cancellable operating lease are receivable</b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>At 31 December 2019</b>		
Within 1 year	72,600	4,245
1-5 years	264,165	13,637
After 5 years	4,400	-
<b>Total</b>	<b>341,165</b>	<b>17,882</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**16 Intangible assets**

	<b>Consolidated financial statements</b>				
	Cost of raw material resources and cost of concessions	Software licenses	Development assets <i>(in thousand Baht)</i>	Others	Total
<b><i>Cost</i></b>					
At 1 January 2019	736,187	59,329	38,628	-	834,144
Additions	1,000	54	-	-	1,054
<b>At 31 December 2019 and 1 January 2020</b>	<b>737,187</b>	<b>59,383</b>	<b>38,628</b>	<b>-</b>	<b>835,198</b>
Additions	274,501	-	2,577	128,016	405,094
<b>At 31 December 2020</b>	<b>1,011,688</b>	<b>59,383</b>	<b>41,205</b>	<b>128,016</b>	<b>1,240,292</b>
<b><i>Amortisation</i></b>					
At 1 January 2019	593,248	45,391	19,335	-	657,974
Amortisation for the year	31,181	1,772	7,721	-	40,674
<b>At 31 December 2019 and 1 January 2020</b>	<b>624,429</b>	<b>47,163</b>	<b>27,056</b>	<b>-</b>	<b>698,648</b>
Amortisation for the year	30,371	1,750	7,858	-	39,979
<b>At 31 December 2020</b>	<b>654,800</b>	<b>48,913</b>	<b>34,914</b>	<b>-</b>	<b>738,627</b>
<b><i>Net book value</i></b>					
<b>At 31 December 2019</b>	<b>112,758</b>	<b>12,220</b>	<b>11,572</b>	<b>-</b>	<b>136,550</b>
<b>At 31 December 2020</b>	<b>356,888</b>	<b>10,470</b>	<b>6,291</b>	<b>128,016</b>	<b>501,665</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**Separate financial statements**

	Cost of raw material resources and cost of concessions	Software licenses	Development assets (in thousand Baht)	Others	Total
<b>Cost</b>					
At 1 January 2019	736,187	59,329	38,628	-	834,144
Additions	1,000	54	-	-	1,054
<b>At 31 December 2019 and 1 January 2020</b>	<b>737,187</b>	<b>59,383</b>	<b>38,628</b>	<b>-</b>	<b>835,198</b>
Additions	274,501	-	2,577	120,000	397,078
<b>At 31 December 2020</b>	<b>1,011,688</b>	<b>59,383</b>	<b>41,205</b>	<b>120,000</b>	<b>1,232,276</b>
<b>Amortisation</b>					
At 1 January 2019	593,248	45,391	19,335	-	657,974
Amortisation for the year	31,181	1,772	7,721	-	40,674
<b>At 31 December 2019 and 1 January 2020</b>	<b>624,429</b>	<b>47,163</b>	<b>27,056</b>	<b>-</b>	<b>698,648</b>
Amortisation for the year	30,371	1,750	7,858	-	39,979
<b>At 31 December 2020</b>	<b>654,800</b>	<b>48,913</b>	<b>34,914</b>	<b>-</b>	<b>738,627</b>
<b>Net book value</b>					
At 31 December 2019	112,758	12,220	11,572	-	136,550
At 31 December 2020	356,888	10,470	6,291	120,000	493,649

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**17 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Short-term loans from financial institutions				
- Unsecured	1,314,807	2,939,529	1,075,182	2,607,863
Current portion of long-term loans from financial institutions				
- Secured	179,343	176,462	179,343	176,462
- Unsecured	1,428,571	1,428,571	1,428,571	1,428,571
Current portion of debentures	17,180,000	7,205,000	13,180,000	7,205,000
Current portion of lease liabilities (2019: <i>Finance lease liabilities</i> )	132,369	-	83,553	-
<b>Total current interest-bearing liabilities</b>	<b>20,235,090</b>	<b>11,749,562</b>	<b>15,946,649</b>	<b>11,417,896</b>
<b>Non-current</b>				
Long-term loans from financial institutions				
- Secured	380,711	555,733	380,711	555,733
- Unsecured	1,000,000	2,428,571	1,000,000	2,428,571
Debentures	40,506,200	38,495,000	32,744,200	30,675,000
Lease liabilities	323,626	-	120,815	-
<b>Total non-current interest bearing liabilities</b>	<b>42,210,537</b>	<b>41,479,304</b>	<b>34,245,726</b>	<b>33,659,304</b>
<b>Total</b>	<b>62,445,627</b>	<b>53,228,866</b>	<b>50,192,375</b>	<b>45,077,200</b>

The periods to maturity of interest-bearing liabilities as at 31 December were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Within one year	20,235,090	11,749,562	15,946,649	11,417,896
After one year but within five years	42,031,589	38,479,304	34,210,967	30,659,304
After five years	178,948	3,000,000	34,759	3,000,000
<b>Total</b>	<b>62,445,627</b>	<b>53,228,866</b>	<b>50,192,375</b>	<b>45,077,200</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
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Secured interest-bearing liabilities as at 31 December were secured on the following net book value assets:

<i>Assets pledged as security for liabilities as at 31 December</i>	<i>Note</i>	<b>Consolidated and Separate financial statements</b>	
		2020	2019
		<i>(in thousand Baht)</i>	
Land and buildings		1,278,911	1,355,480
Machinery and equipment		4,083,826	3,903,090
<b>Total</b>	<b>14</b>	<b><u>5,362,737</u></b>	<b><u>5,258,570</u></b>

As at 31 December 2020 the Group and the Company had unutilised credit facilities totalling Baht 153 million and Baht 108 million, respectively (2019: Baht 153 million and Baht 108 million, respectively).

**Loan from financial institutions**

On 22 November 2018, the Company entered into a loan agreement with a local financial institution for working capital and / or to repay the debt of the Company without collateral of Baht 3,000 million for a period of 3.5 years with equal repayment every 6 months from the first drawdown date. Interest rate is as specified in the contract. The loan agreement stipulates certain conditions that the Company must comply with, such as maintaining certain financial ratios, maintaining of percentage of shares held in a subsidiary and certain claims. As at 31 December 2020, loans from the said financial institution amounted of Baht 1,285 million (2019: Baht 2,142 million).

On 26 June 2019, the Company entered into a loan agreement with a local financial institution for working capital and / or to repay the debt of the Company without collateral of Baht 2,000 million for a period of 3.5 years with equal repayment every 6 months from the first drawdown date. Interest rate is as specified in the contract. The loan agreement stipulates certain conditions that the Company must comply with, such as maintaining certain financial ratios, maintaining of percentage of shares held in a subsidiary and certain claims. As at 31 December 2020, loans from the said financial institution amounted of Baht 1,143 million (2019: Baht 1,714 million).

In addition, on 27 August 2019, the Company entered into a loan agreement with a local financial institution to repay the debt of the Company with collateral of Baht 728 million for a period of 5 years with equal repayment every 6 months from the first drawdown date. The first installment is due from August 2019. Interest rate is as specified in the contract. The loan agreement stipulates certain conditions that the Company must comply with, such as maintaining certain financial ratios, maintaining of percentage of shares held in a subsidiary and certain claims. As at 31 December 2020, loans from the said financial institution amounted of Baht 509 million (2019: Baht 655 million).

