

EMBRACING
SUSTAINABLE
GROWTH

The cover features a large, stylized illustration. A green, semi-circular shape dominates the upper left, containing a city skyline and a wind turbine. Below this, a girl with dark hair is shown in profile, blowing on a pinwheel. The background includes a grid-like pattern and industrial structures like towers and a bridge.



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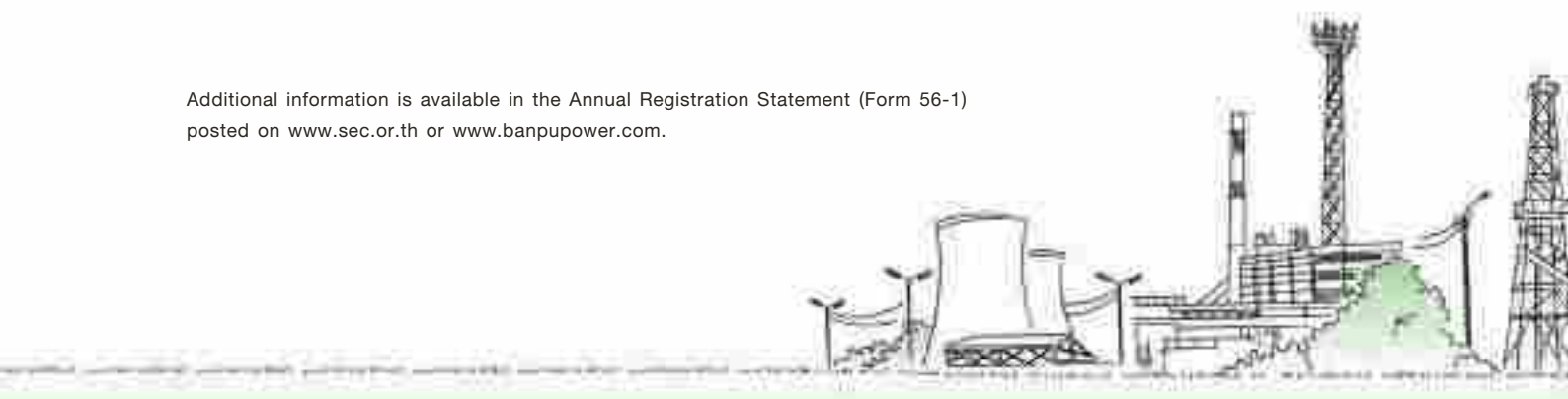
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Additional information is available in the Annual Registration Statement (Form 56-1)
posted on www.sec.or.th or www.banpupower.com.



EMBRACING SUSTAINABLE GROWTH

Banpu Power Public Company Limited or Banpu Power (BPP)
is a leading power-generating company operating both base-load and renewable
power businesses across the Asia-Pacific region.

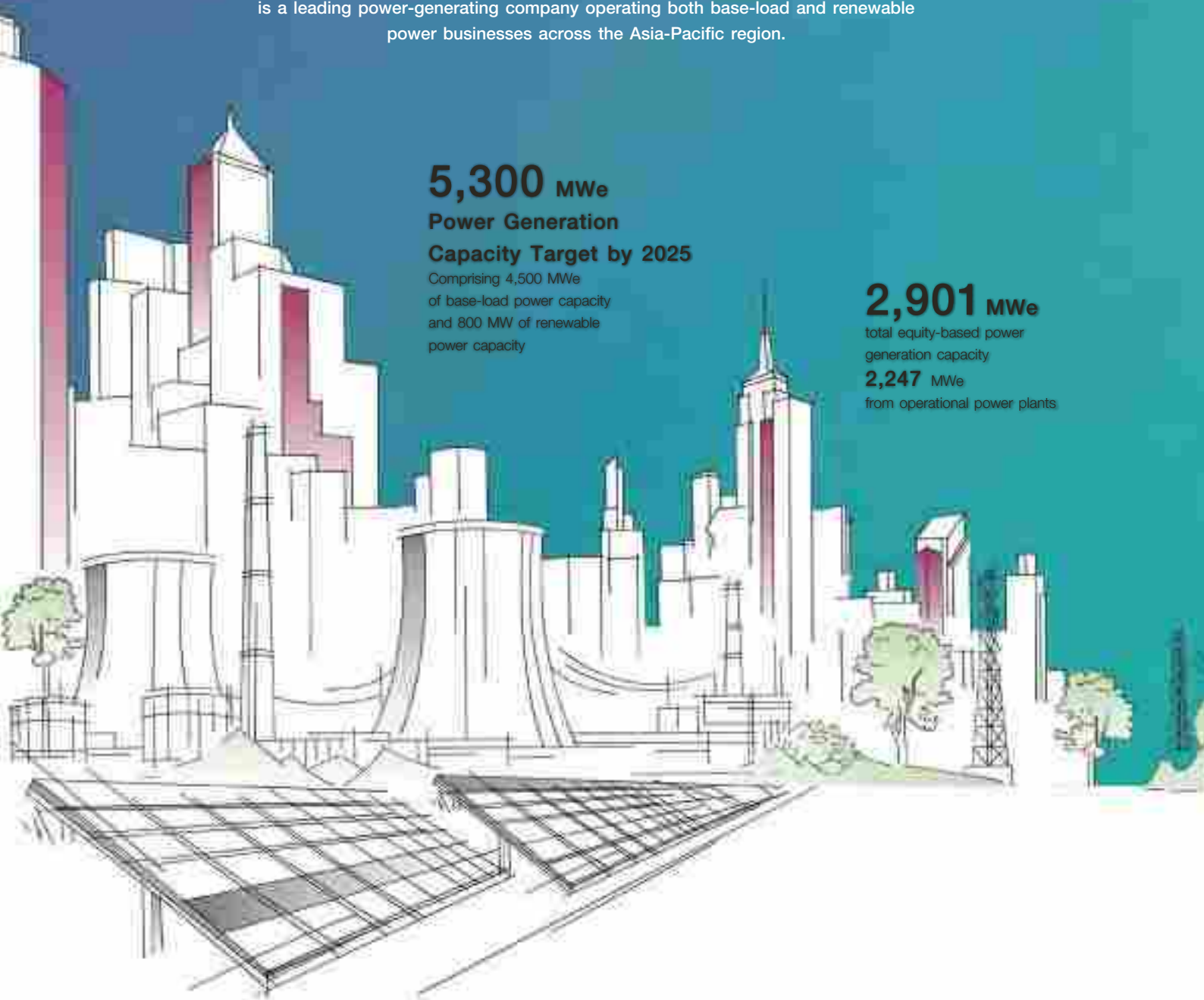
5,300 MWe **Power Generation** **Capacity Target by 2025**

Comprising 4,500 MWe
of base-load power capacity
and 800 MW of renewable
power capacity

2,901 MWe
total equity-based power
generation capacity
2,247 MWe
from operational power plants

33 Power Plants/Projects

of Banpu Power in five countries: Thailand, Lao PDR,
China, Japan, and Vietnam, **24** operational power plants





Expanding growth and creating favorable long-term returns

through a constant exploration of investment opportunities
in strategic countries and our strength in cash flow management
to create sustainable value for shareholders and stakeholders

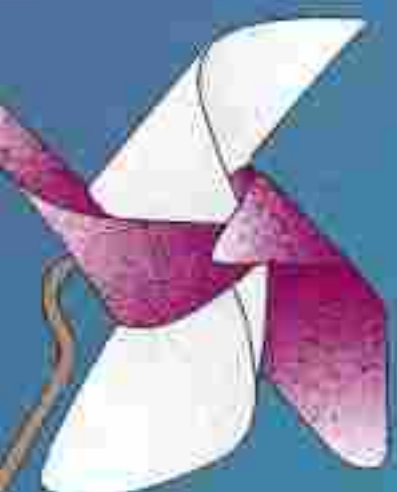
Listed on Thailand Sustainability Investment (THSI)

in 2019 by the Stock Exchange of Thailand,
reaffirming commitment to sustainable business
operations by embracing ESG (Environmental, Social
and Governance) principles

Greener & Smarter Strategy

to deploy High Efficiency, Low Emissions (HELE) technologies
in production processes and to invest in clean energy
and related energy technology portfolio through Banpu NEXT Co., Ltd.,
the flagship company in the clean energy portfolio, maintaining a balanced growth
in the power generation and distribution businesses in accordance
with the energy sustainability principles

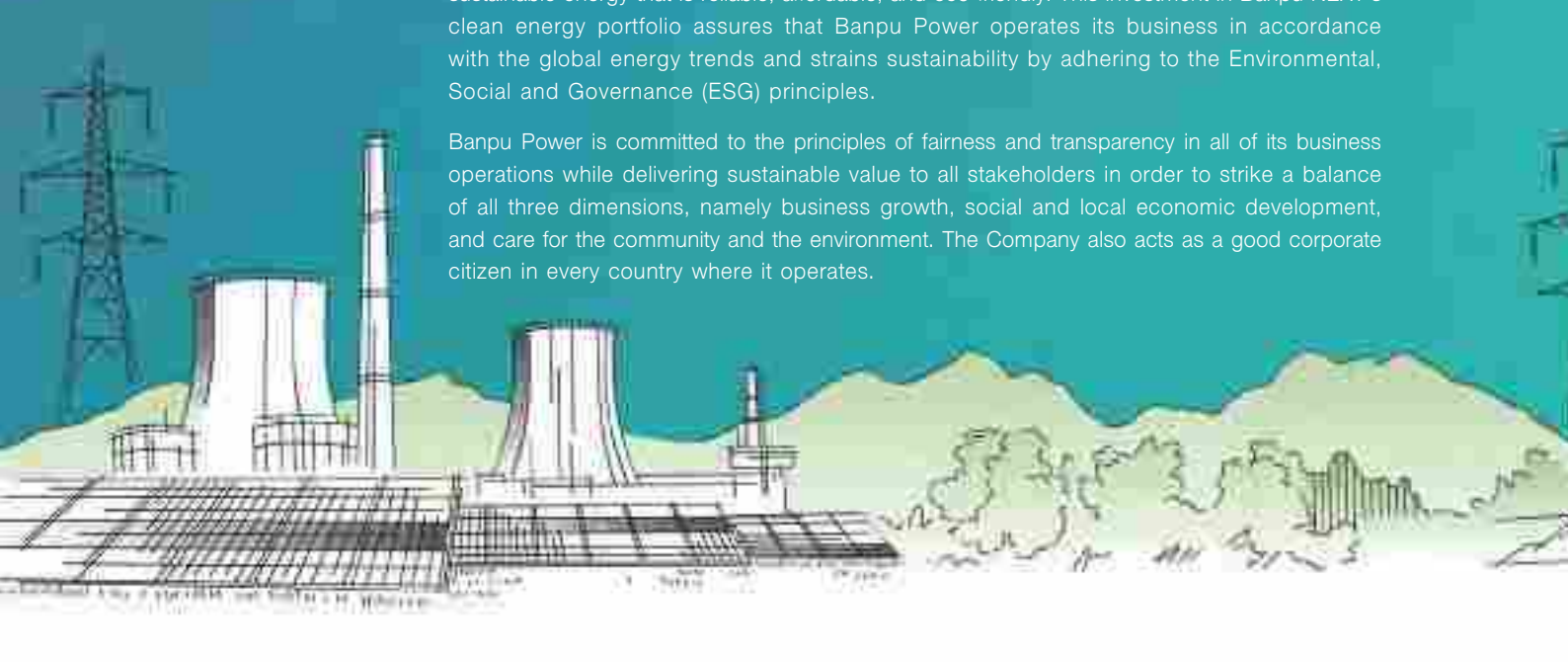
POLICY AND BUSINESS OVERVIEW



Banpu Power Public Company Limited or Banpu Power (BPP) was established in 1996 as a subsidiary of Banpu Public Company Limited. Listed on the Stock Exchange of Thailand in October 2016, Banpu Power operates base-load and renewable power generation and distribution businesses across the Asia-Pacific region, including Thailand, Lao PDR, China, Japan, and Vietnam.

Over the past two decades, Banpu Power has been striving for continual business growth in both power business investment and management. Driven by its expertise in power business coupled with strong support on management, operations, and other important tasks from Banpu – the parent company – Banpu Power has succeeded in enhancing business potentials. The Company is also devoted to researching and creating innovations for efficient power generation by deploying advanced technologies that are safe and eco-friendly to sustainably be a leader in the power business in the Asia-Pacific region.

As of 31 December 2019, Banpu Power owns and operates a total of 33 power plants and power projects. The Company's total equity-based power and steam capacity by the power plants which have reached commercial operation amounted to 2,247 MWe, with an unrealized capacity of 654 MWe from under development projects. Banpu Power aims to achieve a target capacity of 5,300 MWe by 2025. In late 2019, Banpu Group announced the amalgamation of clean energy portfolios into a new entity, Banpu NEXT. Banpu and Banpu Power each holds 50 percent of the total issued and outstanding shares in Banpu NEXT. The new entity will focus on investment and project development in the clean energy operation as well as the energy technology business in response to customer demand. This will reinforce the Greener & Smarter strategy while advancing business growth in line with the global energy trends known as the 3Ds – Decarbonization, Decentralization, and Digitalization. The restructuring of Banpu Group will improve Banpu Power's operational efficiency throughout the supply chain of power generation and delivery, from upstream to downstream. The emphasis will be on base-load power generation and distribution, which is still in high demand in Asia-Pacific. Banpu's Greener & Smarter strategy will be accentuated by incorporating environmentally friendly technologies into the power generation process to deliver sustainable energy that is reliable, affordable, and eco-friendly. This investment in Banpu NEXT's clean energy portfolio assures that Banpu Power operates its business in accordance with the global energy trends and strains sustainability by adhering to the Environmental, Social and Governance (ESG) principles.



Banpu Power is committed to the principles of fairness and transparency in all of its business operations while delivering sustainable value to all stakeholders in order to strike a balance of all three dimensions, namely business growth, social and local economic development, and care for the community and the environment. The Company also acts as a good corporate citizen in every country where it operates.

VISION

To be recognized as a pioneer Asian power company with a strong reputation for sustainable development, friendly community relations, and respect for the natural environment

MISSION

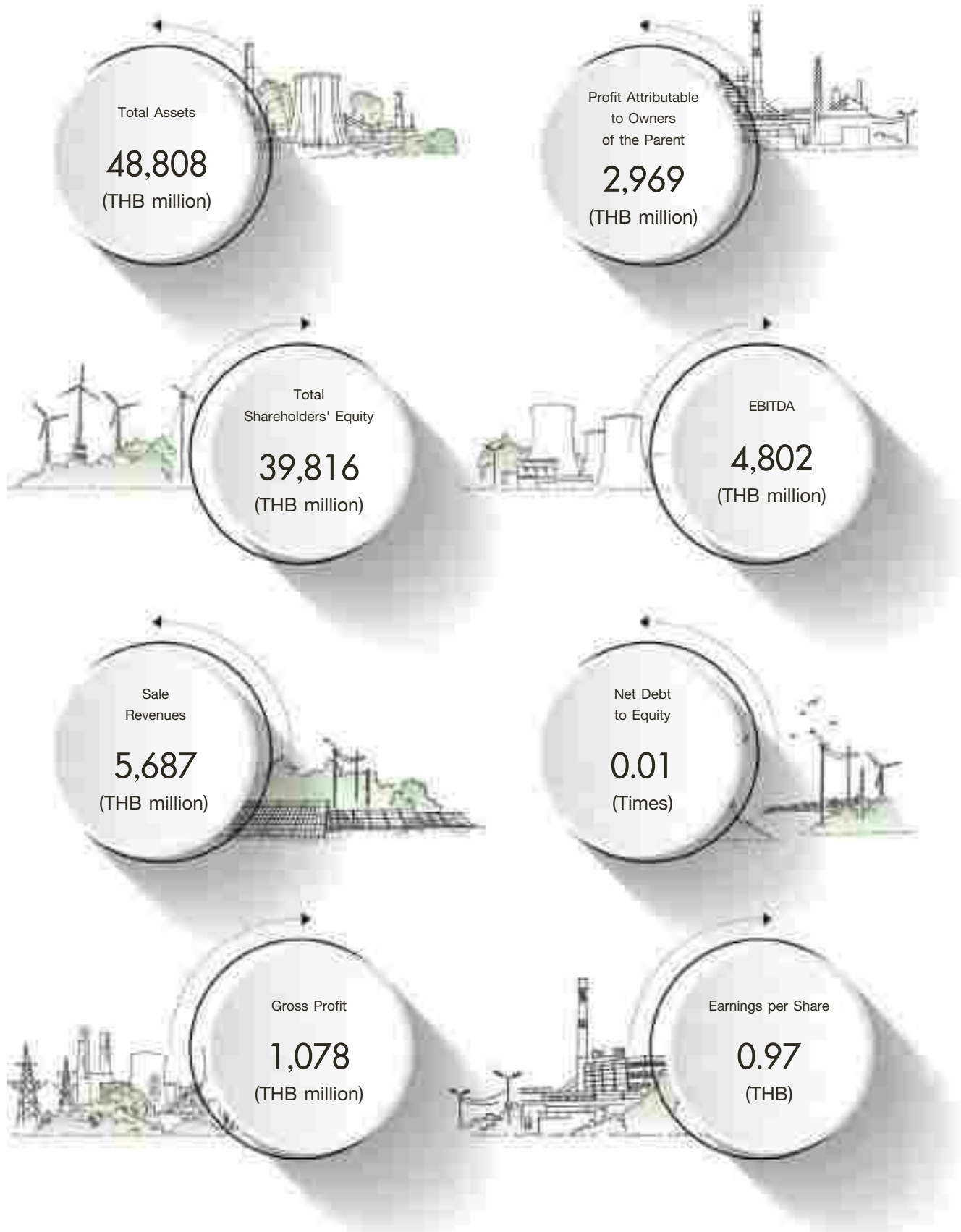
To develop, own and operate both conventional and renewable power businesses using the most efficient technologies available for sustainable growth in pursuit of a position of leadership in Asia

To conduct all business in an ethically, socially and environmentally responsible manner

To create sustainable value for shareholders, customers, business partners, employees, and communities while being a good corporate citizen in all countries of operations



FINANCIAL HIGHLIGHTS



		For the year ending 31-Dec-19	For the year ending 31-Dec-18	For the year ending 31-Dec-17
Financial Position				
Total Assets	(THB million)	48,808	51,566	47,698
Total Liabilities	(THB million)	8,992	10,385	7,913
Total Shareholders' Equity	(THB million)	39,816	41,181	39,785
Issued and Paid-Up Share Capital	(THB million)	30,510	30,510	30,484
Operational Results				
Sale Revenues	(THB million)	5,687	6,322	6,419
Cost of Sales	(THB million)	(4,609)	(5,051)	(4,879)
Gross Profit	(THB million)	1,078	1,271	1,540
Administrative Expenses	(THB million)	(1,749)	(1,229)	(1,169)
Litigation Compensation	(THB million)	-	(901)	-
Dividend Income from Other Company	(THB million)	20	20	21
Management Fee and Others	(THB million)	556	372	672
Interest Income	(THB million)	140	55	49
Net Gain (Loss) on Exchange Rate	(THB million)	(222)	19	(85)
Interest Expenses	(THB million)	(276)	(221)	(102)
Other Financial Charges	(THB million)	(13)	(8)	(4)
Share of Profit from Joint Ventures	(THB million)	3,673	4,767	3,682
Profit before Income Taxes	(THB million)	3,207	4,145	4,604
Income Taxes	(THB million)	(204)	(293)	(362)
Profit for the Year	((THB million)	3,003	3,852	4,242
Profit Attributable to Non-Controlling Interests	(THB million)	(34)	(39)	(88)
Profit Attributable to Owners of the Parent	(THB million)	2,969	3,813	4,155
EBITDA	(THB million)	4,802	5,913	5,410
Financial Ratios				
Gross Profit Margin	(Percent)	19	20	24
Net Profits to Total Revenues	(Percent)	52	60	65
Returns on Assets	(Percent)	6	7	9
Returns on Equity	(Percent)	7	9	10
Interest Coverage Ratio	(Times)	N/A	N/A	10
Net Debt to Equity	(Times)	0.01	0.1	0.1
Data per Share				
Earnings per Share	(THB)	0.97	1.25	1.36
Book Value per Share	(THB)	13.27	13.50	13.06
Dividend per Share	(THB)	0.65	0.60	0.60

*The Company announced a total dividend of THB 0.65 per share arising from its performance during the period from 1 January 2019 to 31 December 2019, of which THB 0.35 was paid on 25 September 2019. The remaining dividend of THB 0.30 per share for 2019 performance will be paid on 28 April 2020.

Remark: Financial figures are based on the consolidated financial statement.

OPERATIONAL RESULTS



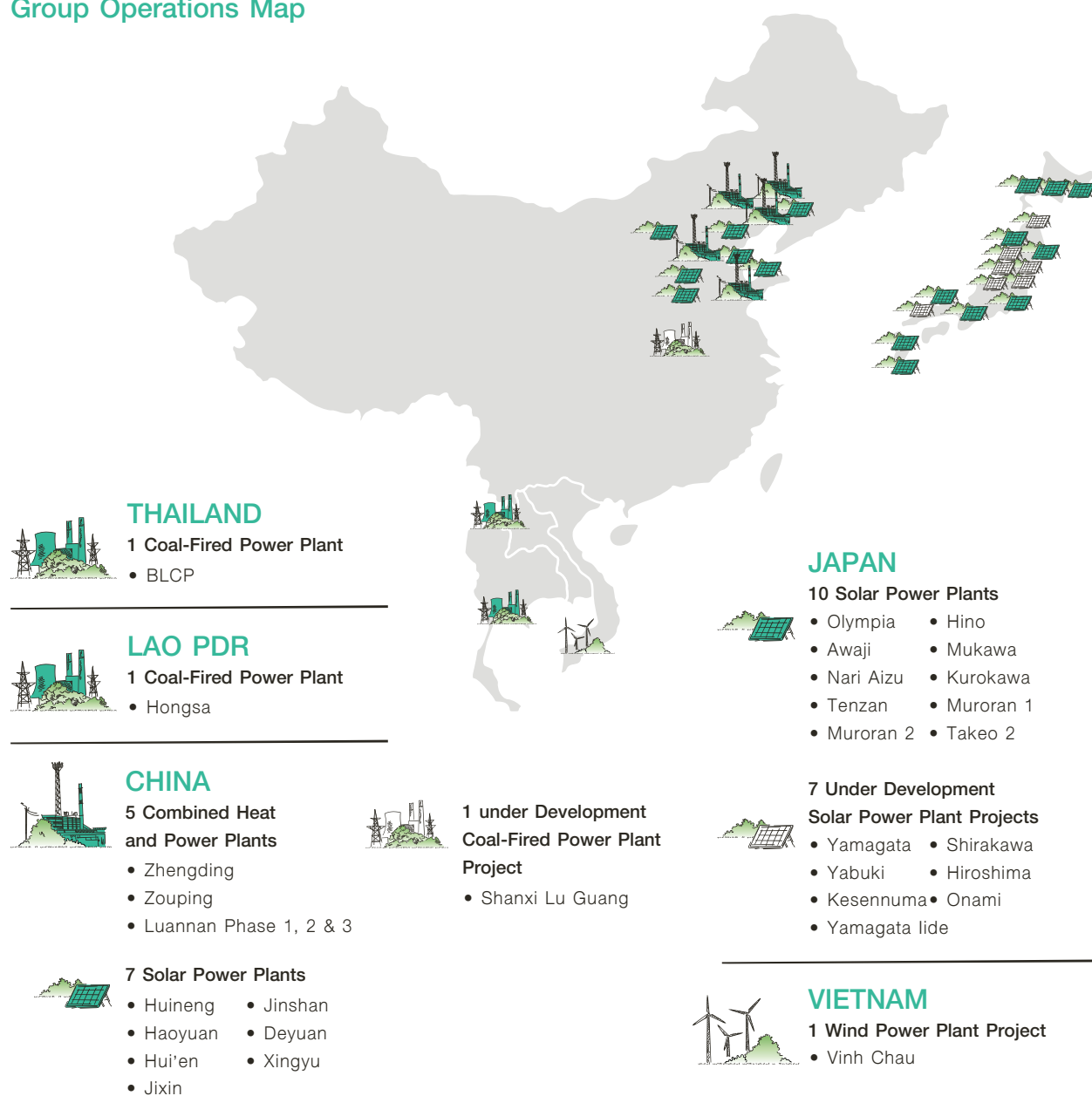
For the year ended

	2019	2018	2017
Sales volume			
Power sold (GWh)			
Zhengding power plant	420.09	416.11	419.74
Luannan power plant	691.53	609.10	509.60
Zouping power plant	383.73	465.88	566.99
Solar China	213.88	185.72	173.00
Total power sold (GWh)	1,709.23	1,676.81	1,669.33
Steam sold (Million Tonnes)			
Zhengding power plant	0.92	0.97	0.88
Luannan power plant	1.72	1.43	1.23
Zouping power plant	1.93	2.64	3.25
Total steam sold (Million Tonnes)	4.57	5.04	5.36
Total revenue (Million Baht)			
Revenue from power sold (Million Baht)			
Zhengding power plant	618.55	684.43	730.19
Luannan power plant	1,040.64	1,110.65	1,030.36
Zouping power plant	740.35	937.19	1,110.34
Solar China	754.97	714.56	659.44
Total revenue from power sold (Million Baht)	3,154.51	3,446.83	3,530.33
Revenue from steam sold (Million Baht)			
Zhengding power plant	435.57	492.99	457.26
Luannan power plant	731.53	620.72	505.56
Zouping power plant	838.37	1,287.82	1,557.01
Total revenue from steam sold (Million Baht)	2,005.48	2,401.53	2,519.83
Other income (Million Baht)	385.29	473.83	369.09
Revenue from energy trading in Japan (Million Baht)	141.73	-	-
Total Revenue (Million Baht)	5,687.01	6,322.19	6,419.25
Equity income from joint ventures (Million Baht)			
BLCP power plant	839.97	1,339.54	1,486.90
Hongsa power plant	2,822.27	3,418.09	2,234.65
Solar Japan	14.91	27.77	(2.94)
Shanxi Lu Guang power plant	(4.06)	(18.42)	(36.36)
Total equity income (Million Baht)	3,673.08	4,766.98	3,682.25

For the year ended

	2019	2018	2017
Gross profit margin (Percent)			
Zhengding power plant	12	22	21
Luannan power plant	15	15	25
Zouping power plant	10	11	16
Solar China	62	61	57
Energy trading in Japan	6	-	-
Total gross profit (Percent)	19	20	24

Group Operations Map



We pledge to conduct our **business professionally** and ethically with a **commitment to good governance** to become a sustainable leader in power generation business and a **major force driving economic** development in all the countries where we operate.



Assoc. Prof. Dr. Naris Chaiyasoot
Chairman of the Board of Directors



BOARD OF DIRECTORS' REVIEW

Dear Shareholders, The third year of Banpu Power Public Company Limited as a listed company on the Stock Exchange of Thailand marked another important step toward our goal of being a leading power-generating company operating both base-load and renewable power businesses across the Asia-Pacific region. We have been conducting our business in line with the principles of energy sustainability; in 2019, in addition to the cutting-edge High Efficiency, Low Emissions (HELE) technologies Banpu Power deployed to improve the power production process as always, we created sustainable growth by revolutionizing our business to align with Banpu Group's strategic plan with a new flagship company establishment, resulting from an amalgamation of all Banpu Group's clean energy and energy technology businesses. Meanwhile, the Company is always on the lookout for growth opportunities for energy businesses in high potential countries to diversify investment risks, increase business opportunities, create business alliances, and empower the Company to move forward firmly toward the goal and generate sustainable returns for the shareholders.

The Board of Directors have been supporting Banpu Power to mobilize business operations in accordance with the Environmental, Social, and Governance (ESG) principles in all the countries we operate. Due to our strict ESG compliance, we were listed on the Thailand Sustainability Investment (THSI) for the second consecutive year. This recognition reaffirms Banpu Power's commitment to maintaining the balance of economic, social, and environmental development. Furthermore, we approved and have supported the implementation of the policy to promote sustainability, which yielded notable performance. In China, our performance in emission control in base-load power plants has exceeded the government's requirements. Hongsa Power Plant in Lao PDR was accredited with ISO 14001 certification, resulting all Banpu Power's base-load power plants, both operated by Banpu Power and joint ventures, have been certified. We also support the implementation of the Anti-Corruption Policy, the reporting of wrongdoing, and the protection of whistleblowers. Consequently, Banpu Power was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) by the Thai Institute of Directors.

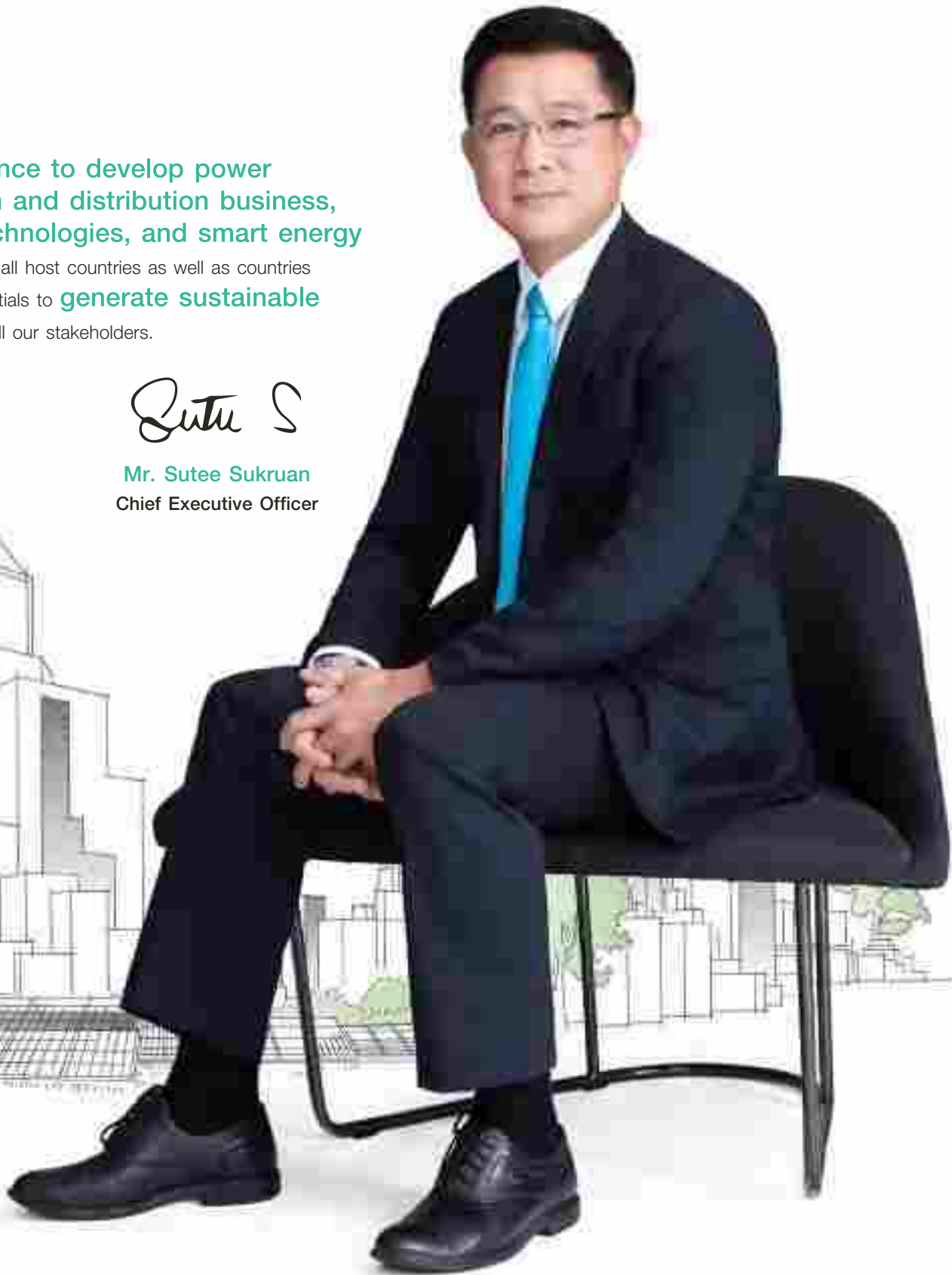
On this occasion, the Board of Directors would like to express our sincere appreciation to our valued stakeholders and all parties involved, both in Thailand and overseas, for your unwavering support and encouragement for Banpu Power. We pledge to conduct our business professionally and ethically with a commitment to good governance to become a sustainable leader in power generation business and a major force driving economic development in all the countries where we operate.

