

**SPCG Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2022
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 2022, 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 2022 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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, actions taken to eliminate threats or safeguards applied.

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 2023

SPCG Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents	5	1,733,488	46,049	979,740	11,032
Other current financial assets	8, 20	1,500,018	2,986,392	1,500,000	2,407,708
Trade and other current receivables	4, 6	1,085,063	850,850	5,272	7,232
Current portion of long-term loans to related parties	4	-	-	421,257	1,240,202
Inventories	7	295,531	467,337	-	-
Restricted fixed deposit		-	10,002	-	-
Other current assets		83,975	116,458	9,614	5,496
Total current assets		4,698,075	4,477,088	2,915,883	3,671,670
<i>Non-current assets</i>					
Other non-current financial assets	8, 20	1,476,944	1,487,783	1,360,995	1,378,543
Investments in subsidiaries	9	-	-	7,456,176	7,456,163
Long-term loans to related parties	4	-	-	19,621	440,878
Investment properties		39,798	22,164	23,819	24,942
Property, plant and equipment	11	16,746,850	17,318,004	21,430	32,773
Intangible assets	12	75,219	84,930	17,315	19,288
Deferred tax assets	17	156,247	169,817	-	4,136
Prepaid warranty expense for inverters		434,965	481,312	-	-
Other non-current assets		90,057	7,132	1,350	1,353
Total non-current assets		19,020,080	19,571,142	8,900,706	9,358,076
Total assets		23,718,155	24,048,230	11,816,589	13,029,746

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

SPCG Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Liabilities and equity		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<i>Current liabilities</i>					
Short-term loans from financial institutions	13	-	20,674	-	-
Trade and other current payables	4	363,126	137,176	30,119	23,654
Current portion of long-term loans from financial institution	13, 20	-	407,628	-	407,628
Current portion of debentures	13, 20	649,507	1,248,578	649,507	1,248,578
Current portion of lease liabilities	13, 20	20,844	20,679	6,085	6,039
Income tax payable		117,201	61,256	-	-
Other current financial liabilities	20	9,562	5,317	-	-
Other current liabilities		52,859	50,213	1,332	3,205
Total current liabilities		1,213,099	1,951,521	687,043	1,689,104
<i>Non-current liabilities</i>					
Long-term loans from financial institution	13, 20	-	494,977	-	494,977
Debentures	13, 20	1,498,268	2,146,812	1,498,268	2,146,812
Lease liabilities	13, 20	28,217	49,045	11,257	17,492
Deferred tax liabilities	17	161	246	161	-
Non-current provisions for employee benefits		4,258	3,640	1,515	1,279
Other non-current financial liabilities	20	-	54,817	-	41,895
Other non-current liabilities		300	300	-	-
Total non-current liabilities		1,531,204	2,749,837	1,511,201	2,702,455
Total liabilities		2,744,303	4,701,358	2,198,244	4,391,559
<i>Equity</i>					
Share capital					
Authorised share capital					
<i>(1,153,189,000 ordinary shares, par value at Baht 1 per share)</i>		1,153,189	1,153,189	1,153,189	1,153,189
Issued and paid-up share capital					
<i>(1,055,790,000 ordinary shares, par value at Baht 1 per share)</i>		1,055,790	1,055,790	1,055,790	1,055,790
Share premium on ordinary shares	14	5,673,723	5,673,723	6,500,593	6,500,593
Share premium from business combination		89,000	89,000	-	-
Deficit from changes in ownership interests in subsidiary		(1,758,878)	(1,758,878)	-	-
Retained earnings					
Appropriated					
Legal reserve	14	115,319	115,319	115,319	115,319
Unappropriated		13,092,565	11,616,697	1,946,643	966,485
Equity attributable to owners of the parent		18,267,519	16,791,651	9,618,345	8,638,187
Non-controlling interests	10	2,706,333	2,555,221	-	-
Total equity		20,973,852	19,346,872	9,618,345	8,638,187
Total liabilities and equity		23,718,155	24,048,230	11,816,589	13,029,746

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

SPCG Public Company Limited and its Subsidiaries

Statement of comprehensive income

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Revenue from sale and rendering of services	4, 15	4,358,249	4,492,915	-	-
Cost of sale and rendering of services	4, 15	(1,353,331)	(1,234,627)	-	-
Gross profit		3,004,918	3,258,288	-	-
Other income	4	107,898	75,482	2,133,642	1,326,243
Selling and distribution expenses	4, 16	(19,021)	(9,322)	-	-
Administrative expenses	4, 16	(200,812)	(255,916)	(128,292)	(140,589)
Loss on derivatives		(72,255)	(45,728)	(74,398)	(45,567)
Gain on financial assets		5,103	11,916	1,254	7,022
Profit from operating activities		2,825,831	3,034,720	1,932,206	1,147,109
Finance costs		(103,937)	(155,152)	(103,137)	(153,924)
Profit before income tax expense		2,721,894	2,879,568	1,829,069	993,185
Tax (expense) income	17	(257,552)	(143,037)	(4,297)	18,514
Profit for the year		2,464,342	2,736,531	1,824,772	1,011,699
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		2,464,342	2,735,962	1,824,772	1,011,266
Profit attributable to:					
Owners of parent		2,320,482	2,479,201	1,824,772	1,011,699
Non-controlling interests		143,860	257,330	-	-
Profit for the year		2,464,342	2,736,531	1,824,772	1,011,699
Total comprehensive income attributable to:					
Owners of parent		2,320,482	2,478,632	1,824,772	1,011,266
Non-controlling interests		143,860	257,330	-	-
Total comprehensive income for the year		2,464,342	2,735,962	1,824,772	1,011,266
Basic earnings per share (in Baht)	18	2.20	2.37	1.73	0.97