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**Debentures**

As at 31 December 2020, the Group and the Company had the unsecured, unsubordinated debentures in registered form with debentures holders' representative, payable quarterly totalling Baht 57,686 million and Baht 45,924 million, respectively (2019: Baht 45,700 million and Baht 37,880 million, respectively) as follows:

Issued Date	Consolidated financial statements						Interest rate (% p.a.)	Term
	The period to maturity within one year		The period to maturity over one year		Total			
	2020	2019	2020	2019	2020	2019		
	(in thousand Baht)							
22 January 2015	-	3,000,000	-	-	-	3,000,000	5.20	5 years
5 August 2015	-	2,205,000	-	-	-	2,205,000	4.65	5 years
5 August 2015	3,580,000	-	-	3,600,000	3,580,000	3,600,000	4.90	6 years
5 August 2015	-	-	3,848,000	4,000,000	3,848,000	4,000,000	5.20	7 years
1 April 2016	1,600,000	-	-	1,600,000	1,600,000	1,600,000	4.35	5 years
1 April 2016	-	-	1,200,000	1,200,000	1,200,000	1,200,000	4.60	6 years
1 April 2016	-	-	2,640,500	2,645,000	2,640,500	2,645,000	4.80	7 years
7 July 2017	-	2,000,000	-	-	-	2,000,000	3.50	3 years
26 April 2018	8,000,000	-	-	8,000,000	8,000,000	8,000,000	3.30	3 years
28 November 2018	4,000,000	-	-	4,000,000	4,000,000	4,000,000	3.90	3 years
11 January 2019	-	-	3,530,000	3,530,000	3,530,000	3,530,000	4.10	3 years
1 March 2019	-	-	100,000	100,000	100,000	100,000	3.80	2 years 10 months 30 days
11 July 2019	-	-	2,820,000	2,820,000	2,820,000	2,820,000	3.90	3 years 6 months
11 July 2019	-	-	2,988,000	3,000,000	2,988,000	3,000,000	4.90	5 years 6 months
9 August 2019	-	-	4,000,000	4,000,000	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	-	-	3,944,000	-	3,944,000	-	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
<b>Total</b>	<b>17,180,000</b>	<b>7,205,000</b>	<b>40,506,200</b>	<b>38,495,000</b>	<b>57,686,200</b>	<b>45,700,000</b>		



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Issued Date	Separate financial statements						Interest rate (% p.a.)	Term
	The period to maturity within one year		The period to maturity over one year		Total			
	2020	2019	2020	2019	2020	2019		
	<i>(in thousand Baht)</i>							
22 January 2015	-	3,000,000	-	-	-	3,000,000	5.20	5 years
5 August 2015	-	2,205,000	-	-	-	2,205,000	4.65	5 years
5 August 2015	3,580,000	-	-	3,600,000	3,580,000	3,600,000	4.90	6 years
5 August 2015	-	-	3,850,000	4,000,000	3,850,000	4,000,000	5.20	7 years
1 April 2016	1,600,000	-	-	1,600,000	1,600,000	1,600,000	4.35	5 years
1 April 2016	-	-	1,200,000	1,200,000	1,200,000	1,200,000	4.60	6 years
1 April 2016	-	-	2,640,500	2,645,000	2,640,500	2,645,000	4.80	7 years
7 July 2017	-	2,000,000	-	-	-	2,000,000	3.50	3 years
26 April 2018	8,000,000	-	-	8,000,000	8,000,000	8,000,000	3.30	3 years
11 January 2019	-	-	3,530,000	3,530,000	3,530,000	3,530,000	4.10	3 years
1 March 2019	-	-	100,000	100,000	100,000	100,000	3.80	2 years 10 months 30 days
11 July 2019	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3.90	3 years 6 months
11 July 2019	-	-	2,988,000	3,000,000	2,988,000	3,000,000	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
<b>Total</b>	<b>13,180,000</b>	<b>7,205,000</b>	<b>32,744,200</b>	<b>30,675,000</b>	<b>45,924,200</b>	<b>37,880,000</b>		

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**18 Trade accounts payable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Related parties	6	351,390	239,961	385,053	512,167
Other parties		2,526,291	2,295,649	2,068,938	1,795,315
<b>Total</b>		<b><u>2,877,681</u></b>	<b><u>2,535,610</u></b>	<b><u>2,453,991</u></b>	<b><u>2,307,482</u></b>

**19 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Accrued expenses		667,814	949,142	468,942	719,179
Deposit from sales		389,186	358,135	320,800	289,550
Guarantee and deposits		306,415	296,554	297,060	286,754
Retention payable		467,330	1,116,450	53,606	51,057
Machine Payable		328,843	386,971	161,310	22,158
Others		721,242	627,524	447,238	434,197
<b>Total</b>		<b><u>2,880,830</u></b>	<b><u>3,734,776</u></b>	<b><u>1,748,956</u></b>	<b><u>1,802,895</u></b>

**20 Non-current provisions for employee benefits**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Non-current provision for:</b>					
Post-employment benefits					
Defined benefit plan		<b><u>2,326,482</u></b>	<b><u>2,337,557</u></b>	<b><u>1,956,682</u></b>	<b><u>1,970,539</u></b>

***Defined benefit plan***

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

**TPI Polene Public Company Limited and its Subsidiaries**  
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<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	2,337,557	1,541,170	1,970,539	1,298,077
<b>Include in profit or loss:</b>				
Current service cost and interest on obligation	32,751	108,906	23,466	83,125
Past service cost	-	502,617	-	428,925
<b>Included in other comprehensive income</b>				
Actuarial losses	-	245,792	-	207,436
<b>Other</b>				
Benefit paid	(43,826)	(60,928)	(37,323)	(47,024)
<b>At 31 December</b>	<b>2,326,482</b>	<b>2,337,557</b>	<b>1,956,682</b>	<b>1,970,539</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.72 - 2.06	1.88 - 2.05	1.72 - 2.00	1.88 - 2.01
Future salary growth	2.28 - 4.61	4.17 - 7.64	3.12 - 4.61	5.15 - 7.64

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 22 years (2019: 22 years).