We will **advance to develop power generation and distribution business, energy technologies, and smart energy systems** in all host countries as well as countries with high potentials to **generate sustainable returns** to all our stakeholders.



Sutee S

Mr. Sutee Sukruan
Chief Executive Officer



CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Shareholders, Power generation business plays a pivotal role in driving the global economy and energy industry, especially now that we need to take future energy trends into consideration. Nonetheless, energy security is another factor that cannot be overlooked. Over the past years, Banpu Power Public Company Limited has seen growing investment value and opportunities in renewable power generation and energy technology businesses due to lower production costs in many countries driven by government privilege to eco-friendly energy. Concurrently, base-load power generation, which employs state-of-the-art and environmentally friendly technologies, is still vital for securing stable power supply for general consumers and industrial sectors, particularly in South-East Asian countries, where power demand is extremely high. Hence, in 2019, Banpu Power continued our power production and distribution business to create sustainable growth in response to various energy demands, policies and development plans in the countries where we operate as well as other high potential countries. This enabled us to successfully increase power generation capacity and achieve a balanced portfolio whilst creating consistent returns and cash flow.

Banpu Power aims to achieve the capacity target of 5,300 MW by 2025, with 4,500 MWe from base-load power generation and 800 MW from renewable power generation. In 2019, the Company moved toward the target by expanding clean energy generation capacity from power plants that achieved Commercial Operation Date (COD) comprising Jixin Solar Power Plant in China - 25 MW, and 5 solar power plants in Japan including Kurokawa - 18.9 MW, and Tenzan, Muroran 1 & 2, and Takeo 2 – a total of 6.3 MW. Plus, an additional 52 MWe from the completion of Luannan Combined Heat and Power Plant (CHP) phase 3 in China, which increases flexibility during high demand period. In addition, the Board of Directors approved the Company's acquisition of a 50-percent share in Banpu NEXT, the new flagship company of Banpu Group, which currently has a 406.7-MW installed capacity and will operate clean energy and energy technology businesses. This investment has contributed to a more diverse portfolio in response to the future energy trend.

Summary of Operating Results in 2019

In 2019, Banpu Power achieved a total capacity of 2,901 MWe from 33 power plants and projects in Thailand, Lao PDR, China, Japan, and Vietnam. Of the total capacity, 2,247 MWe came from commercially operational base-load and renewable power generation plants. The other 654 MW came from under construction and development projects, namely Shanxi Lu Guang Power Plant units 1 and 2 in China, which deploy the Ultra-Supercritical (USC) system — a High-Efficiency, Low Emissions (HELE) technology, seven solar power plants in Japan, and a wind power plant project phase 1 in Vietnam. These projects will have achieved commercial operation dates by 2023.

In 2019, Banpu Power has reported its operating results with Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of THB 4,802 million, a 19-percent decrease compared to last year, and a total operating profit of THB 3,191 million, a 33-percent decrease compared to last year, due to a decrease of profit sharing from Hongsa and BLCP power plants. However, the two power plants continued to run effectively, with the Equivalent Availability Factor (EAF) reported at 81 percent and 90 percent respectively. Last year, the Company has succeeded in expanding its operation in China and Japan with regards to the expected Commercial Operation Date (COD), plus additional investment in operational power plants which immediately brought revenue back to the Company. These achievements have pushed the total operational capacity to reach 102 MW. In addition, the Company has also invested in virtual power plant (VPP) and energy trading business which is new business in Japan that allows us to gain revenue instantly. This is in line with our Greener & Smarter strategy by taking into consideration consistent returns and strong cash flows to create sustainable value to all stakeholders.



Strategies and Future Directions

Banpu Power is still moving the Company forward with the Greener & Smarter strategy by seeking new growth opportunities in strategic counties in South-East Asia with favorable government policies and high business potentials. We will continue to invest both directly under Banpu Power and through Banpu NEXT, promote innovations to achieve power quality and reliability, and deploy HELE technologies. Holding 50 percent of shares in Banpu NEXT not only added capacity from renewables but also expanded Banpu Power's investment portfolio into such energy technologies as electric vehicle design and manufacturing, battery production and distribution, energy storage system, energy efficiency management, energy technology management system, smart city project, and other forms of smart infrastructure and clean energy technology business that will materialize in the future. We also have strength in power generation business planning and development built upon the synergy with Banpu Group through the exchange of knowledge and expertise, and sharing of integrated energy innovations, to timely and efficiently satisfy future energy demands.

Banpu Power will pursue our goal to maintain balanced growth by embracing Environmental, Social, and Governance (ESG) principles and be a good corporate citizen in every location where we operate. Each of our strides to success would not have been possible without your trust and support. We are aware of our mission and responsibilities to shareholders and will advance to develop power generation and distribution business, energy technologies, and smart energy systems in all host countries as well as countries with high potentials to generate sustainable returns to all our stakeholders.



SUMMARY OF MAJOR CHANGES AND DEVELOPMENTS IN THE PAST YEAR AND MAJOR CURRENT EVENTS

13 August 2019

Banpu Power expanded renewable energy business through investment worth CNY 189.15 million in Jixin Solar Power Plant. The 25.22-MW solar power plant, which is located in Jiangsu Province, China, has already achieved the commercial operation date (COD). Being entitled to Feed-in Tariff (FIT) of 1 CNY per kWh, the power plant recognized revenue in Q3/2019.

31 October 2019

The Board of Directors Meeting approved the establishment of Banpu NEXT Company Limited through the amalgamation of Banpu Renewable Energy Company Limited (BRE), a 99.99-percent-owned subsidiary of Banpu Power, and Banpu Infinergy Company Limited (BPIN), a 99.99-percent-owned subsidiary of Banpu Public Company Limited. The restructuring aimed to systematize and consolidate all Banpu Power and Banpu's clean energy business, energy technology business, subsidiaries, as well as investment and development of clean energy business projects under one flagship company. Due to the amalgamation, BRE will cease to exist as a subsidiary of Banpu Power since Banpu NEXT will legally take on all of the rights, duties and responsibilities previously held by BRE and BPIN. Banpu Power and Banpu will equally own the shares of Banpu NEXT (approximately 50 percent each from the issued and sold shares of the new entity).



22 February 2019

The Board of Directors Meeting approved the Company's dividend payment at a rate of THB 0.60 per share for the 2018 operating profit during 1 January to 31 December 2018. Previously, an interim dividend had been paid out to shareholders at a dividend rate of THB 0.30 per share for 3,051,021,700 shares on 26 September 2018. Thus, the remaining 2018 dividend for the operating profit during 1 July to 31 December 2018 was proposed to be paid out to the shareholders at a rate of THB 0.30 per share for 3,051,021,700 shares. The dividend payment was appropriated from the corporate income tax-exempted profit, on which shareholders are not entitled to tax credits. The dividend was paid on 26 April 2019. Number of shares at present has not yet included the ordinary shares that may increase from the exercising of the right to purchase the newly issued ordinary shares offered to the directors and employees of Banpu Group, excluding the Company and its subsidiaries (BPP-W) and the Employee Stock Option Plan for Directors and Employees of the Company and its subsidiaries (BPP-ESOP).

30 August 2019

The Board of Directors Meeting approved the interim dividend payment from accumulated profit and operating profit for the six months ending 30 June 2019, at a rate of THB 0.35 per share for 3,051,021,700 shares. The dividend payment was appropriated from the corporate income tax-exempted profit, on which shareholders are not entitled to tax credits. The dividend was paid on 25 September 2019.

December 2019

Banpu Renewable Singapore Pte. Ltd. (BRS), Banpu Power's wholly-owned subsidiary, acquired a 19.9-percent stake in Global Engineering Co., Ltd., with the transaction value of JPY 1,143 million (equivalent to THB 316 million). The investment will expand into virtual power plants and energy trading business to provide digital and online platforms for power distribution in Japan.

February 2020

The Board of Directors Meeting approved the Company's dividend payment at a rate of THB 0.65 per share for the operating results during 1 January to 31 December 2019, of which a THB 0.35 per share interim dividend was paid out on 25 September 2019. Thus, the remaining THB 0.35 dividend would be further paid out of the retained earnings and operating profit during 2019. The Meeting proposed the Company to pay THB 0.30 per share dividend from accumulated profit and operating profit during 1 July to 31 December 2019, which are appropriated from the corporate tax-exempted profit, on which shareholders are not entitled to tax credits. The dividend payment is scheduled on 28 April 2020.



19 December 2019

The Company commenced the commercial operation of the Kurokawa Solar Power Plant in Miyagi Prefecture, Japan. The power plant, which is under the TK structure, achieved COD on 13 December 2019 as planned and has a total capacity of 18.90 MW. The Company invested in 100-percent shares of the power plant and entered into a 20-year Power Purchase Agreement with Tohoku Electric Power Co., Inc. The power plant is entitled to Feed-in Tariff (FIT) of JPY 36 per kWh throughout the project period.

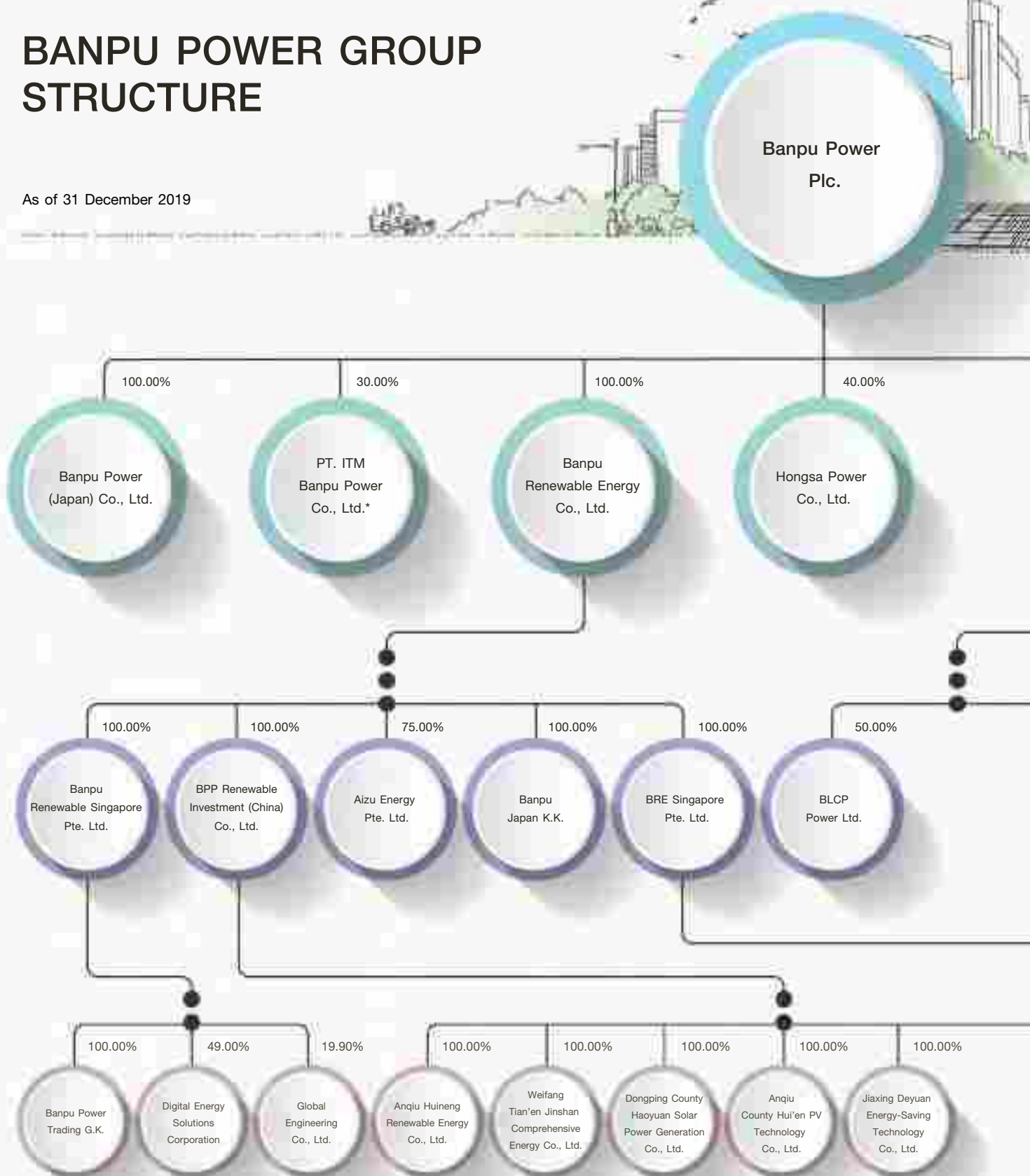
December 2019

Banpu Renewable Singapore Pte. Ltd. (BRS), Banpu Power's wholly-owned subsidiary, acquired a 100-percent stake in four solar power plants under TK structure in Japan, with the transaction value of JPY 1,134 million (equivalent to THB 301 million). The four power plants with a total generation capacity of 6.32 MW. are as follows:

- Tenzan Solar Power Plant in Saga Prefecture, with a power generation capacity of 1.96 MW and Feed-in Tariff (FIT) of JPY 40 per kWh, achieving COD in October 2017;
- Takeo II Solar Power Plant in Saga Prefecture, with a power generation capacity of 1 MW and Feed-in Tariff (FIT) of JPY 21 per kWh, achieving COD in October 2018;
- Murooran I Solar Power Plant in Hokkaido Prefecture, with a power generation capacity of 1.73 MW and Feed-in Tariff (FIT) of JPY 24 per kWh, achieving COD in August 2018; and
- Murooran II Solar Power Plant in Hokkaido Prefecture, with a power generation capacity of 1.63 MW and Feed-in Tariff (FIT) of JPY 24 per kWh, achieving COD in January 2018.

BANPU POWER GROUP STRUCTURE

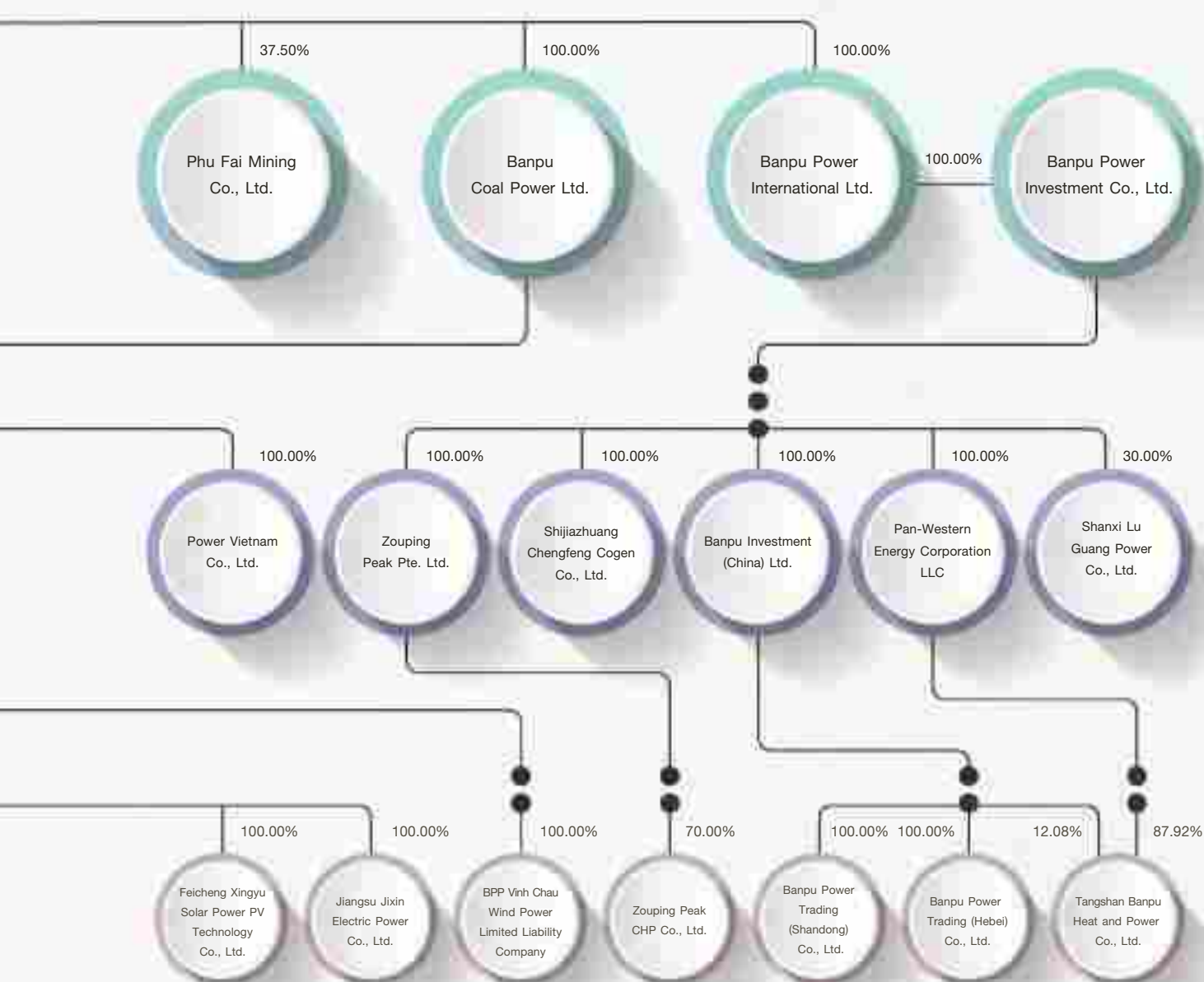
As of 31 December 2019



Notes: * PT. ITM Banpu Power Co., Ltd.

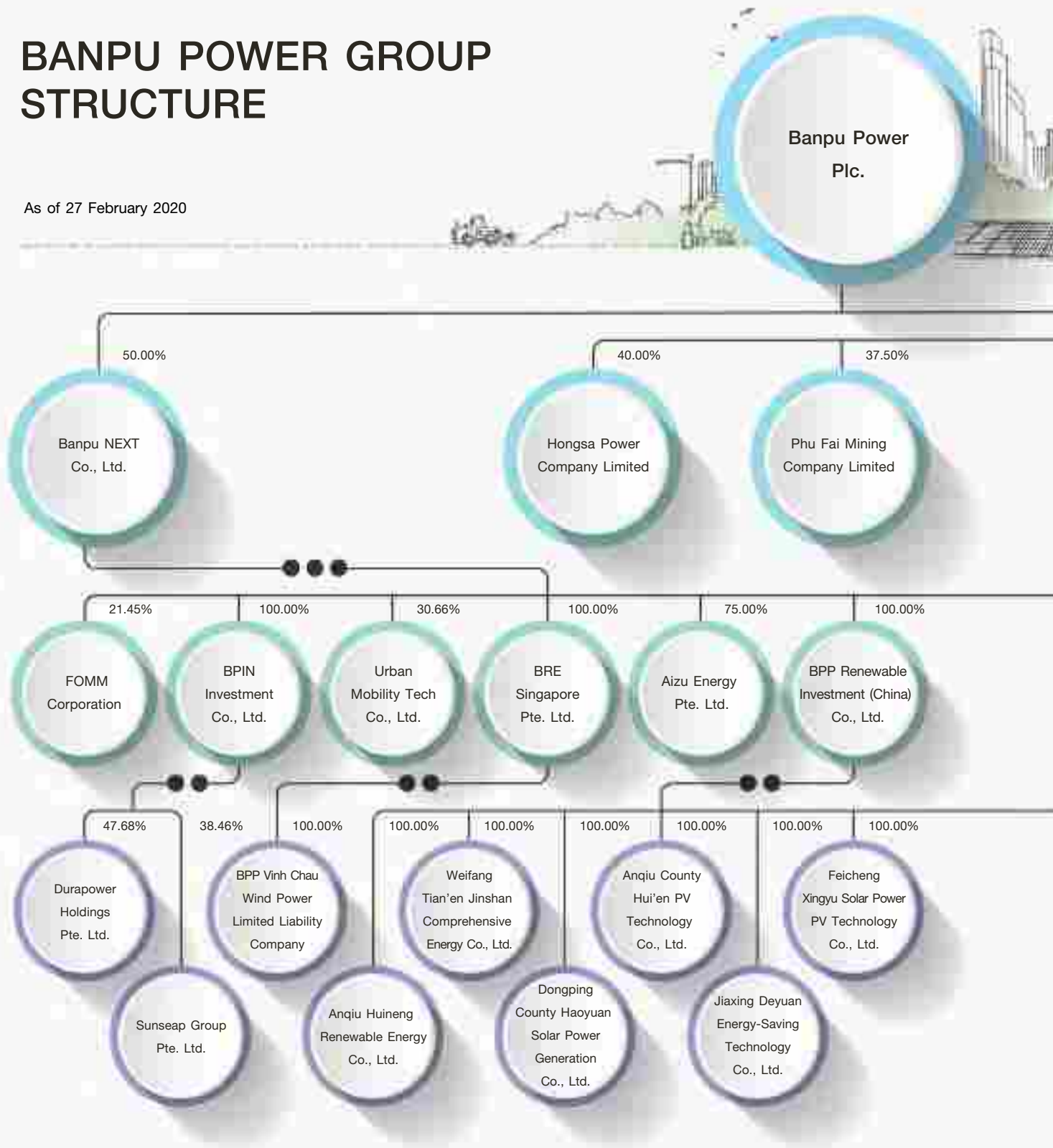
70.00% held by PT. Indo Tambangraya Megah Tbk

30.00% held by Banpu Power Plc.



BANPU POWER GROUP STRUCTURE

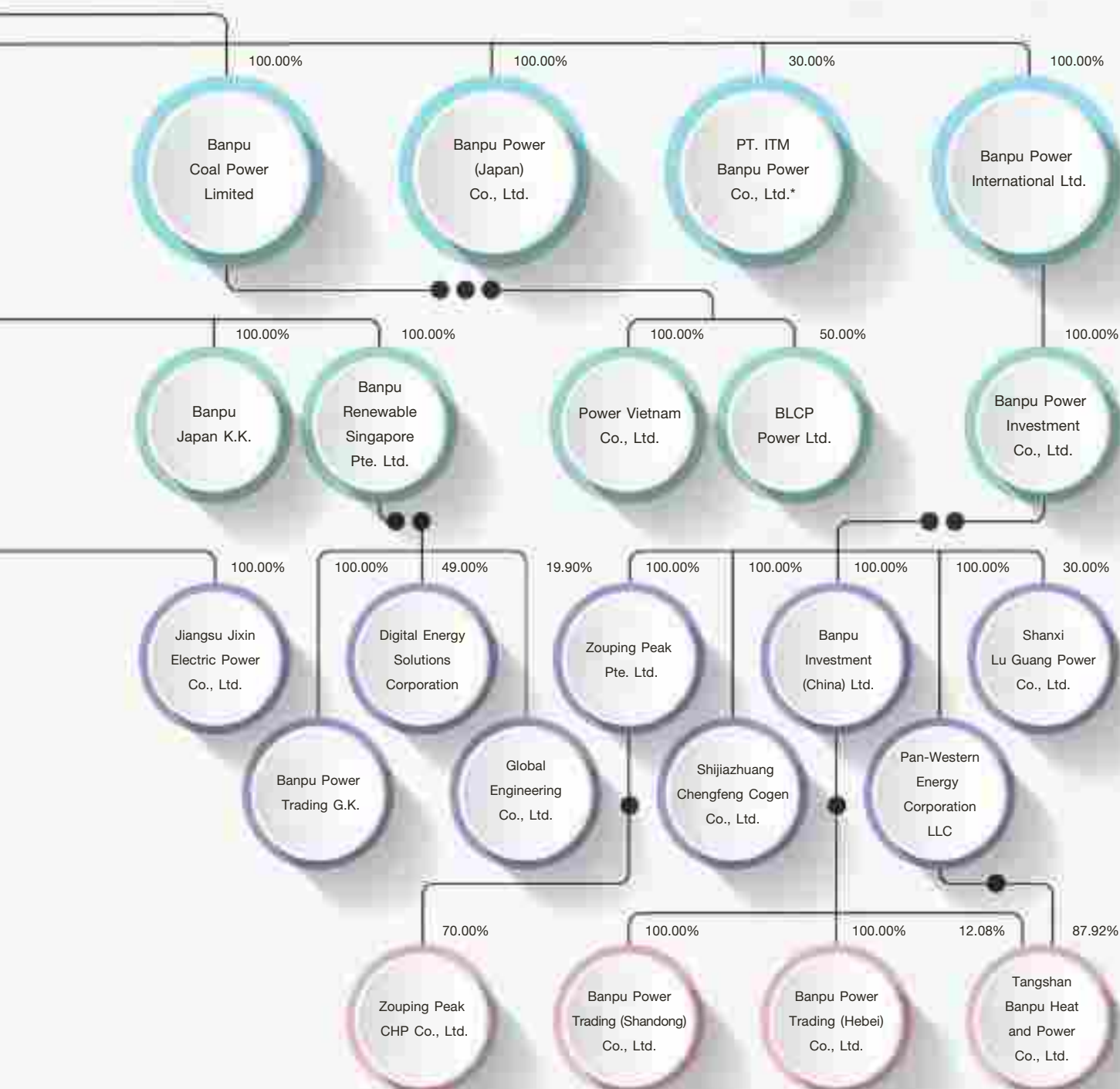
As of 27 February 2020



Notes: * PT. ITM Banpu Power Co., Ltd.

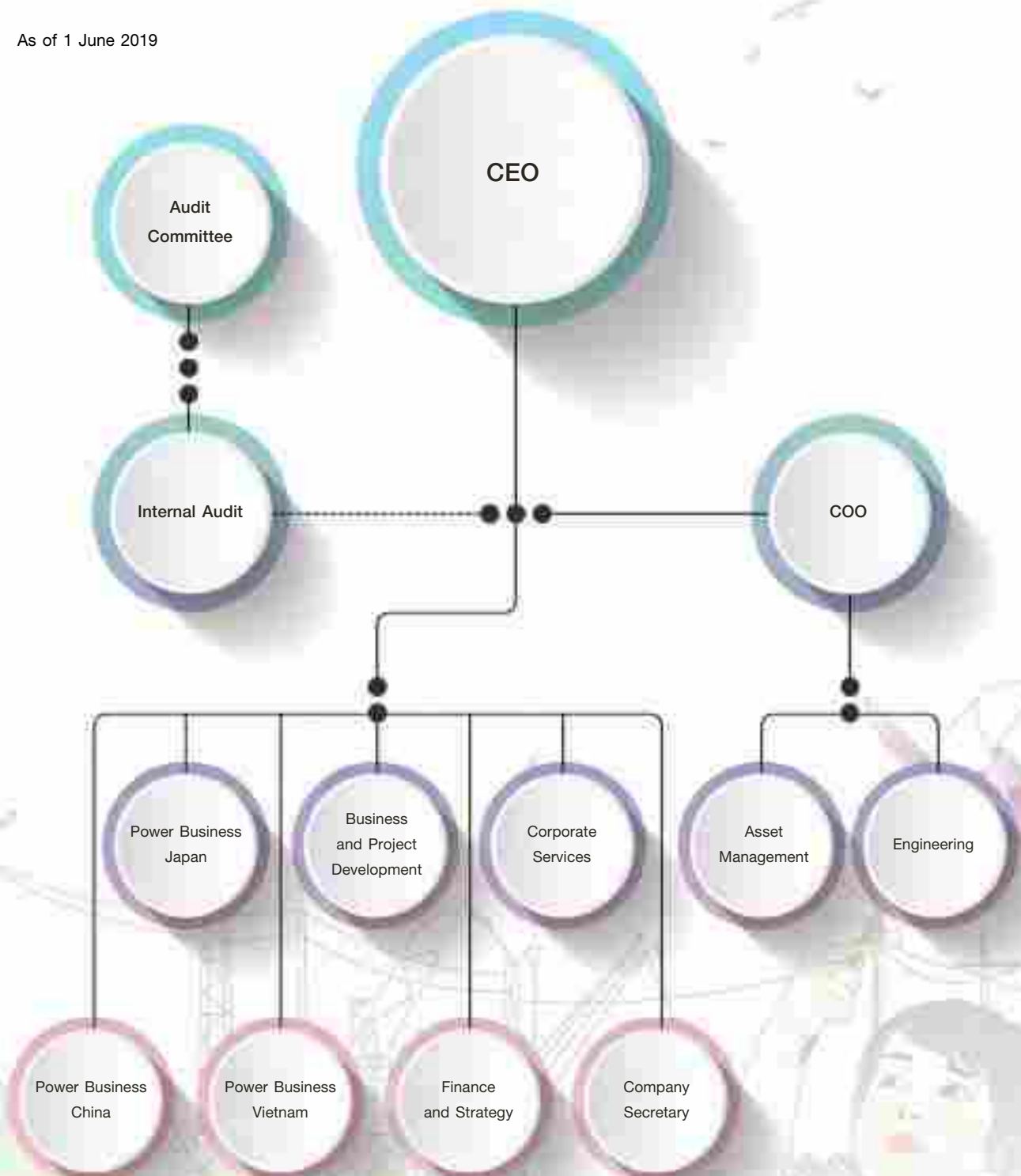
70.00% held by PT. Indo Tambangraya Megah Tbk

30.00% held by Banpu Power Plc.

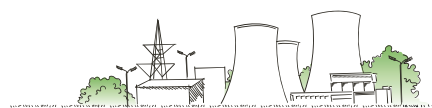


ORGANIZATIONAL STRUCTURE

As of 1 June 2019



MANAGEMENT STRUCTURE



The management structure of the Company as of 31 December 2019 consisted of the Board of Directors and the executive officers. The Board of Directors consists of independent directors, non-executive directors, and executive directors. The independent directors account for 33 percent of the total number of board members.

