

**SPCG Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2021
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of SPCG Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of SPCG Public Company Limited and its subsidiaries (the "Group") and of SPCG Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 2021 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 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.

Valuation of inventories

Refer to Notes 3 (g) and 7 to the financial statements.

Inventories are measured at the lower of cost and net realizable value. Due to some inventories have slow movement and long outstanding which may cause the net realizable value to be lower than cost, therefore, this is focus area in my audit.

My audit procedures included understanding the policies and procedures that the management applied for net realizable value calculation. I verified the appropriateness of the net realizable value calculation and randomly tested the price of inventories with the relevant documents. I considered the adequacy of the disclosure of inventories.

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.

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 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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.
- 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.

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2022

SPCG Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents	5	46,049	735,467	11,032	667,364
Other current financial assets	8, 21	2,986,392	1,777,855	2,407,708	1,487,640
Trade and other current receivables	4, 6	850,850	1,028,760	7,232	10,032
Current portion of long-term loans to related parties	4	-	-	1,240,202	2,516,244
Inventories	7	467,337	537,400	-	-
Restricted fixed deposit	13	10,002	-	-	-
Other current assets		116,458	99,118	5,496	4,592
Total current assets		4,477,088	4,178,600	3,671,670	4,685,872
Non-current assets					
Other non-current financial assets	8, 21	1,487,783	1,426,057	1,378,543	1,359,674
Investments in subsidiaries	9	-	-	7,456,163	3,129,313
Long-term loans to related parties	4	-	-	440,878	1,681,080
Investment properties		22,164	36,229	24,942	26,065
Property, plant and equipment	11	17,318,004	15,263,510	32,773	31,300
Intangible assets	12	84,930	94,488	19,288	20,520
Deferred tax assets	18	169,817	184,101	4,136	-
Prepaid warranty expense for inverters		481,312	531,152	-	-
Other non-current assets		7,132	4,058	1,353	1,353
Total non-current assets		19,571,142	17,539,595	9,358,076	6,249,305
Total assets		24,048,230	21,718,195	13,029,746	10,935,177

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

SPCG Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Liabilities and equity					
<i>Current liabilities</i>					
Short-term loans from financial institutions	13	20,674	3,000	-	-
Trade and other current payables	4	137,176	202,929	23,654	26,461
Current portion of long-term loans from financial institution	13, 21	407,628	-	407,628	-
Current portion of debentures	13, 21	1,248,578	2,197,353	1,248,578	2,197,353
Current portion of lease liabilities	13, 21	20,679	21,100	6,039	4,417
Income tax payable		61,256	48,896	-	-
Other current financial liabilities	21	5,317	328	-	-
Other current liabilities		50,213	50,325	3,205	3,200
Total current liabilities		1,951,521	2,523,931	1,689,104	2,231,431
<i>Non-current liabilities</i>					
Long-term loans from financial institution	13, 21	494,977	-	494,977	-
Debentures	13, 21	2,146,812	1,898,084	2,146,812	1,898,084
Lease liabilities	13, 21	49,045	69,346	17,492	14,394
Deferred tax liabilities	18	246	14,615	-	14,486
Non-current provisions for employee benefits		3,640	2,009	1,279	575
Other non-current financial liabilities	21	54,817	54,169	41,895	-
Other non-current liabilities		300	300	-	-
Total non-current liabilities		2,749,837	2,038,523	2,702,455	1,927,539
Total liabilities		4,701,358	4,562,454	4,391,559	4,158,970
<i>Equity</i>					
Share capital	14				
Authorised share capital		1,153,189	1,016,389	1,153,189	1,016,389
Issued and paid-up share capital		1,055,790	973,990	1,055,790	973,990
Share premium on ordinary shares	14	5,673,723	3,955,923	6,500,593	4,782,793
Share premium from business combination		89,000	89,000	-	-
Deficit from changes in ownership interests in subsidiary		(1,758,878)	-	-	-
Retained earnings					
Appropriated					
Legal reserve	15	115,319	101,639	115,319	101,639
Unappropriated		11,616,697	10,100,631	966,485	917,785
Equity attributable to owners of the parent		16,791,651	15,221,183	8,638,187	6,776,207
Non-controlling interests	10	2,555,221	1,934,558	-	-
Total equity		19,346,872	17,155,741	8,638,187	6,776,207
Total liabilities and equity		24,048,230	21,718,195	13,029,746	10,935,177

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

SPCG 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	
		2021	2020	2021	2020
<i>(in thousand Baht)</i>					
Revenue from sale and rendering of services	4, 16	4,492,915	4,920,154	-	-
Cost of sale and rendering of services	4, 16	(1,234,627)	(1,351,595)	-	-
Gross profit		3,258,288	3,568,559	-	-
Other income	4	75,482	55,462	1,326,243	1,390,027
Selling and distribution expenses	4, 17	(9,322)	(20,192)	-	-
Administrative expenses	4, 17	(255,916)	(261,980)	(140,589)	(124,847)
Gain (loss) on derivatives		(45,728)	(589)	(45,567)	53,099
Gain (loss) on financial assets		11,916	13,276	7,022	(7,301)
Profit from operating activities		3,034,720	3,354,536	1,147,109	1,310,978
Share of loss of associate accounted for using equity method		-	(2,004)	-	-
Finance costs		(155,152)	(207,153)	(153,924)	(205,442)
Profit before income tax expense		2,879,568	3,145,379	993,185	1,105,536
Tax (expense) income	18	(143,037)	(83,006)	18,514	(324)
Profit for the year		2,736,531	3,062,373	1,011,699	1,105,212
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Loss on remeasurements of defined benefit plans		(711)	-	(541)	-
Income tax relating to items that will not be reclassified		142	-	108	-
Total items that will not be reclassified to profit or loss		(569)	-	(433)	-
Other comprehensive income (loss) for the year, net of tax		(569)	-	(433)	-
Total comprehensive income for the year		2,735,962	3,062,373	1,011,266	1,105,212
Profit attributable to:					
Owners of parent		2,479,201	2,731,616	1,011,699	1,105,212
Non-controlling interests		257,330	330,757	-	-
Profit for the year		2,736,531	3,062,373	1,011,699	1,105,212
Total comprehensive income attributable to:					
Owners of parent		2,478,632	2,731,616	1,011,266	1,105,212
Non-controlling interests		257,330	330,757	-	-
Total comprehensive income for the year		2,735,962	3,062,373	1,011,266	1,105,212
Basic earnings per share (in Baht)	19	2.37	2.80	0.97	1.13

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

SPCG Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements

	Retained earnings					Equity		Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Shares premium from business combination	Legal reserve	Unappropriated	attributable to owners of the parent	Non-controlling interests	
<i>(in thousand Baht)</i>								
Year ended 31 December 2020								
Balance at 1 January 2020	973,990	3,955,923	89,000	101,639	8,605,959	13,726,511	1,787,316	15,513,827
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the parent</i>								
Dividends paid	-	-	-	-	(1,236,944)	(1,236,944)	(240,487)	(1,477,431)
Total distributions to owners of the parent	-	-	-	-	(1,236,944)	(1,236,944)	(240,487)	(1,477,431)
<i>Changes in ownership interests in subsidiary</i>								
Acquisition of non-controlling interests with a change in control	-	-	-	-	-	-	56,972	56,972
Total changes in ownership interests in subsidiary	-	-	-	-	-	-	56,972	56,972
Comprehensive income for the year								
Profit	-	-	-	-	2,731,616	2,731,616	330,757	3,062,373
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	2,731,616	2,731,616	330,757	3,062,373
Balance at 31 December 2020	973,990	3,955,923	89,000	101,639	10,100,631	15,221,183	1,934,558	17,155,741

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

SPCG Public Company Limited and its Subsidiaries

Statement of changes in equity

Consolidated financial statements										
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Shares premium from business combination	Deficit from changes in ownership interests in subsidiary	Retained earnings		Equity attributable to		Total equity
						Legal reserve	Unappropriated	owners of the parent	Non-controlling interests	
<i>(in thousand Baht)</i>										
Year ended 31 December 2021										
Balance at 1 January 2021		973,990	3,955,923	89,000	-	101,639	10,100,631	15,221,183	1,934,558	17,155,741
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the parent</i>										
Issue of ordinary shares	14	81,800	1,717,800	-	-	-	-	1,799,600	-	1,799,600
Dividends paid	20	-	-	-	-	-	(948,886)	(948,886)	(221,945)	(1,170,831)
Total contributions by and distributions to owners of the parent		81,800	1,717,800	-	-	-	(948,886)	850,714	(221,945)	628,769
<i>Changes in ownership interests in subsidiary</i>										
Acquisition of non-controlling interests without a change in control	9	-	-	-	(1,758,878)	-	-	(1,758,878)	585,278	(1,173,600)
Total changes in ownership interests in subsidiary		-	-	-	(1,758,878)	-	-	(1,758,878)	585,278	(1,173,600)
Comprehensive income for the year										
Profit		-	-	-	-	-	2,479,201	2,479,201	257,330	2,736,531
Other comprehensive income (loss)		-	-	-	-	-	(569)	(569)	-	(569)
Total comprehensive income for the year		-	-	-	-	-	2,478,632	2,478,632	257,330	2,735,962
Transfer to legal reserve	20	-	-	-	-	13,680	(13,680)	-	-	-
Balance at 31 December 2021		1,055,790	5,673,723	89,000	(1,758,878)	115,319	11,616,697	16,791,651	2,555,221	19,346,872