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>(in thousand Baht)</i>			
	Increase	Decrease	Increase	Decrease
<b>31 December 2020</b>				
Discount rate (1% movement)	(218,142)	257,199	(186,153)	220,857
Future salary growth (1% movement)	223,415	(193,070)	190,741	(165,378)
<b>31 December 2019</b>				
Discount rate (1% movement)	(245,820)	293,809	(204,195)	243,999
Future salary growth (1% movement)	253,303	(218,331)	210,559	(181,483)

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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**21 Share capital**

	Par value per share (in Baht)	2020		2019	
		Number	Amount (thousand shares / in thousand Baht)	Number	Amount
<i>Authorised</i>					
<b>At 31 December</b>					
<b>- ordinary shares</b>	1	<b><u>23,805,500</u></b>	<b><u>23,805,500</u></b>	<b><u>23,805,500</u></b>	<b><u>23,805,500</u></b>
<i>Issued and paid-up</i>					
At 1 January		20,190,000	20,190,000	20,190,000	20,190,000
<b>- ordinary shares</b>					
Reduction of shares	1	<u>(1,009,500)</u>	<u>(1,009,500)</u>	<u>(1,009,500)</u>	<u>(1,009,500)</u>
<b>At 31 December</b>					
<b>- ordinary shares</b>	1	<b><u>19,180,500</u></b>	<b><u>19,180,500</u></b>	<b><u>19,180,500</u></b>	<b><u>19,180,500</u></b>

**22 Treasury shares**

At the Board of Directors meeting held on 30 January 2020, it approved the Company's share repurchase for financial management purposes scheme, the maximum amount for the share repurchase is not greater than Baht 800 million, number of shares repurchased 383.61 million shares, at par value Baht 1 per share, or representing 2% of the total paid-up capital. The repurchase period has started from 14 February 2020 to 13 August 2020. In the third quarter, the Company has completely repurchased the shares under the program of 383.61 million shares at a total cost of Baht 453.53 million.

In December 2020, the Company has sold 164 million treasury shares totaling Baht 293.73 million, consisting of the cost of the repurchased treasury shares calculated by the weighted average method in the amount of Baht 193.89 million and surpluses on the sale of treasury shares (Surplus on treasury shares) in the amount of Baht 99.84 million, presented as a separate category within equity.

As at 31 December 2020, the Company's treasury shares has remained 219.61 million shares at a total cost of Baht 259.64 million.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**23 Reserves**

Reserves comprise:

*Appropriations of profit and retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

*Treasury shares reserve*

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

*Other components of equity*

**Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value reserve of 2020**

The fair value reserve comprise:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

**Fair value reserve of 2019**

The fair value changes in available-for-sale investments comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**24 Segment information and disaggregation of revenue**

Management determined that the Group has four reportable segments which are the Group's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments.

- Construction Materials
- Petrochemical & Chemicals
- Energy & Utilities
- Agriculture

Each segment's performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
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(a) *Reportable segment results*

	Consolidated Financial Statements						Reportable segment profit (loss) before interest, tax, depreciation, and amortisation	
	Revenue from external customers		Inter-segment revenue		Total reportable segment revenue		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Construction Materials	17,468,305	20,670,418	8,984,019	10,667,876	26,452,324	31,338,294	1,654,558	484,845
Petrochemical & Chemicals	7,616,357	7,901,438	5,926,992	7,020,702	13,543,349	14,922,140	1,988,978	1,516,001
Energy & Utilities	9,072,251	8,364,041	2,047,099	2,207,160	11,119,350	10,571,201	5,693,516	5,540,471
Agriculture	118,857	104,666	140,796	135,302	259,653	239,968	(22,506)	(29,977)
<b>Total</b>	<b><u>34,275,770</u></b>	<b><u>37,040,563</u></b>	<b><u>17,098,906</u></b>	<b><u>20,031,040</u></b>	<b><u>51,374,676</u></b>	<b><u>57,071,603</u></b>	<b><u>9,314,546</u></b>	<b><u>7,511,340</u></b>
Other gain (loss)							(160)	1,155
Finance costs							(2,014,903)	(1,959,023)
Depreciation and amortisation							(3,124,488)	(3,189,045)
Impairment loss of assets							(1,601,820)	-
Others							192,348	447,801
Share of profit (loss) of associates accounted for using equity method							56,321	(18,704)
Elimination of inter-segment (profit) loss							(57,003)	(50,481)
<b>Profit before income tax expense for the year</b>							<b><u>2,764,841</u></b>	<b><u>2,743,043</u></b>

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

**TPI Polene Public Company Limited and its Subsidiaries**  
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	<b>Consolidated financial statements</b>	
	<b>Reportable segment</b>	
	<b>profit (loss) before tax</b>	
<i>For the year ended 31 December</i>	2020	2019
	<i>(in thousand Baht)</i>	
Construction Materials	(1,582,155)	(2,725,187)
Petrochemical & Chemicals	1,775,987	1,304,341
Energy & Utilities	4,628,005	4,708,789
Agriculture	(93,102)	(98,014)
<b>Total</b>	<b>4,728,735</b>	<b>3,189,929</b>
Impairment loss of assets	(1,601,820)	-
Other gains (losses)	24,221	(43,430)
Finance costs for investment	(387,876)	(370,491)
Elimination of inter-segment (profit) loss	1,581	(32,965)
<b>Profit (loss) before income tax expense for the year</b>	<b>2,764,841</b>	<b>2,743,043</b>

**(b) Reportable segment financial position**

	<b>Consolidated financial</b>	
	<b>statements</b>	
	<b>Segment assets</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Construction Materials	73,126,203	68,670,061
Petrochemical & Chemicals	10,015,700	8,154,426
Energy & Utilities	40,299,386	35,647,510
Agriculture	2,161,415	2,224,484
Others	580,989	565,995
	<b>126,183,693</b>	<b>115,262,476</b>
Unallocated assets	6,182,250	4,531,242
<b>Total</b>	<b>132,365,943</b>	<b>119,793,718</b>
Elimination of inter-segment assets	(8,457,041)	(5,425,573)
<b>Total assets</b>	<b>123,908,902</b>	<b>114,368,145</b>

**(c) Disaggregation of revenue**

	<b>Separate financial statement</b>	
	<b>Revenue from sale of goods</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Construction Materials	16,519,666	19,968,216
Petrochemical & Chemicals	6,733,110	6,933,345
<b>Total</b>	<b>23,252,776</b>	<b>26,901,561</b>

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

**Geographical segments**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.



**TPI Polene Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Geographical information</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Thailand	23,018,707	25,398,658	22,678,681	26,019,712
China	5,458,979	4,882,551	-	-
Bangladesh	370,839	845,823	-	-
Others	5,427,245	5,913,531	574,095	881,849
<b>Total</b>	<b>34,275,770</b>	<b>37,040,563</b>	<b>23,252,776</b>	<b>26,901,561</b>

The Group is managed and operates principally in Thailand.