The Board set up three Sub-Committees, namely, the Audit Committee, the Corporate Governance and Nomination Committee, and the Compensation Committee.

The Board also requires that Chairman of the Board, Chairman of the Audit Committee, Chairman of the Corporate Governance and Nomination Committee, Chairman of the Compensation Committee, and all directors in the Audit Committee be independent directors.

1. The Board of Directors

consists of:

1. Assoc. Prof. Dr. Naris Chaiyasoot	Chairman of the Board of Directors/ Independent Director
2. Mr. Chanin Vongkusolkit	Director
3. Mr. Metee Auapinyakul	Director
4. Mr. Rawi Corsiri	Director
5. Mr. Yokporn Tantisawetrat	Independent Director
6. Prof. Dr. Bundhit Eua-Aporn	Independent Director
7. Ms. Somruedee Chaimongkol	Director
8. Mr. Voravudhi Linananda	Director
9. Mr. Sutee Sukruan	Director/Chief Executive Officer

Authorized Signatory Directors on Behalf of the Company

Any two of the following six board members, namely Mr. Chanin Vongkusolkit, Ms. Somruedee Chaimongkol, Mr. Sutee Sukruan, Mr. Voravudhi Linananda, Mr. Metee Auapinyakul, or Mr. Rawi Corsiri, are authorized to jointly sign on a document affixed with the Company's seal.

Duties and Responsibilities of the Board of Directors

The Board of Directors is accountable to shareholders for the Company's business operations and supervision of the management to accomplish the goals and maximize shareholders' value. The Board also ensures compliance with the Code of Conduct whilst optimizing all stakeholders' benefits.

The Board of Directors has a duty to comply with the laws, objectives and regulations of the Company and with resolutions of the shareholders' meetings. It shall perform duties with integrity and act in the interests of shareholders for both short and long terms. The Board also complies with rules and regulations of the Stock Exchange of Thailand (SET), the Office of the Securities and Exchange Commission (SEC) and the Capital Market Supervisory Board established according to the Securities and Exchange Act, B.E. 2535 as amended by the SEC Act (No.5), B.E. 2559.

In 2019, the Board prescribed the second revision of “Banpu Power Public Company Limited's Board of Directors' Practice” to ensure alignment with the universal principles of good corporate governance and the current version of the Code of Conduct. The second revised edition of Banpu Power Public Company Limited's Board of Directors' Practice B.E. 2562 consists of definitions, composition, and criteria of the Board, directors' qualifications, terms of office and retirement of directors, duties, and responsibilities of the Board as well as a Board meeting and voting procedure.

To ensure compliance with the Practice, the Board entrusted the Chief Executive Officer with the duty to supervise the Company's business operations and corporate governance.

The Board also formulated the Audit Committee Charter, the Corporate Governance and Nomination Committee Charter, and the Compensation Committee Charter as guidelines for these Sub-Committees.

The Board organizes an orientation session for new directors to make them realize what the Company expects of them. During the orientation, the new directors learn about their roles and responsibilities, the Company's corporate governance policy and practices, business and operations, and risk management. In addition, they have the opportunity to visit different operational units. After attending the orientation, the new directors will be equipped for their new roles as directors.

The Board of Directors has the policy to broaden directors' horizons through seminars or training on a wide variety of subjects such as corporate governance, industrial outlook, businesses, new technologies, and innovations. All directors are encouraged to attend seminars or training held by the Thai Institute of Directors Association (IOD) and other reputable institutions to maximize their effectiveness and performance. Moreover, the Board and the management jointly hold seminars to disseminate knowledge, experience, and information about technologies directly related to the Company's business. The Board also provides a platform for the executives to exchange experience and useful information about new energy technologies gained from attending seminars among directors. In 2019, the Board of Directors attended seminars and training as follows:

Training Course/Seminar	Institution	Number of Participating Directors
Role of the Chairman Program Class 45/2019	Thai Institute of Directors (IOD)	1
Knowledge Sharing: Power Purchase Agreement (PPA) for Power Business	Banpu Power Public Company Limited	3
Knowledge Sharing: Human Resources Management	Banpu Public Company Limited	3
Knowledge Sharing: Digital Transformation	Banpu Public Company Limited	2
Knowledge Sharing: Energy Trading	Banpu Power Public Company Limited	9
Knowledge Sharing: Cyber Security and Digital Resilience Assessment: (DRA)	Banpu Public Company Limited	3
Knowledge Sharing: Whistleblowing and Compliant Handling	Banpu Power Public Company Limited	3
Knowledge Sharing: Digital Transformation in Energy Business and What's Next?	KPMG Phoomchai Audit Ltd.	4

In 2019, the Board of Directors reviewed the Company's vision, mission, and strategy and provided suggestions on the business direction, long-term strategic plan, action plan and budget, and the annual workforce plan to ensure that the strategic plan responds to rapidly changing business ecosystem. The Board allows directors to raise their issues of interest other than those in the Board meeting. Directors can also express opinions or provide useful recommendations on the collaboration between the Board of Directors and the management as well as the administrative direction planning and succession planning for senior management. The Board of Directors at the Board meeting No. 12/2019, held on 20 December 2019, granted its in-principle approval for the strategic plan as well as the 2020 action plan and budget.

On 5 October 2019, the Board of Directors also held a Non-Executive Directors meeting (NED Meeting) to allow directors to freely express and discuss opinions relating to management without the presence of management.

The Board of Directors requires that the Board itself be subject to a performance evaluation once a year. The performance evaluations of the Board of Directors, the Sub-Committees, and individual directors according to the evaluation principles and process set forth by the Stock Exchange of Thailand (SET) have been conducted since 2017. This duty is entrusted to the Corporate Governance and Nomination Committee.

2. Audit Committee

consists of:

- | | |
|--------------------------------------|---------------------------------|
| 1. Mr. Yokporn Tantisawetrat | Chairman of the Audit Committee |
| 2. Assoc. Prof. Dr. Naris Chaipasoot | Member of the Audit Committee |
| 3. Prof. Dr. Bundhit Eua-Aporn | Member of the Audit Committee |

The Audit Committee's term of office is three years from September 2018 to the date of the Annual General Meeting of Shareholders in 2021. All Audit Committee members have the expertise, experience, and strong understanding of accounting and finance, and Mr. Yokporn Tantisawetrat is a committee member who has sufficient expertise and experience to review the accuracy and credibility of the Company's financial statements.

The Audit Committee Meeting No. 7/2018, held on 9 November 2018, appointed Ms. Orawan Phunamsarp as Head of Internal Audit and the Secretary to the Audit Committee starting from 1 December 2018. Ms. Orawan Phunamsarp has had professional 15-year experience in internal audits according to international internal audit standards and has a good understanding of the Company's business activities and operations.

Duties and Responsibilities of the Audit Committee

The Audit Committee has a duty to review the Company's financial statements, its adequacy of internal control and risk management systems, and compliance with applicable laws and regulations. The Audit Committee is also required to prepare a report or to give opinions to the Board of Directors for approval or submission to the shareholders' meeting, as appropriate. (For more information, please visit <https://www.banpupower.com/subcommittees#tabs-1>.)

3. The Corporate Governance and Nomination Committee

consists of:

- | | |
|--------------------------------------|---|
| 1. Assoc. Prof. Dr. Naris Chaiyasoot | Chairman of the Corporate Governance and Nomination Committee |
| 2. Mr. Chanin Vongkusolkrit | Member of the Corporate Governance and Nomination Committee |
| 3. Mr. Rawi Corsiri | Member of the Corporate Governance and Nomination Committee |

The Corporate Governance and Nomination Committee's term of office is three years from August 2018 to August 2021.

Duties and Responsibilities of the Corporate Governance and Nomination Committee

According to its charter, the Corporate Governance and Nomination Committee has two major duties. Firstly, to review the Corporate Governance Policy and the Code of Conduct, and to monitor compliance with the policy and practices set out in the Code of Conduct. Secondly, to nominate directors and the Chief Executive Officer, monitor a succession plan to nominate the suitable persons to fill the management positions (for Vice President level and higher), and submit recommendations to the Board of Directors for approval or submission to the shareholders' meeting, as appropriate. (For more information, please visit <https://www.banpupower.com/subcommittees#tabs-2>.)

4. The Compensation Committee

consists of:

- | | |
|--------------------------------|--|
| 1. Prof. Dr. Bundhit Eua-Aporn | Chairman of the Compensation Committee |
| 2. Ms. Somruedee Chaimongkol | Member of the Compensation Committee |
| 3. Mr. Metee Auapinyakul | Member of the Compensation Committee |

The Compensation Committee's term of office is three years from August 2018 to August 2021.

Duties and Responsibilities of the Compensation Committee

The Compensation Committee's duty is to provide advice related to compensation management to the Board of Directors for approval or submission to the shareholders' meeting, as appropriate. (For more information, please visit <https://www.banpupower.com/subcommittees#tabs-3>.)

5. The Management

consists of:

- | | |
|---------------------------------|---|
| 1. Mr. Sutee Sukruan | Chief Executive Officer |
| 2. Mr. Praphan Likitwacharakorn | Chief Operating Officer |
| 3. Mr. Chairat Chanhom | Senior Vice President - Power Business in China |
| 4. Ms. Bubpachart Meecharoen | Senior Vice President - Power Business in Vietnam |
| 5. Mr. Banchob Kitchpanich | Chief Financial Officer |

Duties and Responsibilities of the Chief Executive Officer

The Board of Directors sets operational goals for the CEO and evaluates her performance every year to determine appropriate compensation. The CEO then evaluates the performance of executive officers and senior executive officers by using goals and evaluation criteria linked closely with Banpu's strategic plan and annual operating plan and uses this information to set appropriate and attractive compensation packages and incentives. (For more information, please see 56-1 Form: CEO's duties and responsibilities.)

6. The Independent Directors, representing 33 percent of the Board,

are as follows:

- | | |
|--------------------------------------|----------------------|
| 1. Mr. Yokporn Tantisawetrat | Independent Director |
| 2. Assoc. Prof. Dr. Naris Chaiyasoot | Independent Director |
| 3. Prof. Dr. Bundhit Eua-Aporn | Independent Director |

Banpu Power defined the qualifications of "Independent Directors" according to the Notification of the Capital Market Supervisory Board No. TorChor.39/2559, dated 16 November B.E. 2559. (For more information, please see 56-1 Form and the Notification of Capital Market Supervisory Board No. TorChor.39/2559, dated 16 November B.E. 2559.)

7. Company Secretary

The Board of Directors has appointed Ms. Thassanee Passarapark as Company Secretary effective from 1 January 2019, with duties and responsibilities as stipulated in the Securities and Exchange Act (No.5), B.E. 2559, an amendment of the Securities and Exchange Act B.E. 2535. The Company Secretary is responsible for organizing meetings for the Board of Directors and shareholders, monitoring the implementation of resolutions and advising the Board on compliance with rules and regulations. Additionally, the Company Secretary is responsible for preparing and keeping the register of directors, Board meeting invitation letters, Board meeting minutes, Banpu Power Annual Report, invitation letters to attend the shareholders' meeting and records of its minutes, the report on stakeholder analysis by the Board and related issues required by the Securities and Exchange Commission, Thailand; the Capital Market Supervisory Board; and the Stock Exchange of Thailand. (The qualifications of Company Secretary is stated in 56-1 report regarding the details of the Board of Directors and the Management.)

MARKET AND COMPETITION

Power Industry Outlook: Base-Load and Renewable Power Generation

Electricity demand by region

Terawatt-hours (TWh)

World
2040

36,453

2000	2018	2030
13,152	23,031	29,939

North America

2040

5,626

2000	2018	2030
4,260	4,786	5,160

Central & South

2040

1,837

2000	2018	2030
660	1,081	1,445

Europe

2040

4,346

2000	2018	2030
3,114	3,631	3,975

Africa

2040

1,653

2000	2018	2030
380	703	1,086

Asia Pacific

2040

19,699

2000	2018	2030
3,569	10,792	15,662

Middle East

2040

1,817

2000	2018	2030
361	954	1,309

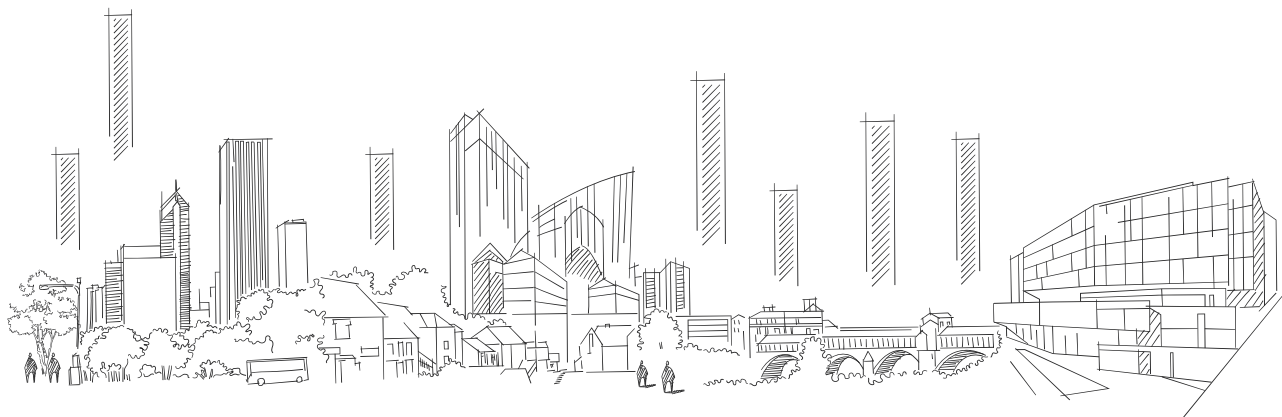
Eurasia

2040

1,474

2000	2018	2030
809	1,084	1,302

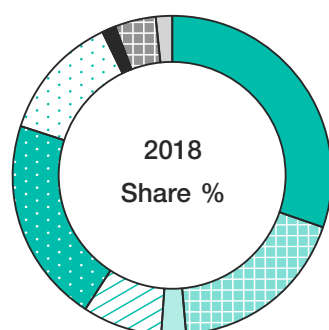
Source: World Energy Outlook 2019 - International Energy Agency (IEA)



When considering the power demand of each region, it is projected that over 2018-2040, the growth of power demand in the Asia-Pacific region will significantly contribute 50 percent of the global power demand due to continuous growth both in the economic, industrial and service sectors.

Electricity supply by source

Terawatt-hours (TWh)



Coal

 2018
38% | 2040
25%


Natural Gas

 2018
23% | 2040
22%


Oil

 2018
3% | 2040
1%

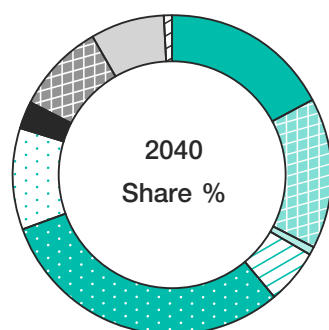

Nuclear

 2018
10% | 2040
8%


Renewables

 2018
26% | 2040
44%


Hydro

 2018
16% | 2040
15%


Bioenergy

 2018
2% | 2040
4%


Wind

 2018
5% | 2040
13%


Solar PV

 2018
2% | 2040
11%


Geothermal

 2018
0% | 2040
1%
CSP (Concentrating
Solar Power)
 2018
0% | 2040
0%


Marine

 2018
0% | 2040
0%


Natural Gas

+ Increase

45%



Renewables

+ Increase

1.65 Times



Coal

+ Increase

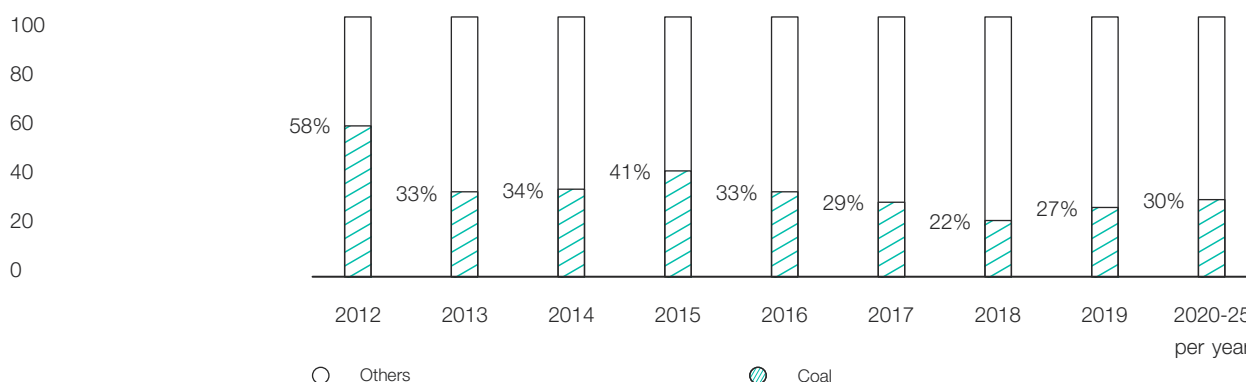
3%

Source: World Energy Outlook 2019 - International Energy Agency (IEA)

For the global power generation capacity by source over 2018-2040, it is projected that the proportion of capacity from renewable energy sources will continue to rise due to disruptive technology and innovation as well as environmental concerns and government policies prioritizing renewable energy options. For instance, Australia's Renewable Energy Target (RET) targets to increase capacity from renewable sources to 33,000 GWh by 2020, and Taiwan has set renewable energy targets to reach 27.36 GW or 20 percent of total generation capacity by 2025. Accordingly, it is forecasted that by 2040 the renewable power will make up 44 percent of net global capacity, increasing by 26 percent from 2018, or a Compound Annual Growth Rate (CAGR) at 1.65 fold.

Meanwhile, coal generation capacity is forecasted to decrease to 25 percent by 2040 from 38 percent in 2018. However, coal will remain a primary fuel source in the Asia-Pacific region, especially in China, whose plan is to maintain coal capacity at 30 percent of the additional capacity to satisfy peak electricity demand in the country.

Net Addition of Coal Power Generation Capacity in China



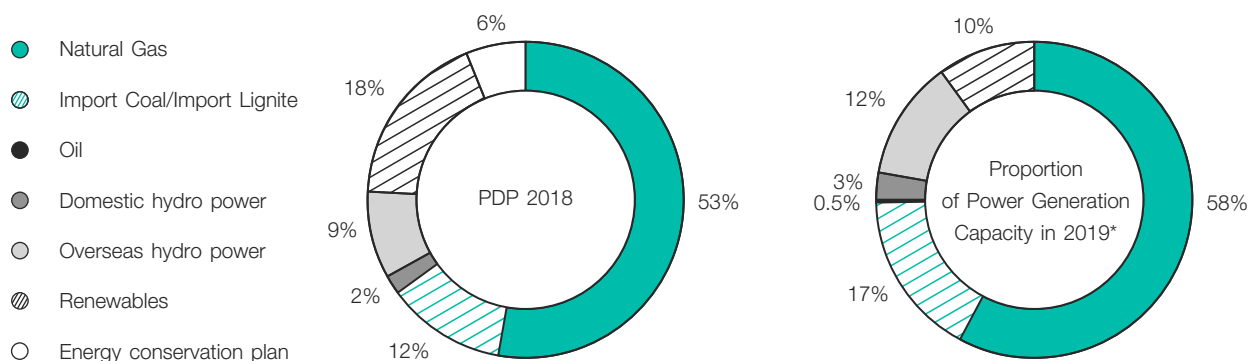
Source: China Electricity Council (CEC) and BloombergNEF

The CAGR of the power generation capacity from natural gas was expected to increase by 45 percent, driven by the availability of natural gas resources in the U.S., which were abundant and low-cost. U.S. natural gas would affect the natural gas market in many countries and would play a more important role in enhancing the security and flexibility of the power transmission system.

1. Market and Competition in Thailand

In 2019, Thailand had a total installed generation capacity of 45,297 MW, growing 4.4 percent over 2018. The demand hit its peak in May at 30,853 MW, increasing by 2,515 MW, or 8.9 percent, from 28,388 MW in 2018. The Electricity Generating Authority of Thailand (EGAT)'s gross energy generation and purchase in 2019 was at 211,990 GWh, or a 4-percent increase over the previous year, due to incentives to encourage business activities in public and private sectors. The proportion of power generation by energy source is 57.5-percent natural gas, 16.9-percent coal, 3-percent hydropower, 12.1-percent imports, 10.1-percent renewables, and 0.5-percent oil.

Comparison of Power Development Plan and Proportion of Power Generation Capacity in 2019



Source: National Energy Policy Agency (NEPA), Ministry of Energy

* Information as at end-November 2019

2. Market and Competition in Lao PDR

Unlike other Southeast Asian countries, Lao PDR's power generation relies solely on hydropower since the country has no oil and natural gas reserves as well as limited coal reserves. The situation has changed from 2016 due to the full operation of all units at Hongsa Power Plant, the first coal-fired power plant in Lao PDR. Given the scarcity of coal source, no further plans have been made for the new construction of coal-fired power plants during 2016 - 2020.

Nevertheless, Lao PDR also remained the major power exporter in the region. By 2025, Lao PDR will have entered into international power purchase agreements to supply electricity of 9,000 MW to Thailand, 5,000 MW to Vietnam, and 200 MW to Cambodia (Source: Department of Energy Business (DEB), October 2017). Thailand and Lao PDR trade electricity generated by seven power plants, of which six are hydropower plants, and one is a coal-fired power plant.

3. Market and Competition in China

The power industry in China saw growth in power consumption as follows:

	Unit	2019	2018	2017
Growth rate of power consumption in all sectors	Percent	5.6	8.5	6.6
Growth rate in generation capacity	Percent	4.5	6.3	7.1
Total generation capacity	MW	1,992,135	1,906,215	1,793,979

Source: National Energy Administration (NEA), China

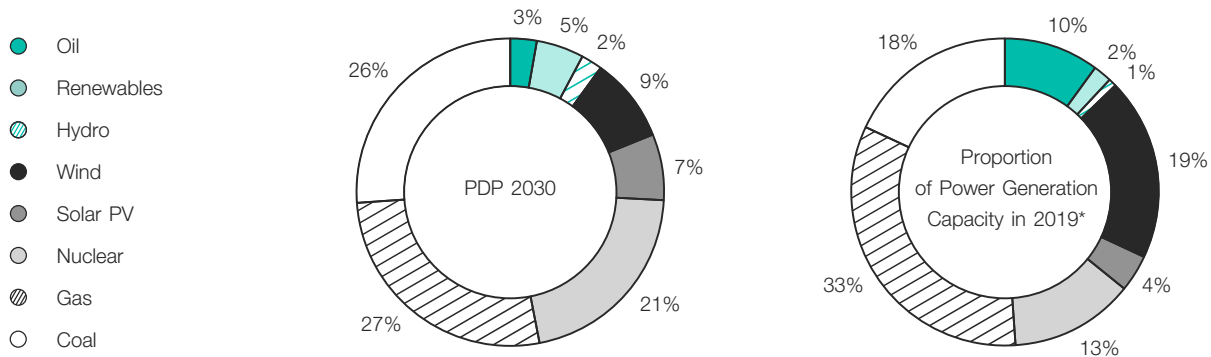
The trade dispute between the U.S. and China resulted in the decline of power demand in 2019. Compounded by the uncertainty in renewable energy policy and delayed approval of base-load power plant project development, the total power capacity grew 4.5 percent, falling from the previous year. Over half of the increased capacity came from the higher number of solar and wind power plants. Preliminarily estimated by the China Electricity Council, the base-load power generation capacity will rise to 1,250 GW from 1,040 GW in 2019.

4. Market and Competition in Japan

Japan's power consumption has enjoyed a stable growth with the majority of capacity from base-load power generation. The rest of capacity was from renewables, which made up 22 percent of the total capacity, or 64,576 MW, comprising 3,752 MW from wind power and 55,520 MW from solar power. According to the Fifth Energy Basic Plan, Japan sets to achieve a renewables share target of 22-24 percent by 2030.

The Government of Japan changed the electricity pricing scheme from the Feed-in Tariff (FIT) scheme to the auction scheme in 2017. Based on the auction scheme, newly developed solar power plants will get the average price of JPY 12.5 per kWh. Besides, there was a regulatory change prescribing that any solar power plant project development of over 40 MW must submit an Environmental Impact Assessment (EIA) report. The new regulation is due to become effective from April 2020 onward.

Comparison of Power Development Plan and Current Proportion of Power Generation Capacity by Fuel Source



Source: The Fourth Strategic Plan on Energy, Ministry of Economy, Trade, and Industry (METI)

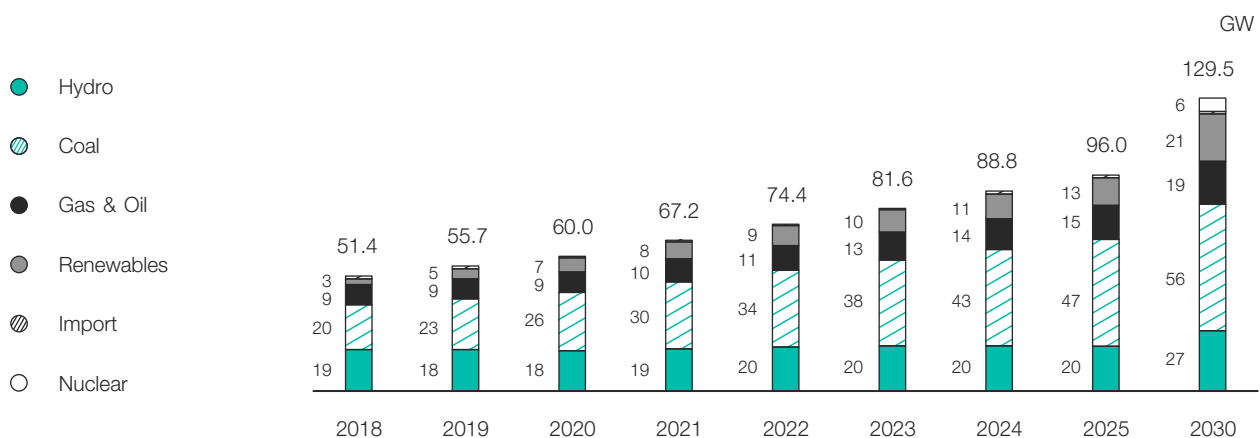
* Information as at end-October 2019

5. Market and Competition in Vietnam

Vietnam has enjoyed steady economic growth with an average GDP (Gross Domestic Product) of 7 percent, thus having a tendency to consume more electricity. In 2019, Vietnam's GDP was at 7.02 percent, and its peak electricity demand was at 35,126 MW, growing 13.5 percent from last year.

According to Vietnam Power Development Plan for the 2000-2030 Period, coal is specified as the primary fuel source for power generation. By 2030, coal-fired power generation will constitute 43 percent of the capacity share, while renewable energy sources, namely wind and solar power, will add up to 15 percent of the capacity share. It is projected that the total installed capacity in 2030 will reach 129.5 GW.

Proportion of Installed Power Generation Capacity by Fuel Source under Vietnam PDP



Source: Ministry of Investment and Trade Development, Vietnam

Vietnam has set the Feed-in Tariff (FIT) rates at 7.09 US cents per kWh for solar power and 8.5 US cents per kWh for wind power (onshore). However, the FITs apply only to the projects that achieve commercial operation dates within the specified period.

Competitive Strategies

1. Competitive Strategies in Thailand

Banpu Power holds a 50-percent stake of BLCP Power Plant located in Map Ta Phut Industrial Estate. BLCP Power Plant is a major power producer who sells electricity directly to the Electricity Generating Authority of Thailand (EGAT) with a capacity of 1,434 MW and 98.4-percent dispatch rate in 2019, reflecting the plant's reliability in electricity generation and ability in operational readiness management. BLCP's production output accounts for a 5.2 percent share of total power generation and purchase of Electricity Generating Authority of Thailand.

Competition Strategies

1) Maintaining Efficiency and Operational Readiness of Power Plants

Banpu Power periodically improves the efficiency of power plants and maintains readiness of equipment according to the maintenance plan to ensure the Availability Factor (AF) and Contracted Available Hours (CAH) in accordance with the Power Purchase Agreement (PPA). In 2019, BLCP reported the Equivalent Availability Factor (EAF) of 90.5 percent.

2) Seeking Opportunities for Business Expansion

Banpu Power has always been seeking growth opportunities by aligning the plan to expand the domestic power business with the national Power Development Plan for 2018-2037 (PDP 2018), approved by National Energy Policy Council on 24 January 2019. The plan proposes to increase capacity from the independent power supply (IPS) groups and efficient energy-saving policies. The PDP proposal will reflect in lower power demand than anticipated, while the new policy promotes power generation from renewables.

Banpu Power projected that the development of new power plants would face fiercer competition in project bidding and in applying for an electricity sale license. So, the Company has prepared competent and experienced employees from the Business and Project Development Department to monitor the policies of the government and related government agencies and evaluate the Company's competitiveness. This business development team also prepares for the Company's participation in the government's project, which allows private investment such as the Eastern Economic Corridor (EEC) and responds to the government's promotion of the business sector's role in the Independent Power Supply (IPS) project that uses renewable sources of energy.

3) Stakeholder Relations Management

Banpu Power has supported activities and enhanced mutual understanding in the communities in all locations where the Company operates, resulting in healthy community relations

Major Competitors

- Banpu Power's base-load power plants that are commercially operational have no direct competition from other power producers because the Company entered into a long-term power purchase agreement with the Electricity Generating Authority of Thailand.
- Major domestic power producers include Electricity Generating Plc., Ratchaburi Electricity Generating Holding Plc., Global Power Synergy Plc., Gulf Energy Development Plc., and international investors.

2. Competitive Strategies in Lao PDR

Banpu Power holds a 40 percent stake in Hongsa Power Company Limited, which operates Hongsa Power Plant, the only mine-mouth power plant in Lao PDR. Hongsa Power Plant has a total capacity of 1,878 MW and a total equity-based capacity of 751 MW. The power plant sells the majority of electricity solely to the Electricity Generating Authority of Thailand under the Independent Power Producer (IPP) scheme and some of its output to Lao PDR. The Hongsa Power Plant's production output constitutes 29 percent of total electricity that Lao PDR supplies to Thailand.

Competitive Strategies

1) Maintaining Efficiency and Readiness of Power Plants

Hongsa Power Plant achieved commercial operation dates of all three production units in 2016, with 100-percent dispatch in 2018. This represents the operational stability and the low operation cost, the two crucial factors for the two countries' electricity system.

2) Managing Relationship with Local Government Agencies and Communities

Banpu Power places importance on community development, focusing on promoting community engagement while improving the quality of life of people in the communities. Such development approach materializes into community development initiatives, for example, infrastructure development (water supply, electricity, and roads), prompt construction of houses for relocated people in appropriate areas, vocational training and promotion of local employment, contract for project design, and equipment procurement.

3) Cost Management and Efficiency

In 2019, Banpu Power improved efficiency and capacity readiness of Hongsa Power Plant in producing and distributing electricity by improving the equipment and coal transportation to the power plant. Hongsa Power Plant was able to maintain EAF at 80.8 percent. Moreover, the power plant maintained readiness by stocking spare parts for maintenance and keeping all equipment in full capacity, which ensures smooth power generation.