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

SPCG 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 on ordinary shares	Retained earnings		
				Legal reserve		Unappropriated
<i>(in thousand Baht)</i>						
Year ended 31 December 2021						
Balance at 1 January 2021		973,990	4,782,793	101,639	917,785	6,776,207
Transactions with owners, recorded directly in equity						
<i>Contributions by and distributions to owners</i>						
Issue of ordinary shares	14	81,800	1,717,800	-	-	1,799,600
Dividends paid	20	-	-	-	(948,886)	(948,886)
Total contributions by and distributions to owners		81,800	1,717,800	-	(948,886)	850,714
Comprehensive income for the year						
Profit		-	-	-	1,011,699	1,011,699
Other comprehensive income (loss)		-	-	-	(433)	(433)
Total comprehensive income for the year		-	-	-	1,011,266	1,011,266
Transfer to legal reserve	20	-	-	13,680	(13,680)	-
Balance at 31 December 2021		1,055,790	6,500,593	115,319	966,485	8,638,187

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

SPCG Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	2,736,531	3,062,373	1,011,699	1,105,212
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	143,037	83,006	(18,514)	324
Depreciation and amortisation	665,359	677,247	19,881	16,371
Dividend income	(10,004)	(9,947)	(1,069,780)	(1,110,120)
Interest income	(1,345)	(531)	(76,467)	(155,472)
Impairment loss	2,502	2,713	-	-
(Reversal of) loss on inventories devaluation	54	(5)	-	-
(Gain) loss on fair value measurement	(10,718)	(71,698)	71,186	996
(Gain) loss from disposal of plant and equipment	(1,767)	10,509	(299)	16
Loss from disposal of intangible assets	578	99	56	81
Finance costs	155,152	207,153	153,924	205,442
Unrealised (gain) loss on foreign exchange	(27,365)	19,693	(27,386)	109
Provisions for employee benefit	920	2,012	163	1,113
Share of loss of associate accounted for using equity method, net of tax	-	2,004	-	-
	<u>3,652,934</u>	<u>3,984,628</u>	<u>64,463</u>	<u>64,072</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	175,620	(5,005)	2,618	(3,574)
Inventories	70,009	225,186	-	-
Other current assets	(5,496)	36,173	4,299	52
Prepaid warranty expense for inverters	49,840	51,998	-	-
Other non-current assets	(3,074)	633	-	166
Trade and other current payables	(64,156)	(162,255)	(1,429)	(1,362)
Other current liabilities	(112)	(14,711)	5	599
Non-current provisions for employee benefit	-	(15,567)	-	(8,590)
Net cash generated from operating	<u>3,875,565</u>	<u>4,101,080</u>	<u>69,956</u>	<u>51,363</u>
Taxes paid	<u>(142,464)</u>	<u>(57,970)</u>	<u>(5,204)</u>	<u>(9,187)</u>
Net cash from operating activities	<u>3,733,101</u>	<u>4,043,110</u>	<u>64,752</u>	<u>42,176</u>

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

SPCG Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from sale of other financial assets	9,053,967	9,319,990	4,846,333	5,677,995
Acquisition of other financial assets	(10,308,415)	(9,643,366)	(5,815,115)	(5,843,367)
Increased in restricted fixed deposits	(10,002)	-	-	-
Proceeds from sale of investment property	11,987	-	-	-
Acquisition of property plant and equipment	(2,723,877)	(33,679)	(6,640)	(731)
Proceeds from sale of plant and equipment	18,553	12,694	345	-
Acquisition of intangible assets	(1,236)	(4,375)	(1,236)	(4,375)
Short-term loans to related party	-	-	(1,433,181)	-
Proceeds from repayment of short-term loans to related parties	-	-	1,433,181	22,000
Proceeds from repayment of long-term loans to related parties	-	-	2,516,244	2,620,261
Payment of share subscription in subsidiary	-	-	(2,504,000)	-
Acquisition of non-controlling interests	-	-	(23,250)	-
Dividends received	10,004	9,947	1,069,780	1,110,120
Interest received	1,690	437	77,194	164,852
Net cash from (used in) investing activities	(3,947,329)	(338,352)	159,655	3,746,755
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institutions	1,047,727	24,000	1,000,000	-
Payment of short-term loans from financial institutions	(1,030,053)	(51,632)	(1,000,000)	-
Proceeds from long-term loans from financial institution	1,000,000	-	1,000,000	-
Payment of long-term loans from financial institution	(70,000)	-	(70,000)	-
Proceeds from debenture	1,497,065	-	1,497,065	-
Payment of debentures	(2,200,000)	(1,700,000)	(2,200,000)	(1,700,000)
Payment of lease liabilities	(22,762)	(20,273)	(7,057)	(4,829)
Proceeds from share subscription by non-controlling interests	626,000	-	-	-
Dividends paid	(1,170,831)	(1,477,431)	(948,886)	(1,236,944)
Interest paid	(152,336)	(204,022)	(151,861)	(203,496)
Net cash used in financing activities	(475,190)	(3,429,358)	(880,739)	(3,145,269)
Net increase (decrease) in cash and cash equivalents	(689,418)	275,400	(656,332)	643,662
Cash and cash equivalents at 1 January	735,467	460,067	667,364	23,702
Cash and cash equivalents at 31 December	46,049	735,467	11,032	667,364

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

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

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SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorized for issue by the Board of Directors on 24 February 2022.

1 General information

SPCG Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in March 2005. The Company’s registered office as follows:

Head office : 1 Capital Work Place Building, 10th floor, Soi Jamjan,
Klongton Nua, Wattana, Bangkok

Branch office 1st : 8/88 Moo 12 Rachathewa, Bangplee, Samutprakarn

Branch office 2nd : 8 Moo 15 Bangplee Yai, Bangplee, Samutprakarn

The Company’s major shareholder during the financial year was the Kunchornyakong family (43.92% shareholding).

The principal activity of the Company is holding company. The principal activities of the Group are summarised as follows:

- Production and distribution of electricity from solar energy;
- Trading and installation service of solar roof;
- Manufacture, trading and installation service of roof sheets and
- Distribution and providing service about inverter.

Details of the Company’s subsidiaries as at 31 December 2021 and 2020 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
Direct subsidiaries				
Solar Power Company Limited	Holding company	Thailand	100	100
Steel Roof Company Limited	Manufacturing, trading and installation services for roof sheets	Thailand	100	100
Solar Power Engineering Company Limited	Distribution and providing service about inverter	Thailand	100	100
Solar Power Roof Company Limited	Trading and installation services for solar roofing	Thailand	100	100
Solar Power Asset Company Limited	Holding company	Thailand	100	100
SET Energy Co., Ltd.	Develop and invest in intelligent power network	Thailand	80	40

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
Indirect subsidiaries				
Solar Power (Korat 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	85	85
Solar Power (Korat 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	56	56
Solar Power (Korat 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	60	60
Solar Power (Korat 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Korat 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Khonkaen 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 4) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 5) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 6) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 7) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
Solar Power (Khonkaen 8) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 9) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Khonkaen 10) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Solar Power (Surin 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Bureerum 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Nakornphanom 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Nakornphanom 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Nakornphanom 3) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Sakonnakorn 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	70	70
Solar Power (Sakonnakorn 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Loei 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	56	56
Solar Power (Loei 2) Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75

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Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2021	2020
Solar Power (Nongkai 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
Solar Power (Udonthani 1) Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100
AJ Technology Company Limited	Production and distribution of electricity from solar energy	Thailand	75	75
Tipayanarai Company Limited	Production and distribution of electricity from solar energy	Thailand	100	100

2 Basis of preparation of the financial statements

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. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in note 3 have been applied consistently to all periods presented in these financial statements.

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.

3 Significant accounting policies

(a) Basis of consolidation

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

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.

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree. In addition, when there is a change in the Group’s interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid from the acquisition of the non-controlling interests with no change in control are accounted for as other surpluses or deficits in shareholders’ equity.

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Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

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

Consideration transferred includes assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, any contingent consideration and equity interests issued by the Group.

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.