**(d) Disaggregation of finance cost**

	<b>Separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Construction Materials	1,312,215	1,423,247
Petrochemical & Chemicals	50,490	3,976
Investing	387,876	370,491
<b>Total</b>	<b>1,750,581</b>	<b>1,797,714</b>

**25 Other income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Rental trucks income	15,065	27,911	21,228	32,284
Income from sale of spare parts	2,617	19,012	18,114	30,492
Sale steam	50,515	65,312	10,288	8,274
Share services income	300	240	125,920	120,395
Waste disposal income	43,608	35,989	247,259	266,837
Other income - claim insurance	100,340	43,567	754	519
Revenue from machine rental	141,363	94,317	-	-
Others	384,369	264,134	226,782	241,016
<b>Total</b>	<b>738,177</b>	<b>550,482</b>	<b>650,345</b>	<b>699,817</b>

**26 Cost of distributions and transportations**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Delivery expenses	1,640,737	2,307,914	1,483,783	2,120,418
Personnel expenses	806,245	885,081	699,162	763,680
Depreciation and amortisation	208,507	203,598	198,780	200,356
Maintenance expenses	48,437	56,169	42,810	52,889
Others	460,189	579,624	377,134	451,898
<b>Total</b>	<b>3,164,115</b>	<b>4,032,386</b>	<b>2,801,669</b>	<b>3,589,241</b>

**TPI Polene Public Company Limited and its Subsidiaries**  
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**27 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Personnel expenses	924,988	1,177,394	710,737	938,801
Depreciation and amortisation	134,860	41,671	118,924	17,561
Maintenance expenses	7,521	25,503	3,716	20,877
Others	680,892	866,683	246,966	421,196
<b>Total</b>	<b><u>1,748,261</u></b>	<b><u>2,111,251</u></b>	<b><u>1,080,343</u></b>	<b><u>1,398,435</u></b>

**28 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Management</i></b>				
Wages and salaries	323,968	346,889	263,174	288,530
Defined benefit plan	4,474	49,991	1,745	44,370
Others	48,152	46,762	27,074	26,256
	<b><u>376,594</u></b>	<b><u>443,642</u></b>	<b><u>291,993</u></b>	<b><u>359,156</u></b>
<b><i>Other employees</i></b>				
Wages and salaries	5,370,341	5,645,698	4,140,157	4,386,919
Defined benefit plan	33,636	561,532	21,721	467,680
Others	331,831	408,378	230,402	303,579
	<b><u>5,735,808</u></b>	<b><u>6,615,608</u></b>	<b><u>4,392,280</u></b>	<b><u>5,158,178</u></b>
<b>Total</b>	<b><u>6,112,402</u></b>	<b><u>7,059,250</u></b>	<b><u>4,684,273</u></b>	<b><u>5,517,334</u></b>

*Defined contribution plans*

The defined contribution plans comprise provident funds established by some companies of the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 10% of their basic salaries and by the Company at rates ranging from 3% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

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**29 Expenses by nature**

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Included in cost of sales of goods:</i></b>				
Changes in inventories of finished goods and work in progress	2,495,864	348,467	2,641,046	629,644
Raw materials and consumables used	15,288,970	13,467,106	6,839,067	7,423,332
Loss on decline in value of inventories	(14,973)	(35,374)	(10,988)	(35,374)
Depreciation of plant and equipment	2,766,994	2,915,350	1,550,931	1,795,369
Amortisation of intangible assets	14,127	27,376	14,127	27,376
<b><i>Included in distribution costs:</i></b>				
Depreciation of plant and equipment	200,649	195,876	190,922	192,635
Amortisation of intangible assets	7,858	7,721	7,858	7,721
<b><i>Included in administrative expenses:</i></b>				
Depreciation of plant and equipment	116,866	36,094	100,930	11,984
Amortisation of intangible assets	17,994	5,577	17,994	5,577

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**30 Finance costs**

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
<b>Interest expense :</b>					
Loans from related party		-	-	2,005	1,475
Loans from financial institutions		244,280	236,171	229,478	232,259
Debentures		2,055,224	1,822,036	1,708,295	1,611,436
Leases	15	17,731	-	7,265	-
<b>Total interest expense</b>		<b>2,317,235</b>	<b>2,058,207</b>	<b>1,947,043</b>	<b>1,845,170</b>
Others		8,412	8,785	-	-
		<b>2,325,647</b>	<b>2,066,992</b>	<b>1,947,043</b>	<b>1,845,170</b>
<i>Less: amounts included in the cost of qualifying assets:</i>					
- Construction contracts work in progress	14	(310,744)	(107,969)	(196,462)	(47,456)
<b>Net</b>		<b>2,014,903</b>	<b>1,959,023</b>	<b>1,750,581</b>	<b>1,797,714</b>

**31 Income tax**

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<b>Income tax recognised in profit or loss</b>				
<b>Current tax expense</b>				
Current year	170,357	160,183	-	-
Adjustment for prior years	5,838	(41,536)	-	(48,717)
	<b>176,195</b>	<b>118,647</b>	<b>-</b>	<b>(48,717)</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	(250,520)	(140,175)	(181,688)	(117,264)
<b>Total tax (income) expense</b>	<b>(74,325)</b>	<b>(21,528)</b>	<b>(181,688)</b>	<b>(165,981)</b>

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	<b>Consolidated financial statements</b>					
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	Tax (expense) benefit	Net of tax
<b><i>Income tax</i></b>						
<b><i>Recognised in other comprehensive income</i></b>						
Foreign currency translation differences for foreign operations	(18)	-	(18)	(250)	-	(250)
Financial assets at FVOCI	9	(1)	8	-	-	-
Net change in fair value of available-for-sale investment	-	-	-	(111)	25	(86)
Share of other comprehensive income (expense) of associates	(3,778)	-	(3,778)	(935)	-	(935)
Defined benefit plan actuarial losses	-	-	-	(245,792)	49,235	(196,557)
<b>Total</b>	<b>(3,787)</b>	<b>(1)</b>	<b>(3,788)</b>	<b>(247,088)</b>	<b>49,260</b>	<b>(197,828)</b>

	<b>Separate financial statements</b>					
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	Tax (expense) benefit	Net of tax
<b><i>Income tax</i></b>						
<b><i>Recognised in other comprehensive income</i></b>						
Financial assets at FVOCI	3	(1)	2	-	-	-
Net change in fair value of available-for-sale investment	-	-	-	(126)	25	(101)
Share of other comprehensive income (expense) of subsidiaries accounted for using equity method	(13)	-	(13)	(30,845)	-	(30,845)
Share of other comprehensive income (expense) of associates accounted for using equity method	(3,778)	-	(3,778)	(935)	-	(935)
Defined benefit plan actuarial losses	-	-	-	(207,436)	41,487	(165,949)
<b>Total</b>	<b>(3,788)</b>	<b>(1)</b>	<b>(3,789)</b>	<b>(239,342)</b>	<b>41,512</b>	<b>(197,830)</b>

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*Reconciliation of effective tax rate*

	<b>Consolidated financial statements</b>			
		2020		2019 (Restated)
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>2,764,841</u>		<u>2,743,043</u>
Income tax using the Thai corporation tax rate	20	552,968	20	548,608
Income not subject to tax		(90,005)		(74,412)
Profit was derived from promoted activities		(827,771)		(836,185)
Expenses not deductible for tax purposes		330,148		61,544
Deferred tax asset from tax loss expired		38,313		-
Prior year losses recognised as deferred tax asset in current year		(101,969)		-
Recognition of previously unrecognised tax losses		(2,308)		-
Current year losses for which no deferred tax asset was recognised		20,461		320,453
Under (over) provided in prior years		5,838		(41,536)
<b>Total</b>	<b>(3)</b>	<b><u>(74,325)</u></b>	<b>(1)</b>	<b><u>(21,528)</u></b>