Major Competitors

Banpu Power's base-load power plant is commercially operational and has no direct competitors because the Company has a long-term power purchase agreement with the Electricity Generation Authority of Thailand and Électricité du Laos.

3. Competitive Strategies in China

Banpu Power's CHP power plants and solar power plants in China are more highly efficient than average power plants and meet pollution control standards. Hence, they enjoy various supports from the Chinese government, such as guaranteed electricity sales to local electricity authorities, exclusive rights to sell steam and heat in permitted zones, and local government subsidies.

Competitive Strategies

1) Cost and Efficiency Management

In 2019, the Chinese government continued the policy to reduce the price of electricity and steam in all provinces as well as other related policies. Banpu Power has assessed and anticipated such impact by reflecting in power purchase agreements and adjusted the prices accordingly. For instance, Zouping CHP Plant had agreed to sell steam to customers at a reference price of CNY 125 per tonne, and if there is any change in the coal cost, plus or minus, for every CNY 0.01 per kilocalorie (tax and transportation cost inclusive), the price of steam can be raised or lowered for CNY 5 per tonne. This risk management on the price fluctuation enabled Banpu Power to lessen the impact of higher fuel costs.

Banpu Power still maintains its profitability by improving production efficiency and strictly controlling the costs using the inventory management strategy to buy and stock up coal when coal prices decline to be used during the time coal prices increase. Banpu Power also follows its plan to expand capacity to neighboring areas to respond to an increase in steam demand due to local economic growth.

2) Environmental Management

The Chinese government has a stringent policy on environment and pollution control, which restricts the use of coal as a major fuel source in factories. Banpu Power uses highly efficient generation processes that comply with current environmental standards with regular maintenance of all equipment and machinery. It also has a plan to upgrade pollution control equipment to be able to meet future standards. Apart from that, Banpu Power monitors and assesses environmental impacts to ensure that its business operations are in full compliance with environmental laws, rules, and regulations.

The Company has considered deployment of the latest technology called Ultra-Supercritical (USC) technology, which is High Efficiency, Low Emissions (HELE) technology, in such a new project as Shanxi Lu Guang Power Plant to minimize environmental impacts in accordance with international standards. Such technology can trap sulfur dioxide, nitrogen oxide, carbon monoxide, and other pollutants before being emitted to the environment.

3) High Adaptability

Banpu Power has a dedicated team to closely monitor changes in the market environment and align business plans and operations with the market conditions or situations in order to embrace business opportunities and mitigate negative impacts. The Company is prompt to adjust the distribution of power, steam, hot water, and chilled water according to the factors affecting the demand. For example, Zhengding CHP Plant would produce electricity, steam, and hot water for sale during winter. In summer, when customer demand changed, it would swap to produce chilled water for sale, which helped generate more income and reduce the impacts of the seasonal decrease in electricity and steam sales.

4) Service Quality and Stakeholder Relations Management

Banpu Power prioritizes the quality of products and services. The Company strives to assure readiness and security in the generation and distribution of electricity and steam to respond to customer's needs at all times, especially the distribution of steam and hot water in wintertime. The Company always maintains a good relationship with customers based on mutual trust and benefits, which has earned trust and confidence from customers.

Relationship management with local government agencies and communities is on the basis of mutual benefits by providing basic utility services (electricity and steam) to local communities, building trust and equity as well as lending continued support to the community. This has brought Banpu Power acceptance from local government agencies and communities as an exemplary local enterprise. Despite a setback from external factors, the Company still enjoys full support from local governments, for instance, financial subsidies or approval to raise steam prices when coal price increased.

5) Seeking Opportunities for Business Expansion and Added Value Creation

Banpu Power puts greater emphasis on investment in renewable energy to align with the government's policy to promote renewable energy. The Company also focuses on creating added value by expanding investment into related businesses while considering the costs of different fuel sources and appropriate technology. For example, the location of the Luannan CHP Plant is in the urban-industrial area, which gives it a strategic advantage to become a sole distributor of steam. Banpu Power is also considering expanding its customer base to new industrial areas to offer solar rooftop power generation solutions. Apart from that, the Company is conducting a feasibility study for the development of the Company's existing land to develop biomass combined with CHP plants.

Major Competitors

- Domestic and international power producers and investors

4. Competitive Strategies in Japan

Banpu Power's investment in solar power plant projects in Japan has a total installed equity-based capacity of 63 MW from fully-operational plants and a 177-MW capacity from under-development power plants. The Company's business expansion to Japan started from investment in solar power generation together with feasibility study and preparation for assessment of investment and project development opportunities. The Company focuses on teamwork and human resource management as well as establishing trust with business partners to seek significant opportunities for real growth in Japan's renewable energy business. The government's support and investment incentives from financial institutions are still vital factors accelerating Banpu Power's business expansion into Japan.

Competitive Strategies

1) Capability in Investment Management

Banpu Power has a strategy to collaborate with partners in seeking new investment opportunities as well as managing financial cost by tapping from several sources, especially from domestic financial institutions, to achieve long-term investment goals.

2) Project Development

Banpu Power closely monitors policy and regulatory changes of the Japanese government related to energy, with a specific team to follow up and study the changes in details as well as impacts on under-development projects to ensure that all projects achieve commercial operation dates as planned.

3) Seeking Opportunities for Business Expansion and Added Value Creation

Since Japan's energy management is governed by a clear energy policy, Banpu Power faces low investment risk and can keep the risk to a manageable level, given that the Japanese government reduced the Feed-in Tariff (FIT) for solar power and turned to the auction scheme. To achieve target return on investment, Banpu Power has adapted by focusing on cautious cost management, namely preparing important equipment to improve efficiency, and seeking appropriate funding sources. For the new investment, Banpu Power will prioritize projects under the FIT scheme or acquire projects that already achieved commercial operation dates.

Additionally, Banpu Power continually seeks investment opportunities in related businesses by building upon the existing power generation business to create added value, such as energy trading and retail electricity to expand business opportunities with retail customers, as well as solar rooftop to fulfill demands of business and industrial sectors, and renewable energy consumers.

Major Competitors

- Domestic and international power producers and investors

5. Competitive Strategies in Vietnam

Banpu Power has expanded investment in power business into Vietnam since 2016 under an MOU signed with Soc Trang Province People's Committee to carry out a feasibility study of investment in a 200-MW renewable power project. In 2018, Banpu was awarded an Investment Registration Certificate (IRC) and set up a subsidiary company in Soc Trang, Vietnam. The Company has an experienced team with a good understanding of Vietnam's business environment to drive the existing project to achieve commercial operation date as planned as well as to seek more investment opportunities. The project phase 1 with 30-MW capacity is currently under construction while phase 2 and 3 are under feasibility study.

Competitive Strategies

1) Managing Relationship with Local Government Agencies and Communities

Banpu Power builds a relationship with local government agencies on the basis of understanding of social and cultural differences. The Company focuses on becoming a mutually responsible partner with government agencies to sustainably engage in local community development by providing continuous support for community activities.

2) Project Development and Management

Banpu Power is fully aware of significant factors contributing to a wise investment decision. That is why the Company always conducts preliminary and feasibility studies of every project. The Company seeks advice from experts in many fields such as engineering consultants, environmental consultants, legal consultants, financial consultants, and accounting and taxation consultants in order to conduct feasibility options in a correct manner before investing and to ensure compliance with regulations and investment conditions in Vietnam. The feasibility study also helps monitor the progress of project development and execution of each construction phase against the plan.

3) Seeking Opportunities for Business Expansion and Added Value Creation

Vietnam has enjoyed a continuous growth rate in recent years and is expected to attain a 6-7 percent gross domestic product (GDP) growth for the next ten years. Such a high growth rate implies an increase in power demand. Additionally, the government has a clear energy management plan to increase the portfolios of power generation from base-load and renewable energy sources. Banpu Power has seen these opportunities and decided to leverage its strengths in base-load and renewable power generation and fuel supply strategy to seek investment opportunities in Vietnam.

Major Competitors

- Domestic and international power producers and investors

REVENUE STRUCTURE



For the previous three years ended 31 December

Banpu Power Public Company Limited and Its Subsidiaries

Products/Services	Conducted by	% of shareholding	2019		2018		2017	
			Revenue (THB Million)	%	Revenue (THB Million)	%	Revenue (THB Million)	%
Sales Revenue:								
1. Power	BIC	100.00	2,399.54	42.19	2,732.27	43.22	2,870.89	44.72
	BPPRIC ¹	100.00	754.97	13.28	714.56	11.30	659.44	10.27
2. Steam	BIC	100.00	2,005.48	35.26	2,401.54	37.99	2,519.82	39.25
3. Energy Trading	BPPT G.K. ²	100.00	141.73	2.49	0.00	0.00	0.00	0.00
4. Other Revenue ³	BIC	100.00	385.29	6.77	473.83	7.49	369.10	5.75
Total Sales Revenue			5,687.01	100.00	6,322.20	100.00	6,419.25	100.00
Participating Profit (Loss) from Investment in Associated Companies (Equity Method) ⁴			3673.08		4,766.98		3,682.25	
Total Revenues and Share of profit from Associated Companies			9,360.09		11,089.18		10,101.50	

Notes : ¹ BPPRIC is a 100% subsidiary of BPP, invested in the solar power business in China.

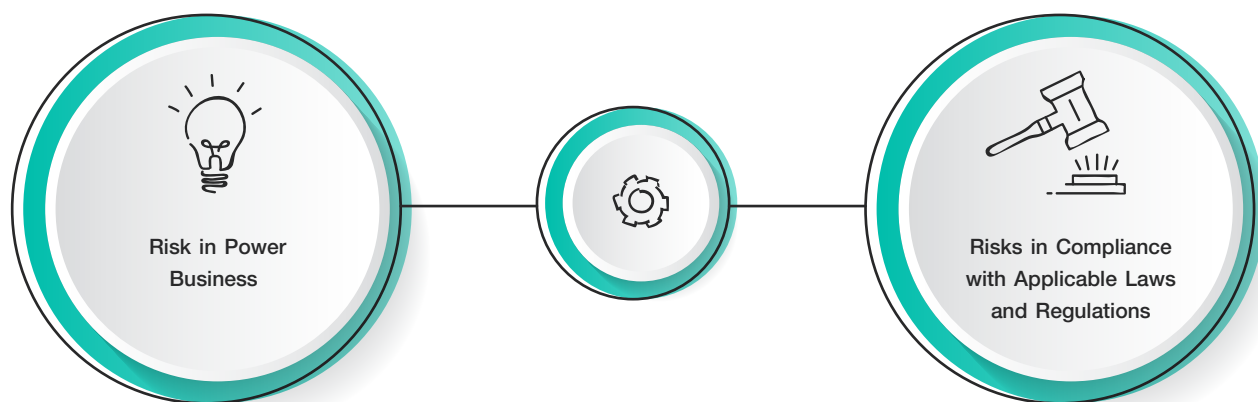
² BPPT G.K. is a 100% subsidiary of BPP, invested in energy trading business in Japan.

³ Other revenues primarily comprise revenue from hot water and cold water and subsidies from the Government of China for compliance with environmental standards. In addition to the extent that power and steam tariffs do not sufficiently reflect an increase in coal prices. The Company may receive subsidies from the Government of China on a case by case basis.

⁴ The Company did not realize sales revenue from its joint ventures of power business whose shareholding is not more than 50 percent, i.e., BLCP Power Plant and Hongsa Power Plant.



RISK MANAGEMENT AND RISK FACTORS



1. Risk in Power Business

1.1 Risk in Power Purchase

BLCP Power Plant (BLCP) in Thailand and Hongsa Power Plant Company (HPC) in Lao PDR are investments under the Independent Power Producer (IPP) scheme. Electricity generated by BLCP is solely supplied to the Electricity Generating Authority of Thailand (EGAT) according to a long-term Power Purchase Agreement (PPA) with EGAT. At the same time, HPC has international power purchase contracts with both EGAT and Électricité du Laos (EDL). Both power plants are base-load power stations with stable income from electricity sales due to the PPA's conditions that specify the amount of electricity to be supplied and flexible feed-in tariff, which may be adjusted to correspond with changes in fuel prices, Thai Baht exchange rates, and inflation rates. Accordingly, the risk associated with power purchase is low.

Power business in China, on the contrary, has potential risk in electricity and steam purchase since it is not under a long-term power purchase agreement as in Thailand and Lao PDR. Nonetheless, thanks to the Company's highly efficient combined heat and power (CHP) plants, it gains support from the government for sole distributor rights to supply steam and heat in designated areas. The plants have privileges to supply electricity to local electricity authorities, which effectively helps manage the risk.

Apart from that, the Company's power business in China has been affected by the Chinese government's new energy efficiency and environmental conservation policies, which caused some changes in relevant rules and regulations. To align with the new policies, Banpu Power had improved equipment in the environmental control system between 2018 and 2019. The Company has also implemented various risk management measures, such as improving the energy efficiency of the power plants and controlling environmental impacts. Zhengding CHP Plant was well-accepted and supported by the local government as economic combined heat and power plant with clean energy resource.

1.2 Risk in Coal Supply

BLCP entered into a long-term contract to purchase coal from major and reliable suppliers, with a clearly specified amount and quality of coal, to ensure sufficient supply for power generation in accordance with the PPA signed with EGAT. Therefore, the risk associated with the coal supply shortage is low. Nevertheless, BLCP has a response plan in preparation for certain circumstances in which suppliers are unable to deliver coals as planned due to an event of force majeure. In such circumstances, BLCP may purchase coal from other suppliers in the coal market. Normally, the amount of coal purchased outside of the long-term contract is between 5-10 percent of annual coal demand, which is relatively low and has no significant impact on the power plant's operating results. Furthermore, BLCP has closely and regularly monitored coal production and coal prices.

HPC has been granted the license to develop and operate a lignite mine in the concession area adjacent as part of project development. Prior to the start of the project, a feasibility study was conducted to assess the quantity, quality, production, and transportation plan for the coal supplied to the power plant throughout the project period. Consequently, the risk from access to quality coal is low, and costs can be controlled in correspondence with electricity generation plan. The Company has also maintained coal inventory level at coal stockyard to cope with operational disruptions that may arise due to uncontrollable factors, such as poor climate conditions, natural disasters, transport delays, accidents, etc.

For CHP plants in China, the domestic coal prices remained stable. The government's coal production policy and restrictions on coal imports also made coal prices less fluctuating. The average coal price in 2019 became lower than anticipated by 3 percent. However, the Company managed coal price risk by closely watching and monitoring coal prices to conduct procurement plan in accordance with production cost and plan. In addition, to mitigate this risk, the Company entered into power purchase agreements with some clients by defining the pricing terms for power and steam, which can be adjusted according to the actual fuel costs at the time.

1.3 Risk in Base-Load Power Generation

There is a potential that HPC may fail to achieve its planned operations due to machinery and equipment breakdown. The Company has managed the risk by closely monitoring the operations, focusing on investigating the root cause to improve system stability. Besides, the Company has prepared adequate critical spare parts for the power plant and organized staff's capacity building and knowledge sharing programs among the companies in its group. Accordingly, during the earthquake in November 2019, HPC was able to handle the situation smoothly. This incident was an opportunity for the power plant to improve the efficiency of response measures.

1.4 Risk in Solar Power Generation

The primary factors affecting solar power generation are the intensity of solar radiation and system loss. The Company has managed these risks by using statistics of the solar irradiation to estimate the minimum power generation capacity of the solar farm and compare it with the actual amount of power output. In addition, the Company deploys high-efficiency technologies for power plants to ensure that system loss is within acceptable limits and carries out continuous maintenance of the power plant.

Natural disasters also affect the Company's solar power plants. For instance, September is the time of the typhoon season and is when the production output drops. However, the Company's power generation was not affected because the power plants had been designed to withstand natural disasters.

1.5 Risk in Construction and Project Management

The Company has managed the risks from the construction and management of power plant projects by closely monitoring the projects' progress and constantly coordinating with contractors to ensure that project quality is in accordance with the contractors' agreements. In 2019, Kurokawa Solar Power Plant in Japan achieved COD with a total capacity of 18.9 MW. By the end of 2019, the Company's total installed capacity in Japan was 84.1 MW (equity capacity of 62.72 MW). The Shanxi Lu Guang (SLG) Project in China, in which Banpu Power holds 30 percent equity, is expected to achieve COD by the end of 2020. The 80-MW wind power plant project in Soc Trang Province, Vietnam, in which Banpu Power holds 100 percent equity, comprised three phases with the first phase of 30 MW capacity, the second phase of 30 MW and the third phase of 20 MW. Those are all expected to achieve the Commercial Operation Date (COD) within 2021.

2. Risks in Compliance with Applicable Laws and Regulations

Realizing the potential impact on the Company's operation and reputation, Banpu Power prioritizes full compliance with applicable laws and regulations both locally and abroad. The Company is determined to develop management processes and tools for the risks that may arise from policy and regulatory changes in every country where it has invested in order to tackle the compliance risk. The executives in each country are to be responsible for monitoring changes in local regulations and policies and communicating with governmental and private organizations, communities, and other stakeholders about the changes. The Company also hired local consulting firms to help interpret local laws and provide suggestions on legal compliance. The Internal Audit Department was entrusted with the duty to regularly monitor compliance to ensure the Company's compliance with relevant laws and regulations.

2.1 Risks from Regulatory and Policy Changes in the Countries Where the Company Has Invested

As the majority of Banpu Power's assets are operated overseas, there are risks from regulatory and policy changes in particular countries. In 2019, there were significant regulatory and policy changes in Japan, which mattered to the Company's business operations. The Company mitigated such risks as follows:

- On 1 April 2017, the Ministry of Economy, Trade and Industry (METI) announced additional amendments on the reduction of solar power feed-in tariff (FIT). Underdevelopment projects which were granted on-grid transmission dates since 1 September 2016 shall achieve COD according to the Three-Year Rule starting from 1 April 2017. The projects that fail to achieve COD by 30 March 2020 will face the reduction of solar power purchasing period in corresponding to their delay period.

- On 5 December 2018, METI announced additional amendment on the FIT agreements for underdevelopment solar projects with a capacity exceeding 10 KW which meet the following conditions:
 - Projects that were approved by METI from 1 July 2012 to 31 March 2014
 - Projects that were not under the requirements of the Three-Year Rule with reference to the additional amendment issued on 1 April 2017

Projects under such conditions will have their FIT lowered to JPY 21 per kWh unless their project development meets the following requirements:

1. Projects whose "construction plans" were approved by the authorities before 5 December 2018 or
2. Projects which commenced construction before 5 December 2018 or whose "construction plans" are approved by the authorities before 30 September 2019 and will commence construction by 31 October 2019.

However, the qualified projects had to submit an application for a grid connection by 31 August 2019 and got approval by 30 September 2019 to maintain the current FIT price. Such projects also need to achieve COD before 30 September 2020, otherwise their period of the FIT agreement will be shorten due to project delay. The Company has closely monitored the progress of those projects to submit the application for approval in time to be eligible for the exception clause to minimize possible risks to under-development projects.

- The Japanese government announced the change in the electricity price policy from the FIT scheme throughout the lifecycle of a power plant project to the bidding scheme for projects that were approved after 1 April 2017. This change might result in a decreased return on investment for new projects under the bidding scheme. Nevertheless, the Company has prepared for this risk by seeking ways to increase competitive advantages such as financial cost-cutting or project development with business alliances.

INTERNAL CONTROL

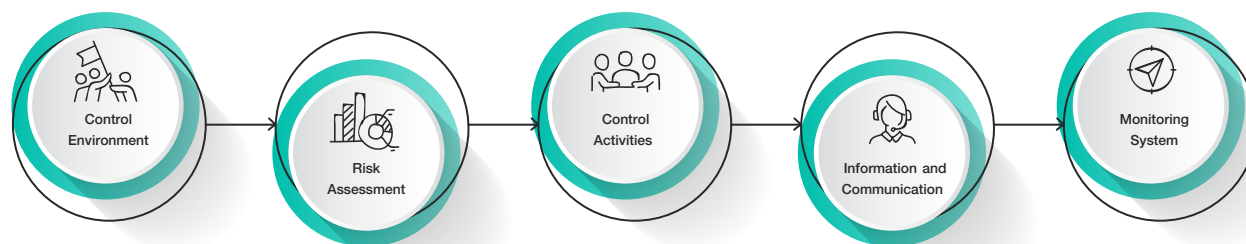


Banpu Power Public Company Limited always give high priority to internal control and risk management, emphasizing sufficiency and appropriateness of internal control in all key business activities in order to achieve business objectives and goals toward sustainable growth. The Board of Directors and executives embrace good governance and transparency in their management with proper checks and balances in the organizational structure, clearly written policies and procedures, an effective risk management system, an adequate internal control system, a safe and efficient communication and data management system, and an appropriate monitoring system.

The Audit Committee works independently on reviewing and assessing the adequacy and appropriateness of the internal control system and the effectiveness of the internal auditing. The Committee has reviewed the internal control adequacy assessment form prepared by the management on 17 January 2020 before submitting to the Board of Directors for consideration. The Committee oversees the internal control system through the operations of Internal Audit Department and Risk Management Department, which cover Banpu Power's key business activities to ensure their efficiency and effectiveness as well as compliance with relevant policies, laws, and regulations. The Company also ensures that all related party transactions are transparent, and financial reports and related reports are accurate and reliable, which will enable the Company to achieve its mission and strategies.

The Board of Directors' Meeting held on 31 January 2020 evaluated the adequacy of the internal control system using the assessment form prepared by the management based on the Office of Security Exchange Commission's standard assessment form, which is aligned with international internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013). The COSO Integrated Framework for Internal Control consists of control environment, risk assessment, control activities, information and communication, and monitoring activities. The overall evaluation indicated that the Company has a sufficient, appropriate, and effective internal control system. The Company's risk management also meets international standards, from the overall of the corporate level to the activity level. This assures that the Company is able to achieve its predefined goals.

Banpu Power's internal control system consists of five key components, which can be summarized as follows:



1. Control Environment

The Company is committed to the promotion of sound, effective and efficient control environment to enhance the opportunity to achieve its business goals. The Company has an appropriate management structure, with a clear line of command and authorization levels to ensure that management and operations are effectively executed. Well-defined responsibilities in major operating units have been installed to enable checks and balances. Major policies and procedures are regularly updated in response to changes in the internal and external environment.

The Company focuses on achieving standards on recruitment and management of human resources which are aligned to the corporate culture and providing reasonable and appropriate compensation based on performance. The Company also places great importance on staff development to achieve effective operation; therefore, it has created individual development plans, succession plans, and job rotation program. Apart from that, all employees at Banpu Power are encouraged to adhere to Banpu Heart, the corporate culture comprising Passionate, Innovative, and Committed, and embrace change to firmly steer the Company toward its goals.

More importantly, in conducting its business, the Company underlines integrity and transparency based on the principles of good corporate governance and the Code of Conduct to ensure that a proper checks and balances has been in place. A whistleblower channel is established to receive complaints and grievances of corruption. Banpu Power declared its intention to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) on 5 February 2018 and was certified as a CAC member on 4 November 2019. This not only reflects the Company's determination to against corruption in all its forms while also enhances effectiveness of the Company's corporate governance practices.

2. Risk Assessment

The Company puts a high priority on the management of risks from the changes caused by both internal and external factors that affect its business activities at various levels ranging from department, business unit, to corporate level. Risk Management Policy was formulated in explicit writing and approved by the Board of Directors. The Risk Management Committee was set up to provide direction of risk management along with supervise and monitor the execution to ensure its efficiency and effectiveness.

In 2019, the Company formulated the Risk Appetite Statement Policy, covering strategic risk, financial risk, operational risk, and compliance risk, as a guideline for determining acceptable risk tolerances for the Company's businesses and activities to enhance the efficiency of risk management.

The management and all employees collaborate in assessment and monitoring of risks caused by internal and external factors in all aspects, such as strategy, operation, finance, reporting, compliance, information technology, and corruption. It also includes the assessment of risk likelihood and impact. The Risk Management Team under the Asset Management Department is assigned to monitor the progress of mitigation plan and measures implemented by Banpu Power, its subsidiaries, and joint ventures. The team is also in charge of reporting information on key risk management to the Risk Management Committee, the Audit Committee and the Board of Directors on a quarterly basis.

3. Control Activities

The Company has been operating its business under an efficient internal control system in which all policies and procedures were explicitly written. It oversees and monitors the operations to ensure compliance with action plans, the Company's Policies and Procedures as well as the applicable laws and regulations. There are clear and appropriate segregation of duties, an effective system of checks and balances, a precise delegation of management authority and proper authorization, and Key Performance Indicators (KPI) linked to the Company's goals. The Company safeguards its assets from the misuse for personal purposes and has an appropriate and effective information technology control system.

The Company regularly educates its employees on internal control and has developed the electronic work system and workflow system to prevent mistakes and negligence of important duties.

Apart from that, the Company has established a clear policy on related party transaction considering it on a similar basis to an arm's length transaction. Thus, the related party transaction shall be done under fair terms and pricing for the maximum benefits of the Company and stakeholders and shall not lead to the transfer of interest.

4. Information and Communication

The Company has developed an effective and secure IT system in compliance with relevant laws to prepare for sustainable business expansion and respond to megatrends and digital disruptions. Digital technologies are integrated into the workplace and IT control system according to the Digital Transformation plan, aiming to promote improvement or change and to transform traditional energy business into a new ecosystem energy business. The Company realizes the cyber threats that may arise, hence set up the IT Risk Assessment-Working Team to oversee assessment for risks, including informational technology (IT) and operational technology (OT). The Committee goes beyond cybersecurity risk management to determining approaches to cyber resilience and reports the progress to the Audit Committee.

Additionally, the Company has established a system to collect and prepare important data to support the Board of Directors' deliberation process with accurate, complete, effective and timely data retrieval. For internal communication, there are various effective communication channels protected by access control according to the principle of separation of duties, such as emails, public relations activities, and meetings, to enhance collaboration and concerted efforts to achieve the Company's goals. For external parties, the Company's Investors Relations and Corporate Communications are responsible for equitable information disclosures and communication with all stakeholders via the provided channels.

The Company also provides special or confidential channels for internal and external parties to safely report unethical and corrupt acts, for instance, by sending a letter to the secretary of the Corporate Governance and Nomination Committee, via the Company's website, and via email.

5. Monitoring System

The Company has implemented a monitoring system both at the management and operation levels. There are regular reviews and monitoring of performance by supervisors and executives, and executive meetings are held regularly to track the progress against the predefined goals. The Internal Audit Department is responsible for reviewing and assessing the adequacy, efficiency, and effectiveness of the Company's internal control system. According to Banpu Power's corporate structure, the Internal Audit Department reports directly to the Audit Committee and indirectly to the Chief Executive Officer to establish the independence of the internal audit activities. The Company also hired Banpu Public Company Limited to provide internal audit services according to the Management Service Agreement using a risk-based audit approach. The audit services also include providing a recommendation on the improvement of processes and regular follow-up of the results. The reports on internal audit and follow-up results are submitted to the management and the Audit Committee on a quarterly basis to ensure appropriate and timely corrective actions.

SUSTAINABLE DEVELOPMENT



Banpu Power Public Company Limited is committed to sustainability in its business operations while optimizing benefits to all stakeholders, including shareholders, customers, competitors, and society. The Company strives to balance business growth, social and national economic development in tandem with the environmental balance throughout in- and after-processes. In addition, the Company places great importance on corporate governance to achieve stable growth by adhering to integrity, transparency, and strict compliance with applicable laws in all host countries.

The Company ensures that materiality assessment is taken into consideration in operation planning and determining long-term sustainability targets and indices, with a determination to deliver sustainable energy, which is:

- Accessible at affordable prices
- Reliable with uninterrupted delivery
- Eco-friendly with care for society and community

Banpu Power has integrated sustainable development principles with its five-year strategic plan and annual plan as well as establishing the Sustainable Development Committee to oversee the operations regarding corporate sustainability. It has formulated policies and set clear Key Performance Indicators (KPIs) on short-and long-term economic, social, and environmental goals as a rallying point for coordinated operations in every country it operates. There are periodical inquiry and performance assessment to ascertain that all work units put sustainable development principles into practice. The Company reports sustainability operations to stakeholders via many channels such as Sustainable Development Report and website. Apart from that, it is committed to continuous improvement of operational results and value creation for all stakeholders as follows:

1. Competitive Capacity Enhancement

• Human Resource Development

As employees are the critical factor that drives the Company toward goals with stability and sustainability, the Company needs an effective recruitment system and human resources management. Such a system and management should follow the equitability, performance-based, and competency-based principles. Banpu Power incorporates talents from different backgrounds and cultures through a strong corporate culture “Banpu Heart” that synergizes all employees as one to encounter various challenges with courage and let their professionalism shine through. The Company analyzes the corporate goals to identify essential future skills and knowledge and prepare individual development plans to improve their skills, knowledge, and leadership while promoting a healthy work-life balance.

To align human resource development with the Corporate Governance Policy, Banpu Power established the Job Evaluation Committee, the Organization Development Committee, the Compensation Committee, and the Corporate Governance and Nomination Committee to create transparency and empower human resources to help them achieve the Company's goals.

• Development of Operational Excellence and Innovation

Banpu Power promotes the continuous production improvement and encourages corporate innovations. The Company thus joined hands with Banpu to set up the Innovation Committee to help mobilize innovations in the workplace. To align with its Greener & Smarter strategy, the Company embraces innovation to enable quality, stability, and reliability in

power generation. The Company also deploys High Efficiency, Low Emissions (HELE) technologies while continually improving its production and stresses flexibility. Furthermore, the Company takes great care of its customers by delivering products that meet their needs and reinforcing customer relationship management while seeking new investment opportunities in renewables such as wind, hydro, and solar power. As for its employees, Banpu Power promotes knowledge management across the organization and organizes knowledge sharing sessions for the Innovation Awards Recognition program every year to spotlight outstanding innovative projects from the operational to the corporate level.

2. Value Creation to Stakeholders

- **Corporate Governance**

The Company is committed to good corporate governance in all business operations as stated in its vision and mission, thus formulating the Corporate Governance Policy and the Code of Conduct as guidelines for good business practices for directors, executives, and employees. The Company's policies and activities are communicated to suppliers and business alliances so that they understand and act in the same direction. Such an alignment will help the Company achieve business goals as well as maintaining ethics and operational standards that will maximize benefits for all stakeholders.

- **Anti-Corruption**

The Company has the Anti-Corruption Policy and has set practices to prevent corruption. The Company stipulated the practices on giving and receiving bribery, gifts, and business entertainment in the Code of Conduct handbook. Executives and staff are prohibited from demanding or receiving any benefits from trading parties, contractors, suppliers, advisors, government officers, customers, labor unions, or any other external parties with whom the Company is conducting business in an attempt to persuade them to commit a fraudulent action. Executives and staff should refrain from giving gifts or gratuities to or receiving them from any trading partner or others with whom the Company is doing business. Gifts given or received during festive occasions, such as the New Year, are excluded from this requirement provided that they have an appropriate value and are not related to any business commitment. The Company also requires registration of all gifts received in the internal portal system, and the gifts will be used for charitable purposes or donated for public benefit.