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											
				Deficit from	Retained earnings		Equity				
		Issued and	Share premium	Shares premium	changes in			attributable to			
		paid-up	on ordinary	from business	ownership	Legal		owners of	Non-controlling		
Note	share capital	shares	combination	in subsidiary	interests	reserve	Unappropriated	the parent	interests		
(in thousand Baht)											
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											
Contributions by and distributions to owners of the parent											
	Issue of ordinary shares	81,800	1,717,800	-	-	-	-	1,799,600	-	1,799,600	
	Dividends paid	-	-	-	-	-	(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	
Changes in ownership interests in subsidiary											
	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)
	Total transactions with owners, recorded directly in equity	81,800	1,717,800	-	(1,758,878)	-	(948,886)	(908,164)	363,333	(544,831)	
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	19	-	-	-	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

Consolidated financial statements									
				Deficit from	Retained earnings				
		Issued and	Share premium	Shares premium	changes in			Equity	
		paid-up	on ordinary	from business	ownership			attributable to	
Note	share capital	shares	combination	in subsidiary	interests	Legal	Unappropriated	owners of	Non-controlling
						reserve		the parent	interests
									Total
									equity

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

SPCG Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements				Total equity
	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		
			Legal reserve	Unappropriated	
			(in thousand Baht)		
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					
Contributions by and distributions to owners					
Issue of ordinary shares	81,800	1,717,800	-	-	1,799,600
Dividends paid	-	-	-	(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	-	-	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 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	
(in thousand Baht)						
Year ended 31 December 2022						
Balance at 1 January 2022		1,055,790	6,500,593	115,319	966,485	8,638,187
Transactions with owners, recorded directly in equity						
Distributions to owners						
Dividends paid	19	-	-	-	(844,614)	(844,614)
Total distributions to owners		-	-	-	(844,614)	(844,614)
Comprehensive income for the year						
Profit		-	-	-	1,824,772	1,824,772
Other comprehensive income (loss)		-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,824,772	1,824,772
Balance at 31 December 2022		1,055,790	6,500,593	115,319	1,946,643	9,618,345

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	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	2,464,342	2,736,531	1,824,772	1,011,699
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense (income)	257,552	143,037	4,297	(18,514)
Finance costs	103,937	155,152	103,137	153,924
Depreciation and amortisation	657,852	665,359	14,831	19,881
(Reversal of) Impairment loss	(626)	2,502	-	-
Provisions for employee benefit	618	920	236	163
Unrealised (gain) loss on foreign exchange	41,072	(27,365)	27,394	(27,386)
(Gain) loss on fair value measurement	(55,859)	(10,718)	(25,600)	71,186
Loss on inventories devaluation	-	54	-	-
Gain from disposal of plant and equipment	(67)	(1,767)	-	(299)
Loss from disposal of intangible assets	-	578	-	56
Dividend income	(9,169)	(10,004)	(1,895,240)	(1,069,780)
Interest income	(15,156)	(1,345)	(35,986)	(76,467)
	<u>3,444,496</u>	<u>3,652,934</u>	<u>17,841</u>	<u>64,463</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(233,471)	175,620	1,874	2,618
Inventories	171,806	70,009	-	-
Other current assets	37,947	(5,496)	(56)	4,299
Prepaid warranty expense for inverters	46,346	49,840	-	-
Other non-current assets	(2,240)	(3,074)	2	-
Trade and other current payables	150,339	(64,156)	8,591	(1,429)
Other current liabilities	<u>2,645</u>	<u>(112)</u>	<u>(1,873)</u>	<u>5</u>
Net cash generated from operating	<u>3,617,868</u>	<u>3,875,565</u>	<u>26,379</u>	<u>69,956</u>
Taxes paid	(193,585)	(142,464)	(4,063)	(5,204)
Net cash from operating activities	<u>3,424,283</u>	<u>3,733,101</u>	<u>22,316</u>	<u>64,752</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	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from sale of other financial assets	3,640,823	9,053,967	1,836,961	4,846,333
Acquisition of other financial assets	(2,152,100)	(10,308,415)	(928,000)	(5,815,115)
Decreased (increased) in restricted fixed deposits	9,984	(10,002)	-	-
Proceeds from sale of investment property	-	11,987	-	-
Acquisition of property plant and equipment	(114,438)	(2,723,877)	(64)	(6,640)
Proceeds from sale of plant and equipment	18,756	18,553	11	345
Acquisition of intangible assets	(1,493)	(1,236)	(471)	(1,236)
Short-term loans to related party	-	-	-	(1,433,181)
Proceeds from repayment of short-term loans to related parties	-	-	-	1,433,181
Proceeds from repayment of long-term loans to related parties	-	-	1,240,202	2,516,244
Payment of share subscription in subsidiary	-	-	(13)	(2,504,000)
Acquisition of non-controlling interests	-	-	-	(23,250)
Dividends received	9,169	10,004	1,895,240	1,069,780
Interest received	15,127	1,690	36,072	77,194
Net cash from (used in) investing activities	1,425,828	(3,947,329)	4,079,938	159,655
<i>Cash flows from financing activities</i>				
Proceeds from short-term loans from financial institutions	-	1,047,727	-	1,000,000
Payment of short-term loans from financial institutions	(20,674)	(1,030,053)	-	(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	(930,000)	(70,000)	(930,000)	(70,000)
Proceeds from debenture	-	1,497,065	-	1,497,065
Payment of debentures	(1,250,000)	(2,200,000)	(1,250,000)	(2,200,000)
Payment of lease liabilities	(21,835)	(22,762)	(6,467)	(7,057)
Proceeds from share subscription by non-controlling interests	162,580	626,000	-	-
Dividends paid	(999,942)	(1,170,831)	(844,614)	(948,886)
Interest paid	(102,801)	(152,336)	(102,465)	(151,861)
Net cash used in financing activities	(3,162,672)	(475,190)	(3,133,546)	(880,739)
Net increase (decrease) in cash and cash equivalents	1,687,439	(689,418)	968,708	(656,332)
Cash and cash equivalents at 1 January	46,049	735,467	11,032	667,364
Cash and cash equivalents at 31 December	1,733,488	46,049	979,740	11,032