*Reconciliation of effective tax rate*

	<b>Separate financial statements</b>			
		2020		2019 (Restated)
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>1,316,464</u>		<u>1,227,544</u>
Income tax using the Thai corporation tax rate	20	263,292	20	245,508
Income not subject to tax		(703,684)		(665,665)
Profit was derived from promoted activities		(6,201)		(14,037)
Expenses not deductible for tax purposes		226,592		32,541
Deferred tax asset from tax loss expired		38,313		-
Current year losses for which no deferred tax asset was recognised		-		284,389
Under (over) provided in prior years		-		(48,717)
<b>Total</b>	<b>(14)</b>	<b><u>(181,688)</u></b>	<b>(14)</b>	<b><u>(165,981)</u></b>

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<i>Deferred tax</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	1,577,518	1,287,865	(714,724)	(675,590)
Set off of tax	(663,730)	(616,012)	663,730	616,012
<b>Net deferred tax assets (liabilities)</b>	<b>913,788</b>	<b>671,853</b>	<b>(50,994)</b>	<b>(59,578)</b>

<i>Deferred tax</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	1,349,060	1,129,127	(660,752)	(622,506)
Set off of tax	(660,752)	(622,506)	660,752	622,506
<b>Net deferred tax assets (liabilities)</b>	<b>688,308</b>	<b>506,621</b>	<b>-</b>	<b>-</b>

Movements in total deferred tax assets and liabilities during the year were as follows:

	<b>Consolidated financial statements</b>			
	<b>At 1 January 2020</b>	<b>(Charged) / Credited to</b>		<b>At 31 December 2020</b>
		Profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
<b>Deferred tax assets</b>				
Allowance for expected credit loss	21,195	(2,735)	-	18,460
Allowance for decline in value of inventories	5,401	(797)	-	4,604
Allowance for impairment of assets	1,806	-	-	1,806
Provision for sales discount and sales promotional	13,371	1,027	-	14,398
Provision for employee benefit	458,793	(2,184)	-	456,609
Loss carry forward	788,524	293,025	-	1,081,549
Others	(1,225)	1,318	(1)	92
<b>Total</b>	<b>1,287,865</b>	<b>289,654</b>	<b>(1)</b>	<b>1,577,518</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(4,123)	457	-	(3,666)
Lease liabilities	(141,938)	(10,306)	-	(152,244)
Depreciation gap of assets	(456,259)	(37,956)	-	(494,215)
Property, plant and equipment	(73,270)	8,671	-	(64,599)
<b>Total</b>	<b>(675,590)</b>	<b>(39,134)</b>	<b>-</b>	<b>(714,724)</b>
<b>Net</b>	<b>612,275</b>	<b>250,520</b>	<b>(1)</b>	<b>862,794</b>

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	<b>Consolidated financial statements</b>			
	<b>At 1 January 2019</b>	<b>(Charged) / Credited to</b>		<b>At 31 December 2019</b>
		Profit or loss	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Allowance for doubtful account receivables	24,702	(3,507)	-	21,195
Allowance for decline in value of inventories	5,401	-	-	5,401
Allowance for impairment of assets	1,806	-	-	1,806
Provision for sales discount and sales promotional	8,100	5,271	-	13,371
Provision for employee benefit	300,248	109,310	49,235	458,793
Loss carry forward	778,644	9,880	-	788,524
Others	3,544	(4,794)	25	(1,225)
<b>Total</b>	<b>1,122,445</b>	<b>116,160</b>	<b>49,260</b>	<b>1,287,865</b>
<b><i>Deferred tax liabilities</i></b>				
Amortisation gap of concessions	(4,724)	601	-	(4,123)
Financial lease	(146,733)	4,795	-	(141,938)
Depreciation gap of assets	(466,207)	9,948	-	(456,259)
Property, plant and equipment	(81,941)	8,671	-	(73,270)
<b>Total</b>	<b>(699,605)</b>	<b>24,015</b>	<b>-</b>	<b>(675,590)</b>
<b>Net</b>	<b>422,840</b>	<b>140,175</b>	<b>49,260</b>	<b>612,275</b>
<b><i>Separate financial statements</i></b>				
	<b>(Charged) / Credited to</b>			
	<b>At 1 January 2020</b>	<b>(Charged) / Credited to</b>		<b>At 31 December 2020</b>
		Profit or loss	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Allowance for expected credit loss	14,120	(1,051)	-	13,069
Allowance for impairment of assets	900	-	-	900
Provision for sales discount and sales promotional	12,416	1,076	-	13,492
Provision for employee benefit	394,106	(2,770)	-	391,336
Loss carry forward	707,432	222,679	-	930,111
Others	153	-	(1)	152
<b>Total</b>	<b>1,129,127</b>	<b>219,934</b>	<b>(1)</b>	<b>1,349,060</b>
<b><i>Deferred tax liabilities</i></b>				
Amortisation gap of concessions	(4,123)	457	-	(3,666)
Lease liabilities	(86,345)	(17,180)	-	(103,525)
Depreciation gap of assets	(532,038)	(21,523)	-	(553,561)
<b>Total</b>	<b>(622,506)</b>	<b>(38,246)</b>	<b>-</b>	<b>(660,752)</b>
<b>Net</b>	<b>506,621</b>	<b>181,688</b>	<b>(1)</b>	<b>688,308</b>



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	At 1 January 2019	Separate financial statements (Charged) / Credited to		At 31 December 2019
		Profit or loss (in thousand Baht)	Other comprehensive income	
<b>Deferred tax assets</b>				
Allowance for doubtful account receivables	16,386	(2,266)	-	14,120
Allowance for impairment of assets	900	-	-	900
Provision for sales discount and sales promotional	7,515	4,901	-	12,416
Provision for employee benefit	259,614	93,005	41,487	394,106
Loss carry forward	707,432	-	-	707,432
Others	128	-	25	153
<b>Total</b>	<b>991,975</b>	<b>95,640</b>	<b>41,512</b>	<b>1,129,127</b>
<b>Deferred tax liabilities</b>				
Amortisation gap of concessions	(4,724)	601	-	(4,123)
Financial lease	(86,259)	(86)	-	(86,345)
Depreciation gap of assets	(553,147)	21,109	-	(532,038)
<b>Total</b>	<b>(644,130)</b>	<b>21,624</b>	<b>-</b>	<b>(622,506)</b>
<b>Net</b>	<b>347,845</b>	<b>117,264</b>	<b>41,512</b>	<b>506,621</b>

Deferred tax assets arising from unused tax losses allowance for impairment of investment that has not been recognised in the consolidated and separate financial statements as at 31 December 2020 amounting to Baht 1,178.6 million and Baht 953.1 million, respectively (2019: Baht 1,253.1 million and Baht 953.1 million, respectively).

The tax losses expire in 2021 to 2025. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

*Recognition of deferred tax asset from tax loss*

In 2020 and 2019, the Group has entered into several agreements for many projects. As a result, management estimates future taxable profits and, as at 31 December 2020, the Group recognised deferred tax assets from tax losses in the consolidated and separate financial statements amounting to Baht 1,082 million and Baht 930 million, respectively (2019: Baht 789 million and Baht 707 million, respectively) because management considered it probable that future taxable profits would be available against which such losses can be used.