Apart from that, the Company has the Whistleblower Policy, as a mechanism to receive complaints and protect whistleblowers, enabling effective and responsible reporting of wrongdoings against corporate governance and the Code of Conduct. The Company keeps all information received strictly confidential. Employees and external parties can file their complaints directly to the Secretary of the Corporate Governance and Nomination Committee or via the website: https://www.banpupower.co.th/complaints_handling.

- **Compliance with Laws and Regulations and Systematic Auditing Process**

The Company strictly adheres to the Principles of Corporate Governance and all applicable laws and regulations, including international standards of practice. It has set a procedure to ensure compliance with laws and the Company's policies through various processes, for instance, corporate compliance, internal audit and Quality Assurance Review (QAR), which not only ensures full legal compliance but also is a mechanism to improve its internal processes.

- **Risk Management** Banpu Power realizes the importance of effective risk management, which enables the Company to promptly respond to internal and external changes. The Company has adopted Banpu's Risk Management Policy & Manual as a guideline on risk management and adapted into its own risk management policy. The Company has a system to monitor the prevention and management of risks and submits a report on risk management to the Audit Committee on a quarterly basis.
- **Occupational Health and Safety** The Company places the highest priority on occupational safety owing to the risks and hazards in power plant operations caused by unsafe working conditions and lack of safety awareness. The Company hence aims to create a safety culture by setting a three-Zeros target as follows:
 - 1) Zero Incident by preventing and correcting unsafe behaviors or working conditions
 - 2) Zero Repeat by identifying and solving the root causes to prevent recurrence of the incidents
 - 3) Zero Compromise by strictly conforming to safety rules, regulations and standards



- **Environment** To balance business growth and environmental protection, the Company has set clear practices in compliance with the international standards for an environmental management system for every production unit. Prior to launching any projects, an environmental impact assessment will be conducted to prescribe appropriate measures to prevent and lessen environmental impacts in compliance with legal requirements. The Company emphasizes the use of an integrated approach by reducing or optimizing resource consumption, preventing impacts at their sources, and proper environmental management throughout the supply chain. Regarding its power production, the Company has implemented practices to lessen possible environmental impacts according to the environmental impact assessment, and its performance is periodically reviewed by independent organizations to ensure compliance with international standards, laws, and regulations throughout the project life cycle. The Company has also established an environmental risk review mechanism to prevent reoccurrence and enable continuous improvement.



- **Community and Society**

Community acceptance plays a pivotal part in the Company's operations and project development. The Company strives to create sustainable value for the communities and society where it operates. It places great importance on the involvement of local communities and the government sector from a feasibility study phase, operational phase, to the end of the project. The Company has conducted a stakeholder analysis and needs analysis to identify development needs in order to create sustainable value in all respective communities. Banpu Power also keeps its commitment to the communities, including employment opportunities, infrastructure development, tax payment to support local community development, and other activities contributing to the sustainable development of the communities and society, all of which are part of its CSR in-process.



Results of the Operations to Drive Sustainability Performance in 2019:

To mobilize sustainability implementation, the Company established the Banpu Power Sustainable Development Committee, of which chief executive officer serves as chairman, and all high-ranking executives, including heads of business units, are committee members. The committee has duties to formulate the Sustainability Policy and related policies, devise a strategic plan, and monitors implementation of the plan. They take full responsibility to ensure that the Company fully responds to stakeholder expectations, has appropriate risk management, remains competitive while being agile to change, and able to sustain growth. Apart from that, the Company annually reports Environmental, Social, and Governance (ESG) performance in the Sustainability Development Report to inform stakeholders of the Company's sustainability performance in the past year and allow them to give suggestions for the Company.

The Company has announced other policies related to sustainable development as follows:

- **Biodiversity Policy** Banpu Power announced the Biodiversity Policy as an operational framework to avoid and minimize any potential biodiversity risks from project operations. The policy stipulates that project locations should not be in such biologically diverse areas as World Heritage Sites and areas under the protection of International Union for Conservation of Nature (IUCN) categories 1-4. Prior to the beginning of project construction, the Company requires a study to be conducted in order to minimize as many potential impacts as possible and encourages the participation of relevant stakeholders.
- **Philanthropy Policy** Banpu Power announced the Philanthropy Policy as a guideline for the implementation of CSR after-process activities as well as other philanthropic donations. The Company has specified the following areas as part of its Philanthropy Policy:

 - 1) Education
 - 2) Health
 - 3) Economic development
 - 4) Environment
 - 5) Arts and culture
 - 6) Social welfare
 - 7) Emergency relief

Aside from this, the Company will not tolerate any projects or organizations that are illegal, unethical, and non-transparent as well as those which are against the nation or religious beliefs, and do not comply with the Code of Conduct.
- **Sustainable Supply Chain Policy** Banpu Power announced the Sustainable Supply Chain Policy out of the awareness that both the Company's and supplier's businesses play a role in creating sustainable economic, social, and environmental development. Hence, the Company aspires to contribute to sustainable development across the supply chain by establishing the following implementation framework:

 - Integrate Environmental, Social, and Governance (ESG) targets into supply chain strategies to seek improvement opportunities and minimize possible risks
 - Conduct an ESG due diligence assessment of business partners to ensure that potential sustainability risks in the supply chain are identified and properly managed
 - Conduct procurement in a transparent manner in accordance with the Code of Conduct
 - Engage with business partners who comply with ethical conduct, are socially and environmentally responsible, respect for human rights, and align their operations with the Supplier Code of Conduct and relevant policies
 - Establish processes to ensure that business partners fully comply with laws and regulations as well as international labor standards
 - Support local procurement in every country where the Company operates
 - Encourage business partners to extend the Company's sustainability practices across their supply chain through continuous improvement and process innovation
 - Publicly disclose sustainability performance of the Company's supply chain to relevant stakeholders on a regular basis

● Operations in Response to Sustainability Challenges

The Company is well aware of sustainability challenges that may affect business operations and sustainable growth. Nowadays, emerging risks and challenges facing the Company have far more drastic impacts than ever. In the past year, the Company responded to major sustainability challenges as follows:

1) Climate Change

Climate change is a challenge and a significant opportunity for the Company. In some host countries, the governments issued more stringent policies and relevant laws on greenhouse gas (GHG) emissions and increased support for alternative energy, clean energy technologies, and decentralized power generation, which affects future forms of new energy trading.

As an energy generation company, Banpu Power has addressed climate change, which is a challenge and a significant opportunity as follows:

- Reduce GHG emissions by 15 percent relative to the 2012 baseline by 2020;
- Seek investment opportunities in renewables to achieve a renewable portfolio of 20 percent by 2025. Currently, renewables make up 10 percent of the total portfolio;
- Improve productivity and deploy new technologies at operational power plants to increase efficiency and reduce GHG emissions. Promote innovations and production process improvement, namely, improvement of boiler efficiency for complete combustion; reduction of fuel consumption, heat loss, and pollutants; and development of boilers to be operated with other fuels such as natural gas;
- Develop new projects using clean technologies and take such carbon pricing methods as an emission trading scheme and carbon tax into consideration when analyzing the economic value of a project. Design the construction to mitigate climate change risk;
- Study and regularly monitor climate change impacts via the risk management system to prepare for possible changes such as regulatory changes and different demands for different energy sources of target countries for investment; and
- Implement a Business Continuity Management System (BCMS) to prepare for potential crises.



2) New Technological-Induced Changes

Changing trends in energy technology have influenced energy consumption behaviors and regulatory shifts towards clean energy technology and decentralized power generation, resulting in a change in power demands in many countries. The Company has responded to the technological induced changes as follows:

- **Power and Energy Production Technologies** The Company has taken some actions in preparation for technological changes and future forms of energy production. In the past year, the Company supported Banpu Group's pilot project that combines microgrid technology with the solar power plant in an Indonesian coal mine. Highly efficient technologies were designed to best fit solar power plants in Japan. In addition, High Efficiency, Low Emissions (HELE) technologies have been deployed at the under construction Shanxi Lu Guang Power Plant.
- **Power and Energy Trading Technology** The Company has prepared for the delivery of energy that meets future customer's requirements. For instance, peer-to-peer (P2P) energy trading will be more common. Another trend is selling energy with the Green Certificate, which is now practiced in some countries such as Japan. In the past year, the Company started energy trading in Japan.
- **Digital Technology** Banpu Power, in collaboration with Banpu Group, established the Digital Center of Excellence and determined necessary skill sets for the training courses to upskill employees and enhance their competitive advantage. The Company offers practice-based online courses by Banpu Digital Academy for employees to equip them for changes and digital transformation in the future. Apart from that, the academy has identified essential skill sets to help improve employees' potentials and competitiveness, for instance, integration of the predictive maintenance system in the power plant information system. The academy also raises cybersecurity awareness and enhances cybersecurity to prevent cyber threats that are continually increasing.

• **Supporting UN Sustainable Development Goals**

Banpu Power is well aware of its role to help support UN Sustainable Development Goals (SDGs). Some of the Company's projects carried out in response to key SDGs are as follows:



Adaptive strategies to reduce greenhouse gas emissions

Since Banpu Power is engaged in power generation and distribution business, it sees opportunities and has potentials in the reduction of direct GHG emissions (Scope 1) by using various fuels and indirect GHG emissions (Scope 2) through the purchase of electricity and other energy sources. To align climate actions with the Climate Change Policy announced in 2018, the Company sets the target to lower GHG emissions to not less than 15 percent against the 2012 baseline by 2020. The Company is also expanding investments in renewable-based power generation to increase the renewable portfolio to 20 percent of the total energy investment by 2025. The current proportion of renewables is approximately 10 percent of the total portfolio, which generates a 233.7 MW capacity.

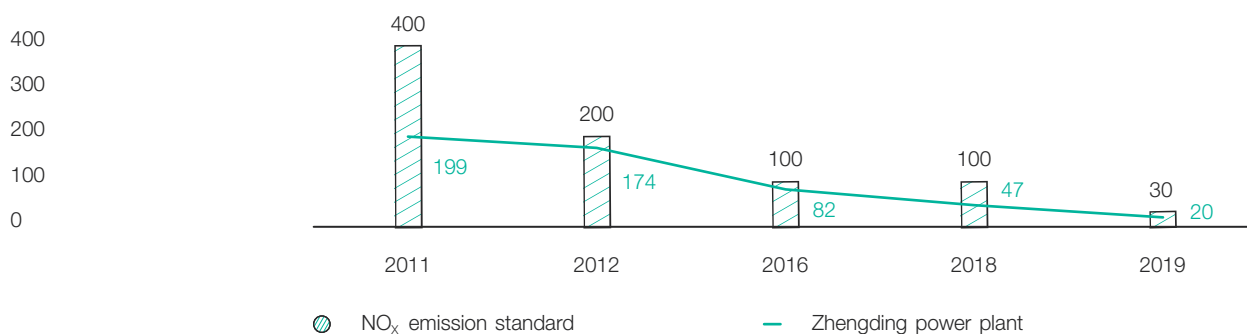


Reduction of nitrogen oxide (NO_x) emissions at Zhengding Power Plant

Poor air quality in China has affected people's health; therefore, the government has formulated a more stringent air quality policy since 2015. Many power plants in China have tried to curb the amount of air pollutant emissions to meet the new standards. Zhengding Power Plant was one of Banpu Power's power plants that need to adapt quickly to regulatory changes. However, the lack of space made it impossible to install NO_x traps. If it were to expand space, the power plant would have to lower the amount of power and steam delivery, which would affect customers. The Company then needed to come up with an alternative to improve air quality without shutdown. Banpu Power's employees collectively studied how and where NO_x originates, and conducted several machinery improvements, e.g., separating economizers to reclaim space for equipment

installation and installing water sprinklers inside burners to regulate the temperature. These efforts helped reduce NO_x emissions to the prescribed standard and improve boiler efficiency. The economic value of this technological improvement equals to USD 4 million within five years. This innovative project was submitted to the 7th Banpu Innovation Convention in April 2019 and was awarded for outstanding innovation.

Nitrogen oxide (NO_x) concentration at Zhengding Power Plant (mg/m³)

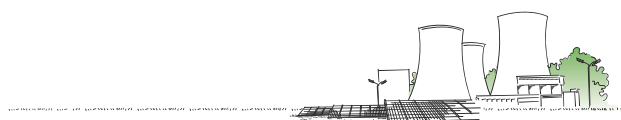


At joint-venture power plants such as BLCP and Hongsa power plants, stakeholder analysis and expectation analysis were conducted and reviewed since the start of the projects to ensure that all plans and their execution meet the expectations of the stakeholders in the vicinity. The process of stakeholder analysis is also used as a communication tool to promote community participation and engagement and to elicit community development needs concerning the development of professional skills, entrepreneurship, and healthcare. The Company communicates policies through the Board of Directors and reviews joint ventures' performance through monthly Board meetings and annual review with its business partners.

Banpu Power aims to achieve its 20 percent renewables target by 2025 in response to climate change risk and government policies, which are major factors causing changes in the power business. In the past year, the Company continued the expansion of its solar power business in China and Japan and development of new wind power project in Vietnam according to its strategic plan. In addition, the Company has always been on the lookout for investment opportunities in renewable energy sources in the countries with promotion and support from the governments, in response to the rising demand for greener and cleaner energy sources in the future.

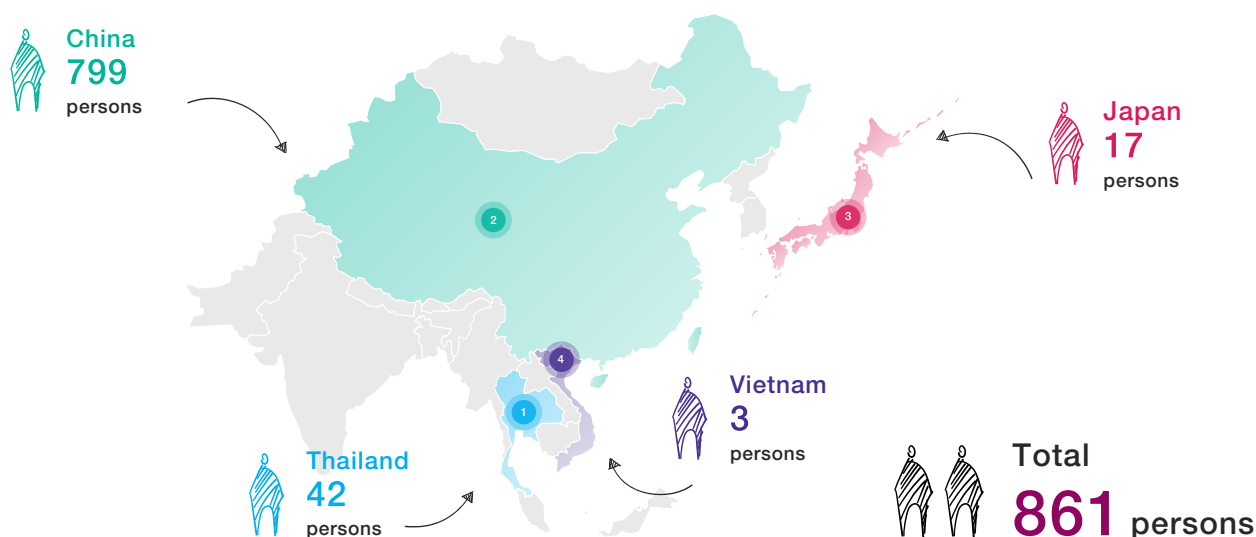
In 2019, Banpu was honored to be listed on the Stock Exchange of Thailand (SET)'s "Thailand Sustainability Investment 2019" (THSI) for the second consecutive year. The list features public companies that have sustainable business operations with concerns for the environment, society, and governance (ESG). Being included on the list reflects Banpu Power's continuous operational standards, achievement, and continuous improvement in sustainability and social responsibility. All of these enable the Company to create value for all stakeholders while balancing economic, social, and environmental performance.

HUMAN RESOURCE MANAGEMENT



Banpu Power Public Company Limited has adopted human resource management policy and corporate culture from its major shareholder – Banpu Public Company Limited, which is an internationally renowned company with almost 40 years of professionalism. Banpu Power has managed its human resources in each country which are diverse in terms of race, language, culture, age, expertise, perspective and work experience in order to create a happy work environment and efficiency whilst generating sustainable value to stakeholders.

The number of the Company's and its subsidiaries' employees as of 31 December 2019 is as follows:



Human Resource Management Approach

Banpu Power is committed to managing human resources in alignment with the company vision while adapting to change in an agile working approach that follows the direction of long-term business growth and adheres to the three principles of human resource management, namely equitability, performance base, and competency base.

To move forward to becoming a leading power-generating company operating both base-load and renewable power businesses across the Asia-Pacific region, Banpu Power aims at securing business stability and economic growth, promoting employee capacity building to create team synergy for fast and smooth operations while always mobilizing innovations.

In 2019, the Company deployed the following three strategies in its human resource management:



1. Succession Planning and High Potential Management

The Succession Planning and High Potential Management is considered one of the Company's strategies concerning workforce planning and management to mobilize sustainable business operations in response to Banpu Power's rapid business expansion. In 2019, the Company and the Succession Plan Committee selected and constantly monitored the development of the potential successors of high-ranking executive positions. Each successor is expected to have an Individual Development Program (IDP), which is subject to monitoring and assessment to ensure that the succession plan is implemented in accordance with corporate strategies.

Apart from that, the Company enriches high potential employees with international work skills, business knowledge, and management skills through cross-functional work, international posting, and staff transfer. Quarterly meetings were held to monitor progress against an individual development plan.

2. People Capability Development Policy

Banpu Power places great importance on workforce development, sharing of knowledge, expertise, and innovations in integrated energy operations through continuous collaboration with Banpu Group to drive rapid business growth and enhance long-term competitive advantage.

In 2019, the Company carried on designing and developing programs for executives and employees at all levels to promote continuous learning through Learning Application Project (LAP). The project promotes the application of knowledge gained to real work situations and broadening such knowledge through the design thinking process, which regards humans as the crux of development. Participants practiced creative thinking and innovative thinking as a way to upskill and reskill themselves so that they become agile to change in business direction and ready for any challenges.



3. Corporate Culture

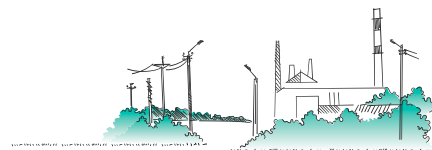
“Banpu Heart” is the corporate culture all Banpu’s and Banpu Power’s executives and employees have always adhered to in all operations. “Banpu Heart” consists of three shared values: Passionate, Innovative and Committed.



Banpu Power has put “Banpu Heart” at the heart of all operations and all processes involved by employees in each host country, such as recruitment of new employees, orientation, performance evaluation, annual survey on corporate culture and employee engagement.



CORPORATE GOVERNANCE



Corporate Governance Policy

The Board of Directors is committed to the principles of systematic Management and prioritizes good corporate governance. Accordingly, in 2015 the Board issued the Corporate Governance Policy and the Code of Conduct in written form in Thai and English versions. The Board of Directors delegated the Corporate Governance and Nomination Committee to annually review the policy to align with the business environment, and comply with laws, rules, and regulations of the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC). Aligned with international standard practices, the Policy and Handbook are the complete reference and guidelines for all directors, executives, and employees.

In 2019, Banpu Power Public Company Limited revised and updated the essence of the Corporate Governance Policy and the Code of Conduct Handbook by compiling all written policies and practices it adheres to in one book. The revision was made in accordance with the Office of Securities and Exchange Commission (SEC)'s Corporate Governance Code for Listed Companies (CG Code) 2017. The Company counts the Corporate Governance Policy as a principle and the Code of Conduct as practices, thus put them in the same book for easy access and convenience reason. The revised version is presented in Thai, English, and Chinese so that all directors, executives, and employees understand and adhere to the ethical business conduct to achieve the business goal while maintaining ethical standards for the benefits of all stakeholders, shareholders, the Company and society.

The Company has inculcated the ethical culture inspiring adherence to integrity and ethics, which is one of the corporate values. Moreover, it monitored and evaluated the efficiency of the implementation of the Corporate Governance Policy across the organization based on key performance indicators (KPIs) and the behavioral factor "Adhere to integrity and ethics." The overall evaluation results classified according to staff level and work location were satisfying.

Communication of Corporate Governance Policy

Committed to compliance with the Corporate Governance Policy and the Code of Conduct, in 2019, the Company set out an action plan to reinforce corporate culture and corporate governance attitudes. The plan aims at creating a better understanding and promoting compliance with the Corporate Governance Policy and the Code of Conduct through a wide range of activities as follows:

Policy

- Reviewing and revising the Corporate Governance Policy and the Code of Conduct Handbook in two folds: updates and addition, as follows:

Updates



Corporate Culture

To reflect the Company's brand image



Internal Control Policy

Having an independent unit to audit performance in compliance with the prescribed regulations



Sustainable Development Policy

International practices are adopted in devising strategies for sustainable development

Addition¹



Innovation Policy

Promoting innovation and fortifying business strength by stressing technological knowledge and effective resource management



Information Technology Management Policy

Developing an effective and secure IT system in compliance with applicable laws



Anti-Corruption Policy

Combating corruption in all its forms, prohibiting directors and employees from receiving or giving gifts, gratuities, or unlawful benefits, either directly or indirectly



Market Sensitive Information Policy

Supervising the use of internal information, limiting access right of employees at different levels, and protecting market-sensitive information before public disclosure



Whistleblower Policy and Protection of Whistleblowers

A mechanism for stakeholders to file complaints on corporate governance issues in which all information is kept confidential



Qualifications of Directors

Directors must be willing to devote sufficient time to carrying out their duties and responsibilities and shall not hold directorship of more than five listed companies



Qualifications of Independent Directors

In accordance with the Notification ThorChor. 39/2559 dated 16 November 2016



Directors' Terms of Office

Independent Directors' term office is up to nine years or a maximum of three consecutive terms.



The Board of Directors' duties and responsibilities

In compliance with the Securities and Exchange Act B.E. 2535 (1992), as amended



Company Secretary

Duties of the Company Secretary were identified.



The Board of Directors Meetings

E-meetings are allowed.



Assessment of Performance of the Board of Directors

Adding assessment of the performance of sub-committees

¹ The additional parts are from a compilation of policies and practices the Company has adhered to, or those put in written form in the Corporate Governance Policy and Code of Conduct (Amendment B.E. 2562).

- Revising Banpu Power Public Company Limited's Practices for the Board of Directors B.E. 2558, adding the Board of Directors Meetings via an electronic channel to the Code of Conduct Amendment No. 2 B.E. 2562
- Revising the Corporate Governance and Nomination Committee Charter B.E. 2558, adding terms of office, duties, and responsibilities of the Corporate Governance and Nomination Committee, and qualifications of the Directors to the Charter Amendment No. 1 B.E. 2562
- Revising the Audit Committee Charter B.E. 2558, adding to the Charter Amendment No. 3 B.E. 2562 duties and responsibilities of the Audit Committee and continuous review and monitoring of critical risks by the Management's Risk Management Committee
- Revising the Whistleblower Policy and Protection of Whistleblowers Amendment No. 1 B.E. 2562 by adding whistleblower channels and complaints handlers

Training and Communication

- Regularly organizing a training session on corporate governance principles as part of the orientation program for new employees, with knowledge assessment on corporate governance via e-learning system
- Communicating with directors, executives, and employees to raise awareness of anti-corruption practice with the aim at promoting two-way communication between employees and the Company. Employees can file their complaints through a Whistleblower channel, which allows anonymous reporting
- Hosting the "CG Day" program to raise awareness of employees at all levels on ethical business conduct and encourage them to adhere to integrity; launching the "CG Switch It On" event in 2019 to communicate to employees the essence of the Corporate Governance Policy and Code of Conduct (2019 Revision) in various exciting forms such as CG Switch It On Quiz and CG Tips through which employees can review their understanding
- Communicating with employees via the Company's website about the practice for giving and receiving gifts, gratuities, or other benefits to shareholders, investors, clients, business partners, and all stakeholders

Anti-Corruption Risk Assessment and Preventive Measures

- Conducting an assessment of corruption risk and preventive measures in 2019, covering businesses in all countries the Company has invested, at both subsidiaries and joint ventures
- Putting in place the systems for internal control, risk management, and internal audit, covering significant operations, for instance, procurement, accounting entry, and regularly monitoring the implementation progress of risk management program
- Determining anti-corruption preventive measures by aligning procedures and regulations with the Anti-Corruption Policy and practices
- Preparing preventive anti-corruption measures by establishing as a procedure for timely investigation and reporting of potential wrongful acts or corruption, and providing channels for stakeholders and involved parties as well as executives and employees to file complaints or report suspicious wrongful acts or unfair treatment; practices and details can be accessed via the Company's website

- Stressing the importance of information security; putting in place a scheme to protect whistleblowers from being assaulted or threatened as well as compensation measures for possible damages to complaint filers or whistleblowers

Awards and Recognitions on Corporate Governance

Banpu Power's commitment to corporate governance and business mobilization based on equitable value creation for all stakeholders were recognized in 2019 from the following organizations.

- Banpu Power was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) as a result of its determination to combat corruption in all its forms and commitment to the Corporate Governance and compliance with the principles of good corporate governance.
- The Company achieved 4-star rating – Very Good CG Scoring of 87.72 percent according to the Corporate Governance Report of Thai Listed Companies (CGR) 2019 conducted by the Thai Institute of Directors Association (IOD).
- The Company obtained a full 100 scores for the quality of the Annual General Meeting of Shareholders for the Year 2019 evaluated by the Thai Institute of Directors Association (IOD).
- Banpu Power was included on the list of Thailand Sustainability Investment (THSI) for two consecutive years by the Stock Exchange of Thailand (SET), reiterating the Company's policy on sustainability with an aim to achieve sustainable growth and generate long-term returns for its shareholders.

Formulation of Corporate Governance Policy

The Board of Directors resolved to approve the Corporate Governance Policy and the Code of Conduct Handbook (2019 Revision), revised in accordance with the Office of Securities and Exchange Commission (SEC)'s Corporate Governance Code for Listed Companies 2017, which comprises eight principles as follows:

- Principle 1 Establish Clear Leadership Role and Responsibilities of the Board
- Principle 2 Define Objectives that Promote Sustainable Value Creation
- Principle 3 Strengthen Board Effectiveness
- Principle 4 Ensure Effective CEO and People Management
- Principle 5 Nurture Innovation and Responsible Business
- Principle 6 Strengthen Effective Risk Management and Internal Control
- Principle 7 Ensure Disclosure and Financial Integrity
- Principle 8 Ensure Engagement and Communication with Shareholders

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

Leadership Role and Responsibilities of the Board of Directors

The Board of Directors explicitly set forth duties and responsibilities of the Board in "The Practices for the Board of Directors B.E. 2558, Banpu Power Public Company Limited," which was revised in 2018 and 2019 to realign duties and responsibilities and accommodate changes in business scenarios, regulations, rules, and corporate governance guidelines. The Practices for the Board of Directors specifies compositions and rules about the Board, general qualifications of directors, qualifications of independent directors, expertise, terms of office and retirement, roles and responsibilities, and the Board of Directors' meeting and voting.

The Board of Directors plays a pivotal role in determining the Company's vision and mission, which are the Company's goals to achieve a sustainable business. The Board monitors the business operations against the goals and reviews the performance to ensure goal achievement at least once every five years. The Board appointed and entrusted a CEO with clearly defined authorities and responsibilities to take charge of business management, development, and implementation of strategies. The CEO cascades management authorities to senior Management in business units in Thailand and abroad in accordance with the Delegation of Authority.

In addition, the Board of Directors prioritizes business operations that maximize shareholders' substantial benefits, with firm adherence to the principles of good corporate governance. Thus, the Board of Directors has aligned the Corporate Governance Policy and the Code of Conduct with the Company's vision, mission, business credo, values, principles, and recommendations to ensure clarity and convenience for directors, executives, and employees. Employees are clearly advised about what they should do or refrain from, about standards of practice that the Company expects and adheres to in all operations concerning employees, shareholders, customers, partners, creditors, competitors, and society at large.

Banpu Power entrusted directors, executives, and all staff with a duty and a responsibility to acknowledge, understand, and comply with the Company's policies and guidelines as outlined in the Code of Conduct. All employees must sign an acknowledgment of and comply with the Corporate Governance Policy and the Code of Conduct Handbook publicized on the Company's website. A wide range of activities has been carried out to create better understanding and awareness among employees, both locally and abroad, of the importance of compliance with the Code of Conduct Handbook among employees.

Aside from the standard practices stipulated in the Code of Conduct, the Management and employees collaboratively promote the corporate culture "Banpu Heart," which comprises three shared values, namely Passionate, Innovative, and Committed to foster corporate culture and values for all employees both in Thailand and abroad.

Principle 2
Define Objectives
that Promote
Sustainable Value
Creation

Define and Monitor a Strategic Approach to Sustainability

Based on the Board of Directors' guidance and suggestions, the Management formulated and presented to the Board the business direction, a long-term strategic plan, an action plan and budget, and an annual workforce plan. The Board openly shared opinions and discussed them with the Management to reach a mutual agreement before approval.

On 5 October 2019, the Board of Directors and the Management collaboratively worked and reviewed the business direction and strategic plan for the year 2020 to respond to a rapidly changing business environment. Risk assessment was conducted, and a mitigation plan was devised in preparation for future scenarios. The Board of Director's meeting No. 12/2019 approved in principle the Company's business direction and strategic plan and included in the monthly meeting agenda. The Board would provide comments or suggestions for improvements where necessary.

Principle 3

Strengthen Board Effectiveness

Balancing of Power by Non-Executive Directors

The Board of Directors ensures that the proportion of its existing directors is appropriate to the Company's size. At present, Banpu's Board of Directors consists of nine members. Three members are executive directors; three are non-executive directors, and three are independent directors, which accounts for 33 percent of the Board. In 2019, the Corporate Governance and Nomination Committee reconsidered the composition of the Board with regards to the proportion of non-executive directors and independent directors and concluded that the proportion of non-executive directors was appropriate.

Consolidation or Separation of Office

The Board of Directors requires that its Chairman and the CEO be different persons. Their roles, responsibilities, and authorities are clearly separated to achieve a balance between Management and good corporate governance.

The Chairman of the Board monitors the administration of the Management, provides suggestions and assistance, yet does not interfere with the routine Management, which is the duty of the Chief Executive Officer within the scope of the authority entrusted by the Board.

Currently, the Chairman of the Board is an independent director who possesses strong leadership. The Chairman monitors directors' independence at meetings and their full adherence to the principles of good corporate governance without being influenced by the Management.

Policy on the Appointment of Directors and Executives as Directors in Subsidiaries or Associates

The Board of Directors prescribed that the appointment of directors and executives as directors in subsidiaries or associates must be approved by the Board. The policy essentially states that the nomination of candidates for positions of directors and executives in subsidiaries or associates based on Banpu Power's stake in the subsidiaries or associates must be approved by the Board. The appointed directors and executives have the discretion to vote in the Board meetings of the subsidiaries and associates on general administration and normal operations for the optimal benefits of the Company, subsidiaries, or associates. The nominated candidates or appointed directors and executives must be on the white list and have qualifications, roles, duties, and responsibilities as regulated by relevant laws. They must not be untrustworthy according to the Securities and Exchange Commission's Notification on Determination of Untrustworthy Characteristics of Directors and Executives of Companies.