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 2022

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Trade and other current receivables
7	Inventories
8	Marketable financial assets
9	Investments in subsidiaries
10	Non-controlling interests
11	Property, plant and equipment
12	Intangible assets
13	Interest-bearing liabilities
14	Share premium and legal reserve
15	Segment information and disaggregation of revenue
16	Expense by nature
17	Income tax expense
18	Basic earnings per share
19	Dividends
20	Financial instruments
21	Capital management
22	Commitments with non-related parties
23	Lawsuits
24	Events after the reporting period

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

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 2023.

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 (43.94% 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 2022 and 2021 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
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	75	80

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
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

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
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

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Name of the entity	Type of business	Country of incorporation	Ownership interest (%)	
			2022	2021
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, 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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(d) Financial instruments

(d.1) Classification and measurement

Debt securities issued by the Group 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 plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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.

Interest rate benchmark reform

When the basis of determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform (IBOR reform), the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by IBOR reform. If there were any other additional changes, the Group applied the policies on accounting for modifications to those changes.

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(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, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on nature of the item being hedged.

(d.4) Hedging

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the risk, the economic relationship between the hedged item and the hedging instrument, including consideration of the hedge effectiveness at the inception of the hedging relationship and throughout the remaining period to determine the existence of economic relationship between the hedged item and the hedging instrument.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the cash flow hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the cash flow hedging reserve are immediately reclassified to profit or loss.

(d.5) 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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.6) 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.7) 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.

(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

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.

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

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(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
-------------------	--------------

(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.

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(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.

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.

(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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(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 a person or entity over which the Group has direct and indirect control or has significant influence over the financial and managerial decision-making.

Relationships with subsidiaries are described in note 9. Other related parties which 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
SW PARTNERS INC.	Japan	Common 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

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

<i>Significant transactions with related parties</i> <i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries				
Interest income	-	-	23,390	75,237
Dividends income	-	-	1,895,240	1,069,780
Management service income	-	-	118,986	142,986
Other income	-	-	2,644	2,644
Other related parties				
Sales of goods (*)	3	319	-	-
Purchases of goods (*)	2,920	7,770	-	-
Purchases of fixed asset (*)	23,634	577,067	-	-
Service expense for operation and maintenance(*)	23,365	90,017	-	-
Building rental expense and utilities expense	12,125	12,383	8,974	9,137
Warehouse rental expense (*)	549	1,606	-	-
Contractual installation service of solar roof (*)	7,345	28,021	-	-
Consulting fee	3,298	-	3,298	-
Interest expense	1,101	1,491	380	479
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	40,875	51,322	34,607	42,123
Post-employment benefits	355	1,325	128	1,325
Total	41,230	52,647	34,735	43,448

(*) JPEN Co., Ltd. is not a related party of the Group since 20 April 2022. Thus, the significant transactions with the Company are disclosed only occurred for the period from 1 January 2022 to 19 April 2022.

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

<i>Trade and other current receivables</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	108	223
	-	-	108	223
Less allowance for expected credit loss	-	-	-	-
Net	-	-	108	223

	Interest rate		Separate financial statements			
	31 December 2021 (% per annum)	31 December 2022	31 December 2021	Increase	Decrease	31 December 2022
	<i>(in thousand Baht)</i>					
Long-term loans						
Subsidiaries	THBFIX3M	THBFIX3M				
	+1.55	+1.55	1,681,080	-	(1,240,202)	440,878
Less current portion due within one year			(1,240,202)	-	818,945	(421,257)
Total long-term loans			440,878	-	(421,257)	19,621

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

<i>Expected credit losses for the year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade and other current receivables	-	-	-	-
Loans to	-	-	-	-
<i>Trade and other current payables</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other related parties	101	50,693	77	163
Total	101	50,693	77	163
<i>Lease liabilities</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other related parties	47,729	67,326	16,339	21,373
Total	47,729	67,326	16,339	21,373

Significant agreements with related parties

As at 31 December 2022, the Group has significant agreements with related parties as follows:

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 2025 with the rental fee and condition are as stipulated in the agreement.

Warehouse rental agreement

The Company and various subsidiaries have entered into warehouse 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 2024 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 2023 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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Loan agreements

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.