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Deferred tax asset from loss carry forward in the consolidated and separate financial statements will expire as detail shown below.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax assets from loss carry forward expiring in year				
- 2020	-	55,540	-	38,313
- 2021	348,236	362,783	330,938	330,938
- 2022	383,456	360,321	338,180	338,180
- 2023	57,673	-	-	-
- 2024	31,040	9,880	-	-
- 2025	261,144	-	260,993	-
<b>Total</b>	<b>1,081,549</b>	<b>788,524</b>	<b>930,111</b>	<b>707,431</b>

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**32 Promotional privileges**

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to petrochemical products, plastic film products, masterbatch, compound plastic, compound rubber, organic fertilizer, natural gas stations, power plants and fuel production from garbage and waste. The privileges granted include:

- (a) exemption from payment of import duty on machinery and equipment approved by the Board;
- (b) exemption from payment of corporate income tax for certain operations for a period of 3 - 8 years from the dates on which the income is first derived from such operations;
- (c) a 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of 5 years, commencing from the expiry date in (b) above;
- (d) a deduction of twice the actual transportation, electrical and water supply expenses for a period of 10 years from the respective revenues and a 25% reduction of the capital expenditure for the installation or the construction of the facilities in addition to the normal depreciation; and
- (e) losses occur during the period could be carried forward 5 years commencing from the expiry date of the privileges to deducted from the profit that occur after the period of exemption of cooperate income tax.

As a promoted company, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	<b>Consolidated financial statements</b>					
	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	11,251,501	11,251,501	-	11,643,083	11,643,083
Local sales	9,761,146	30,326,029	40,087,175	9,004,205	36,424,315	45,428,520
Eliminations	<u>(2,037,534)</u>	<u>(15,025,372)</u>	<u>(17,062,906)</u>	<u>(2,049,965)</u>	<u>(17,981,075)</u>	<u>(20,031,040)</u>
<b>Total</b>	<b><u>7,723,612</u></b>	<b><u>26,552,158</u></b>	<b><u>34,275,770</u></b>	<b><u>6,954,240</u></b>	<b><u>30,086,323</u></b>	<b><u>37,040,563</u></b>

  

	<b>Separate financial statements</b>					
	2020			2019		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Export sales	-	584,899	584,899	-	917,056	917,056
Local sales	103,616	22,564,261	22,667,877	152,460	25,832,045	25,984,505
<b>Total</b>	<b><u>103,616</u></b>	<b><u>23,149,160</u></b>	<b><u>23,252,776</u></b>	<b><u>152,460</u></b>	<b><u>26,749,101</u></b>	<b><u>26,901,561</u></b>

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**33 Basic earnings per share**

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years, after adjusting the own shares held by subsidiaries. The calculations are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	(Restated)			
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b><u>1,498,152</u></b>	<b><u>1,393,525</u></b>	<b><u>1,498,152</u></b>	<b><u>1,393,525</u></b>
Number of ordinary shares outstanding at 1 January	19,180,500	20,190,000	19,180,500	20,190,000
Effect of treasury shares	<u>(277,541)</u>	<u>(1,008,278)</u>	<u>(277,541)</u>	<u>(1,008,278)</u>
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b><u>18,902,959</u></b>	<b><u>19,181,722</u></b>	<b><u>18,902,959</u></b>	<b><u>19,181,722</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>0.079</u></b>	<b><u>0.073</u></b>	<b><u>0.079</u></b>	<b><u>0.073</u></b>

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**34 Dividends**

At the annual general meeting of the shareholders of the Company held on 29 April 2019, the shareholders approved the appropriation of dividend from the Company's retained earnings of Baht 0.02 per share, amounting to Baht 383.61 million. The dividend was paid to the shareholders in May 2019.

At the Board of Directors' meeting of the Company held on 28 November 2019, the Board of Directors' meeting passed a resolution to declare the interim dividend payment from the Company's retained earnings of Baht 0.03 per share, amounting to Baht 575.42 million. The dividend was paid to the shareholders in December 2019.

At the annual general meeting of the shareholders of the Company held on 4 August 2020, the shareholders acknowledged the interim dividend payment of 2019 annual dividend at Baht 0.06 per share, amounting to Baht 1,149.20 million. After a deduction of the interim dividends of Baht 0.03 per share which paid to the Company's shareholders in 2019, the remaining dividends of Baht 0.03 per share, totalling Baht 573.78 million. The dividend was paid to the shareholders on May 2020 and no further dividend payment shall be made from the fiscal year 2019.

At the Board of Directors' meeting of the Company held on 27 August 2020, the Board of Directors' meeting approved the appropriation of interim dividend from the Company's retained earnings of Baht 0.03 per share, amounting to Baht 563.91 million. The dividend was paid to the shareholders in September 2020.

**35 Financial instruments**

*(a) 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. It 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.

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<b>Consolidated financial statements</b>									
<i>At 31 December 2020</i>	<i>Note</i>	<b>Carrying amount</b>			<b>Fair value</b>				
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total <i>(in thousand Baht)</i>	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
Other financial assets									
Equity instruments		-	226	-	226	226	-	-	226
Debt instruments		2,699,273	1,205	327,514	3,027,992	2,655,499	374,77	-	3,030,276
Promissary Note		-	-	499,241	499,241	-	499,28	-	499,280
<b>Total financial assets</b>		<b><u>2,699,273</u></b>	<b><u>1,431</u></b>	<b><u>826,755</u></b>	<b><u>3,527,459</u></b>				
<b>Financial liabilities</b>									
Promissary Note	17	-	-	1,314,807	1,314,807	-	1,315,54	-	1,315,543
Debentures	17	-	-	57,686,200	57,686,200	-	58,246,89	-	58,246,890
<b>Total financial liabilities</b>		<b><u>-</u></b>	<b><u>-</u></b>	<b><u>59,001,007</u></b>	<b><u>59,001,007</u></b>				
<b>Separate financial statements</b>									
<i>At 31 December 2020</i>	<i>Note</i>	<b>Carrying amount</b>			<b>Fair value</b>				
		Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total <i>(in thousand Baht)</i>	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>									
Other financial assets									
Equity instruments		-	226	-	226	226	-	-	226
Debt instruments		1,302,891	-	211,749	1,514,640	1,302,89	213,00	-	1,515,898
Promissary Note		-	-	199,385	199,385	-	199,38	-	199,385
<b>Total financial assets</b>		<b><u>1,302,891</u></b>	<b><u>226</u></b>	<b><u>411,134</u></b>	<b><u>1,714,251</u></b>				
<b>Financial liabilities</b>									
Promissary Note	17	-	-	1,075,182	1,075,182	-	1,075,85	-	1,075,858
Debentures	17	-	-	45,924,200	45,924,200	-	46,415,49	-	46,415,493
<b>Total financial liabilities</b>		<b><u>-</u></b>	<b><u>-</u></b>	<b><u>46,999,382</u></b>	<b><u>46,999,382</u></b>				

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	Carrying value	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
(in thousand Baht)					
<b>31 December 2019</b>					
<i>Financial assets measured at fair value</i>					
Debt securities held for trading	1,329,349	-	1,329,349	-	1,329,349
Debt securities held for trading (Private funds)	1,321,347	-	1,321,347	-	1,321,347
Equity/debt securities available-for-sale	1,422	223	1,199	-	1,422
<i>Financial assets and financial liabilities not measured at fair value</i>					
Debt securities held to maturity	27,132	-	31,308	-	31,308
Current portion of debentures	7,205,000	-	7,242,318	-	7,242,318
Debentures	38,495,000	-	39,161,359	-	39,161,359

	Carrying value	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
(in thousand Baht)					
<b>31 December 2019</b>					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	223	223	-	-	223
<i>Financial assets and financial liabilities not measured at fair value</i>					
Debt securities held to maturity	11,712	-	12,621	-	12,621
Current portion of debentures	7,205,000	-	7,242,318	-	7,242,318
Debentures	30,675,000	-	31,251,051	-	31,251,051

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**Financial instruments measured at fair value**

The following tables show the valuation techniques used in measuring Level 2.