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the transaction date. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or deficit from business combinations under common control in shareholder's equity. The surplus or deficit will be written off upon divestment of the businesses acquired. The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

(b) *Investments in subsidiaries*

Investments in subsidiaries in the separate financial statements of the Company are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established. If the Company disposes of part of its investment, the deemed cost of the part sold is determined using the weighted average method. Gains and losses on disposal of the investments are recognised in profit or loss

(c) *Foreign currencies*

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognized in profit or loss.

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(d) Financial instruments

(d.1) Classification and measurement

Debt securities that the Group issued are initially recognised when they are originated. Other financial assets and financial liabilities (except trade accounts receivables (see note 3(f))) are initially recognised when the Group becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition or issue of the securities, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition or issue of the securities are recognised in profit or loss.

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

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

(d.2) Derecognition and offset

The Group derecognises a financial asset when the contractual rights to receive 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 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.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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 the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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(d.3) Derivatives

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.4) Impairment of financial assets other than trade accounts receivables

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

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.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of ‘investment grade’. The Group recognises ECLs for low credit risk financial asset as 12-month ECLs.

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 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.

(d.5) Write offs

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.

(d.6) Interest

Interest income and expense is recognised in profit or loss using the effective interest method. 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.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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(f) Trade account receivables

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. 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.

(h) Investment properties

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 assets includes capitalised borrowing costs.

Depreciation is calculated on a straight-line basis over the estimated useful lives of buildings and improvement of 5 and 20 years and recognised in profit or loss. No depreciation charged on freehold land and assets under construction.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

(i) Property, plant and equipment

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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment 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 when 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.

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Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

Buildings, building improvements and infrastructure	5 - 25 years
Solar modules	30 years
Inverters	20 years
Equipment and machinery	3 - 25 years
Office equipment	3 and 5 years
Vehicles	5 years

(j) Goodwill

Goodwill is measured at cost less accumulated impairment losses.

(k) Intangible assets

Energy Industry License

Energy Industry license acquired in a business combination are recognised at fair value at the acquisition date. Energy Industry License have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over their estimated useful lives of 25 years.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Computer software	5 - 10 years
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(l) Leases

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

At commencement or on modification of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each 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.

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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 prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. 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 lease modification. 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.

(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, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount 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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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) *Employee benefits*

Defined contribution plans

Obligations for contributions to the Group's provident funds are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed every 3 years by a qualified actuary using the projected unit credit method.

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Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. 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.

The Group's net obligation in respect of long-term employee benefits is 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. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

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

(o) 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 a finance cost.

(p) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. 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 an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability 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.

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(q) Revenue from contracts with customers

(1) Revenue recognition

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.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

Revenue for rendering of services is recognised over time based on stage of completion. The stage of completion is assessed based on cost-to-cost method. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group recognises revenue from sales of products and rendering of services separately if a product or service is separately identifiable from other items and a customer can benefit from it. The consideration received is allocated based on their relative stand-alone selling prices.

Income from sale of electricity

Income from the sale of electricity is recognised in profit or loss in accordance with delivery units supplied as stipulated in the contract. Income from the sale of electricity for entities within Thailand is entitled to receive ADDER for a period of 10 years from the commencement of commercial sales. Thereafter, subsequent to this initial period income from sale of electricity is recognised at normal rates.

Commission revenue

For the contracts that the Group is arranging for the provision of the goods or services on behalf of its customers and does not control the goods or services before the primary sellers or service providers will provide the goods or services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

(2) Contract balances

Contract assets are recognised when the Group has recognised revenue before it has an unconditional right to receive consideration. The contract assets are measured at the amount of consideration that the Group is entitled to, less allowance for expected credit loss. The contract assets are classified as trade receivables when the Group has an unconditional right to receive consideration.

Contract liabilities are the obligation to transfer goods or services to the customer. The contract liabilities are 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.

(r) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in other comprehensive income.

Current tax is recognised in respect of 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.

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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 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.

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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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. 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.

(s) **Earnings per share**

Earning per share 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 period.

(t) **Segment reporting**

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

4 Related parties

A related party is a person or entity that has direct and indirect 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 and indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

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

Name of entities	Country of incorporation	Nature of relationships
JPEN Co., Ltd.	Thailand	Common shareholders and some directors
Woracha Holding Co., Ltd.	Thailand	Common shareholders
Capital Work Place Co., Ltd.	Thailand	Common shareholders and some directors
Capital residence co.,Ltd	Thailand	Common shareholders and some directors
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

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<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	75,237	155,107
Dividends income	-	-	1,069,780	1,110,120
Management service income	-	-	108,930	118,355
Other income	-	-	2,644	2,644
Business development income	-	-	34,056	-
Associate				
Consulting fee	-	3,000	-	3,000
Other related parties				
Sales of goods	319	1,657	-	-
Purchases of goods	7,770	25,820	-	-
Service expense for operation and maintenance	90,017	109,324	-	-
Building rental expense and utilities expense	12,383	12,985	9,137	5,807
Warehouse rental expense	1,606	699	-	-
Contractual installation service of solar roof	28,021	51,954	-	-
Consulting fee	-	6,696	-	6,696
Interest expense	1,491	1,635	479	311
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	51,322	46,993	42,123	31,690
Post-employment benefits	1,325	1,706	1,325	1,037
Total	52,647	48,699	43,448	32,727

Balances as at 31 December with related parties were as follows:

<i>Trade and other current receivables</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	223	2,089
Other related parties	-	548	-	-
	-	548	223	2,089
<i>Less allowance for expected credit loss</i>	-	-	-	-
Net	-	548	223	2,089

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For the year ended 31 December 2021

	Interest rate		Separate financial statements			
	31	31	31			31
	December	December	December	Increase	Decrease	December
	2020	2021	2020	(in thousand Baht)		2021
	(% per annum)					
Short-term loans						
Subsidiary	-	-	-	1,433,181	(1,433,181)	-
Total short-term loans			<u>-</u>	<u>1,433,181</u>	<u>(1,433,181)</u>	<u>-</u>
Long-term loans						
Subsidiaries	THBFIX3M	THBFIX3M				
	+1.55	+1.55	3,342,638	-	(1,661,558)	1,681,080
	3.50	3.50	854,686	-	(854,686)	-
Total			4,197,324	-	(2,516,244)	1,681,080
Less current portion due within one year			(2,516,244)	-	1,276,042	(1,240,202)
Total long-term loans			<u>1,681,080</u>	<u>-</u>	<u>(1,240,202)</u>	<u>440,878</u>
Total loans to			<u>4,197,324</u>	<u>1,433,181</u>	<u>(3,949,425)</u>	<u>1,681,080</u>

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Expected credit losses for the year ended 31 December				
Trade and other current receivables	-	-	-	-
Loans to	-	-	-	-

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Trade and other current payables				
Subsidiaries	-	-	-	45
Other related parties	50,693	93,386	163	116
Total	<u>50,693</u>	<u>93,386</u>	<u>163</u>	<u>161</u>
Lease liabilities				
Other related parties	67,326	86,568	21,373	15,641
Total	<u>67,326</u>	<u>86,568</u>	<u>21,373</u>	<u>15,641</u>

SPCG Public Company Limited and its Subsidiaries
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For the year ended 31 December 2021

Significant agreements with related parties

As at 31 December 2021, the Group has significant agreements with related parties as follows:

Operation, maintenance and monitoring agreement

Various subsidiaries entered into operation, maintenance and monitoring agreement with a related party for service operation control, maintenance and monitoring each solar farm projects. The agreement is for a period of 2 years and 8 months, commencing from the effective date as specified in the agreement and expiring in December 2022 with the service charge as stipulated in the agreement.

Office rental agreement

The Company and various subsidiaries have entered into office rental agreement with a related party. The agreement term is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in December 2022 with the rental fee and condition are as stipulated in the agreement.

Warehouse rental agreement

Various subsidiaries have entered into warehouse rental agreement with a related party. The agreement term is for a period of 2 years and 6 months, commencing from the effective date as specified in the agreement and expiring in December 2022 with the rental fee and condition are as stipulated in the agreement.

Service agreement

The Company has entered into service agreement with various subsidiaries for general management service. The Company agreed to provide human resources to manage operation process in accordance with subsidiaries' condition. The agreement term is for a period of 1 year, commencing from the effective date as specified in the agreement and expiring in December 2022 with the service fee and condition are as stipulated in the agreement.

Consulting agreement

The Company has entered into consulting agreement with a related party for provide consultancy and advice on the Company's activities in Japan. The agreement term is for a period of 2 years from the effective date as specified in the agreement and expiring in March 2023 with the service fee and condition are as stipulated in the agreement.

Loan agreements

On 1 April 2015, the Company entered into a long-term loan agreement with a subsidiary totaling of Baht 3,120 million which has repayment period every 6 months with the last due date for repayments in 2022. The loans bear interest at the rate of 3.50% per annum, loans are unsecured.

On 29 July 2016, the Company entered into a long-term loan agreement with a subsidiary totaling of Baht 170 million which has repayment period every 6 months with the last due date for repayments in 2022. The loans bear interest at the rate of 3.50% per annum, loans are unsecured.