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash on hand	125	179	20	20
Cash at financial institutions	1,733,363	45,870	979,720	11,012
Total	1,733,488	46,049	979,740	11,032

6 Trade and other current receivables

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	108	223
Other parties					
Trade accounts receivable		480,951	451,921	-	-
Accrued income		606,432	406,434	-	545
Retention receivable		2,238	2,848	-	-
Others		24,366	19,197	5,164	6,464
		1,113,987	880,400	5,164	7,009
Total		1,113,987	880,400	5,272	7,232
Less allowance for expected credit loss		(28,924)	(29,550)	-	-
Net		1,085,063	850,850	5,272	7,232

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

<i>As at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Trade account receivables				
Within credit terms	435,411	410,958	-	-
Overdue:				
Less than 90 days	8,349	8,128	-	-
91-180 days	5,390	77	-	-
181-365 days	316	800	-	-
More than 365 days	31,485	31,958	-	-
Total	480,951	451,921	-	-
<i>Less</i> allowance for expected credit loss	<i>(26,776)</i>	<i>(25,234)</i>	<i>-</i>	<i>-</i>
Net	454,175	426,687	-	-

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	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	29,550	27,048	-	-
Increase	64	2,696	-	-
Reversal	(690)	(194)	-	-
At 31 December	28,924	29,550	-	-

Information of credit risk is disclosed in note 20.

7 Inventories

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Finished goods	6,922	8,795	-	-
Work in process	3,696	-	-	-
Raw materials	199,220	461,271	-	-
Goods in transit	88,422	-	-	-
Total	298,260	470,066	-	-
<i>Less</i> allowance for decline in value of inventories	<i>(2,729)</i>	<i>(2,729)</i>	<i>-</i>	<i>-</i>
Net	295,531	467,337	-	-
Inventories recognised in ‘cost of sales of goods’:				
- Cost of sales	407,936	305,141	-	-
- Loss from decline in value	-	54	-	-
Net	407,936	305,195	-	-

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

8 Marketable financial assets

	Consolidated financial statements				
	At 1 January	Increase	Decrease (in thousand Baht)	Fair value adjustment	At 31 December
Marketable equity securities					
2022					
Current financial assets					
Equity securities measured at					
- FVTPL	<u>1,486,392</u>	<u>2,152,100</u>	<u>(3,640,823)</u>	<u>2,331</u>	<u>-</u>
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>
	Separate financial statements				
	At 1 January	Increase	Decrease (in thousand Baht)	Fair value adjustment	At 31 December
Marketable equity securities					
2022					
Current financial assets					
Equity securities measured at					
- FVTPL	<u>907,708</u>	<u>928,000</u>	<u>(1,836,961)</u>	<u>1,253</u>	<u>-</u>
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>

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

9 Investment in subsidiaries

	Ownership interest		Separate financial statements				At cost - net	
	2022	2021	Cost		Impairment		2022	2021
	(%)		2022	2021	2022	2021	(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.	75	80	4,366,863	4,366,850	-	-	4,366,863	4,366,850
			<u>7,456,176</u>	<u>7,456,163</u>	<u>-</u>	<u>-</u>	<u>7,456,176</u>	<u>7,456,163</u>

All subsidiaries were incorporated and operate in Thailand.

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

*Material movements for the year
ended 31 December*

	Separate financial statements	
	2022	2021
	<i>(in thousand Baht)</i>	
Purchase investment in SET Energy Co.,Ltd	-	1,822,250
Increase capital in SET Energy Co.,Ltd.	13	2,504,000
Total	13	4,326,850

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.

At the Board of Directors' meeting of the Company held on 5 July 2022, the Board approved the partial purchase of increase share capital in SET Energy Co., Ltd. which is a subsidiary. SET Energy Co., Ltd. increased registered share capital from Baht 3,230 million (divided into 32,300,000 shares at Baht 100 par value) to Baht 3,445.35 million (divided into 34,453,500 shares at Baht 100 par value) by issuance of new shares of Baht 215.35 million (divided into 2,153,500 shares at Baht 100). The subsidiary has registered an increase of registered share capital with the Ministry of Commerce on 10 August 2022. The Company made share payment by 125 shares or equivalent to Baht 12,500 resulting in decrease in ownership interest of the Company from 80% to 75%; however, SET Energy Co., Ltd. is still a subsidiary of the Company. As above mentioned, the Group recognised an increase in non-controlling interests of Baht 162.58 million.

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

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 2022			
	Solar Power Group Company	Set Energy Company Limited	Other individually immaterial subsidiaries	Total
	<i>(in thousand Baht)</i>			
Current assets	769,586	543,074		
Non-current assets	14,144,865	2,858,127		
Current liabilities	589,880	101,888		
Non-current liabilities	19,921	-		
Net assets	14,304,650	3,299,313		
Carrying amount of non-controlling interest	1,880,506	780,956	44,871	2,706,333
Revenue	3,594,683	-		
Profit (loss) for the year	2,406,662	(29,039)		
Other comprehensive income	-	-		
Total comprehensive income	2,406,662	(29,039)		
Profit allocated to non-controlling interest	139,568	(6,474)	10,766	143,860
Other comprehensive income allocated to non-controlling interest	-	-		
Net cash from operating activities	3,036,332	2,619		
Net cash from investing activities	4,209	351,042		
Net cash (used in) from financing activities	(3,029,995)	162,592		

SPCG Public Company Limited and its Subsidiaries

Notes to financial statements

For the year ended 31 December 2022

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

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

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 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 and 1 January 2022	4,099,230	738,265	17,451,752	22,694	16,609	585,599	22,914,149
Additions	-	267	2,846	114	-	108,823	112,050
Transfers to investment properties	(12,548)	(13,814)	-	-	-	-	(26,362)
Disposals	(12,707)	(232)	(9,751)	(232)	-	-	(22,922)
At 31 December 2022	4,073,975	724,486	17,444,847	22,576	16,609	694,422	22,976,915
<i>Depreciation</i>							
At 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 and 1 January 2022	-	326,443	5,237,111	18,497	14,094	-	5,596,145
Depreciation charge for the year	-	45,421	594,865	2,017	1,540	-	643,843
Transfers to investment properties	-	(5,920)	-	-	-	-	(5,920)
Disposals	-	-	(3,787)	(216)	-	-	(4,003)
At 31 December 2022	-	365,944	5,828,189	20,298	15,634	-	6,230,065