Rule of Directorship in Other Companies

To ensure that directors can devote sufficient time to carrying out their duties and responsibilities in the Company, directors shall not hold the director position of more than five listed companies. The rule is set forth in Section 5.1 Paragraph (5) under the Section: Qualifications of Directors in the Practices for the Board of Directors B.E. 2558, Banpu Power Public Company Limited, Amendment No. 2 B.E. 2562.

The Board of Directors' Meeting

The Board of Directors convenes at least once a month. Meeting dates are scheduled in advance for the whole year, and additional meetings may be held if necessary. At the meeting, there are clear meeting agenda items. A complete set of supporting documents

is sent to the Board of Directors at least seven days in advance of the meeting to allow the Board an opportunity to properly review the agenda before the meeting. During the meeting, all directors may openly voice their opinions. The Chairman of the Board summarizes opinions and board resolutions. If any director has a conflict of interest in a matter being considered by the Board, the director must leave the meeting room. The Board also allows electronic meetings to be held according to the principle and security standards prescribed by relevant government agencies.

Minutes of all the meetings are recorded in written form and after approval are signed by the Chairman of the Board and the Company Secretary. Records of the meetings are kept as original hard copies and scanned electronic files, to facilitate quick reference for directors or related persons. These also include other documents attached to a particular agenda. All are kept secure for reference for at least five years with a safeguard system to prevent any alteration and other risks of catastrophe.

In 2019, the Board of Directors and Sub-Committees convened meetings as detailed in the table below.

Name	Title	Terms of Office	2019 Meeting Attendance					
			BOD	AC	CC	GNC	AGM	NED
1. Assoc. Prof. Dr. Naris Chaiyasoot	Chairman/Independent Director/ Chairman of the Corporate Governance and Nomination Committee/ Member of the Audit Committee	Terms of Office AGM 2017 - AGM 2020	11/12	10/11	-	4/4	1/1	1/1
2. Mr. Yokporn Tantisawetrat	Independent Director/Chairman of the Audit Committee	AGM 2018 - AGM 2021	12/12	11/11	-	-	1/1	1/1
3. Prof. Dr. Bundhit Eua-Aporn	Independent Director/Chairman of the Compensation Committee/ Member of the Audit Committee	AGM 2018 - AGM 2021	12/12	10/11	4/4	-	1/1	1/1
4. Mr. Chanin Vongkusolkrit	Non-executive Director/ Member of the Corporate Governance and Nomination Committee	AGM 2019 - AGM 2022	11/12	-	-	4/4	1/1	1/1
5. Mr. Metee Auapinyakul	Non-executive Director/Member of the Compensation Committee	AGM 2018 - AGM 2021	11/12	-	4/4	-	1/1	1/1
6. Ms. Somruedee Chaimongkol	Executive Director/Member of the Compensation Committee	AGM 2017 - AGM 2020	12/12	-	4/4	-	1/1	-
7. Mr. Rawi Corsiri	Non-executive Director/Member of the Corporate Governance and Nomination Committee	AGM 2019 - AGM 2022	12/12	-	-	4/4	1/1	1/1
8. Mr. Voravudhi Linananda	Executive Director	AGM 2019 - AGM 2022	12/12	-	-	-	1/1	-
9. Mr. Sutee Sukruan	Executive Director/ Chief Executive Officer	1 Jan 2018 – AGM 2020	12/12	-	-	-	1/1	-

Notes: BOD stands the Board of Directors' meeting.

AC stands for the Audit Committee's meeting.

CC stands for the Compensation Committee's meeting.

GNC stands for the Corporate Governance and Nomination Committee's meeting.

AGM stands for the Annual General Meeting of Shareholders.

NED stands for the meeting of the non-executive directors.

Non-Executive Directors' Meeting

The Company held a non-executive directors' meeting (NED meeting) on 5 October 2019, between 9.30-12.00 hours, with full attendance of six non-executive directors. During the meeting, all directors were allowed to propose interesting issues outside of the agenda and voice their opinions or provide recommendations on collaboration with the Management. The directors also worked together to develop a management approach and a succession plan for top executive positions.

The Board of Directors' Report

The Board of Directors is responsible for Banpu Power's and its subsidiaries' consolidated financial statements and the financial information that appears in Banpu Power's Annual Report. The financial statements are prepared under the Generally Accepted Accounting Principles (GAAP) in Thailand where an appropriate accounting policy has been selected and implemented. The Audit Committee and auditors jointly review the accounting policy to ensure it remains practical. While preparing the financial statements, the Board of Directors insists that the working team carefully exercises its discretion and that important information is adequately disclosed in the notes to the financial statements.

The Board entrusted the Audit Committee with a responsibility to oversee the quality of financial statements and the internal control system and to ensure that any opinions of the Audit Committee on these issues have been included in its report, which is also included in this annual report.

The Board of Directors considered that the financial statements of the Company and its subsidiaries as of 31 December 2019 are accurate, complete, adequate, and reliable.

Scope of Authority and Responsibilities of the Board of Directors, Sub-Committees and Executive Officers

Authority and responsibilities of the Board of Directors, Sub-Committees, and Executive Officers are as follows:

(1) Board of Directors

The Board of Directors consists of nine directors: three independent directors, three executive directors, and three non-executive directors. The Chairman of the Board is an independent director who can voice opinions independently about the Company's operations.

The Board of Directors stipulated Banpu Power Public Company Limited's Board of Directors' Practice B.E. 2558 Amendment No. 2 B.E. 2562". The Practice covers the topics on composition and criteria of the Board, directors' qualifications, terms of directorship and retirement, authority and responsibilities of the Board as well as Board meetings and voting procedure. In addition to oversight of the corporate governance of Banpu Power, its subsidiaries, and affiliates as well as compliance with laws, objectives, regulations, and resolutions of shareholder's meeting, the Board of Directors has the authority to approve the following actions:

1. The Company's policies, strategic plans, action plans, and annual budget
2. Monthly and quarterly operating results reports compared against the Company's plan, budget and business outlook in the following period of the year
3. Investment in a project worth more than THB 1,500 million

4. Investment which exceeds the approved budget by 15 percent and costs more than THB 1,000 million
5. Purchase and disposal of assets, acquisitions, and the participation in joint venture projects, which are not conflicting with the SEC's and SET's rules, for an amount that exceeds the CEO's authority
6. Transactions which could materially affect the company's financial status, liabilities, business strategy and/or reputation
7. Entering into a contract either unrelated to the ordinary course of business or related and materially significant
8. Parts of a connected transaction between Banpu Power, its subsidiaries or affiliates, and related individuals according to the Securities and Exchange Act.
9. Transactions which may cause the Debt-to-Equity Ratio of the Company's consolidated balance sheets to exceed 2:1
10. Payment of interim dividend
11. Net borrowing which exceeds the amount stated in a budget more than THB 5 billion
12. Changes in policies and practices with material implications to accounting, risk management, and financial reserves
13. Significant changes in the financial and management control system
14. Determination and review of the authorization granted to the CEO
15. Appointment of a CEO, along with the approval to recruit and employ Executive Officers, a COO and a CFO
16. Approval of salary structure, salary increase budget, other benefits or formula to adjust other benefits of executives and employees
17. Nomination, appointment, and termination of directors and the Company Secretary or the Secretary on the Board of Directors
18. The authorization given to the Chairman of the Board of Directors, CEO or any director, and amendments to such authorization
19. Appointment and delegation of duties of Sub-Committees
20. Establishing and supervising management on the basis of good corporate governance, promoting ethics and morals, compliance with the Code of Conduct Handbook and the Anti-Corruption Policy.
21. Appointment of directors or executives as directors of subsidiaries and affiliated companies
22. Registration of a new company and dissolving a company
23. Review of the Company's vision and mission at least once every five years
24. Directors have a duty to keep corporate information strictly confidential, especially the internal information not to be disclosed to the public or the information that may affect its business or share prices. Directors must follow the following practices:
 - In case the information is a report based on an accounting period such as on operating results, financial statements, and an annual report, directors must refrain from trading Banpu Power's shares no less than 30 days prior to the information disclosure to the public
 - In case the information is a report of Banpu Power's action in a particular situation, such as acquisition/disposal of assets, connected transactions, joint venture/cancellation of joint venture, capital increase/capital reduction, issuance of new securities, repurchase of own shares, payment or non-payment of dividend or incidents that affect Banpu Power's share price, directors shall refrain from trading the Company's shares from the period he/she learns of the information to the day Banpu Power discloses the information to the public
25. Amendment of the Board of Directors' scope of authorization as described in Clause 1 – 24

(2) The Audit Committee

The Audit Committee consists of three independent directors, namely, Mr. Yokporn Tantisawetrat, Chairman of the Audit Committee, Assoc. Prof. Dr. Naris Chaiyasoot and Prof. Dr. Bundhit Eua-Aporn. Mr. Yokporn Tantisawetrat has great expertise and experience in financial accounting and economics.

The Audit Committee is accountable to the Board of Directors within the scope of authority and responsibilities entrusted by the Board of Directors as follows:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate
2. To review the Company's internal control system and internal audit system to ensure that they are appropriate and efficient
3. To ensure that the Company has duly complied with the Laws on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independence person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year
5. To review the connected transactions or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations, and are reasonable and for the highest benefit of the Company
6. To prepare, and to disclose in the Company's annual report, and Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information;
 - (a) an opinion on the accuracy, completeness, and creditability of the Company's financial report
 - (b) an opinion on the adequacy of the Company's internal control system
 - (c) an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws relating to the Company's business
 - (d) an opinion on the suitability of an auditor
 - (e) an opinion on the transactions that may lead to conflicts of interests
 - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member
 - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities entrusted by the Company's Board of Directors
7. To audit cases informed by the Company's external auditor when he/she discovers any suspicious circumstance that the director, manager or any person responsible for the Company's operation commits an offence, which is specified under the Securities and Exchange Act (No. 5) B.E. 2559 and report the result of preliminary inspection to the Securities and Exchange Commission and the external auditor within 30 days since the informed date
8. To review and continue monitoring major risk management procedures after Risk Management Committee did

9. To determine an internal audit unit's independence, to express opinions regarding the operation plan and operation results, budgeting and manpower of the Internal Audit Department as well as to approve the appointment, transfer, and dismissal of the chief of an internal audit unit
10. To revise the Audit Committee Charter at least once a year
11. To review and approve the Internal Audit Charter
12. To submit an operation report to the Board of Directors at least once a year
13. To invite executive officers or supervisors to attend its meeting for clarification purpose or to submit relevant documents based on the scopes of its authority
14. To obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company's expenses
15. To perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent
16. To review and ensure that the Company has duly complied with Anti-Corruption Policy

In 2019, the Audit Committee convened 11 times, all of which were quorate and with all agenda items covered.

(3) The Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee consists of three members, namely Assoc. Prof. Dr. Naris Chaiyasoot, Chairman of the Committee and independent director, Mr. Chanin Vongkusolkrit, member and non-executive director, and Mr. Rawi Corsiri, member and non-executive director. According to the Charter of the Corporate Governance and Nomination Committee, the Committee has two major duties. Firstly, it reviews the Corporate Governance Policy and the Code of Conduct and monitors compliance of the policy and practices within Banpu Power's Code of Conduct. Secondly, it nominates directors, the Chief Executive Officer, and Executive Officers as well as reviews succession planning in order to nominate qualified persons to fill senior management positions (Vice President level and higher) and submits the proposal to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be. The Corporate Governance and Nomination Committee has the following duties and responsibilities:

1. To consider and review whether the Company's Corporate Governance Policy and its Code of Conduct are appropriate and adequate and to regularly update the Corporate Governance Policy
2. To monitor and supervise directors and staff's compliance with the Corporate Governance policy and the Code of Conduct so that it is in line with those determined by the Board of Directors and to arrange a system where Banpu can receive grievance with regards to the Corporate Governance and Code of Conduct from stakeholders
3. To review the structure and components of the Board of Directors, to monitor the term of office of its directors, Chief Executive Officer, and Executive Officers, and to prepare a succession plan of senior executives (starting from Vice President and over)
4. To determine the director's qualifications to be aligned with company strategy and the nomination process should be considering with the diversity of board composition in terms of skills, experience, gender, and knowledge and competency that complement to the Company's strategy

5. To recruit and nominate persons as Directors, Chief Executive Officers, and Executive Officers when the term is due or whenever there is a vacancy as entrusted by the Board
6. To provide measures of performance evaluation of the Board of Directors as a group and individual director; to participate in the evaluation, summarize the assessment result to the Board of Directors annually and monitor the result of such evaluation for the director's performance improvement and strengthen the director's capability
7. To review and recommend an amendment to scopes of work, duties and responsibilities of the Corporate Governance and Nomination Committee to respond to changing circumstances
8. To submit an operation report to the Board of Directors at least once a year
9. To do any other tasks as designated by the Board of Directors

In 2019, the Corporate Governance and Nomination Committee convened four meetings, all of which were quorate and with all agenda items covered.

(4) The Compensation Committee

The Compensation Committee consists of three members, namely Prof. Dr. Bundhit Eua-Aporn, Chairman of the Compensation Committee and independent director, Mr. Metee Auapinyakul, member and non-executive director and Ms. Somruedee Chaimongkol, member and executive director. The Compensation Committee's duties are to provide recommendations related to compensation management to the Board of Directors for approval or for submission to the shareholders' meeting, as the case may be, which are as follows.

1. To recommend guidelines on how to compensate, methods of compensation payments and other benefits to the Board of Directors and Sub-Committees appointed by the Board of Directors
2. To consider and recommend compensation amounts and other benefits by taking the duties and responsibilities of the Chief Executive Officer into consideration and by reviewing evaluation criteria to determine the right annual remuneration
3. To review a compensation structure, compensation rules and regulations as stated in Clause 1 and 2 to suit the person's duties and responsibilities, Banpu Power's operating results and marketing conditions
4. To review overall budgets for a salary increase, annual bonus payments and provisions of other staff's fringe benefits
5. To review and propose recommendations to amend scopes of work, duties and responsibilities of the Compensation Committee to respond to changing circumstances
6. To submit an operational report to the Board of Directors at least once a year
7. To do any other tasks as designated by the Board of Directors

In 2019, the Compensation Committee convened four meetings, all of which were quorate and with all agenda items covered.

Scope of Authority and Responsibilities of Chairman of the Board of Directors

1. To abide by the objectives, the Company's rules, and resolutions of the shareholder's meetings as well as the Public Limited Companies Act B.E. 2535, the Securities and Exchange Act B.E. 2535, and any other relevant laws that particularly stipulate the duties of Chairman of the Board of Directors

2. To chair the meetings of the Board of Directors, shareholder's meetings, and manage such meetings according to the Company's rules, relevant laws, and corporate good governance practices
3. To promote, develop, and govern the Board of Directors that it functions with integrity in accordance with the principles of good governance and corporate governance practices

Nomination and Appointment of Directors, Sub-Committee Members, and Chief Executive Officer

Nomination of Directors and Top Executives

The Corporate Governance and Nomination Committee shall recommend to the Board of Directors candidates to replace retiring directors or to fill any other vacancy with due process and procedure as follows:

1. Review the structure and the composition of the Board in order to strengthen the Board of Directors as a whole
2. Review general and specific qualifications, qualifications of independent directors, and set additional criteria for candidate screening and nomination, regarding the conditions and requirements of the Company and in compliance with the SET's rules and regulations
3. After the screening process, the Corporate Governance and Nomination will nominate the candidate to the Board of Directors for approval and proposal to the Annual General Meeting of Shareholders (AGM) for approval of appointment

The Corporate Governance and Nomination Committee is responsible for nominating candidates to replace the directors whose term has expired by rotation or to fill vacancies. The Committee nominates the candidates and informs the retail shareholders via the Company's website to propose qualified candidates within the specified duration of time and under stated conditions. All the candidates will then undergo a nomination process, in which knowledge, capability, experience, general qualifications and specific qualifications promoting appropriate board skills mix. The number of candidates nominated must be twice more than the vacancies and approved by the Board. The Shareholder's meeting will approve the appointment of directors with the majority votes of the total shareholders attending the meeting. The voting is carried out for each individual director.

For the nomination of executives, the Corporate Governance and Nomination Committee semi-annually monitors succession planning covering the CEO, COO, and senior management to ensure that the Company has an explicit succession plan to prepare knowledgeable and highly competent management to fill critical positions in the future.

Nomination of Independent Directors

Banpu Power has defined the qualifications of "Independent Directors" according to the Notification of the Capital Market Supervisory Board No. TorChor. 39/2559 regarding the qualifications of independent directors as follows:

1. Holding no more than one percent of the total voting shares of Banpu Power, parent company, subsidiary, associate company, major shareholder or, controlling person of Banpu Power, including shares held by the connected persons of such independent director;

2. Neither being nor having been an executive director, employee, staff, advisor earning regular monthly salary or the controlling person of Banpu Power, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended for at least two years prior to the date of filing the application with the Office of Securities and Exchange Commission (SEC). In this regard, such prohibited characteristics shall exclude the case where an independent director used to be a government official or an advisor of a governmental agency, which is a major shareholder or the controlling person of Banpu Power;
3. Not being a person who is related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of the executives' child, major shareholders, controlling person or person to be nominated as director, executive or controlling person of Banpu Power or its subsidiary;
4. Neither having nor having had a business relationship with Banpu Power, its parent company, subsidiary, associate company, major shareholder or controlling person in a manner that may interfere with independent discretion, which includes not being or having been a significant shareholder or the controlling person of any person having a business relationship with Banpu Power, its parent company, subsidiary, associate company, major shareholder or controlling person unless such foregoing relationships have ended for at least two years prior to the date of filing the application with the SEC Office;

The business relationship under Paragraph 1 shall include normal business transactions, rental or lease of real estate, transactions related to assets or services or granting or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in Banpu Power or the counterparty being subject to indebtedness payable to the other party in an amount starting from three percent of the net tangible assets of Banpu Power or from twenty million baht or more, whichever amount is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions, *mutatis mutandis*. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

5. Neither being nor having been an auditor of Banpu Power, its parent company, subsidiary, associate company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of Banpu Power, its parent company, subsidiary, associate company, majority shareholder, or controlling person, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application with the SEC Office;
6. Neither being nor having been a provider of professional services, which includes serving as a legal advisor or financial advisor being paid with a service fee of more than two million baht per year by Banpu Power, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of such provider of professional services, unless the foregoing relationship has ended for not less than two years prior to the date of filing the application with the SEC Office;

7. Not being a director who is appointed as the representative of directors of Banpu Power, major shareholder, or shareholder who is a connected person of a majority shareholder;
8. Not undertaking any business of the same nature and in significant competition with the business of Banpu Power or its subsidiary, or not being a significant partner in a partnership, or an executive director, employee, staff, advisor earning regular monthly salary or holding more than one percent of the voting shares of another company that undertakes a business of the same nature and in significant competition with the business of Banpu Power or its subsidiary;
9. Not having any other characteristics that cause the inability to express independent opinions on the business operation of Banpu Power.

After being appointed as an independent director with the qualifications under (1) to (9), the independent director may be assigned by the Board of Directors to make a decision on the business operation of Banpu Power, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person in the form of collective decision.

In the case where the person appointed by Banpu Power as an independent director has or used to have a business relationship or provision of professional services at a value exceeding the specified amount under (4) or (6), Banpu Power shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that Banpu Power has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with the principle in Section 89/7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions and that the following information has also been disclosed in the notice calling the shareholders' meeting under the agenda for the appointment of independent directors:

1. The nature of the business relationship or professional services that deems such person to have qualifications, not in compliance with the specified regulations;
2. The reason and necessity for keeping or appointing such person as an independent director
3. The opinion of Banpu Power's Board of Directors concerning the proposal to appoint such person as an independent director

For the purpose of (5) and (6), the term "partner" means a person assigned by an audit firm or a provider of professional services to affix signature on the audit report or the professional service report (as the case may be) on behalf of such juristic person.

General Rules for Appointing Members of the Company's Sub-Committees:

1. The composition and qualifications of the Audit Committee shall meet the requirements of the Office of Securities and Exchange Commission and the Stock Exchange of Thailand.
2. The Chairman of each sub-committee shall be an independent director.
3. Each director shall be a committee member in no more than two Sub-Committees.
4. Any committee members who belong to two Sub-Committees shall be the chairman of only one committee.

General Rules for Appointing the Chief Executive Officer:

The Board of Directors entrusts the Corporate Governance and Nomination Committee with the recruitment and nomination of qualified CEO candidate to be approved by the Board based on the following criteria:

1. Qualifications, business knowledge and expertise, and experience of the candidate shall meet the criteria set by the Corporate Governance and Nomination Committee.
2. The CEO and the Chairman of the Board of Directors shall not be the same person.
3. There shall be a clear separation of authority and duties between the CEO and the Chairman of the Board of Directors in order to create a balance between corporate management and governance.
4. The Board of Directors determines the scope of authority and performance goals of the CEO and assesses the CEO's performance annually.
5. The CEO assesses the performance of the lower-ranked executive officers based on goals and assessment criteria linked to the Company's strategic and annual plans in order to determine appropriate remuneration and incentives.

Board of Directors' Meeting and Voting Procedures

The Company set the Board of Directors' meeting and voting procedures as follows: "no less than half of all directors must attend the meeting to form a quorum and to agree on a resolution, there must be no less than two-thirds of all directors." (The Practices for the Board of Directors of Banpu Power Public Company Limited B.E. 2558 Amendment No. 2 B.E. 2562).

Performance Evaluation of the Board of Directors

The Company requires that the Board of Directors, Sub-Committees, and individual directors evaluate their performance in compliance with standard criteria and procedures set by the Stock Exchange of Thailand as follows:

- The evaluation form for the Board of Directors consists of questions related to the Board's operations in six major categories as follows:
 - (1) The structure and qualifications of the Board
 - (2) Roles, duties and responsibilities of the Board
 - (3) Board meeting
 - (4) Duties of the Board
 - (5) Relationship with the management
 - (6) Self-development of directors and leadership development
- The evaluation form for the three Sub-Committees, namely, the Audit Committee, the Compensation Committee, and the Corporate Governance and Nomination Committee consists of items in three categories:
 - (1) The structure and qualifications of the Sub-Committees
 - (2) Meeting of the Sub-Committees
 - (3) Roles, duties and responsibilities of Sub-Committees according to their charters
- The evaluation form for individual directors consists of three major categories, as follows:
 - (1) Composition and qualifications of directors
 - (2) Meeting of directors
 - (3) Roles, duties and responsibilities of directors

The Board of Directors requires that the Board itself, Sub-Committees, and individual directors, be subject to a performance evaluation according to the following criteria:

- (1) The Board of Directors approved the performance evaluation form for the Board, Sub-Committees, and individual directors, including the rating scale as follows:
 - 0 = Strongly disagree or no action on that matter
 - 1 = Disagree or little action on that matter
 - 2 = Agree or moderate action on that matter
 - 3 = Pretty much agree or good action on that matter
 - 4 = Strongly agree or excellent action on that matter
 - N/A = Not available
- (2) The operations of the full Board, Sub-Committees, and individual directors are subject to efficiency evaluation on an annual basis. The evaluation period was from 1–31 January 2020.
- (3) The Company Secretary summarized and reported the full Board evaluation results to the Corporate Governance and Nomination Committee for consideration and provision of recommendations on efficiency improvement.
- (4) The Corporate Governance and Nomination Committee reported the annual evaluation results and recommendations on efficiency improvement to the Board of Directors.

The overall evaluation results are shown below:

Committee	Average scores	Evaluation results
Full Board	4.86/5	Very good
The Audit Committee	4.96/5	Very good
The Compensation Committee	4.92/5	Very good
The Corporate Governance and Nomination Committee	4.88/5	Very good
Individual directors	4.91/5	Very good

Governance of Subsidiary and Affiliated Companies

The Company has a policy for governance and management of subsidiaries and **(“Governance Policy for Subsidiaries”)** and delegation of authorities (DOA) to protect the Company's investment and secure benefits.

In compliance with laws and regulations on securities and the stock exchange, and notifications, rules, order and stipulations of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand, the Board of Directors of Banpu Power Public Company Limited considered and approved the policies for governance and management of the Company's subsidiaries and affiliates. The Company's subsidiaries and affiliates must comply with rules stipulated by the Capital Market Supervisory Board, the SEC's notifications, and the SET's related rules, notifications, and regulations. These include the Capital Market Supervisory Board's Notification No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (Codified), the Capital Market Supervisory Board's Notification No. TorChor. 21/2551 Re: Rules on Connected Transactions (Codified) and the Securities and Exchange Commission's notification Re: Disclosure of Information and Other Acts of Listed Companies

Concerning the Connected Transactions B.E. 2546 and a related notification (Codified) **(“RE: Rules on Connected Transactions”)** and the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the SEC’s Notification Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 and the related notification (Codified) **(“Re: Rules on Acquisition or Disposal of Assets”)**

As defined, “subsidiary company” and “affiliate company” mean any subsidiary company or affiliate company that engages in business as stipulated in Clause 18/1, with the total value in compliance with Clause 18 (2) of the Capital Market Supervisory Board No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares (Codified), the Securities and Exchange Commission’s Notification No. KorChor. 17/2551 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (Codified).

Anti-Corruption

The Company has always upheld the principles of good corporate governance in its management, stressing transparency, integrity, and ethics. It also underlines effective operations, as well as responsibilities to society, the environment, and all stakeholders. There is a specific department in the organization which has a clear mission to supervise and monitor business operations to ensure compliance with laws and corporate governance principles.

Since 2015, the Company has had the Anti-Corruption Policy in place to prevent corruption. The policy is under the supervision of the Corporate Governance and Nomination Committee, who communicates to employees about the policy through employee orientations and other activities. Complaints submitted via all complaint channels are gathered and reported to the Corporate Governance and Nomination Committee as well as related departments to proceed further. The Company also has the Whistleblower Policy, which protects whistleblowers and encourages whistleblowing against wrongdoings and other stakeholders. Complaint issues are brought to the Corporate Fraud Management Committee and subsequently submitted to senior management for further consideration.

In 2018, the Company formulated practices based on the Anti-Corruption Policy regarding giving and receiving gifts, business entertainment, and other benefits. The Practices for the Board of Directors of Banpu Power Public Company Limited B.E. 2558 was amended by adding anti-corruption measures to the duties and responsibilities of the Board of Directors.

The Company expressed its intention to combat corruption as part of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) in 2018 and was certified as a CAC member in the third quarter of 2019.

The Company set up the Corporate Compliance Department to manage risks from operations that may infringe rules and regulations and to oversee the compliance with laws of all business units’ operations based on their activities. Each unit is required to file regulatory compliance checklists, to be reviewed by the Corporate Compliance Department, who will prepare a report semi-annually. All business units must regularly review rules and regulations to keep up to date on changes.

Reporting of Interests of Directors and Executives

In compliance with Clause 89/1/4 of the Securities and Exchange Act (No. 4) B.E. 2551 and the Notification of Capital Market Supervisory Board TorChor. 2/2552 Re: Reporting of Interests of Directors, Executives and Related Persons, all directors are required to report the number of shares owned by themselves, spouses, and minor children not yet becoming sui juris, to the Board meeting after they are appointed as Board members on a monthly basis. Details on shareholding of the Board of Directors and Management as of 31 December 2019 are shown in the table on page 106.

Principle 4 **Ensure Effective** **CEO and People** **Management** **Succession** **Planning Policy**

Succession Planning Policy

The Board of Directors has devised a succession plan for the CEO and senior management to ensure that the Company has knowledgeable and capable executives to fill critical positions in the future. The CEO is invited to report to the succession plan to the Corporate Governance and Nomination Committee twice a year and report to the Board once a year.

Orientation for New Directors and Enhancement of Business Knowledge and Perspective for Directors

The Board organizes an orientation session for new directors so that they are aware of what Banpu expects from them. Through orientation, the directors learn about their roles and responsibilities, Banpu Power's Corporate Governance Policy and practices, as well as Banpu's business and operations. These activities are carried out to prepare them thoroughly for their role as Banpu directors. In addition, the Board of Directors has the policy to expand all directors' horizons on such topics as corporate governance, industrial outlook, technology businesses, and innovations to improve the Board's performance. In 2019, directors attended seminars and training courses, as shown in the table on page 98.

Principle 5 **Nurture Innovation** **and Responsible** **Business**

The Company stresses the creation of sustainable balance with a commitment to corporate governance and the management of risks and opportunities. International standards are integrated with sustainable development strategies covering Environmental, Social, and Governance (ESG) aspects to improve the Company's competitiveness and create added values for all stakeholders.

The Company embraces innovation as part of the corporate culture to promote knowledge sharing and enhancement of business strength by focusing on knowledge and technological management in support of sustainable growth and efficient management of resources through a wide range of activities as follows:

- Establish infrastructure that allows and supports everyone in the Company to suggest ideas for improvement of processes and technologies in the Company
- Support activities on innovation to continuously enhance the Company's productivity
- Cultivate an innovative culture in the Company by creating motivations and work conditions which are supportive of creative and innovative processes
- Develop specific training programs or projects for enhancement of creative thinking skills by putting in innovation topics as part of the programs

- Create infrastructure for and promote innovation creation as well as focusing on future trends and development of products, services, processes, or tools which could respond to futures demands with promptness and effectiveness

Roles of Stakeholders

Banpu Power strives to maintain fairness for all stakeholders and set forth a policy toward stakeholders in the Corporate Governance Policy based on collaboration between the Company and stakeholders, namely shareholders, employees, customers, trading partners, creditors, government agencies, communities where the Company operates, and society at large. The practices were prescribed in the Code of Conduct for the directors, executives, and employees to comply with on the basis of fair and equitable distribution of benefits. Important guidelines pertain to conflicts of interest, the responsibility to shareholders, and policies on the treatment of staff, customers, trading partners, creditors, competitors, and society at large. It is considered the duty and responsibility that directors, executives, and all staff shall acknowledge, understand, and strictly comply with the guidelines, in order to ensure that all stakeholders are well treated and their rights protected.

Since 2015, the Company has put in place the Whistleblower Policy and whistleblower protection as a mechanism to allow stakeholders to effectively and responsibly file complaints about any wrongdoing against corporate governance and code of conduct. All complaint information is treated with strict confidentiality. Any employees who have witnessed illicit conduct or other actions infringing on the Company's regulations and code of conduct can report on such acts under full protection. The policy also includes:

- **maintaining the confidentiality of complaints** to ensure stakeholders that their complaints will be seriously responded, and sincere complaints will not result in any harms to the whistleblowers;
- **protection of whistleblowers** by ensuring that the Company will not unfairly treat whistleblowers who are employees, hired and contract workers by any means, such as position or job description or location transfer, job suspension, threatening, harassment, termination of a work contract, or other unfair treatments.