On 30 June 2017, the Company entered into a long-term loan agreement with a subsidiary totaling of Baht 267 million which has repayment period every 3 months with the last due date for repayments in 2022. The loans bear interest at the rate of THBFX3M + 1.55% per annum, loans are unsecured.

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On 30 June 2017, the Company entered into a long-term loan agreement with a subsidiary totaling of Baht 8,450 million which has repayment period every 3 months with the last due date for repayments in 2024. The loans bear interest at the rate of THBFIX3M + 1.55% per annum, loans are unsecured.

On 31 August 2017, the Company entered into a long-term loan agreement with a subsidiary totaling of Baht 679 million which has repayment period every 3 months with the last due date for repayments in 2025. The loans bear interest at the rate of THBFIX3M + 1.55% per annum, loans are unsecured.

Service agreement

The Company has entered into a service agreement with a subsidiary for business development of solar farm project for the new city area of Eastern Economic Corridor (“EEC”) special development zone and other services. The agreement is for a period of 1 year, commencing from the effective date as specified in the agreement and expiring in December 2022 with the service fee and condition are as stipulated in the agreement.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Cash on hand	179	181	20	20
Cash at financial institutions	45,870	735,286	11,012	667,344
Total	46,049	735,467	11,032	667,364

6 Trade and other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Related parties	4	-	548	223	2,089
Other parties					
Trade accounts receivable		451,921	561,781	-	-
Accrued income		406,434	438,763	545	46
Retention receivable		2,848	3,067	-	-
Others		19,197	51,649	6,464	7,897
		880,400	1,055,260	7,009	7,943
Total		880,400	1,055,808	7,232	10,032
Less allowance for expected credit loss		(29,550)	(27,048)	-	-
Net		850,850	1,028,760	7,232	10,032

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

<i>As at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Trade account receivables				
Within credit terms	410,958	452,060	-	-
Overdue:				
Less than 90 days	8,128	74,997	-	-
91-180 days	77	3,899	-	-
181-365 days	800	5,284	-	-
More than 365 days	31,958	26,089	-	-
Total	451,921	562,329	-	-
<i>Less</i> allowance for expected credit loss	<i>(25,234)</i>	<i>(22,731)</i>	<i>-</i>	<i>-</i>
Net	426,687	539,598	-	-

The normal credit term granted by the group ranges from 30 days to 120 days.

<i>Allowance for expected credit loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January 2021	27,048	24,335	-	-
Increase	2,696	2,713	-	-
Reversal	(194)	-	-	-
At 31 December 2021	29,550	27,048	-	-

Information of credit risk is disclosed in note 21.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Finished goods	8,795	14,915	-	-
Raw materials	461,271	526,002	-	-
Total	470,066	540,917	-	-
<i>Less</i> allowance for decline in value of inventories	<i>(2,729)</i>	<i>(3,517)</i>	<i>-</i>	<i>-</i>
Net	467,337	537,400	-	-
Inventories recognised in 'cost of sales of goods':				
- Cost of sales	305,141	391,969	-	-
- Reversal of write-down	54	(5)	-	-
Net	305,195	391,964	-	-

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

8 Marketable financial assets

<i>Marketable equity securities</i>	Consolidated financial statements				At 31 December
	At 1 January	Increase	Decrease <i>(in thousand Baht)</i>	Fair value adjustment	
2021					
Current financial assets					
Equity securities measured at - FVTPL	<u>1,777,855</u>	<u>8,713,300</u>	<u>(9,009,693)</u>	<u>4,930</u>	<u>1,486,392</u>
Non-current financial assets					
Equity securities measured at - FVTPL	<u>35,493</u>	<u>-</u>	<u>(44,274)</u>	<u>8,781</u>	<u>-</u>
2020					
Current financial assets					
Equity securities measured at - FVTPL	<u>2,644,396</u>	<u>8,462,417</u>	<u>(9,319,990)</u>	<u>(8,968)</u>	<u>1,777,855</u>
Non-current financial assets					
Equity securities measured at - FVTPL	<u>29,794</u>	<u>-</u>	<u>-</u>	<u>5,699</u>	<u>35,493</u>
<i>Marketable equity securities</i>	Separate financial statements				At 31 December
	At 1 January	Increase	Decrease <i>(in thousand Baht)</i>	Fair value adjustment	
2021					
Current financial assets					
Equity securities measured at - FVTPL	<u>1,487,640</u>	<u>4,220,000</u>	<u>(4,802,059)</u>	<u>2,127</u>	<u>907,708</u>
Non-current financial assets					
Equity securities measured at - FVTPL	<u>35,493</u>	<u>-</u>	<u>(44,274)</u>	<u>8,781</u>	<u>-</u>
2020					
Current financial assets					
Equity securities measured at - FVTPL	<u>2,600,694</u>	<u>4,578,050</u>	<u>(5,677,995)</u>	<u>(13,109)</u>	<u>1,487,640</u>
Non-current financial assets					
Equity securities measured at - FVTPL	<u>29,794</u>	<u>-</u>	<u>-</u>	<u>5,699</u>	<u>35,493</u>

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2021

9 Investment in subsidiaries

	Ownership interest		Separate financial statements				At cost - net	
	2021	2020	Cost	Cost	Impairment	Impairment	2021	2020
	(%)		2021	2020	2021	2020	(in thousand Baht)	
<i>Direct Subsidiaries</i>								
Solar Power Company Limited	100	100	2,301,000	2,301,000	-	-	2,301,000	2,301,000
Steel Roof Company Limited	100	100	57,373	57,373	-	-	57,373	57,373
Solar Power Engineering Company Limited	100	100	10,000	10,000	-	-	10,000	10,000
Solar Power Roof Company Limited	100	100	408,640	408,640	-	-	408,640	408,640
Solar Power Asset Company Limited	100	100	312,300	312,300	-	-	312,300	312,300
SET Energy Co., Ltd.	80	40	4,366,850	40,000	-	-	4,366,850	40,000
			<u>7,456,163</u>	<u>3,129,313</u>	<u>-</u>	<u>-</u>	<u>7,456,163</u>	<u>3,129,313</u>

All subsidiaries were incorporated and operate in Thailand.

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
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*Material movements for the year
ended 31 December 2021*

Subsidiaries

Purchase investment in SET Energy Co.,Ltd
Increase capital in SET Energy Co.,Ltd.

Total

**Separate
financial statements**
2021 2020
(in thousand Baht)

1,822,250	40,000
2,504,000	-
4,326,850	40,000

On 22 February 2021, the Group accept the transfer of the entire business of Mitsu Power Group Co., Ltd. which holds 400,000 shares or 40% of the total issued and paid-in capital in SET Energy Co., Ltd., a subsidiary, increasing its ownership interest from 40% to 80%. The Company paid a consideration of Baht 1,799.60 million by the share allotment of private placement in the amount of 81,800,000 shares with a par value of Baht 1.00 per share, offered with value of Baht 22.00 per share for the payment of entire business transfer. The Group incurred acquisition-related costs of Baht 23.25 million which have been included in administrative expenses in consolidated financial statements.

The Group recognised a decrease in non-controlling interests of Baht 40.72 million and recognised directly in equity the difference between the amount by which the non-controlling interests are decreased and the consideration paid under deficit from changes in ownership interests in subsidiary of Baht 1,758.88 million, arising from changes in ownership interest in a subsidiary.

At the Board of Directors Meeting of the Company held on 30 March 2021, the board approved the increase of registered share capital of SET Energy Co., Ltd., a subsidiary, from Baht 100 million (divided into 1,000,000 shares at Baht 100 par value) to Baht 3,230 million (divided into 32,300,000 shares at Baht 100 par value) by issuance of new shares of Baht 3,130 million (divided into 31,300,000 shares at Baht 100 par value). The subsidiary registered an increase of registered share capital with the Ministry of Commerce on 20 April 2021. The Company has paid for this capital increase in proportion of its investment in a subsidiary, totaling Baht 2,504 million in April 2021.

10 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:

	31 December 2021			Total
	Solar Power Group Company	Set Energy Company Limited	Other individually immaterial subsidiaries	
	<i>(in thousand Baht)</i>			
Current assets	780,872	498,517		
Non-current assets	14,802,873	2,681,476		
Current liabilities	1,318,547	13,399		
Non-current liabilities	441,178	-		
Net assets	13,824,020	3,166,594		
Carrying amount of non-controlling interest	1,887,971	633,319	33,931	2,555,221

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2021

	31 December 2021			Total
	Solar Power Group Company	Set Energy Company Limited	Other individually immaterial subsidiaries	
	<i>(in thousand Baht)</i>			
Revenue	3,891,080	-		
Profit (loss) for the year	2,701,479	(58,890)		
Other comprehensive income	-	-		
Total comprehensive income	<u>2,701,479</u>	<u>(58,890)</u>		
Profit allocated to non-controlling interest	<u>263,276</u>	<u>(17,314)</u>	11,368	257,330
Other comprehensive income allocated to non-controlling interest	<u>-</u>	<u>-</u>	-	-
Net cash from operating activities	3,618,577	(89,455)		
Net cash from investing activities	(5,199)	(3,047,879)		
Net cash from financing activities	(3,627,466)	3,130,591		

Percentage of non-controlling interest in Solar Power Group Company and SET Energy Company Limited are disclosed in note 1.