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

		Consolidated financial statements						
		Land	Buildings, building improvements and infrastructure	Solar modules, inverters, equipment and machinery	Office equipment	Vehicles	Asset under construction	Total
		(in thousand Baht)						
Net book value								
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
At 31 December 2022								
Owned assets		4,073,975	312,271	11,616,658	1,956	-	694,422	16,699,282
Right-of-use assets		-	46,271	-	322	975	-	47,568
		4,073,975	358,542	11,616,658	2,278	975	694,422	16,746,850

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

	Buildings and building improvements	Separate financial statements			Total
		Office equipment	Vehicles	Asset under construction	
		<i>(in thousand Baht)</i>			
Cost					
At 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 and 1 January 2022	67,492	13,267	13,927	831	95,517
Additions	267	64	-	-	331
Disposals	-	(137)	-	-	(137)
Transfer	-	-	(800)	-	(800)
At 31 December 2022	67,759	13,194	13,127	831	94,911
Depreciation					
At 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 and 1 January 2022	40,735	10,363	11,646	-	62,744
Depreciation charge for the year	8,686	1,353	1,224	-	11,263
Disposals	-	(126)	-	-	(126)
Transfer	-	-	(400)	-	(400)
At 31 December 2022	49,421	11,590	12,470	-	73,481
Net book value					
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
At 31 December 2022					
Owned assets	2,443	1,283	-	831	4,557
Right-of-use assets	15,895	321	657	-	16,873
	18,338	1,604	657	831	21,430

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

12 Intangible assets

	Consolidated financial statements				
	License for Energy Industry	Goodwill	Computer software (in thousand Baht)	Others	Total
<i>Cost</i>					
At 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 and 1 January 2022	57,895	11,286	80,821	2,925	152,927
Additions	-	-	1,079	414	1,493
Disposals	-	-	-	(48)	(48)
At 31 December 2022	57,895	11,286	81,900	3,291	154,372
<i>Amortisation</i>					
At 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 and 1 January 2022	19,465	-	46,300	2,232	67,997
Amortisation for the year	2,746	-	8,047	411	11,204
Disposals	-	-	-	(48)	(48)
At 31 December 2022	22,211	-	54,347	2,595	79,153
<i>Net book value</i>					
At 31 December 2021	38,430	11,286	34,521	693	84,930
At 31 December 2022	35,684	11,286	27,553	696	75,219

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

	Separate financial statements Computer software (in thousand Baht)
<i>Cost</i>	
At 1 January 2021	23,376
Additions	1,236
Disposals	(172)
At 31 December 2021 and 1 January 2022	24,440
Additions	472
At 31 December 2022	24,912
<i>Amortisation</i>	
At 1 January 2021	2,856
Amortisation for the year	2,412
Disposals	(116)
At 31 December 2021 and 1 January 2022	5,152
Amortisation for the year	2,445
At 31 December 2022	7,597
<i>Net book value</i>	
At 31 December 2021	19,288
At 31 December 2022	17,315

13 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Current</i>				
Short-term loans from financial institutions				
- Secured	-	20,674	-	-
Current portion of long-term loans from financial institutions				
- Unsecured	-	407,628	-	407,628
Current portion of debentures				
- Unsecured	649,507	1,248,578	649,507	1,248,578
Current portion of lease liabilities	20,844	20,679	6,085	6,039
Total current	670,351	1,697,559	655,592	1,662,245
<i>Non-current</i>				
Long-term loans from financial institutions				
- Unsecured	-	494,977	-	494,977
Debentures				
- Unsecured	1,498,268	2,146,812	1,498,268	2,146,812
Lease liabilities	28,217	49,045	11,257	17,492
Total non-current	1,526,485	2,690,834	1,509,525	2,659,281
Total	2,196,836	4,388,393	2,165,117	4,321,526

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

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.

During June 2022, the Company amended agreements with a financial institution to revise repayment date of long-term loans and terminate cross currency swap contracts before their maturities by changing maturity dates from 31 October 2023 and 2024 to 1 July 2022 in the full amount. The Company had no cancellation fee for repayment long-term loans before their maturities.

Debentures

Details of debentures as at 31 December 2022 and 2021 were as follows:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Debentures	2,150,000	3,400,000	2,150,000	3,400,000
Less Unamortised deferred expenses on debentures	(2,225)	(4,610)	(2,225)	(4,610)
	2,147,775	3,395,390	2,147,775	3,395,390
Less Current portion due within one year	(649,507)	(1,248,578)	(649,507)	(1,248,578)
Total	1,498,268	2,146,812	1,498,268	2,146,812

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 2022 were as follow:

Amount <i>(in million Baht)</i>	Interest rates <i>(%) p.a.</i>	Term <i>(years)</i>	Maturity dates
1,500	1.73	3 years	1 October 2024
650	3.94	8 years	16 December 2023

SPCG Public Company Limited and its Subsidiaries
Notes to financial statements
For the year ended 31 December 2022

Movements during the year ended 31 December 2022 and 2021 of debentures which included current portion were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
At 1 January	3,395,390	4,095,437	3,395,390	4,095,437
Issued of debentures	-	1,500,000	-	1,500,000
Repayment of debentures	(1,250,000)	(2,200,000)	(1,250,000)	(2,200,000)
Transaction cost	-	(2,935)	-	(2,935)
Adjusted debentures per effective interest rate method	2,385	2,888	2,385	2,888
At 31 December	2,147,775	3,395,390	2,147,775	3,395,390

As at 31 December 2022, the Group had unutilised credit facilities totalling Baht 1,450 million and US Dollar 34 million (2021: Baht 1,483 million and US Dollar 34 million).