Regarding the whistleblower channels, employees and the concerned public can submit complaints via the following channels:

- Sending complaint letters to the Secretary of the Corporate Governance and Nomination Committee, Banpu Power Public Company Limited, 26th Floor, Thanapoom Tower, 1550 New Phetchburi Road, Makkasan, Ratchathewi, Bangkok 10400
- Banpu Power's website: www.banpupower.com/complaints_handling
- Internal website: <http://portal.banpu.co.th> (BPP Whistleblower)
- Email: GNCchairman@banpupower.co.th and/or bpp_comsec@banpupower.co.th

The Company regularly monitors possible complaints and reports to the Corporate Governance and Nomination on a quarterly basis and to the Board of Directors on an annual basis. In 2019, the Company did not receive any complaints from any of the above channels.

Apart from that, the Company announced the Standard Practice Manual for Accepting and Offering of Gifts, Hospitality, or Other Similar Forms of Reward and informed all stakeholders via the Company's website. The Company requires registration of gifts in the database system for which the Board members, executives, staff, and subsidiaries must understand and comply with, in accordance with the Anti-Corruption Policy. The Company stipulated the practices on giving and receiving bribery, gifts, and business entertainment in its Code of Conduct as follows:

No. 3.4 Giving and Receiving Bribery

- 1) Executives and staff are prohibited from demanding or receiving any benefit from trading parties, contractors, suppliers, advisors, and those with whom the Company is doing business.
- 2) Executives and staff are strictly prohibited from offering any benefit to government officers, customers, labor unions, or any other external parties in any attempt to persuade them to commit a fraudulent action.

No. 3.5 Gifts, Gratuities and Business Entertainment

- 1) Executives and staff should refrain from giving gifts or gratuities to or receiving them from any trading partner or others with whom the Company is doing business. Gifts given or received during festive occasions are excluded from this requirement provided that they have an appropriate value and are not related to any business commitment.
- 2) Executives and staff should refrain from giving or receiving unusually lavish entertainment to or from those with whom the Company is doing business.

Employees

Recognizing that human capital is a pivotal factor for success, Banpu Power has put in its Code of Conduct, a policy and practices towards employees to ensure fair treatment to employees of all nationalities and languages, including gaining equal access to career opportunity, remunerations, appointments, transfers, capacity-building and safe workplace environment for their lives and properties.

Apart from that, the Company also stipulated an Human Resource Management Policy, which consists of:

1. Recruitment & Selection Policy of the Company strictly follows local laws, customs, rules, and regulations pertaining to recruitment and selection in the countries where the Company has business operations.
2. Compensation Management Policy: The Company maintains a remuneration policy that is fair to the employees and consistent with the Company's performance both in the short and the long terms and in all forms of compensation, including salary, welfare, and other benefits which are linked to the creation of values added for the shareholders in the long run. In order to ensure fairness and competitiveness with the job market, the Company uses an internal standard compensation management system. The Company has set up a Compensation Committee and a Job Evaluation Committee to maintain transparency in compensation management. Banpu Power's compensation structure is comparable with those of leading companies and can compete in the job market. The Company regularly surveys Consumers' Price Index and economic conditions that may affect employees and wages of leading companies.

3. **Training & Development Policy:** To align with its business strategy and goals, Banpu Power has established a policy to provide training and capacity development of employees at all levels and allocated budget for such activities. Other than on-the-job training, there are other capacity development activities such as in-house workshops and external training, e-learning, and knowledge sharing with executives.

In addition, Banpu Power has put in place adequate and appropriate occupational health, safety, and environmental measures to prevent fatality from accidents and workplace injuries and illnesses. Further details are provided under the topic of Human Resource Management in this annual report.

Customers

Banpu Power strives to find ways to effectively and efficiently respond to its customers' needs. This has been stipulated as a policy and practice towards customers in our Code of Conduct that it will strictly adhere to promises made with customers. This can be done through delivering quality goods and services that match or higher than the customer's expectations in a fair price, providing accurate and enough information in a timely fashion, strictly observing the terms conditions agreed with the customers, establishing a grievance process to allow customers to file complaints regarding quality, volume, safety of goods and services and, finally, providing advice on how to effectively use its goods and services for its customer's best interest.

As the Company supplies electricity to public sector customers, it is fully aware of the importance of nurturing the relationship with local government agencies on the basis of mutual benefits and building trust with local communities. The Company has been supporting local community activities, and it is thus trusted by local governments and communities as a reliable and stable energy provider. Additionally, the Company underlines its duty to protect customers' confidential information, refrain from exploiting customers' information, and comply with applicable local laws.

Trading Partners/Creditors

Banpu Power has set policy and practice to equitably and fairly treat its trading partners and/or creditors by taking into consideration the Company's best interests. This meanwhile will be pursued on the basis of mutual benefit of both parties where a conflict of interest shall be avoided and contractual obligations complied with. The Company is required to provide accurate information and report. In addition, the resolution to any problem must be considered based on mutual business relations. The following practices shall be observed:

1. The Company shall not demand, receive, or pay any improper benefits to its trading partners and/or creditors.
2. Should it become known that bribes have been demanded, or payment of any improper benefit has occurred, then full information will be disclosed to the trading partners and/or creditors involved, and the Company shall collaborate with the parties concerned to resolve the problem on a fair and timely basis.
3. The Company shall strictly comply with all the terms and conditions agreed upon in a transaction. In the event that any particular condition cannot be met, the Company will inform any creditor(s) concerned beforehand and seek a mutually acceptable solution.

Banpu Power Public Company Limited is a subsidiary of Banpu Public Company Limited; therefore, the Company follows Banpu's procurement policy as well as international standard procurement protocols that comply with the Corporate Governance Policy and the Code of Conduct. The Company also set up the Procurement Committee to authorize selections of sellers and service providers based on such criteria as product qualities, the scope of services, technical specifications, commercial details and conditions and terms of payment.

Competitors

The Company stipulated a policy and practice on treating competitors in the Code of Conduct in line with international practices and in compliance with the legal framework for business competition. Banpu Power will not fraudulently infringe upon or seek to obtain trade secrets of any competitors. The Company is also committed to fair business conduct by complying with the guidelines indicated in its Code of Conduct. In the past year, Banpu Power had no disputes with competitors.

Community and Society

Banpu Power adheres to its policy is to conduct business that benefits the economy and the society while maintaining the right balance between our growth and the development of communities, society, and the environment. It is the Company's policy to be a good corporate citizen and to fully comply with all relevant laws and regulations. The Company is dedicated to improving the quality of society through its own activities or through collaboration with the communities, the government, or non-governmental organizations.

Additionally, the Sustainable Development Policy has been implemented, with the Company's standard being benchmarked against the global standard for activities such as climate change reporting and the formulation of best practice guidelines to effectively achieve safety, occupational health, and environmental standards. Also included in such guidelines are risk management resulting from the Company's operations, which may affect employees, business partners, the environment, and the communities in which the Company conducts its business.

In support of the above policy, Banpu Power has carried out various Corporate Social Responsibility (CSR) activities. The Company has always allocated part of its earnings to CSR activities both at the local and corporate levels, including CSR projects in those countries where Banpu Power has operations.

Communication Channels with Banpu Power

Stakeholders may submit their opinions through the following channels:

Headquarters:	26 th Floor, Thanapoom Tower, 1550 New Phetchburi Road, Makkasan, Ratchathewi, Bangkok 10400
Telephone:	+66 2007 6000
Fax:	+66 2007 6060
Website:	www.banpupower.com
Company Secretary:	Email bpp_comsec@banpupower.co.th
Investor Relations:	Email investor_relations@banpupower.co.th

Principle 6**Strengthen Effective Risk Management and Internal Control**Risk Management Policy

The Board of Directors places importance on comprehensive risk management covering risk factors relating to vision, goals, business strategies, finance, production, and other operations while taking risk likelihood and levels of impacts into account. The Board has set clear measures for risk management and ensures that there are people responsible for managing risks. In addition, the Board determines measures for reporting, monitoring, and evaluating risk management.

The Risk Management Committee was set up by the Board to prepare and submit a risk management plan and report performance to the Audit Committee as well as the Board on a quarterly basis. The Committee reviews the risk management system and evaluates the performance at least once a year and whenever the risk level changes. The Risk Management Committee consists of the following members.

Chief Executive Officer ²	Chairman of the Risk Management Committee
Head of Finance and Strategy	Member of the Risk Management Committee
Head of Corporate Services and Company Secretary	Member of the Risk Management Committee
Head of Internal Audit	Member of the Risk Management Committee
Head of Asset Management and Engineering	Member and Secretary of the Risk Management Committee

² Banpu Power's Chief Executive Officer shall serve as an ex officio member of the Board of Directors according to the Practices for the Board of Directors of Banpu Power Public Company Limited B.E. 2558, Second Revision B.E. 2562.

Internal Control System and Internal Audit

The Board of Directors has set up an internal control system that covers all aspects of Banpu Power's business, ranging from accounting and finance, administration, asset management, operational management and compliance with related laws, rules, and regulations. The Board has also established sufficient and effective checks and balances mechanism to protect shareholders' equities and Banpu Power's assets. Moreover, the Board has determined that the Internal Audit Department works independently and reports directly to the Audit Committee to ensure that the internal control system and internal audit are the key mechanisms to drive the Company's business to sustainable growth. The Internal Audit Department audits internal control of key operational processes and work systems, provides consultancy and suggestion about internal control system and risk management to develop the Company's operational processes toward excellence in accordance with business growth and the changing economy.

Principle 7**Ensure Disclosure and Financial Integrity**Conflict of Interest

Banpu Power underlines the importance of its policy to prohibit directors, executives, and staff from misuse of position for personal benefit. As stipulated in the Corporate Governance Policy and the Code of Conduct Handbook, directors, executives, and staff are to avoid connected transactions that could lead to a conflict of interest

with the Company. If necessary, the transactions are to be carried out at arm's length, and directors or employees having an interest in the transactions must not be involved in the approval process. If any transaction is considered connected under the SET's notification, all rules, procedures, and the disclosure of connected information of listed companies must be strictly complied with.

Additionally, the Board of Directors also prohibits directors, executives, or employees from using any opportunity or information acquired from their position for personal benefit or to compete with the Company or related business. Nor are they allowed to use insider information to sell or buy shares. If executive or employee involving in a special project of which the information has not yet been disclosed to the public; or that it's under negotiation where the project's information has to be kept confidential as it could affect the share price, the executive or employee are to sign a confidentiality agreement until the information is disclosed to the SET and the SEC.

In 2018, Banpu Power formulated the Market Sensitive Information Policy and practices on the management of confidential information which potentially affects the stock exchange. It is the duty of directors, executives, employees, consultants and subsidiary companies to understand and follow the policy and practices as follows:

1. Establish an internal control system to prevent the leak of confidential information
2. Cultivate a culture of information safety through constant communication to raise awareness of relevant persons of their duty regarding confidentiality
3. Limit the number of persons who have access to confidential information based on a need-to-know basis. Set up an information access control system for contract parties and service persons
4. Exercise extreme caution receiving and sending information to and from third parties, being aware of one's duties in using and controlling confidential information
5. Establish an appropriate information technology and control system

Disclosure of Information to Investors

The Board of Directors oversees disclosure of information and its transparency to ensure that both financial and non-financial information relating to the Company's business and performance is revealed in a complete, accurate, adequate, regular, and timely manner. In addition, the information must reflect the Company's actual performance and financial status, as well as its business outlook while strictly complying with the laws, rules, and regulations relating to information disclosure of both the SEC and the SET. Besides, Banpu Power also communicates with shareholders and investors through other channels. The Investor Relations Department directly communicates with shareholders, investors, and securities analysts both domestically and abroad, while the Corporate Communications Department discloses corporate information to shareholders, investors, and the public through the local and international press on an equitable and timely basis.

In 2019, Banpu Power offered the following activities to disclose information to international investors, institutional investors, small investors, securities analysts, and press:

No.	Information Disclosure and Presentation	Time (s)
1	International Road Show	4
2	Local Road Show	4
3	Quarterly and Annual Analyst Meeting	4
4	Opportunity Day for listed companies to release quarterly performance to investors	4
5	Company visits by local and international investors	16
6	Information provision to investors via conference call	12
7	Interviews with executive officers	5
8	Press conference on the Company's performance	3
9	Press release on the Company's performance and business strategies	4
10	Site visits and information provided for shareholders and analysts	2
11	Exhibitions	1

The Company's information and news are also made available and equally accessible to all stakeholders on the Company's website: www.banpupower.com. Interested parties may contact or make inquiries to the Company's Investor Relations via Telephone: 02-007-6000, Fax: 02-007-6060, or Email: investor_relations@banpupower.co.th.

Supervision on the Use of Internal Information

The Company places great importance on information disclosure and transparency and has formulated a policy on information disclosure, transparency in financial statements, and corresponding policy implementation in Banpu Power's Corporate Governance Policy. This is to ensure that financial and non-financial information about the businesses and the performance of the Company is disclosed to shareholders, investors, securities analysts, and the general public in an accurate, complete, sufficient, reliable, and timely manner. The Board of Directors is committed to strict compliance with laws and regulations regarding information disclosure and transparency.

To monitor the use of the Company's internal information, the Company has put in place preventive measures against leakage of internal information. It is the responsibility of the Company's directors, executives and staff to keep corporate information strictly confidential, especially the internal information not yet disclosed to the public or any data or information that may affect the business of the Company or its share price. The Directors shall follow guidelines stated in the Practices for the Board of Directors B.E. 2558 and the Code of Conduct Handbook as follows:

1. Directors shall not use information they receive from their directorship or employment for personal benefit or for conducting business or other activities in competition with the Company.
2. Directors shall not use internal information in trading the Company's shares or refrain from disclosing internal information to any third party for the benefit trading the Company's shares.
3. Business secrets shall not be disclosed to any third party especially to competitors even after the directors of staff have left the Company.

Apart from that, the Company stipulated in the Corporate Governance Policy that directors, executives, and staff must not exploit their relationship with the Company for personal gain and avoid any transaction related to oneself, which may lead to a conflict of interest with the Company. If necessary, the transaction must be carried out with transparency and fairness at arm's length. Furthermore, directors, executives, or staff having an interest in a transaction must not be involved in its approval process. If the transaction is considered a connected transaction under the SET's notification, all rules, regulations and disclosure of connected transaction information applied to listed companies shall be strictly complied. Apart from that, the Practices for Board of Directors has a guideline of practice for directors in case they learn any information not yet disclosed to the public. The Company has notified the abstaining from trading of directors' and executives' securities within 30 days before filing financial statements. Change in securities holding of directors or executives is subject to be reported to the Board of Directors' meeting on a monthly basis.

To develop the control system for the use of internal information, the Company hired Banpu Plc. to install the Information Technology (IT) system to supervise the use of Company information. For example, systems are in place to prevent access to information from the third party and to limit the staff's information access level according to their individual responsibility. The system also prevents unauthorized changes, duplication, or deletion of protected information. In the case where a director, executive or employee participates in a special task using information which has yet to be publicly disclosed, is still under negotiation, or may be subject to internal control given its possible impact on the Company's share price, such executive and employee must sign a Confidentiality Agreement with the Company. The Agreement shall remain in effect until the information is disclosed to the public or relevant regulatory authorities.

Use of Auditors Unconnected with the Company's Auditors

In accordance with Clause 18 (6)(b) of the Capital Market Supervisory Board's notification No. TorChor. 28/2551 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, the financial budget of subsidiary and affiliate companies must be audited and reviewed by (1) Banpu Power's auditors except that such auditors cannot perform auditing in accordance with the laws and regulations in the countries where such company is located, or (2) the local auditors from the audit office that belongs to the same network as the audit office of Banpu Power's auditors. Both audit offices must be full members of the particular network.

Nevertheless, most of the Company's core-business subsidiaries and affiliate companies have appointed auditors of the same network of PricewaterhouseCoopers to be the Company's auditors, except for Banpu Power International Co., Ltd., which was founded

in Mauritius as a sub-holding company that runs combined heat and power plant business in China. The auditors there are the auditors of the KPMG network (KPMG) in Mauritius. The decision was made during the establishment of Banpu Power International Co., Ltd. based on the fact that KPMG's auditing expenses were more reasonable. In addition, the Company's financial budget would not be affected because the auditors appointed by other subsidiaries, including as a sub-holding company and subsidiaries operating power plant business, were KPMG's. Moreover, KPMG's auditing professionalism and standard is as high as that of the auditing network used by the Company at that time.

Appointment of Auditors and Audit Fees

1. Audit Fee

In 2019, Banpu Power paid the audit fees in the total amount of THB 1,703,363 to PricewaterhouseCoopers ABAS Limited (PwC) and THB 12,624,358 for auditing the Company's and its subsidiaries' annual and quarterly accounts and consolidated financial statements.

In accordance with the standards of information disclosure about persons and enterprises connected with the auditors and the auditing office, it is clarified that those persons and enterprises have no connection with the Company and subsidiaries.

2. Non-Audit Fee

In 2019, the Company had no non-audit fee for other services from Pricewaterhouse Coopers ABAS Limited (PwC).

Principle 8

Ensure Engagement and Communication with Shareholders

Shareholder's Rights

The Board of Directors emphasizes the importance of rights and equality between shareholders and institutional investors. This has been clearly specified in the Corporate Governance Policy that shareholders are entitled to receive share certificates, transfer shares, and acquire adequate information in a timely fashion and a format conducive for decision making. Shareholders are also entitled to attend a meeting, cast their votes at shareholders' meetings to deliberate over Banpu Power's important policies, elect and remove directors, approve appointments of auditors and receive their shares of profit.

At each shareholders' meeting, the Board of Directors facilitates shareholders by furnishing them with sufficient, clear, and comprehensive information in a timely fashion. The Board encourages shareholders to attend the meeting and cast their votes, or to appoint an individual or an independent director as their proxy, to cast votes on their behalf in case they could not attend. Moreover, shareholders are allowed to equally express opinions, seek explanations, or pose questions.

In 2019, the Company also informed the SET to notify minority shareholders about the opportunities to propose agenda items to be included in the Annual General Meeting of Shareholders (AGM) and to nominate candidates to be considered for the director positions from 1-30 December 2018. The procedures and methods for considering proposals were clearly stated on the Company's website. In the 2019 AGM, no shareholder proposed any additional agenda item or nominated candidates for director positions.

The 2019 Annual General Meeting of Shareholders (AGM) was convened on 2 April 2019 at 14.00 hours at the Royal Paragon Hall 3, 5th Floor of Siam Paragon, No. 991, Siam Paragon Shopping Center, Rama I Road, Pathumwan, Bangkok, 10330. All nine directors, or 100 percent of all directors, attended the meeting. Banpu Power assigned the Thailand Securities Depository Co., Ltd., its share registrar, to send invitation letters to shareholders in advance, as well as posted it on the Company's website 30 days prior to the meeting date. The minutes of the 2019 AGM was also posted on the Company's website 14 days after the meeting took place so that the shareholders could propose amendments if they found the minutes to be inaccurate, within the 30-day period after the minutes were posted.

Equity Treatment of Shareholders

Shareholder's Meeting

The Board of Directors has a policy to engage shareholders in a decision-making process and to ensure that shareholders receive comprehensive and adequate information in a timely fashion for such a process. As such, Banpu Power sent out an invitation letter for the meeting together with supporting documents for each agenda to shareholders prior to the meeting. Opinions of the Board of Directors also accompany each agenda item.

In 2019, the meeting was attended by nine directors, including the Chairman of the Audit Committee, the Chairman of the Corporate Governance and Nomination Committee, and the Chairman of the Compensation Committee. High-level executives, the auditor, and independent observers from a law firm also attended the meeting. The Chairman of the Meeting provided every shareholder an equal opportunity to examine the Company's operations and to present questions in each of the agenda items. The Chairman also encouraged shareholders to express their opinions and make inquiries about the Company's operations.

Site Visits and Information Provided for Shareholders

To improve the shareholders' understanding of its businesses and allow them to monitor its operations, Banpu Power has regularly arranged for shareholders to visit the Company's operation sites and meet with the executives. 80 shareholders visited BLCP Power Plant in Rayong Province, Thailand on Tuesday, 11 June 2019.

Compliance with Other Corporate Governance Principles

The Board of Directors is committed to maintaining corporate governance to ensure transparent and efficient operations as well as the responsibility to all stakeholders. Banpu Power's Board of Directors is fully aware of its role and duty to comply with the CG Code 2017. The Board has considered and reviewed the application of the principles outlined in the CG Code 2017 to the Company's business context, and summarized the principles the Company did not yet comply with but will further adopt and apply as appropriate, with details and practices as follows:

- All members of the Nomination Committee are independent directors.

The Company's practice: The Corporate Governance and Nomination Committee currently consists of three members, namely one independent director and two non-executive members. The Chairman of the Corporate Governance and Nomination Committee is an independent director. The Committee is qualified, knowledgeable, and competent in corporate governance and nomination. However, the Board of Directors has clearly set in the Charter of the Board about the roles and duties of the members of the Corporate Governance and Nomination Committee, covering all aspects of corporate governance and nomination.

- The majority members of the Compensation Committee consists of independent directors (greater than 50 percent)

The Company's practice: The Compensation Committee currently consists of three members, namely one independent member, one non-executive member, and one executive member. The Chairman of the Compensation Committee is an independent director. The Committee is qualified, knowledgeable, and competent in compensation matter in accordance with the duties and responsibilities of the Compensation Committee stipulated by the Board in the Charter of the Compensation Committee.

- The Board should appoint an external consultant to facilitate a board evaluation at least once every three years, and evaluation results should be disclosed in the annual report.

The Company's practice: Banpu Power has annual performance evaluations of the full Board, Sub-Committees, and individual directors. The Company started such evaluation in 2017 using the evaluation forms prepared in accordance with the SEC's standards. The Corporate Governance and Nomination Committee considered the practice and decided to conduct the internal performance evaluation.

- The Company should specify the duties of the Audit Committee on terminating the engagement of the external auditors.

The Company's practice: The Company has determined the duties of the Audit Committee on that matter in full compliance with the rules set by the Thai Institute of Directors (IOD), which stipulate that the Audit Committee has roles, duties, and responsibilities to select and nominate a group of independent persons to audit the Company's accounts and to offer compensation to such auditors. The Committee will participate in the meeting with auditors at least once a year without the presence of management. However, the Secretariat of the Audit Committee has planned to add the duties regarding terminating the engagement of the external auditors in 2020 to comply with the principles of good governance.

Report of the Corporate Governance and Nomination Committee 2019

Corporate Governance and Code of Conduct

The Corporate Governance and Nomination Committee consists of Assoc. Prof. Dr. Naris Chaiyasoot, Mr. Chanin Vongkusolkrit, and Mr. Rawi Corsiri. The Committee independently performs duties to the full extent as entrusted by the Board of Directors, in compliance with principles and guidelines of the Corporate Governance and Nomination Committee and the Office of Securities and Exchange Commission's Corporate Governance Code (CG Code) 2017.

In 2019, the Corporate Governance and Nomination Committee convened four meetings with full attendance. The Corporate Governance and Nomination Committee summarized its performance in two main points as follows:

1. Promotion of good corporate governance

- The Committee devised the 2019 Corporate Governance Committee plan to promote policy that leads to the implementation and monitoring of corporate governance.
- The Committee prepared 2019 performance assessment forms for the Board of Directors, Sub-Committees, and individual directors, then conducted an assessment and monitored improvements against assessment results.
- The Company was recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) by the Thai Institute of Directors Association (IOD) in Q3/2019.
- The Committee fostered ethical conduct by highlighting "Adhere to Integrity and Ethics" as part of the Company's corporate values and as a key performance indicator of all executives and employees.
- The Committee continued the implementation of the practice for accepting and offering of gifts, hospitality, or other similar forms of reward in accordance with the No Gift Policy and communicated the practice to all directors, management, employees as well as stakeholders to ensure compliance.
- The Company conducted a corruption risk assessment and prepared mitigation approaches for 2019, covering risks of all businesses in every country the Company
- The Committee revised the Corporate Governance Policy and the Code of Conduct to align with the Principle of Good Corporate Governance for Listed Companies 2017 of the Office of Securities and Exchange Commission.
- The Committee revised Banpu Power Public Company's Practices Regarding the Board of Directors B.E. 2558 (Second Revision B.E. 2562) to align with the Company's current practices.
- The Committee amended the Corporate Governance and Nomination Committee Charter B.E. 2558 (First Amendment B.E. 2562) to align with the Company's current practices.
- The Committee revised the Whistleblower Policy and whistleblower protection by adding channels for receiving complaints and complaint receivers.
- The Committee, in collaboration with the Corporate Governance Department of Banpu Public Company Limited, held CG Day (Switch It On) activity for the management and employees.

2. Receipt of Complaints

In 2019, the Committee received no complaints from any group of stakeholders via the following channels:

- Complaints letter shall be sent to the Secretary of Corporate Governance and Nomination Committee Banpu Power Public Company Limited, 26th Floor, Thanapoom Tower,

- The Company's website: www.banpupower.com/complaints_handling
- Banpu Portal: <http://portal.banpu.co.th> (BPP Whistleblower)
- E-mail: GNCchairman@banpupower.co.th and/or bpp_comsec@banpupower.co.th

3. Performance Evaluation of the Board of Directors

The Corporate Governance and Nomination Committee reviewed and approved the appropriateness of the approach and the evaluation forms used for annual performance evaluation of the Board. The evaluation forms are for performance evaluation of the Board, Sub-Committees, and individual directors.

The Corporate Governance and Nomination Committee reported the annual evaluation results to the Board of Directors' meeting. Overall, the Board of Directors' performance was very good, with an average score of 4.86 out of 5. The Board acknowledged the evaluation results and recommendations, and directors also exchanged views in the Board of Directors' Meeting on ways to enhance their performance to best benefit the Company.

The evaluation results of the three Sub-Committees, namely, the Audit Committee, the Compensation Committee, and the Corporate Governance and Nomination Committee, received a "very good" score range with an average score of 4.92 out of 5. Each Sub-Committee submitted its annual self-evaluation report to the Board of Directors as part of their annual performance report.

Apart from that, each director performed a self-assessment. The annual evaluation of individual directors earned a "very good" score range with an average score of 4.91 out of 5. The directors acknowledged the results and recommendations and found the individual performance evaluation satisfactory. They exchanged views on how to enhance their performance to best benefit the Company.

Nomination of Directors and Monitoring of Succession Plans

1. Nomination of directors to replace those retiring by rotation

In 2019, there were three directors who retired by rotation as follows:

1. Mr. Chanin Vongkusolkrit
2. Mr. Rawi Corsiri
3. Mr. Voravudhi Linananda

After the Corporate Governance and Nomination Committee had reviewed the qualifications and performance of the three directors retiring by rotation, they then proposed their names to the Board of Directors to be nominated to the 2019 Annual General Meeting of Shareholders for consideration and approval of the re-election.

2. Succession Planning

The Corporate Governance and Nomination Committee prioritizes the monitoring of succession planning for senior management. In 2019, the Corporate Governance and Nomination Committee received progress reports on senior executive succession planning with an explicit and comprehensive succession plan for each key position in the Company.



Assoc. Prof. Dr. Naris Chaiyasoot
Chairman of the Corporate Governance and Nomination Committee
Banpu Power Public Company Limited

Report of the Compensation Committee 2019

The Compensation Committee of Banpu Power Public Company Limited consists of three members: one is independent director, one is non-executive director, and another is an executive director who have knowledge, competence, skills and experience in Thailand and abroad, thus being trusted and appointed as a director.

The Compensation Committee consists of Prof. Dr. Bundhit Eua-Aporn, Chairman of the Compensation Committee, and other two members, Mr. Metee Auapinyakul and Ms. Somruedee Chaimongkol.

According to the Compensation Committee Charter B.E. 2558 of Banpu Power Public Company Limited, the Compensation Committee has the major duties as follows:

- 1) To recommend guidelines on how to compensate, methods of compensation payments and other benefits to the Board of Directors and Sub-Committee that the Board appoints.
- 2) To consider and recommend compensation amounts and other benefits by taking duties and responsibilities of the Chief Executive Officer into consideration and by reviewing evaluation criteria to determine a right annual remunerations.
- 3) To review a compensation structure, compensation rules and regulations according to 1) and 2) to suit the person's duties and responsibilities, the company's operating results and marketing conditions.
- 4) To review overall budgets for salary increase, annual bonus payments and provisions of other staff's fringe benefits.
- 5) Review and propose recommendations to amend scopes of work, duties and responsibilities of the Compensation Committee to respond to changing circumstances.
- 6) Compile a performance report to be submitted to the Board of Directors at least once a year.

In 2019, the Compensation Committee convened four times, all of which were quorate and with all agenda items covered.

● Compensation and Benefits for Works

In 2019, the Compensation Committee considered and suggested about compensation of the Board of Directors, Sub-Committee Members, Chief Executive Officer, and all employees of every country based on duties, responsibilities, performances in the past year, the Company's performance, key economic information, and compensation surveys of leading companies in Thailand and abroad. The Secretary of the Compensation Committee presented the relevant information to support the deliberation of the Compensation Committee.

Considerations and recommendations on compensation were done thoroughly, carefully, and transparently. They can provide motivation and incentive to those performing duties to further do them at full capabilities to create benefits and added values to the Company and shareholders in the next years.

- **Business
Directions
and Plans**

In 2019, the Compensation Committee participated in the governance of the Company's fruitful business operations through consideration and suggestion on performance indicators of Chief Executive Officer, which appropriately reflected the Company's short- and long-term operational directions that could be put into practice and benefit stakeholders in and out of the organization. Apart from that, the Committee considered the Chief Executive Officer's performance in the first and second halves of 2019, and provided recommendations to the Board of Directors on that matter.

- **Improvement
of Work
Processes**

In the past year, the Compensation Committee adjusted the period of deliberation on the annual salary raise and bonus payment for employees. This was also completed within 2019, similarly with the adjustment of period of deliberation on the compensation of Chief Executive Officer. The adjustments positively impacted the employee's morale and motivated them to dedicate to work at full capability next year.

- **Collaborative
Work with
Employees
and Management**

In performing its duties, the Compensation Committee regularly invited relevant management to join the meeting of the Committee on the related agendas to provide information and detailed explanation to support decision making by the Compensation Committee. Such practice not only contributed to right, precise, and timely decisions, it also built good rapport between the Compensation Committee and the Company's management, which enables both parties to work smoothly and in the same direction.

Apart from that, the Compensation Committee evaluated its own performance in the past years on qualifications and duties and responsibilities of the Compensation Committee and submitted the result together with evaluation results of other Sub-Committees.

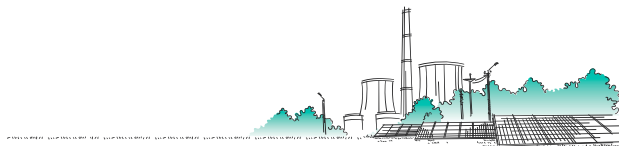
In conclusion, the Compensation Committee has, in 2019, fully performed its duties and responsibilities as prescribed in the Compensation Committee Charter B.E. 2558 of Banpu Power Public Company Limited, and as assigned by the Board of Directors. The Committee regularly contributed positive opinions and suggestions to the management, the Board of Directors, and the stakeholders.

Note: Report of the Audit Committee for 2019 appears in the Financial Report 2019, page 02, which is part of the Annual Report 2019.