	31 December 2020			Total
	Solar power group company	Other individually immaterial subsidiaries		
	<i>(in thousand Baht)</i>			
Current assets	910,031			
Non-current assets	15,449,615			
Current liabilities	2,575,907			
Non-current liabilities	<u>1,639,539</u>			
Net assets	<u>12,144,200</u>			
Carrying amount of non-controlling interest	<u>1,839,355</u>	95,203		1,934,558
Revenue	4,135,913			
Profit	2,932,568			
Other comprehensive income	-			
Total comprehensive income	<u>2,932,568</u>			
Profit allocated to non-controlling interest	<u>319,512</u>	11,245		330,757
Other comprehensive income allocated to non-controlling interest	<u>-</u>	-		-
Net cash from operating activities	3,853,742			
Net cash from investing activities	(19,121)			
Net cash from financing activities	(4,118,947)			

Percentage of non-controlling interest in Solar Power Group Company is disclosed in note 1.

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2021

11 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment	Vehicles	Asset under construction	Total
				<i>(in thousand Baht)</i>			
<i>Cost</i>							
At 1 January 2020	1,993,053	1,270,128	16,916,439	36,512	21,929	-	20,238,061
Additions	-	28,599	23,780	1,649	-	4,757	58,785
Disposals	-	(27,176)	(26,370)	(4,060)	(693)	-	(58,299)
At 31 December 2020 and 1 January 2021	1,993,053	1,271,551	16,913,849	34,101	21,236	4,757	20,238,547
Additions	2,105,856	5,440	25,842	2,500	-	584,856	2,724,494
Transfer	321	(522,069)	519,144	-	-	(321)	(2,925)
Disposals	-	(16,657)	(7,083)	(13,907)	(4,627)	(3,693)	(45,967)
At 31 December 2021	4,099,230	738,265	17,451,752	22,694	16,609	585,599	22,914,149
<i>Depreciation</i>							
At 1 January 2021	-	390,924	3,905,612	25,550	13,625	-	4,335,711
Depreciation charge for the year	-	81,624	574,747	4,766	2,906	-	664,043
Disposals	-	(11,254)	(9,582)	(3,558)	(323)	-	(24,717)
At 31 December 2020 and 1 January 2021	-	461,294	4,470,777	26,758	16,208	-	4,975,037
Depreciation charge for the year	-	50,306	595,685	3,856	2,017	-	651,864
Transfer	-	(172,841)	171,119	-	-	-	(1,722)
Disposals	-	(12,316)	(470)	(12,117)	(4,131)	-	(29,034)
At 31 December 2021	-	326,443	5,237,111	18,497	14,094	-	5,596,145

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2021

	Consolidated financial statements							
	Land	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment	Vehicles	Asset under construction	Total	
			<i>(in thousand Baht)</i>					
Net book value								
At 31 December 2020								
Owned assets	1,993,053	724,318	12,443,072	7,168	689	4,757	15,173,057	
Right-of-use assets	-	85,939	-	175	4,339	-	90,453	
	1,993,053	810,257	12,443,072	7,343	5,028	4,757	15,263,510	
At 31 December 2021								
Owned assets	4,099,230	345,643	12,214,641	3,722	632	585,599	17,249,467	
Right-of-use assets	-	66,179	-	475	1,883	-	68,537	
	4,099,230	411,822	12,214,641	4,197	2,515	585,599	17,318,004	

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2021

	Separate financial statements				Total
	Buildings and building improvements	Office equipment	Vehicles	Asset under construction	
	<i>(in thousand Baht)</i>				
Cost					
At 1 January 2020	50,534	12,090	14,227	-	76,851
Additions	-	731	-	-	731
Disposals	(14)	(564)	-	-	(578)
At 31 December 2020 and 1 January 2021	50,520	12,257	14,227	-	77,004
Additions	16,972	2,359	-	831	20,162
Disposals	-	(1,349)	(300)	-	(1,649)
At 31 December 2021	67,492	13,267	13,927	831	95,517
Depreciation					
At 1 January 2020	16,643	7,734	8,733	-	33,110
Depreciation charge for the year	9,512	1,898	1,732	-	13,142
Disposals	-	(548)	-	-	(548)
At 31 December 2020 and 1 January 2021	26,155	9,084	10,465	-	45,704
Depreciation charge for the year	14,580	2,435	1,481	-	18,496
Disposals	-	(1,156)	(300)	-	(1,456)
At 31 December 2021	40,735	10,363	11,646	-	62,744
Net book value					
At 31 December 2020					
Owned assets	8,849	3,021	101	-	11,971
Right-of-use assets	15,516	152	3,661	-	19,329
	24,365	3,173	3,762	-	31,300
At 31 December 2021					
Owned assets	5,762	2,429	634	831	9,656
Right-of-use assets	20,995	475	1,647	-	23,117
	26,757	2,904	2,281	831	32,773

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2021

12 Intangible assets

	Consolidated financial statements				
	License for Energy Industry	Goodwill	Computer software <i>(in thousand Baht)</i>	Others	Total
Cost					
At 1 January 2020	57,895	11,286	77,314	-	146,495
Additions	-	-	4,434	-	4,434
Disposals	-	-	(808)	-	(808)
At 31 December 2020 and 1 January 2021	57,895	11,286	80,940	-	150,121
Additions	-	-	1,236	-	1,236
Transfer	-	-	-	2,925	2,925
Disposals	-	-	(1,355)	-	(1,355)
At 31 December 2021	57,895	11,286	80,821	2,925	152,927
Amortisation					
At 1 January 2020	13,965	-	31,169	-	45,134
Amortisation for the year	2,754	-	8,426	-	11,180
Disposals	-	-	(681)	-	(681)
At 31 December 2020 and 1 January 2021	16,719	-	38,914	-	55,633
Amortisation for the year	2,746	-	8,163	510	11,419
Transfer	-	-	-	1,722	1,722
Disposals	-	-	(777)	-	(777)
At 31 December 2021	19,465	-	46,300	2,232	67,997
Net book value					
At 31 December 2020	41,176	11,286	42,026	-	94,488
At 31 December 2021	38,430	11,286	34,521	693	84,930

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	Separate financial statements
	Computer software (in thousand Baht)
<i>Cost</i>	
At 1 January 2020	19,138
Additions	4,375
Disposals	(137)
At 31 December 2020 and 1 January 2021	23,376
Additions	1,236
Disposals	(172)
At 31 December 2021	24,440
<i>Amortisation</i>	
At 1 January 2020	809
Amortisation for the year	2,103
Disposals	(56)
At 31 December 2020 and 1 January 2021	2,856
Amortisation for the year	2,412
Disposals	(116)
At 31 December 2021	5,152
<i>Net book value</i>	
At 31 December 2020	20,520
At 31 December 2021	19,288

13 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
<i>Current</i>				
Short-term loans from financial institutions				
- Secured	20,674	3,000	-	-
Current portion of long-term loans from financial institutions				
- Unsecured	407,628	-	407,628	-
Current portion of debentures				
- Unsecured	1,248,578	2,197,353	1,248,578	2,197,353
Current portion of lease liabilities	20,679	21,100	6,039	4,417
Total current	1,697,559	2,221,453	1,662,245	2,201,770
<i>Non-current</i>				
Long-term loans from financial institutions				
- Unsecured	494,977	-	494,977	-
Debentures				
- Unsecured	2,146,812	1,898,084	2,146,812	1,898,084
Lease liabilities	49,045	69,346	17,492	14,394
Total non-current	2,690,834	1,967,430	2,659,281	1,912,478
Total	4,388,393	4,188,883	4,321,526	4,114,248

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2021

Short-term loans from financial institutions

At 31 December 2021, a subsidiary has Trust Receipt under import letter of credit from a commercial bank, amounting to Baht 20.67 million at an interest rate of 4.75% per annum. The loan is secured by restricted fixed deposit amounting to Baht 10 million.

Long-term loans from financial institution

On 30 September 2021, the Company entered into foreign currency loan agreements with a commercial bank amounting to Yen 3,297 million or equivalent to Baht 1,000 million for the purpose of investment in the new city area of the Eastern Economic Corridor special development zone in the amount not exceeding Baht 500 million. The remaining of Baht 500 million will be used to support other projects. The Company has fully drawdown such loans on 4 October 2021.