14 Share premium and legal reserve

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.

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.

15 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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

<i>For the year ended at 31 December</i>	Consolidated financial statements							
	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>							
Information about reportable segments								
External revenue	598,764	428,672	3,720,830	4,015,413	38,655	48,830	4,358,249	4,492,915
Total revenue	598,764	428,672	3,720,830	4,015,413	38,655	48,830	4,358,249	4,492,915
Type of goods or services								
Revenue from sale electricity distribution	-	-	1,394,028	1,202,276	-	-	1,394,028	1,202,276
Revenue from subsidy of adders	-	-	2,326,802	2,813,137	-	-	2,326,802	2,813,137
Revenue from sales and installation service of roof sheets and solar roof	539,106	365,529	-	-	-	-	539,106	365,529
Revenue from sales of goods and other services	59,658	63,143	-	-	38,655	48,830	98,313	111,973
Total	598,764	428,672	3,720,830	4,015,413	38,655	48,830	4,358,249	4,492,915

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Consolidated financial statements

	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	<i>(in thousand Baht)</i>									
Operating profit (loss)	<u>55,538</u>	<u>12,170</u>	<u>2,754,659</u>	<u>3,118,046</u>	<u>1,896,139</u>	<u>1,073,042</u>	<u>(1,895,661)</u>	<u>(1,169,883)</u>	<u>2,810,675</u>	<u>3,033,375</u>
Interest income	276	12	2,279	103	35,991	76,467	(23,390)	(75,237)	15,156	1,345
Finance costs	<u>(778)</u>	<u>(1,192)</u>	<u>(23,390)</u>	<u>(75,238)</u>	<u>(103,159)</u>	<u>(153,959)</u>	<u>23,390</u>	<u>75,237</u>	<u>(103,937)</u>	<u>(155,152)</u>
Finance costs, net	<u>(502)</u>	<u>(1,180)</u>	<u>(21,111)</u>	<u>(75,135)</u>	<u>(67,168)</u>	<u>(77,492)</u>	<u>-</u>	<u>-</u>	<u>(88,781)</u>	<u>(153,807)</u>
Profit (loss) before income tax expense	55,036	10,990	2,733,548	3,042,911	1,828,971	995,550	(1,895,661)	(1,169,883)	2,721,894	2,879,568
Tax (expense) income	<u>(10,393)</u>	<u>(778)</u>	<u>(237,821)</u>	<u>(145,794)</u>	<u>(4,319)</u>	<u>17,912</u>	<u>(5,019)</u>	<u>(14,377)</u>	<u>(257,552)</u>	<u>(143,037)</u>
Profit (loss) for the year	<u>44,643</u>	<u>10,212</u>	<u>2,495,727</u>	<u>2,897,117</u>	<u>1,824,652</u>	<u>1,013,462</u>	<u>(1,900,680)</u>	<u>(1,184,260)</u>	<u>2,464,342</u>	<u>2,736,531</u>

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Consolidated financial statements									
	Manufacture, trading, and installation service of roof sheets and solar roof		Production and distribution of electricity from solar energy		Others		Eliminations		Total
<i>As at 31 December</i>	2022	2021	2022	2021	2022	2021	2022	2021	2022 2021
	<i>(in thousand Baht)</i>								
Segment assets									
Property, plant and equipment	58,135	75,034	16,671,079	17,205,793	22,604	35,060	(4,968)	2,117	16,746,850 17,318,004
Other financial assets	18	104,484	116,330	601,552	2,860,995	3,768,139	(381)	-	2,976,962 4,474,175
Unallocated assets									3,994,343 2,256,051
Total assets									<u>23,718,155</u> <u>24,048,230</u>
Segment liabilities									
Loans	-	20,674	440,878	1,681,080	-	902,605	(440,878)	(1,681,080)	- 923,279
Debentures	-	-	-	-	2,147,775	3,395,390	-	-	2,147,775 3,395,390
Unallocated liabilities									596,528 382,689
Total liabilities									<u>2,744,303</u> <u>4,701,358</u>

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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, which the Company must comply with.

Consolidated financial statements						
Year ended 31 December	2022			2021		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
			(in thousand Baht)			
Domestic sales	3,720,830	603,570	4,324,400	4,015,413	430,908	4,446,321
Oversea sales	-	33,849	33,849	-	46,594	46,594
Total	3,720,830	637,419	4,358,249	4,015,413	477,502	4,492,915

16 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	
	2022	2021	2022	2021
		(in thousand Baht)		
Depreciation and amortisation	657,852	665,359	14,831	19,881
Raw materials and consumables used	236,129	234,344	-	-
Management and utilities fee	166,666	169,383	11,461	10,907
Employee benefit expenses	89,206	98,245	59,670	64,728
Changes in inventories	171,807	70,851	-	-
Warranty expense for inverters	49,841	51,990	-	-
Contractual installation service of solar roof	64,721	38,541	-	-
Consulting fee	13,288	29,912	6,467	4,469
Others	123,654	141,240	35,863	40,604
Total cost of sale of goods, selling and distribution expenses and administrative expenses	1,573,164	1,499,865	128,292	140,589