<b>Type</b>	<b>Valuation technique</b>
Investments in government bonds guaranteed by the government, classified as financial assets measured at amortised cost (2019: <i>held-to-maturity investments</i> )	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 (2019: <i>trading investments and available-for-sale investments</i> )	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.



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**(b) Movement of marketable equity and debt securities**

<i>Marketable equity and debt securities</i>	<b>Consolidated financial statements</b>			
	At 1 January	Increase (decrease) <i>(in thousand Baht)</i>	Fair value adjustment	At 31 December
<b>2020</b>				
<b>Current financial assets</b>				
Debt securities measured at				
- FVTPL	1,521,596	1,178,766	(1,089)	2,699,273
<b>Total</b>	<b>1,521,596</b>	<b>1,178,766</b>	<b>(1,089)</b>	<b>2,699,273</b>
<b>Non-current financial assets</b>				
Equity/Debt securities measured at				
- FVOCI	1,422	-	9	1,431
<b>Total</b>	<b>1,422</b>	<b>-</b>	<b>9</b>	<b>1,431</b>
<b>2019</b>				
<b>Current investments</b>				
Trading securities	2,530,465	(1,016,848)	7,979	1,521,596
<b>Total</b>	<b>2,530,465</b>	<b>(1,016,848)</b>	<b>7,979</b>	<b>1,521,596</b>
<b>Other long-term investments</b>				
Available-for-sale securities	1,533	-	(111)	1,422
<b>Total</b>	<b>1,533</b>	<b>-</b>	<b>(111)</b>	<b>1,422</b>
<i>Marketable equity and debt securities</i>	<b>Separate financial statement</b>			
	At 1 January	Increase (decrease) <i>(in thousand Baht)</i>	Fair value adjustment	At 31 December
<b>2020</b>				
<b>Current financial assets</b>				
Debt securities measured at				
- FVTPL	-	1,300,000	2,891	1,302,891
<b>Total</b>	<b>-</b>	<b>1,300,000</b>	<b>2,891</b>	<b>1,302,891</b>
<b>Non-current financial assets</b>				
Equity securities measured at				
- FVOCI	223	-	3	226
<b>Total</b>	<b>223</b>	<b>-</b>	<b>3</b>	<b>226</b>
<b>2019</b>				
<b>Other long-term investments</b>				
Available-for-sale securities	349	-	(126)	223
<b>Total</b>	<b>349</b>	<b>-</b>	<b>(126)</b>	<b>223</b>

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**(C) Financial risk management policies**

***Risk management framework***

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

***(c.1) Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

***(c.1.1) Trade accounts receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 24(c).

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review financial statements, industry information and in some cases bank references. Sale limits are established for each customer and reviewed regularly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 75 days.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

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<i>At 31 December 2020</i>	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>	<b>Separate financial statements</b>
<b>Trade accounts receivables - related parties</b>		
Within credit terms	954	1,717,970
Overdue:		
1-30 days	76	1,119,224
31-60 days	18	1,099,436
61-90 days	27	897,281
More than 90 days	5	614,397
<b>Total</b>	<b>1,080</b>	<b>5,448,308</b>
Less allowance for expected credit loss	-	-
<b>Net</b>	<b>1,080</b>	<b>5,448,308</b>
<i>At 31 December 2020</i>	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>	<b>Separate financial statements</b>
<b>Trade accounts receivables - other parties</b>		
Within credit terms	4,419,157	713,742
Overdue:		
1-30 days	207,699	54,553
31-60 days	22,739	7,677
61-90 days	11,608	833
More than 90 days	78,212	50,106
<b>Total</b>	<b>4,739,415</b>	<b>826,911</b>
Less allowance for expected credit loss	(64,784)	(37,242)
<b>Net</b>	<b>4,674,631</b>	<b>789,669</b>
<b>Net total</b>	<b>4,675,711</b>	<b>6,237,977</b>

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected and current economic conditions.

<i>At 31 December 2019</i>	<b>Consolidated financial statements</b> <i>(in thousand Baht)</i>	<b>Separate financial statements</b>
<b>Trade accounts receivables - related parties</b>		
Within credit terms	2,691	1,383,386
Overdue:		
Less than 3 months	55	1,442,710
3 - 6 months	21	317,866
6 - 12 months	-	50,463
Over 12 months	5	22,752
	<b>2,772</b>	<b>3,217,177</b>
Less allowance for doubtful accounts	-	-
	<b>2,772</b>	<b>3,217,177</b>

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<i>At 31 December 2019</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Trade accounts receivables - other parties</i></b>		
Within credit terms	4,090,877	782,982
Overdue:		
Less than 3 months	360,432	76,201
3 - 6 months	9,793	9,062
6 - 12 months	8,191	8,148
Over 12 months	74,001	37,244
	<b>4,543,294</b>	<b>913,637</b>
<i>Less allowance for doubtful accounts</i>	<i>(73,610)</i>	<i>(37,242)</i>
	<b>4,469,684</b>	<b>876,395</b>
<b>Net</b>	<b>4,472,456</b>	<b>4,093,572</b>

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.

**(c.1.2) Cash and cash equivalent and derivatives**

The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with a reliable credit rating for which the Group considers to have low credit risk.

**(c.2) Liquidity risk**

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

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<i>At 31 December 2020</i>	Carrying amount	Consolidated financial statements Contractual cash flows			Total
		1 year or less	After 1 year but within 5 years	More than 5 years	
		(in thousand Baht)			
<i>Non-derivative financial liabilities</i>					
Short-term loans from financial institutions	1,314,807	1,314,807	-	-	1,314,807
Trade payables	2,877,681	2,870,886	6,795	-	2,877,681
Loans from financial institutions	2,988,625	1,607,914	1,380,711	-	2,988,625
Lease liabilities	455,995	129,801	875,272	240,729	1,245,802
Debentures	57,686,200	17,180,000	40,506,200	-	57,686,200
<b>Total</b>	<b>65,323,308</b>	<b>23,103,408</b>	<b>42,768,978</b>	<b>240,729</b>	<b>66,113,115</b>

<i>At 31 December 2019</i>	Effective interest rate (% per annum)	Consolidated financial statements Maturity period			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
		(in thousand Baht)			
Bank overdrafts and short-term loans from financial institutions	1.09 to 3.61	2,939,529	-	-	2,939,529
Loans from financial institutions	3.85, 3.875, MLR - 1.75, 3M EURIBOR + 1.65	1,605,033	2,984,304	-	4,589,337
Debentures	3.30 to 5.20	7,205,000	35,495,000	3,000,000	45,700,000
<b>Total</b>		<b>11,749,562</b>	<b>38,479,304</b>	<b>3,000,000</b>	<b>53,228,866</b>