The loan agreements stipulated certain covenants such that the Company has to comply with certain financial terms other conditions as specified in the agreements.

Details of long-term loans from financial institutions as at 31 December 2021 were as follows:

Currency	Amount (in million Baht)	Interest rate (%) p.a.	Repayment period
JPY	1,648,532,806	0.861%	Principal is repayments on monthly basis, in 24 installments, commencing from October 2021
JPY	1,648,532,806	0.882%	Principal is repayments on monthly basis, in 36 installments, commencing from October 2021

Debentures

Details of debentures as at 31 December 2021 and 2020 were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Debentures	3,400,000	4,100,000	3,400,000	4,100,000
Less Unamortised deferred expenses on debentures	<u>(4,610)</u>	<u>(4,563)</u>	<u>(4,610)</u>	<u>(4,563)</u>
	3,395,390	4,095,437	3,395,390	4,095,437
Less Current portion due within one year	<u>(1,248,578)</u>	<u>(2,197,353)</u>	<u>(1,248,578)</u>	<u>(2,197,353)</u>
Total	<u>2,146,812</u>	<u>1,898,084</u>	<u>2,146,812</u>	<u>1,898,084</u>

On 10 January 2018, the Company issued the name-registered, unsubordinated and unsecured debentures, the repayment date is the same with maturity date with no debentureholders' representative to investors in an amount of Baht 500 million. The debentures have maturity period 3 years which interest is payable on semi-annual basis with the maturity date in January 2021.

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On 16 December 2015, the Company issued the name-registered, unsubordinated and unsecured debentures, the repayment date is the same with maturity date with no debentureholders' representative to institutional investors and high net worth investors in an amount of Baht 12,500 million with 8 series which interest is payable on semi-annual basis. The maturity dates from December 2021 to 2023.

On 1 October 2021, the Company issued Green Bond debentures No.1/2021 of 1,500,000 units, par value of Baht 1,000 per unit, offering price of Baht 1,000 per unit, totalling offering value Baht 1,500 million. The debentures specified name of holders, senior, unsecured and with debenture holders' representatives and the maturity of 3 years. The interest rate is fixed at 1.73 % per annum and payable every 6 months throughout the term of the debentures. The purpose is to use as an investment in the solar power plant development project and/or to replace the Company's treasury reserves for invest in a solar power plant project in Japan that the Company has already invested. In addition, such investment is an eligible green projects in accordance with the eligibility criteria under The Green Financing Framework.

The condition regarding the rights and obligations of the debenture issuer stipulated certain covenants, the Company has to comply with certain financial terms, such as the maintenance of the debt to equity ratio as specified in the agreement.

Details debentures as at 31 December 2021 were as follow:

Amount (in million Baht)	Interest rates (%) p.a.	Term (years)	Maturity dates
1,500	1.73	3 years	1 October 2024
1,250	3.80	7 years	16 December 2022
650	3.94	8 years	16 December 2023

Movements during the year ended 31 December 2021 and 2020 of debentures which included current portion were as follows:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
At 1 January	4,095,437	5,791,408	4,095,437	5,791,408
Issued of debentures	1,500,000	-	1,500,000	-
Repayment of debentures	(2,200,000)	(1,700,000)	(2,200,000)	(1,700,000)
Transaction cost	(2,935)	-	(2,935)	-
Adjusted debentures per effective interest rate method	2,888	4,029	2,888	4,029
At 31 December	3,395,390	4,095,437	3,395,390	4,095,437

Short-term loan from financial institution as at 31 December were secured on the following asset:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Land	80,316	45,000	-	-

As at 31 December 2021, the Group had unutilised credit facilities totalling Baht 1,483 million and US dollar 34 million (2020: Baht 1,407 million and US dollar 35 million).

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14 Share capital

	Par value per share (in Baht)	2021		2020	
		Number	Baht	Number	Baht
<i>Authorised shares</i>					
At 1 January					
- ordinary shares	1	1,016,389	1,016,389	1,016,389	1,016,389
Reduction of shares	1	(42,399)	(42,399)	-	-
Increase of new shares	1	179,199	179,199	-	-
At 31 December					
- ordinary shares	1	1,153,189	1,153,189	1,016,389	1,016,389
<i>Issued and paid-up shares</i>					
At 1 January					
- ordinary shares	1	973,990	973,990	973,990	973,990
Increase of new shares	1	81,800	81,800	-	-
At 31 December					
- ordinary shares	1	1,055,790	1,055,790	973,990	973,990

On 15 January 2021, the Extraordinary General Meeting of shareholders approved the capital reduction and the capital increase for the share allotment of private placement, the significant detail as follow:

- The capital reduction of the Company by eliminating 42,399,000 unissued ordinary shares with par value of Baht 1.00 per share and the amendment to the Company's Memorandum of Association.
- The capital increase of the Company by issuing increased ordinary shares, amount of 179,199,000 shares with par value of Baht 1.00 per share and the amendment to the Company's Memorandum of Association.
- The share allotment of private placement in the amount not exceeding 81,800,000 shares with par value of Baht 1.00 per share, offered to Mitsu Power Group Co., Ltd. with value of Baht 22.00 per share for the payment of entire business transfer.

The Company registered an increase and reduction of registered share capital with the Minister of Commerce on 31 March 2021.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

On 22 February 2021, the Company had share allotment of private placement in ordinary shares in the amount of 81,800,000 shares with the offering price of Baht 22.00 per share and recognised the different between offering price and par value as share premium on ordinary shares totaling Baht of 1,717.80 million.

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15 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 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.

16 Segment information and disaggregation of revenue

Management determined that the Group has three 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.

- Segment 1 Manufacture, trading, and installation service of roof sheets and solar roof
- Segment 2 Production and distribution of electricity from solar energy
- Segment 3 Others

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. Inter-segment pricing is determined on an arm’s length basis.

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<i>For the year ended at 31 December</i>	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>							
Information about reportable segments								
External revenue	428,672	615,530	4,015,413	4,254,960	48,830	49,664	4,492,915	4,920,154
Total Revenue	428,672	615,530	4,015,413	4,254,960	48,830	49,664	4,492,915	4,920,154
Type of goods or services								
Revenue from sale electricity distribution	-	-	1,202,276	1,231,503	-	-	1,202,276	1,231,503
Revenue from subsidy of adders	-	-	2,813,137	3,022,698	-	-	2,813,137	3,022,698
Revenue from sales and installation service of roof sheets and solar roof	365,529	509,190	-	-	-	-	365,529	509,190
Revenue from sales of goods and other services	63,143	106,340	-	759	48,830	49,664	111,973	156,763
Total	428,672	615,530	4,015,413	4,254,960	48,830	49,664	4,492,915	4,920,154

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	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>									
Operating profit (loss)	<u>12,170</u>	<u>(4,894)</u>	<u>3,118,046</u>	<u>3,412,261</u>	<u>1,073,042</u>	<u>1,162,145</u>	<u>(1,169,883)</u>	<u>(1,215,507)</u>	<u>3,033,375</u>	<u>3,354,005</u>
Interest income	12	20	103	143	76,467	155,474	(75,237)	(155,106)	1,345	531
Finance costs	<u>(1,192)</u>	<u>(1,322)</u>	<u>(75,238)</u>	<u>(155,317)</u>	<u>(153,959)</u>	<u>(205,620)</u>	<u>75,237</u>	<u>155,106</u>	<u>(155,152)</u>	<u>(207,153)</u>
Finance costs, net	<u>(1,180)</u>	<u>(1,302)</u>	<u>(75,135)</u>	<u>(155,174)</u>	<u>(77,492)</u>	<u>(50,146)</u>	<u>-</u>	<u>-</u>	<u>(153,807)</u>	<u>(206,622)</u>
Share of loss of associate accounted for using equity method	-	-	-	-	-	(2,004)	-	-	-	(2,004)
Profit (loss) before income tax expense	10,990	(6,196)	3,042,911	3,257,087	995,550	1,109,995	(1,169,883)	(1,215,507)	2,879,568	3,145,379
Tax (expense) income	<u>(778)</u>	<u>-</u>	<u>(145,794)</u>	<u>(71,840)</u>	<u>17,912</u>	<u>(665)</u>	<u>(14,377)</u>	<u>(10,501)</u>	<u>(143,037)</u>	<u>(83,006)</u>
Profit (loss) for the year	<u>10,212</u>	<u>(6,196)</u>	<u>2,897,117</u>	<u>3,185,247</u>	<u>1,013,462</u>	<u>1,109,330</u>	<u>(1,184,260)</u>	<u>(1,226,008)</u>	<u>2,736,531</u>	<u>3,062,373</u>