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

17 Income tax expense

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	244,306	142,976	-	-
Under (over) provided in prior years	(239)	4	-	-
	244,067	142,980	-	-
Deferred tax expense				
Movements in temporary differences	13,485	57	4,297	(18,514)
	13,485	57	4,297	(18,514)
Total income tax expense	257,552	143,037	4,297	(18,514)

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2022		2021	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		2,721,894		2,879,568
Income tax using the Thai corporation tax rate	20	544,378	20	575,914
Income not subject to tax		(307,118)		(464,633)
Expenses not deductible for tax purposes		7,575		20,546
Recognition of previously unrecognised tax losses		-		(6,284)
Current year losses for which no deferred income tax asset was recognised		12,956		17,490
Under (over) provided in prior years		(239)		4
Total	9.5	257,552	5.0	143,037

<i>Reconciliation of effective tax rate</i>	Separate financial statements			
	2022		2021	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		1,829,069		993,185
Income tax using the Thai corporation tax rate	20	365,814	20	198,637
Income not subject to tax		(374,784)		(238,434)
Expenses not deductible for tax purposes		6,769		19,156
Current year losses for which no deferred tax asset was recognised		6,498		2,127
Total	0.2	4,297	(1.86)	(18,514)

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Deferred tax

	Consolidated financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Total	156,644	174,399	(558)	(4,828)
Set off of tax	(397)	(4,582)	397	4,582
Net deferred tax assets (liabilities)	156,247	169,817	(161)	(246)

Deferred tax

	Separate financial statements			
	Assets		Liabilities	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Total	397	8,718	(558)	(4,582)
Set off of tax	(397)	(4,582)	397	4,582
Net deferred tax assets (liabilities)	-	4,136	(161)	-

	Consolidated financial statements		
	<i>(Charged) / Credited to:</i>		
	At 1	Profit or	Other
	January	loss	comprehensive
			income
		<i>(in thousand Baht)</i>	
			At 31
			December
Deferred tax			
2022			
Deferred tax assets			
Property, plant and equipment	151,897	(4,293)	-
Provisions for employee benefits	728	124	-
Trade accounts receivables	5,342	13	-
Derivatives	15,649	(13,661)	-
Inventories	546	-	-
Right-of-use assets	237	62	-
Total	174,399	(17,755)	-
Deferred tax liabilities			
Other financial assets	284	(284)	-
Debentures	922	(477)	-
Derivatives	3,622	(3,509)	-
Total	4,828	(4,270)	-
Net	169,571	(13,485)	-

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

	Consolidated financial statements (Charged) / Credited to:			
	At 1 January	Profit or loss (in thousand Baht)	Equity	At 31 December
<i>Deferred tax</i>				
<i>2021</i>				
<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
	Separate financial statements (Charged) / Credited to:			
	At 1 January	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December
<i>Deferred tax</i>				
<i>2022</i>				
<i>Deferred tax assets</i>				
Right-of-use assets	83	11	-	94
Provisions for employee benefits	256	47	-	303
Derivatives	8,379	(8,379)	-	-
Total	8,718	(8,321)	-	397
<i>Deferred tax liabilities</i>				
Other financial assets	38	(38)	-	-
Debentures	922	(477)	-	445
Derivatives	3,622	(3,509)	-	113
Total	4,582	(4,024)	-	558
Net	4,136	(4,297)	-	(161)

SPCG Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

	At 1 January	Separate financial statements (Charged) / Credited to:		At 31 December
		Profit or loss (in thousand Baht)	Equity	
Deferred tax				
2021				
Deferred tax assets				
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
Deferred tax liabilities				
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

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
		(in thousand Baht)		
Tax losses carried forward	255,944	180,856	93,148	10,636

The tax losses expire during 2023 to 2027. 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.

18 Basic earnings per share

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
		(in thousand Baht / thousand shares)		
Profit for the year attributable to ordinary shareholders of the Company	<u>2,320,482</u>	<u>2,479,201</u>	<u>1,824,772</u>	<u>1,011,699</u>
Ordinary shares outstanding				
Number of ordinary shares at 1 January	1,055,790	973,990	1,055,790	973,990
Effect of shares issued	-	70,146	-	70,146
Number of ordinary shares by weighted average method (basic) at 31 December	<u>1,055,790</u>	<u>1,044,136</u>	<u>1,055,790</u>	<u>1,044,136</u>
Basic earnings per share (in Baht)	<u>2.20</u>	<u>2.37</u>	<u>1.73</u>	<u>0.97</u>

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

19 Dividends

	Approval date	Payment schedule	Dividend rate per share (in Baht)	Amount (in thousand Baht)
2022				
Interim dividend	11 August 2022	September 2022	0.25	263,941
2021				
Annual dividend	20 April 2022	May 2022	0.80	843,312
Interim dividend	11 August 2021	September 2021	(0.25)	(262,639)
				844,614

20 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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

	Carrying amount			Consolidated financial statement				Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December</i>				<i>(in thousand Baht)</i>				
2022								
Financial assets								
Other financial assets								
Fixed deposits with financial institutions	-	-	1,500,018	1,500,018	1,500,018	-	-	1,500,018
Investment in equity instruments	116,330	1,360,432	-	1,476,762	-	-	1,476,762	1,476,762
Interest rate swaps	182	-	-	182	-	182	-	182
Total financial assets	116,512	1,360,432	1,500,018	2,976,962				
Financial liabilities								
Debentures	-	-	2,147,775	2,147,775	-	2,142,863	-	2,142,863
Other financial liabilities:								
Interest rate swaps	3,088	-	-	3,088	-	3,088	-	3,088
Forward exchange contract	6,474	-	-	6,474	-	6,474	-	6,474
Total financial liabilities	9,562	-	2,147,775	2,157,337				