<i>At 31 December 2020</i>	Carrying amount	Separate financial statements Contractual cash flows			Total
		1 year or less	After 1 year but within 5 years	More than 5 years	
		(in thousand Baht)			
<i>Non-derivative financial liabilities</i>					
Short-term loans from financial institutions	1,075,182	1,075,182	-	-	1,075,182
Trade payables	2,453,991	2,450,714	3,277	-	2,453,991
Loans from financial institutions	2,988,625	1,607,914	1,380,711	-	2,988,625
Lease liabilities	204,368	89,945	94,551	47,981	232,477
Debentures	45,924,200	13,180,000	32,744,200	-	45,924,200
<b>Total</b>	<b>52,646,366</b>	<b>18,403,755</b>	<b>34,222,739</b>	<b>47,981</b>	<b>52,674,475</b>

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At 31 December 2019	Effective interest rate (% per annum)	Separate financial statements			Total
		Maturity period			
		Within 1 year	After 1 year but within 5 years	After 5 years	
Bank overdrafts and short-term loans from financial institutions	1.11 to 3.61	2,607,863	-	-	2,607,863
Loans from financial institutions	3.85, 3.875, MLR - 1.75, 3M EURIBOR + 1.65	1,605,033	2,984,304	-	4,589,337
Debentures	3.30 to 5.20	7,205,000	27,675,000	3,000,000	37,880,000
<b>Total</b>		<b>11,417,896</b>	<b>30,659,304</b>	<b>3,000,000</b>	<b>45,077,200</b>

The cash outflows disclosed in the above table represent the contractual undiscounted cash flows.

**(c.3) Market risk**

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

**(c.3.1) Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases and sales of goods, purchases of machine and equipment and loans which are denominated in foreign currencies.

Exposure to foreign currency at 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(in thousand Baht)			
<b>United States Dollars</b>				
Cash and cash equivalents	2,338,300	542,416	9,165	38,932
Trade accounts receivable	1,406,539	1,054,706	7,723	1,649
Interest-bearing liabilities	-	(620,621)	-	(334,177)
Trade accounts payable	(317,304)	(235,545)	(316,891)	(205,938)
Other payables - machines	(474,528)	(364,235)	(1,006)	(1,010)
	<b>2,953,007</b>	<b>376,721</b>	<b>(301,009)</b>	<b>(500,544)</b>
<b>EURO</b>				
Cash and cash equivalents	7,960	1,500	359	601
Trade accounts receivable	9,977	16,828	-	-
Interest-bearing liabilities	(50,734)	(184,776)	(50,734)	(139,555)
Trade accounts payable	(16,858)	(50,284)	(16,858)	(8,698)
Other payables - machines	(157,717)	(21,148)	(149,298)	(21,148)
	<b>(207,372)</b>	<b>(237,880)</b>	<b>(216,531)</b>	<b>(168,800)</b>
<b>Others</b>				
Cash and cash equivalents	974	942	579	516
Trade accounts payable	(41,859)	(33,214)	(41,476)	(32,857)
Other payables - machines	(11,005)	-	(11,005)	-
	<b>(51,890)</b>	<b>(32,272)</b>	<b>(51,902)</b>	<b>(32,341)</b>
<b>Net exposure</b>	<b>2,693,745</b>	<b>106,569</b>	<b>(569,442)</b>	<b>(701,685)</b>

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(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 17). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates

**36 Capital management**

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

**37 Commitments with non-related parties**

	Consolidated financial statements		Separate financial statements	
	2020	2019 (Restated)	2020	2019 (Restated)
	<i>(in thousand Baht)</i>			
<b>Capital commitments</b>				
Agreements for construction, machine and equipment	<b><u>1,261,371</u></b>	<b><u>1,362,431</u></b>	<b><u>632,937</u></b>	<b><u>1,044,689</u></b>
<b>Other commitments</b>				
Short-term lease and services commitments	2,837	13,780	241	9,473
Unused letters of credit	603,636	1,117,349	475,728	578,349
Purchase agreement for raw material	471,332	287,600	471,332	287,600
Bank guarantees	322,410	227,678	170,901	173,013
<b>Total</b>	<b><u>1,400,215</u></b>	<b><u>1,646,407</u></b>	<b><u>1,118,202</u></b>	<b><u>1,048,435</u></b>

In addition, as at 31 December 2020, the Company has a commitment to transfer money to the Village Development Fund around the mining area of Baht 0.5 million per year (2019: Baht 0.5 million) according to the request for a concession in the totalling of Baht 10.5 million (2019: Baht 11 million).

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**38 Contingent liabilities**

As at 31 December 2020, 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, 1<sup>st</sup> Defendant, the Director-General of Department of Primary Industries and Mines, 2<sup>nd</sup> Defendant, Department of Mineral Resources, 3<sup>rd</sup> Defendant and Saraburi Provincial Industry Office, 4<sup>th</sup> 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. Presently, the case is under process of preparation of answer to the appeal and the Court allowed the date to submit the answer to the appeal to be within 21 February 2021.

- 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.

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,

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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. The case is pending the considering of the Court of Appeal and the date of hearing the Court of Appeal's judgement or order was set to be on 20 May 2021.

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 1<sup>st</sup> defendant and other related persons as co-defendants, totaling 31 persons, in a Black Case No. Sor. 17/2562, which the Company is the 30<sup>th</sup> 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 32<sup>nd</sup> 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 1<sup>st</sup> Defendant, Minister of Ministry of Industry, as 2<sup>nd</sup> Defendant, Department of Primary Industry and Mines, as 3<sup>rd</sup> Defendant, Director-General of Department of Primary Industry and Mines, as 4<sup>th</sup> Defendant, the Company, as the 30<sup>th</sup> Defendant and the Committee, as the 32<sup>nd</sup> 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 32<sup>nd</sup> 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.

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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 31,522,374.64 metric tons and restore the area to be in its previous condition or pay the compensation together with the 7.5 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.

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. The case is pending the consideration of the Court of Appeal.

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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.

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 2,477,906.76 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. The case is pending consideration of the Court of Appeal.

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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- 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, 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 and the date of hearing the Court of Appeal’s judgement or order was set to be on 22 September 2020, however, the said date of hearing of judgement had been postponed, due to the case is under mediation during the appeal.

- 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. The case is pending consideration of the Court of Appeal and the date of hearing the Court of Appeal's judgement or order was set to be on 27 April 2021.

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.

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 judgment depends on the consideration and discretion of the court. As at 31 December 2020, the outcome of lawsuit is not yet final, the Company has not recorded a provision for liability of lawsuit in the financial statements.

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- 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 5<sup>th</sup> Defendant and requested the subsidiary to submit additional answer to the Court within the prescribed period which shall be due on 20 February 2021, the case is under process of preparation of the additional answer.

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 Company's evidences and information, the Company has a chance to defend itself in the court trial depending on the consideration of each courts.