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<i>As at 31 December</i>	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Eliminations		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	<i>(in thousand Baht)</i>									
Segment assets										
Property, plant and equipment	75,034	94,700	17,205,793	15,127,027	35,060	39,747	2,117	2,036	17,318,004	15,263,510
Other financial assets	104,484	187,034	601,552	169,034	3,768,139	2,847,844	-	-	4,474,175	3,203,912
Unallocated assets									2,256,051	3,250,773
Total assets									<u>24,048,230</u>	<u>21,718,195</u>
Segment liabilities										
Loans	20,674	3,000	1,681,080	4,197,324	902,605	-	(1,681,080)	(4,197,324)	923,279	3,000
Debentures	-	-	-	-	3,395,390	4,095,437	-	-	3,395,390	4,095,437
Unallocated liabilities									382,689	464,017
Total liabilities									<u>4,701,358</u>	<u>4,562,454</u>

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Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for production and distribution of electricity from solar energy. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

<i>Year ended</i> <i>31 December</i>	Consolidated financial statements					
	2021			2020		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in thousand Baht)</i>					
Domestic sales	4,015,413	430,908	4,446,321	4,254,201	765,055	5,019,256
Oversea sales	-	46,594	46,594	-	48,038	48,038
Eliminate	-	-	-	-	(147,140)	(147,140)
Total	4,015,413	477,502	4,492,915	4,254,201	665,953	4,920,154

17 Expense 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:

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Depreciation and amortisation	665,359	677,247	19,881	16,371
Raw materials and consumables used	234,344	166,778	-	-
Management and utilities fee	169,383	199,413	10,907	7,285
Employee benefit expenses	98,245	106,333	64,728	57,928
Changes in inventories	70,851	225,186	-	-
Warranty expense for inverters	51,990	53,065	-	-
Contractual installation service of solar roof	38,541	77,151	-	-
Consulting fee	29,912	12,241	4,469	10,416
Others	141,240	116,353	40,604	32,847
Total cost of sale of goods, selling and distribution expenses and administrative expenses	1,499,865	1,633,767	140,589	124,847

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18 Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	142,976	74,568	-	3,351
Under (over) provided in prior years	4	(37)	-	(37)
	<u>142,980</u>	<u>74,531</u>	<u>-</u>	<u>3,314</u>
Deferred tax expense				
Movements in temporary differences	57	8,475	(18,514)	(2,990)
	<u>57</u>	<u>8,475</u>	<u>(18,514)</u>	<u>(2,990)</u>
Total income tax expense	<u>143,037</u>	<u>83,006</u>	<u>(18,514)</u>	<u>324</u>

Reconciliation of effective tax rate

	Consolidated financial statements			
	2021		2020	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>2,879,568</u>		<u>3,145,379</u>
Income tax using the Thai corporation tax rate	20	575,914	20	629,076
Income not subject to tax		(464,633)		(553,502)
Expenses not deductible for tax purposes		20,546		6,197
Recognition of previously unrecognised tax losses		(6,284)		-
Tax losses for which no deferred income tax asset was recognised		17,490		1,272
Under (over) provided in prior years		4		(37)
Total	<u>5.0</u>	<u>143,037</u>	<u>2.6</u>	<u>83,006</u>

Reconciliation of effective tax rate

	Separate financial statements			
	2021		2020	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>993,185</u>		<u>1,105,536</u>
Income tax using the Thai corporation tax rate	20	198,637	20	221,107
Income not subject to tax		(238,435)		(222,845)
Expenses not deductible for tax purposes		19,156		2,099
Current year losses for which no deferred tax asset was recognised		2,128		-
Over provided in prior years		-		(37)
Total	<u>(1.86)</u>	<u>(18,514)</u>	<u>0.03</u>	<u>324</u>

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<i>Deferred tax</i>	Consolidated financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Total	174,399	184,246	(4,828)	(14,760)
Set off of tax	(4,582)	(145)	4,582	145
Net deferred tax assets (liabilities)	169,817	184,101	(246)	(14,615)

<i>Deferred tax</i>	Separate financial statements			
	Assets		Liabilities	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Total	8,718	145	(4,582)	(14,631)
Set off of tax	(4,582)	(145)	4,582	145
Net deferred tax assets (liabilities)	4,136	-	-	(14,486)

<i>Deferred tax</i>	Consolidated financial statements			
	(Charged) / Credited to:			
	At 1 January	Profit or loss	Other comprehensive income	At 31 December
	<i>(in thousand Baht)</i>			
2021				
<i>Deferred tax assets</i>				
Property, plant and equipment	156,199	(4,302)	-	151,897
Provisions for employee benefits	402	184	142	728
Trade accounts receivables	4,842	500	-	5,342
Derivatives	22,672	(7,023)	-	15,649
Inventories	-	546	-	546
Right-of-use assets	131	106	-	237
Total	184,246	(9,989)	142	174,399
<i>Deferred tax liabilities</i>				
Other financial assets	2,075	(1,791)	-	284
Debentures	912	10	-	922
Derivatives	11,773	(8,151)	-	3,622
Total	14,760	(9,932)	-	4,828
Net	169,486	(57)	142	169,571

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<i>Deferred tax</i>	Consolidated financial statements (Charged) / Credited to:			At 31 December
	At 1 January	Profit or loss (in thousand Baht)	Equity	
2020				
<i>Deferred tax assets</i>				
Property, plant and equipment	156,085	114	-	156,199
Provisions for employee benefits	3,113	(2,711)	-	402
Allowance for doubtful accounts	4,841	1	-	4,842
Derivatives	-	(10,423)	33,095	22,672
Right-of-use assets	-	131	-	131
Total	164,039	(12,888)	33,095	184,246
2020				
<i>Deferred tax liabilities</i>				
Other financial assets	6,943	(4,868)	-	2,075
Debentures	1,719	(807)	-	912
Derivatives	-	1,262	10,511	11,773
Total	8,662	(4,413)	10,511	14,760
Net	155,377	(8,475)	22,584	169,486
Separate financial statements (Charged) / Credited to:				
<i>Deferred tax</i>	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
2021				
<i>Deferred tax assets</i>				
Right-of-use assets	30	53	-	83
Provisions for employee benefits	115	33	108	256
Derivatives	-	8,379	-	8,379
Total	145	8,465	108	8,718
<i>Deferred tax liabilities</i>				
Other financial assets	1,945	(1,907)	-	38
Debentures	913	9	-	922
Derivatives	11,773	(8,151)	-	3,622
Total	14,631	(10,049)	-	4,582
Net	(14,486)	18,514	108	4,136

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	Separate financial statements (Charged) / Credited to:			At 31 December
	At 1 January	Profit or loss (in thousand Baht)	Equity	
Deferred tax				
2020				
Deferred tax assets				
Right-of-use assets	-	30	-	30
Provisions for employee benefits	1,611	(1,496)	-	115
Total	1,611	(1,466)	-	145
2020				
Deferred tax liabilities				
Other financial assets	6,857	(4,912)	-	1,945
Debentures	1,719	(806)	-	913
Derivatives	-	1,262	10,511	11,773
Total	8,576	(4,456)	10,511	14,631
Net	(6,965)	2,990	(10,511)	(14,486)
Unrecognised deferred tax assets				
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(in thousand Baht)			
Tax losses	180,856	122,500	10,636	-

The tax losses expire during 2021 to 2026. 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 temporary differences can be utilised.

19 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(thousand Baht / thousand shares)			
Profit for the year attributable to ordinary shareholders of the Company	2,479,201	2,731,616	1,011,699	1,105,212
Ordinary shares outstanding				
Number of ordinary shares at 1 January	973,990	973,990	973,990	973,990
Effect of shares issued	70,146	-	70,146	-
Number of ordinary shares by weighted average method (basic) at 31 December	1,044,136	973,990	1,044,136	973,990
Basic earnings per share (in Baht)	2.37	2.80	0.97	1.13

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20 Dividends

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in thousand Baht)
2021				
Interim dividend	11 August 2021	September 2021	0.25	262,638
2020				
Annual dividend	19 April 2021	May 2021	1.20	1,221,932
Interim dividend	7 August 2020	September 2020	(0.55)	(535,684)
Total				948,886

At the Annual General Meeting of shareholders of the Company held on 19 April 2021, the shareholders approved the appropriation of additional legal reserve of Baht 13.68 million, which will make the legal reserve according to the law with total amount is Baht 115.32 million or equivalent to 10% of the Company's registered capital that must be reserved according to the laws and the Company's Articles of Association.