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

<i>At 31 December</i>	Carrying amount			Consolidated financial statement				Fair value
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total (in thousand Baht)	Level 1	Level 2	Level 3	Total
2021								
Financial assets								
Other financial assets								
Fixed deposits with financial institutions	-	-	1,500,000	1,500,000	1,500,000	-	-	1,500,000
Investment in equity instruments	1,613,743	1,360,432	-	2,974,175	-	1,486,392	1,487,783	2,974,175
Total financial assets	1,613,743	1,360,432	1,500,000	4,474,175				
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				

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

	Carrying amount			Separate financial statements		Fair value		
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December</i>				<i>(in thousand Baht)</i>				
2022								
Financial assets								
Other financial assets								
Fixed deposits with financial institutions	-	-	1,500,000	1,500,000	1,500,000	-	-	1,500,000
Investment in equity instruments	-	1,360,432	-	1,360,432	-	-	1,360,432	1,360,432
Interest rate swaps	563	-	-	563	-	563	-	563
Total financial assets	563	1,360,432	1,500,000	2,860,995				
Financial liabilities								
Debentures	-	-	2,147,775	2,147,775	-	2,142,863	-	2,142,863
Total financial liabilities	-	-	2,147,775	2,147,775				

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

	Carrying amount			Separate financial statements		Fair value		
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
<i>At 31 December</i>				<i>(in thousand Baht)</i>				
2021								
Financial assets								
Other financial assets								
Fixed deposits with financial institutions	-	-	1,500,000	1,500,000	1,500,000	-	-	1,500,000
Investment in equity instruments	907,708	1,360,432	-	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	925,819	1,360,432	1,500,000	3,786,251				
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				

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

(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			
			More than 1 year but less than 5 years	More than 5 years	
At 31 December	Carrying amount	1 year or less	(in thousand Baht)		Total
2022					
Non-derivative financial liabilities					
Trade and other current payables	363,126	363,126	-	-	363,126
Debentures	2,147,775	701,560	1,526,021	-	2,227,581
Lease liabilities	49,061	21,593	28,655	-	50,248
	<u>2,559,962</u>	<u>1,086,279</u>	<u>1,554,676</u>	<u>-</u>	<u>2,640,955</u>
2021					
Non-derivative financial liabilities					
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
	<u>4,525,570</u>	<u>1,962,806</u>	<u>2,795,109</u>	<u>-</u>	<u>4,757,915</u>

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Separate financial statements					
Contractual cash flows					
	Carrying	1 year	More than 1 year but less than 5 years	More than 5 years	Total
At 31 December	amount	or less	(in thousand Baht)		
2022					
Non-derivative financial liabilities					
Trade and other current payables	30,119	30,119	-	-	30,119
Debentures	2,147,775	701,560	1,526,021	-	2,227,581
Lease liabilities	17,342	6,373	11,486	-	17,859
	<u>2,195,236</u>	<u>738,052</u>	<u>1,537,507</u>	<u>-</u>	<u>2,275,559</u>
2021					
Non-derivative financial liabilities					
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>

(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.

(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 determines the existence of a relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the critical-terms-match approach

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

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.

21 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.

22 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Capital commitments</i>				
Land	116,334	289,817	-	-
<i>Future minimum payments under service contracts</i>				
Within 1 year	129,110	39,581	385	1,021
1-5 years	182,453	4,970	32	424
Total	311,563	44,551	417	1,445
<i>Other commitments</i>				
Short-term lease commitments	4,953	874	-	-
Purchase orders for goods	96,617	8,824	-	-
Bank guarantees	5,352	7,503	5,000	5,000
Total	106,922	17,201	5,000	5,000

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 2023.

SPCG Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2022

Operation, maintenance and monitoring agreement

The Group has various subsidiaries entered into operation, maintenance and monitoring agreement for service operation control, maintenance and monitoring each solar farm projects. The agreement is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in December 2025 with the service charge as stipulated in the agreement.

Warehouse rental agreement

The Group has various subsidiaries have entered into warehouse rental agreement. The agreement term is for a period of 3 years, commencing from the effective date as specified in the agreement and expiring in December 2025 with the rental fee and condition are as stipulated in the agreement.

23 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 plaintiff's request.

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. Nevertheless, the appeal court has agreed that the outcome of the case remained unchange and dismissed the case.

24 Events after the reporting period

Investment in subsidiary

On 30 December 2022, the Board of Directors of the Company passed a resolution to approve the establishment of Solar Roof Thai Co., Ltd., for the purpose of providing installation services for solar roofing. The registered capital is 50,000 ordinary shares with a par value of Baht 100 each, totaling Baht 5 million. The Company invested 49,997 shares or 99.99% in such subsidiary. The Board of Director passed a resolution to approve to call for first instalment paid-up capital of 25% of ordinary shares at Baht 1.25 million. The subsidiary has already registered its receipt of share subscription with the Department of Business Development, the Ministry of Commerce on 4 January 2023.

The Company call for an additional paid-up capital of 50,000 ordinary shares at Baht 75 per shares. The Company paid the additional paid-up share capital totaling Baht 5 million on 2 February 2023.

Dividend

At the Board of Directors' meeting of the Company held on 24 February 2023, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2022 dividend payment at the rate of Baht 0.85 per share, totaling Baht 897.42 million, of which Baht 0.25 per share was approve for payment as an interim dividend on 11 August 2022 as disclosed in note 19. Thus, the remaining dividend will be at the rate of Baht 0.60 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 19 April 2023.