21 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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<i>At 31 December</i>	Consolidated financial statement						
	Financial instruments measured at FVTPL	Carrying amount Financial instruments measured at amortised cost - net	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
2021							
Financial assets							
Other financial assets							
Investment in equity instruments	2,974,175	-	2,974,175	-	1,486,392	1,487,783	2,974,175
Total financial assets	2,974,175	-	2,974,175				
Financial liabilities							
Debentures	-	3,395,390	3,395,390	-	3,452,613	-	3,452,613
Other financial liabilities:							
Interest rate and cross currency swaps	60,121	-	60,121	-	60,121	-	60,121
Forward exchange contract	13	-	13	-	13	-	13
Total financial liabilities	60,134	3,395,390	3,455,524				
2020							
Financial assets							
Other financial assets							
Investment in equity instruments	3,203,912	-	3,203,912	-	1,813,348	1,390,564	3,203,912
Total financial assets	3,203,912	-	3,203,912				
Financial liabilities							
Debentures	-	4,095,437	4,095,437	-	4,217,273	-	4,217,273
Other financial liabilities:							
Interest rate swaps	54,497	-	54,497	-	54,497	-	54,497
Total financial liabilities	54,497	4,095,437	4,149,934				

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<i>At 31 December</i>	Carrying amount		Separate financial statements			Fair value	
	Financial instruments measured at FVTPL	Financial instruments measured at amortised cost - net	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
2021							
Financial assets							
Other financial assets							
Investment in equity instruments	2,268,140	-	2,268,140	-	907,708	1,360,432	2,268,140
Interest rate swaps	18,111	-	18,111	-	18,111	-	18,111
Total financial assets	2,286,251	-	2,286,251				
Financial liabilities							
Debentures	-	3,395,390	3,395,390	-	3,452,613	-	3,452,613
Other financial liabilities							
Interest rate and cross currency swaps	41,895	-	41,895	-	41,895	-	41,895
Total financial liabilities	41,895	3,395,390	3,437,285				
2020							
Financial assets							
Other financial assets							
Investment in equity instruments	2,788,450	-	2,788,450	-	1,523,133	1,265,317	2,788,450
Interest rate swaps	58,864	-	58,864	-	58,864	-	58,864
Total financial assets	2,847,314	-	2,847,314				
Financial liabilities							
Debentures	-	4,095,437	4,095,437	-	4,217,273	-	4,217,273
Total financial liabilities	-	4,095,437	4,095,437				

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The following tables present valuation technique of financial instruments measured at fair value in the statements of financial position:

Type	Valuation technique
Investments in marketable unit trusts classified as financial assets measured at FVTPL	Net asset value as of the reporting date
Debentures	Bid prices from the Thai Bond Market Association as of the reporting date
Interest rate and cross currency swaps	Fair value based on broker quotes
Investments in the non-marketable of the equity investments.	Net asset value per latest report, include consideration of reliability and appropriateness of factors in the assessment

(b) *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 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.

(b.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.

(b.1.1) *Trade accounts receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has concentrations of credit risk since most of its revenues are contracted under long-term agreements with a small number of parties. However, counterparties are generally government authorities and large public or private corporations and the risk perceived is low.

Information relevant to trade accounts receivables are disclosed in note 6.

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(b.1.2) Investment in debt securities

The Group considers that all debt investments measured at FVTPL have low credit risk.

(b.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(b.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.

	Consolidated financial statements				
	Contractual cash flows				
	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
<i>At 31 December</i>					
2021					
<i>Non-derivative financial liabilities</i>					
Short-term loans from financial institutions	20,674	20,674	-	-	20,674
Trade and other current payables	137,176	137,176	-	-	137,176
Long-term loans from financial institution	902,606	434,061	517,280	-	951,341
Debentures	3,395,390	1,349,060	2,227,581	-	3,576,641
Lease liabilities	69,724	21,835	50,248	-	72,083
	4,525,570	1,962,806	2,795,109	-	4,757,915
2020					
<i>Non-derivative financial liabilities</i>					
Short-term loans from financial institutions	3,000	3,000	-	-	3,000
Trade and other current payables	202,929	202,929	-	-	202,929
Debentures	4,095,437	2,340,215	1,998,720	-	4,338,935
Lease liabilities	90,446	22,664	71,690	-	94,354
	4,391,812	2,568,808	2,070,410	-	4,639,218

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<i>At 31 December</i>	Separate financial statements				
	Contractual cash flows				
	Carrying amount	1 year or less	More than 1 year but less than 5 years	More than 5 years	Total
	<i>(in thousand Baht)</i>				
2021					
<i>Non-derivative financial liabilities</i>					
Trade and other current payables	23,654	23,654	-	-	23,654
Long-term loans from financial institutions	902,606	434,061	517,280	-	951,341
Debentures	3,395,390	1,349,060	2,227,581	-	3,576,641
Lease liabilities	23,531	6,450	18,013	-	24,463
	<u>4,345,181</u>	<u>1,813,225</u>	<u>2,762,874</u>	<u>-</u>	<u>4,756,099</u>
2020					
<i>Non-derivative financial liabilities</i>					
Trade and other current payables	26,461	26,461	-	-	26,461
Debentures	4,095,437	2,340,215	1,998,720	-	4,338,935
Lease liabilities	18,811	4,764	14,952	-	19,716
	<u>4,140,709</u>	<u>2,371,440</u>	<u>2,013,672</u>	<u>-</u>	<u>4,385,112</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(c.3) Market risk

The Group is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(c.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases goods which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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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 loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowing (see note 13). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on some borrowings.

The Group and the Company entered into interest rate swap agreements for long-term loan and debenture with financial institutions swapping a floating interest rate to fixed interest rate since July 2012 to August 2025 with condition as stipulated in the agreements.

Investment in "Fukuoka Miyako Mega Solar Project"

During the year 2020, the Company jointly invested in the solar farm development "Fukuoka Miyako Mega Solar Project", the total capacity 67 Megawatt, which is located on Kyushu Island, Miyako, Japan. Total project investment is Yen 23,493 million. The Company has an investment holding of 10%, totalling of Yen 314 million or equivalent to Baht 95 million. The Company fully paid for the capital injection on 17 September 2021.

22 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 regularly monitors the return on capital by evaluating result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

23 Commitments with non-related parties

	Consolidated		Separate	
	financial statements		financial statements	
	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Land	289,817	595,066	-	-
<i>Future minimum payments under service contracts</i>				
Within 1 year	39,581	40,234	1,021	-
1-5 years	4,970	-	424	-
Total	44,551	40,234	1,445	-
<i>Other commitments</i>				
Short-term lease commitments	874	-	-	-
Purchase orders for goods	8,824	1,690	-	-
Bank guarantees	7,503	28,470	5,000	-
Letters of credit for goods	-	8,805	-	-
Total	17,201	38,965	5,000	-

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Investment in “Ukujima Mega Solar Project”

During the year 2020, the Company jointly invested in the Solar Farm development “Ukujima Mega Solar Project”, the total capacity 480 Megawatt which is located on Ukujima Island, Nagasaki, Japan. Total project investment is Yen 178,759 million. The Company has investment holding of 17.92%, totalling of Yen 9,000 million. The Company paid for the first injection amount Yen 2,317 million on 26 March 2020 and the second injection amount Yen 1,924 million on 18 May 2020. The Company will pay for the remaining instalment within October 2022.

24 Lawsuits

On 14 September 2019, the Group received a civil complaint from the Central Intellectual Property and International Trade Court between ICONICS Inc. by EDA International Ltd., power of attorney (plaintiff) and Solar Power (Korat 1) Co., Ltd., the first defendant and 37 companies within the Group in violation of copyright infringement using the SCADA system and claiming damages totalling Baht 50 million. The federal court and the appeal court dismissed the request for injunction that the plaintiff banned the defendant from using the program. The federal court dismissed the plaintiff in the hearing of the case.

On 28 September 2019, the Company received a criminal complaint from the Central Intellectual Property and International Trade Court between ICONICS Inc. by EDA International Ltd., power of attorney (plaintiff) and SPCG Public Company Limited, the first defendant, copyright infringement, the use of SCADA programs for profit and public disclosure. The federal court dismissed the plaintiff in the hearing of the case. However, the plaintiff appealed to the court for a retrial. The outcome of the case is still uncertain and under the process of the court.

25 Events after the reporting period

At the Board of Directors’ meeting of the Company held on 24 February 2022, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2021 dividend payment at the rate of Baht 0.80 per share, totaling Baht 844.63 million, of which Baht 0.25 per share was paid as an interim dividend on 11 August 2021 as disclosed in note 20. Thus, the remaining dividend will be at the rate of Baht 0.55 per share payable to the shareholders entitled to receive dividends. This dividend is subject to the approval of the Shareholders at the Annual General Meeting to be held on 20 April 2022.

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26 Reclassification of accounts

Certain accounts in the 2020 financial statement have been reclassified to conform to the presentation in the 2021 financial statement as follows:

	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
<i>Statement of comprehensive income</i>						
<i>For the year ended 31 December 2020</i>						
Other income	55,462	-	55,462	1,436,821	(46,794)	1,390,027
Gain(loss) on derivatives	58,422	(59,011)	(589)	6,305	46,794	53,099
Finance cost	(266,164)	<u>59,011</u>	(207,153)	(205,422)	<u>-</u>	(205,422)
		<u>-</u>			<u>-</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.