Prof. Dr. Bundhit Eua-Aporn
Chairman of the Compensation Committee
Banpu Power Public Company Limited

CORPORATE SOCIAL RESPONSIBILITY



Banpu Power Public Company Limited and its subsidiaries are committed to sustainable business operations with great concerns over the Environment, Society, and Governance (ESG) principles and balance of business growth with the community and environmental development through its Corporate Social Responsibility (CSR) in- and after-process activities. The Company has adhered to the business credo, “an industry will be strong only when it is developed in tandem with social and environmental responsibility,” since its inception. The Company stresses community participation, respect for human rights, energy conservation, environmental care, and employee engagement in community development.

- The Company ensures that its entire production process is operated with “care and responsibility” to all stakeholders and in compliance with laws and regulations, international standards, and good governance as well as being a good corporate citizen in all locations where it has business operations.
- The Company focuses on developing surrounding communities and society to respond to “actual needs of the communities” and to foster “participation” of community members in improving their quality of life for better infrastructure, public utilities, career opportunities, and education while preserving the local culture and traditions.
- Apart from community development initiatives, the Company’s CSR activities emphasize the promotion of “education and learning” for children and youths in order to lay a solid foundation for sustainable development of the society and nation.

In 2019, Banpu Power expanded its solar power generation business in China and more of its solar power plants in Japan commenced commercial operations in response to renewable or cleaner energy policies. The Company’s solar power plants not only supply electricity to local industries and households but also help reduce air pollution, resulting in a cleaner environment in the surrounding communities.

Social and Environmental Responsibility Activities in the Past Year

China

Banpu Investment (China) Ltd. (BIC), a Chinese subsidiary of Banpu Power Plc., has been promoting and supporting a wide range of activities, including social and community development and environmental preservation. The Company has been organizing investment promotion activities in the provinces where the Company operates in accordance with the Chinese government’s policy. These activities not only strengthen the relationship between the two countries but are also aligned with Banpu Group’s corporate social responsibility policy and the Company’s commitment to being a good corporate citizen in every location it operates. Eco-friendly operations which satisfy community needs reflect the Company’s dedication to social responsibilities. In the past year, the Company provided supports for communities surrounding its power plants through the following activities:

Educational Development

In 2019, BIC’s headquarters and Luannan Power Plant provided school bags, bedding sets, and donation of CNY 50,000 to Luannan-Banpu Special Education School, a school for children with physical disabilities. It was the eleventh consecutive year of the continued support and donations to the school. In addition, Zouping Combined Heat and Power Plant operated by Zouping Peak CHP Company Limited also donated 360 desk and chair sets to Zouping Second Experimental Primary School to support the school’s teaching and learning activities.



Sports Development

Zhengding Power Plant donated CNY 150,000 to the Zhengding National Table Tennis Training Center to sponsor training and competitions of the table tennis athletes from Banpu Fitness Club (formerly Banpu Table Tennis Club). 2019 marks the 16th consecutive year of Zhengding Power Plant's continued support to the Club.



Thailand

Banpu Power Public Company Limited

In 2019, Banpu Power's volunteer employees joined the CSR Ideas of the Year Project hosted by Banpu Public Company Limited, which allows employees to form a team and propose projects relating to three major issues: community, society, and the environment. The selected projects were funded to carry out the project on site for one working day without being considered a leave. The CSR projects proposed and run by teams from Banpu Power are as follows:

1. Weeding "Siam Weed" Activity

Weeding "Siam weed" activity aimed to help protect forest ecosystems by a group of Banpu Power's volunteering employees who joined hands with forest rangers to weed out "Siam weed" around Thung Nong Phak Chi area in Khao Yai National Park. Siam weed is an alien plant species that encroaches the habitat of indigenous plant species, thus threatening the biodiversity of the forest. Removing Siam weed helps prevent animals from migrating to other areas and allows conservationists easy access to the forests.



2. “Virtual Run for 3 Country Kids” Activity

“Virtual Run for 3 Country Kids” activity was initiated by a group of Banpu Power’s volunteer employees, aiming at promoting health by combining exercising with charity for kids. Banpu Group’s employees and others who joined the activity could exchange their running mileage for gifts, toys, stationaries, and sports gears that would be donated to underprivileged kids in Thailand, Indonesia, and Vietnam, the countries in which Banpu Group has operations. The activity was not only well-received by Banpu Group’s employees but also helped develop a good rapport with employees and people in those countries.

3. BNK Handshake Activity

“BNK” in this activity refers to “Ban Na Ka School” in Yap Hua Na Subdistrict, Wiang Sa District, Nan Province, where a group of Banpu Power’s volunteer employees built a multipurpose field for sports and other outdoor activities. The employees had invited other employees to donate used items that are still in good condition, for example, multipurpose folding tables, clothing, textbooks, story books, leisure-reading books, toys, and dolls. These items would be handed over to students, teachers, and villagers for their good use.



BLCP Power Plant

BLCP Power Limited, a Banpu Power’s joint venture which operates BLCP Power Plant in Thailand, has been supporting the activities to promote understanding between the Company, communities and government agencies. The aim is to provide information on operations and environmental quality as well as to listen to suggestions from the public on a quarterly basis. Major activities on social and community development as well as environmental conservation activities in 2019 are as follows:

Environmental Conservation

As BLCP Power Plant places great importance on environmental conservation, it stresses research and development of the most environmental-friendly business operations. For instance, BLCP has collaborated with the Research Institute of Science and Technology of Thailand to conduct a feasibility study of methanol production by the hydrogenation of gas from power production to be used as a fuel. Moreover, BLCP started a project to reduce plastic waste in the plant, which could cut down 430 kilograms of waste out of the 500 kilograms target in 2019. Another project was a feasibility study of biodiesel as a substitute for diesel fuel to ignite boilers in power plants, which will be actively implemented in 2020.



Apart from that, there were projects in 2019 to rehabilitate natural resources in the power plant's surrounding areas with the collaboration of the Royal Thai Marine Corps in Rayong, such as rehabilitation of marine ecology and coral reef nurturing in Koh Saket and Koh Kai Tia areas. The "BLCP Keep Building Happiness by Releasing Marine Lives to the Sea Project" went on to its 17th year featuring garbage collection around Saket Island on-land and underwater and release of more than two million tiger prawns and mother and baby blue crabs. There was the construction of check dams in honor of Her Majesty Queen Sirikit the Queen Mother, which is a collaborative volunteer project with other power plants held for the 9th consecutive year. Other projects include BLCP Mangrove Forest Planting and Mangrove Learning Center at Phra Chedi Klang Nam, and beach cleanups project in collaboration with factories in Map Ta Phut Industrial Estate in Map Ta Phut, Amphoe Muang, Rayong Province.

Social and Community Development Activities

In 2019, major social and community development projects were Khao Phai Small and Micro-Community Enterprise that has received fly ash from BLCP Power Plant since 2018 to manufacture bricks, vocational development for small-scale fisherfolks, and BLCP's scholarships for students with outstanding academic performance, which has continued for 16 consecutive years. Banpu Power also carried out a project on sufficiency organic farming to create a model center and people on agriculture and health, and the Vocational Electrical System Engineering Practice College (V-EsEPC) project, in the academic year 2019, at Maptaphut Technical College to produce technicians whose skills meet the demand of the industrial sector. Other projects included the 8th year of collaboration with the Community Partnerships Association and the 14th Pha Pa robe offering ceremony.

Lao PDR

Hongsa Power Plant

Hongsa Power Company Limited (HPC) is a Banpu Power's joint venture which operates Hongsa Power Plant in Lao PDR. HPC has a primary mission to promote an income restoration program for the resettled families to be above the rural poverty line within three years, with the targets to raise 150 percent of each family's household income in ten years, and to raise the average household income in Hongsa above the poverty baseline by 2020. A wide range of activities was carried out in 2019 to improve people's quality of life and social development. The activities included proactive community health watch, developing highland agriculture learning center and vocational training for government-allocated communities, establishing community co-operatives, developing an emergency response mechanism to improve community emergency preparedness, and empowering women in mining communities.

Apart from that, Hongsa Power Plant also organized such activities as an annual Pha Pa robe offering ceremony to help develop a good rapport with the community.



The Socialist Republic of Vietnam

Vietnam is another country where Banpu Power has business operations and is currently developing a wind power plant in Soc Trang Province. The Company has a mission to seek a balance between business growth and community and environment development and to be a good corporate citizen in every location it operates. The Company also prioritizes children's and youth's education and learning, which is one of the cornerstones of society's and country's sustainable development.

Scholarships for Students in Soc Trang Province

Banpu Power provided scholarships and 200 bicycles worth USD 20,000 to needy talented students from many schools in Soc Trang Province, Vietnam. This educational support is in line with the Company's CSR policy that focuses on learning, the crucial foundation for human development to drive sustainable growth for the community and society.



Donation from Virtual Run for 3 Country Kids to the Shelter for Orphans and Children with Disabilities

The Virtual Run for 3 Country Kids was the activity in which Banpu Power's employees and outsiders in three countries exchanged their running mileage for gifts to be donated to underprivileged children. At the end of the activity, 45 runners chose to donate to Vietnam. Each of the runners had accumulated running distance of 60 kilometers, amounted to THB 78,600 donation, which was granted to a shelter for orphans and children with disabilities in Soc Trang Province.



Japan

Banpu Power (Japan) Company Limited, a subsidiary of Banpu Power in Japan or BPPJP, is committed to being a good corporate citizen in all locations where it has business operations. Being socially and environmentally responsible as a member of the community and society, the Company has promoted and supported community development activities as follows:

Agreement on Emergency Power Supply during Disaster

BPPJP's Nari Aizu Solar Power Plant has created a substantial contribution to the local economy and Fukushima community development after the 2011 earthquake and tsunami. In addition, a field survey showed that people in Aizuwakamatsu were concerned about a power shortage during a disaster. The Company places great importance on the stable and uninterrupted power supply, therefore installing an emergency power supply system at Nari Aizu Solar Power Plant, the first and only power plant having entered into an agreement with the Aizuwakamatsu Municipality to supply emergency power to ensure that local people have power reserves during the time of disaster.

Disaster Relief for Those Affected by “Typhoon Hagibis”

In October 2019, Typhoon Hagibis struck the town of Osato, where BPPJP's Kurokawa Solar Power Plant is located, and affected thousands of residents. To provide urgent relief for people who lacked shelter and food, the Company sent an emergency response team into the area to survey damages and distributed dry rations to affected people. Disaster relief is a part of the Company's policy to be a good corporate citizen in all countries where it operates. The Company pays high attention to take urgent actions to relieve the communities' and society's hardships during the time of disasters.



BPPJP installed Emergency Power Supply in Aizuwakamatsu to ensure the power reserves during the time of disaster.

BPPJP distributed dry rations to affected people in Osato Town, which was struck by Typhoon Hagibis.

BOARD OF DIRECTORS AND MANAGEMENT

1. Assoc. Prof. Dr. Naris Chaiyasoot

Age 65



Position	Appointed Date
Independent Director	4 August 2015
Chairman of the Board of Directors	4 August 2015
Chairman of the Corporate Governance and Nomination Committee	21 August 2015
Member of the Audit Committee	21 August 2015

Education/Training

- Ph.D. in Economics, University of Hawaii
- M.Econ. (English Program), Thammasat University
- B.Econ. (Hons), Thammasat University
- Advance Audit Committee Program (AAP) #29/2018, IOD
- Chartered Director Class (CDC) #3/2008, IOD
- Director Certification Program (DCP) #82/2006, IOD
- Director Accreditation Program (DAP) #32/2005, IOD
- Finance for Non-Finance Directors (FND) #19/2005, IOD
- Role of the Chairman Program #45/2019, IOD

% of Shares Held

- Self: -
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2015 – present Independent Director/Chairman/Chairman of the Corporate Governance and Nomination Committee/Member of the Audit Committee, Banpu Power Plc.
- 2016 – present Chairman, AP (Thailand) Plc.
- 2013 – present Chairman of the Audit Committee/Independent Director/Member of the Nomination and Compensation, GMM Grammy Plc.
- 2015 – present Chairman, R.X. Co., Ltd.
- Present Chairman, Travelex (Thailand) Co., Ltd.
- Present Chairman, Function International Co., Ltd.
- 2012 – 2018 Director/Chairman of the Audit Committee, Fortune Part Industry Plc.
- Jan – Sep 2015 Deputy Permanent Secretary, Ministry of Finance
- Jul 2014 – Sep 2015 Chairman, Export - Import Bank of Thailand
- Apr 2014 – Sep 2015 Director, Bangkok Commercial Asset Management Co., Ltd.
- Oct 2011 – Sep 2015 Chairman, Dhanarak Asset Development Co., Ltd.
- 2010 – Sep 2015 Chairman, Deposit Protection Agency

2. Mr. Yokporn Tantisawetrat

Age 65



Position	Appointed Date
Independent Director	4 August 2015
Chairman of the Audit Committee	21 August 2015

Education/Training

- M.Econ., Thammasat University
- B.Econ., Chulalongkorn University
- Director Accreditation Program (DAP) #66/2007, IOD
- Director Certification Program (DCP) #229/2016, IOD
- Advanced Audit Committee Program (AAP) #25/2017, IOD
- IT Governance (ITG) #7/2018, IOD
- Advanced Bank Management Program, The Wharton School
- Advanced Management Program (AMP), Harvard Business School
- National Defence Program 2003, National Defence College

% of Shares Held

- Self: 0.002%
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2015 – present Independent Director/Chairman of the Audit Committee, Banpu Power Plc.
- 2017 – present Independent Director, AP (Thailand) Plc.
- 2016 – present Expert Member/Chairman of the Audit Committee, Securities and Exchange Commission
- 2015 – present Director, TMB Bank Plc.
- 2017 – present Director, Kirloskar Brothers (Thailand) Limited
- 2006 – 2015 Vice President of Risk Management, Siam Commercial Bank Plc.
- 2008 – 2015 Director, SCB Securities Co., Ltd.
- 2011 – 2015 Director, Vinasiam Bank

3. Prof. Dr. Bundhit Eua-Aporn

Age 55



Position	Appointed Date
Independent Director	4 August 2015
Chairman of the Compensation Committee	21 August 2015
Member of the Audit Committee	21 August 2015

Education/Training

- Ph.D. in Engineering, Imperial College of Science Technology and Medicine, U.K.
- M.Eng., Chulalongkorn University
- B.Eng., Chulalongkorn University
- Director Certification Program (DCP) #110/2008, IOD
- Executive Program in Energy Literacy for a Sustainable Future Program #6/2015, Thailand Energy Academy
- Bhumiपालung Phandin Program #3/2014
- Temasek Foundation-NUS Programme for Leadership in University Management 2012

% of Shares Held

- Self: 0.003%
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2015 – present Independent Director/Chairman of the Compensation Committee/Member of the Audit Committee, Banpu Power Plc.
- 2017 – present Independent Director/Chairman of the Nomination Committee, PTT Exploration and Production Plc.
- 2016 – present President, Chulalongkorn University
- Aug – Sep 2017 Director, The National Energy Reform Committee, Thailand's National Reform Council
- 2015 – 2016 Expert Member of the Board of Directors, Thailand Institute of Scientific and Technological Research
- 2013 – 2016 Dean, Faculty of Engineering, Chulalongkorn University

4. Mr. Chanin Vongkusolkrit

Age 67



Position	Appointed Date
Director	12 December 1996
Member of the Corporate Governance and Nomination Committee	21 August 2015

Education/Training

- M.B.A. (Finance), St. Louis University, Missouri, U.S.A.
- B.Econ., Thammasat University
- DCP Refresher Course #3/2006, IOD
- Director Certification Program (DCP) #20/2002, IOD
- TLCA Leadership Development Program (LDP) – Enhancing Competitiveness #0/2012, Thai Listed Companies Association

% of Shares Held

- Self: 0.044%
- Spouse: 0.011%

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 1996 – present Director, Banpu Power Plc.¹
- 2015 – present Member of the Corporate Governance and Nomination Committee, Banpu Power Plc.¹
- 2016 – present Chairman, Banpu Plc.
- 1983 – present Director, Banpu Plc.
- 2015 – 2016 Senior Executive Officer, Banpu Plc.
- 1983 – Apr 2015 Chief Executive Officer, Banpu Plc.
- 2016 – 2018 Expert Member, Securities and Exchange Commission
- 2015 – 2018 Chairman of the Working Committee, The Working Committee for Sustainability Development of Listed Companies – Securities and Exchange Commission
- 2019 – present Director, Thai Listed Companies Association
- 1983 – present Director, Mitr Phol Sugar Corporation
- 2018 – present Chairman, The Erawan Group Plc.
- 2004 – present Director, The Erawan Group Plc.
- 2015 – present Director, Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)
- 2012 – present President, The Thammasat Economics Association
- Member of the Faculty Board, Faculty of Economics, Thammasat University
- 2008 – present Director, The Foundation for Better Life

¹The Company was registered as a public company on 10 September 2015.

5. Mr. Metee Auapinyakul

Age 66



Position

Director

Appointed Date

22 May 2015

Member of the Compensation Committee

21 August 2015

Education/Training

- Doctor of Business, Engineering and Technology, St. Louis University, Missouri, U.S.A
- Infrastructure for the Market Economy, John F. Kennedy School of Government, Harvard University, Boston, U.S.A.
- B.S.C. (Management), St. Louis University, Missouri, U.S.A.
- National Defence College of Thailand, The Joint State – Private Sector Course #377
- National Defence College of Thailand, The Joint State – Private Sector Course, College of Management #1
- Director Certification Program (DCP) #61/2005, IOD

% of Shares Held

- Self: 0.014%
- Spouse: 0.001%

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2015 – present Director/Member of the Compensation Committee, Banpu Power Plc.
- 1983 – present Director, Banpu Plc.
- 2014 – present Advisor, Banpu Plc.
- 2004 – present Chief Advisor, General Environmental Conservation Plc.

6. Ms. Somruedee Chaimongkol

Age 58



Position

Director

Appointed Date

30 July 2009

Member of the Compensation Committee

21 August 2015

Education/Training

- B.Acc., Bangkok University
- Program for Global Leadership, Graduate School of Business Administration, Harvard University, Boston, U.S.A.
- Director Certification Program (DCP) #78/2006, IOD
- Top Executive Program, Capital Market Academy (CMA) #18
- Top Executive Management Program on Industrial Development and Investment (Class 2), Institute of Business and Industrial Development (IBID)

% of Shares Held

- Self: 0.053%
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2009 – present Director, Banpu Power Plc.
- 2015 – present Member of the Compensation Committee, Banpu Power Plc.
- 2015 – present Chief Executive Officer/Director, Banpu Plc.
- 2006 – 2015 Deputy Chief Executive Officer-Finance, Banpu Plc.
- present Director, BLCP Power Ltd.
- Director, Banpu Coal Power Ltd.
- Director, Hunnu Investments Pte. Ltd.
- Director, AFE Investments Pty Ltd.
- Director, BMS Coal Sales Pte. Ltd.
- Director, Banpu Singapore Pte. Ltd.
- Director, Banpu Minerals Co., Ltd.
- Director, Banpu International Co., Ltd.
- Director, BP Overseas Development Co., Ltd.
- Director, Centennial Coal Co., Ltd.
- Director, Hunnu Coal Pty Ltd.
- Director, Banpu Minerals (Singapore) Pte. Ltd.
- Director, Chiang Muan Mining Co., Ltd.
- Director, Banpu Coal Investment Co., Ltd.
- Director, Asian American Coal, Inc.
- Director, AACI SAADEC (BVI) Holdings Limited
- Director, PT. Indo Tambangraya Megah Tbk
- Director, Banpu Australia Resources Pty Ltd.
- Director, Banpu Australia Co., Pty Ltd.
- Director, BPIN Investment Co., Ltd.
- Director, Sunseap Group Pte. Ltd.
- Director, Banpu Infinergy Co., Ltd.
- Director, Banpu North America Corporation
- Director, BOG Co., Ltd.
- Director, Banpu Coal Sales Co., Ltd.
- Director, Power Vietnam Co., Ltd.
- Director, Banpu Innovation and Ventures Co., Ltd.
- Director, FoMM Corporation
- Director, Banpu Japan K.K.
- Director, Centennial Energy Pty Limited

7. Mr. Rawi Corsiri

Age 70



Position

Director

Member of the Corporate Governance and Nomination Committee

Appointed Date

29 October 2001

21 August 2015

Education/Training

- M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.Sc. (Geology), Chulalongkorn University
- Director Certification Program (DCP) #32/2003, IOD
- Capital Market Academy Leader Program (CMA.) #2/2006, Capital Market Academy
- NIDA-Wharton Executive Leadership Program, Faculty of Business Administration, National Institute Development Administration (NIDA) and The Wharton School, University of Pennsylvania, U.S.A.
- Top Executive Program (TEA) #3, Thailand Energy Academy

% of Shares Held

- Self: 0.002%
- Spouse: 0.002%

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2001 – present Director, Banpu Power Plc.
- 2015 – present Member of the Corporate Governance and Nomination Committee, Banpu Power Plc.
- 2012 – present Director, Banpu Plc.
- 2016 – present Chairman of the Corporate Governance and Nomination Committee, Banpu Plc.
- 2012 – 2016 Member of the Corporate Governance and Nomination Committee, Banpu Plc.
- 2012 – 2016 Advisor, Banpu Plc.
- 2001 – present Director, BLCP Power Ltd.
- 2009 – present Director, Hongsa Power Co., Ltd.
- 2010 – 2017 Director, Centennial Coal Co., Ltd.

8. Mr. Voravudhi Linananda

Age 62



Position

Director

Appointed Date

30 July 2009

Education/Training

- M.B.A., Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.Eng. (Mechanical Engineering), Faculty of Engineering, Kasetsart University
- Advanced Management Program (AMP173) Harvard Business School, U.S.A.
- Director Certification Program (DCP) #149/2011, IOD
- Orchestrating Winning Performance Program #OWPII/2013, IMD SE Asia

% of Shares Held

- Self: 0.003%
- Spouse: 0.000%

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2009 – present Director, Banpu Power Plc.
Director, BLCP Power Ltd.
Director, Hongsa Power Co., Ltd.
Director, Phu Fai Mining Co., Ltd.
- 2017 – present Advisor, Banpu Plc.
- 2013 – 2017 Chief Operating Officer, Banpu Plc.
- 2015 – 2017 Chief Executive Officer, Banpu Power Plc.
- 2015 – 2016 Company Secretary, Banpu Power Plc.
- 2014 – Feb 2017 Director, Banpu Energy Services Co., Ltd.
Director, Banpu Energy Service (Thailand) Co., Ltd.
Director, Banpu Energy Service (Japan) Co., Ltd.
- 2015 – Feb 2017 Director, Banpu Coal Investment Co., Ltd.
Director, BP Overseas Development Co., Ltd.
Director, Hokkaido Solar Estate G.K.
Director, BPPR Co., Ltd.
Director, BPPR Japan Co., Ltd.

9. Mr. Sutee Sukruan

Age 56



Position

Chief Executive Officer
Director

Appointed Date

1 January 2018
1 January 2018

Education/Training

- M.B.A., Chulalongkorn University
- B.B.A., Chulalongkorn University
- Global Leadership Program for Strategic Leader, IMD
- Leadership Development Program (LDP), IMD and TLCA
- Executive Development Program #11, TLCA
- Director Certification Program (DCP) #254/2018, IOD
- Economic Leader Forum 2008, Thammasat Economics Association (T.E.A.)

% of Shares Held

- Self: 0.000%
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2018 – present Chief Executive Officer/Director, Banpu Power Plc.
- Aug 2019 – present Senior Vice President-Power Business, Banpu Plc.
- Jan 2018 – Jul 2019 Chief Operating Officer-Power Business, Banpu Plc.
- 2019 – present Director, Power Vietnam Co., Ltd.
Director, Banpu Japan K.K.
- 2018 – present Director, Pan-Western Energy Corporation LLC
Director, Shanxi Lu Guang Power Co., Ltd.
Director, PT. ITM Banpu Power Co., Ltd.
Director, Banpu Power International Limited
Director, Zouping Peak Pte. Ltd.
Director, BRE Singapore Pte. Ltd.
Director, Banpu Coal Power Ltd.
Director, Banpu Renewable Energy Co., Ltd.
Director, BLCP Power Ltd.
Director, Banpu Power (Japan) Co., Ltd.
Director, BPP Vinh Chau Wind Power Limited Liability Company
- 2009 – 2017 Senior Vice President-Finance, Banpu Public Plc.

10. Mr. Praphan Likitwacharakorn

Age 62



Position

Chief Operating Officer

Appointed Date

1 January 2019

Education/Training

- B.Eng. (Electrical Engineering), Chiang Mai University
- Senior Professional Engineer License, Electrical Engineering
- Director Certification Program (DCP) #192/2014, IOD
- NIDA-Wharton Executive Leadership Program #7, Faculty of Business Administration, National Institute Development Administration (NIDA) and The Wharton School, University of Pennsylvania, U.S.A, 2014
- The BOSS#72, Management Psychology Institute
- Top Executive Program (TEA) #10, Thailand Energy Academy

% of Shares Held

- Self: -
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2019 – present Chief Operating Officer, Banpu Power Plc.
- 2017 – 2018 Advisor, Banpu Plc.
- 2005 – 2017 Managing Director, BLCP Power Ltd.

11. Mr. Banchob Kitchpanich

Age 53



Position

Deputy Chief Executive Officer-Finance

Appointed Date

1 January 2017

Education/Training

- M.Sc. (Business Economics), Kasetsart University
- B.Acc., Bangkok University

% of Shares Held

- Self: 0.000%
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2017 – present Deputy Chief Executive Officer-Finance, Banpu Power Plc.
- Present Director, Banpu Renewable Energy Co., Ltd.
Director, Banpu Power (Japan) Co., Ltd.
Director, Pan-Western Energy Corporation LLC
Director, Banpu Renewable Singapore Pte. Ltd.
Director, Zouping Peak Pte. Ltd.
Director, Aizu Energy Pte. Ltd.
Director, Power Vietnam Co., Ltd.
- 2014 – 2016 Vice President-Finance and Administration, Banpu Plc.
- 2012 – 2014 Vice President-Finance, Hongsa Power Co., Ltd.

12. Mr. Chairat Chanhom

Age 58



Position

Senior Vice President-Power Business, China

Appointed Date

16 August 2017

Education/Training

- M.B.A., The University of the Thai Chamber Of Commerce
- B.Sc., Chiang Mai University

% of Shares Held

- Self: 0.002%
- Spouse: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2017 – present Senior Vice President-Power Business, China, Banpu Power Plc.
- 2019 – present Director, Feichang Xingyu Solar Power PV Technology
- 2018 – present Director, Shanxi Lu Guang Power Co., Ltd.
Director, Banpu Power International Limited
Director, Banpu Power Investment Co., Ltd.
- 2017 – present Director, BPP Renewable Investment (China) Co., Ltd.
Director, Macau Deyuan Energy-Saving & Environment Protection Technology Co., Ltd.
Director, Weifang Tian'en Jinshan Comprehensive Energy Co., Ltd.
Director, Anqiu Huineng Renewable Energy Co., Ltd.
Director, Anqiu City Hui'en PV Technology Co., Ltd.
Director, Dongping Haoyuan Solar Power Generation Co., Ltd.
Director, Jiaxing Deyuan Energy-Saving Technology Co., Ltd.
Director, Shijiazhuang Chengfeng Cogen Co., Ltd.
Director, Banpu Investment (China) Limited
Director, Pan-Western Energy Corporation LLC
Director, Zouping Peak CHP Co., Ltd.
Director, Banpu Power Trading (Shandong) Co., Ltd.
Director, Banpu Power Trading (Hebei) Co., Ltd.
Director, Tangshan Banpu Heat and Power Co., Ltd.
- 2017 Country Head, Banpu Investment (China) Co., Ltd.
- 2015 – 2016 Executive Director, Hunnu Altai LLC
Executive Director, Bilegt Khairkhan Uul LLC

13. Ms. Bubpachart Meecharoen

Age 56

**Position**

Senior Vice President-Power Business,
Vietnam

Appointed Date

1 February 2019

Education/Training

- Doctor of Philosophy (E-Learning Methodology), Assumption University
- M.B.A. (Business Administration), Thammasat University
- B.Sc. (Materials Science), Chulalongkorn University
- Director Certification Program (DCP) #248/2017, IOD

% of Shares Held

- Self: 0.002%
- Spouse: -

Family Relationship between Director and Management: -**Work Experience in the Last Five Years**

- 2019 – present Senior Vice President-Power Business, Vietnam, Banpu Power Plc.
- 2017 – 2018 Senior Vice President-Corporate Services, Banpu Power Plc.
Company Secretary, Banpu Power Plc.
- 2015 – 2016 Senior Vice President-Finance and Administration, Banpu Power Plc.
- 2018 – present Director, Banpu Renewable Singapore Pte. Ltd.
Director, BRE Singapore Pte. Ltd.
Director, BPP Vinh Chau Wind Power Limited Liability Company
- 2018 Director, Pan-Western Energy Corporation LLC
Director, Zouping Peak Pte. Ltd.
Director, Aizu Energy Pte. Ltd.
- 2016 – 2018 Director, Banpu Power (Japan) Co., Ltd.
- 2012 – 2015 Vice President-Corporate Services, Banpu Plc.

Details about Company Secretary and Duties and Responsibilities**14. Ms. Thassanee Passarapark**

Age 49

**Position**

Company Secretary

Appointed Date

1 January 2019

Education/Training

- LL.B. Thammasat University
- Advances for Corporate Secretaries #1/2017, Thai Company Secretary Club, Thai Listed Companies Association

% of Shares Held

- Self: -

Family Relationship between Director and Management: -**Work Experience in the Last Five Years**

- Present Company Secretary, Banpu Power Plc.
- 2016 – 2018 Company Secretarial Officer, Banpu Power Plc.

The Board of Directors' Meeting No. 12/2018 held on 21 December 2018 appointed Ms. Thassanee Passarapark as Company Secretary, effective from 1 February 2019, entrusted with duties and responsibilities as stipulated in the Securities and Exchange Act. The Company Secretary is responsible for organizing the Board of Directors' meetings and general shareholders' meeting, ensuring compliance with the meetings' resolutions, and advising the Board on rules and regulations with which it must comply. The Company Secretary has responsibilities to prepare and keep the register of directors, Board meeting invitation letters, Board meeting minutes, Banpu Power Annual Report, invitation letters to attend the shareholders' meeting and records of its minutes, the report on stakeholder analysis by the Board and related issues required by the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

Details about the Head of Internal Audit and the Secretary to the Audit Committee

15. Ms. Orawan Phunamsarp

Age 38



Position

Head of Internal Audit and Secretary to the Audit Committee

Appointed Date

1 December 2018

Education/Training

- M.Sc. (Technology Management) Assumption University
- B.B.A. (Accounting) Khon Kaen University
- Project Management, Banpu Power Public Company Limited
- IIAT Annual Conference 2019: Indispensable IA Insightful, Agile and Innovative, Accelerating, to Intelligent Enterprise, The Institute of Internal Auditors of Thailand
- Review of Certified Internal Auditor, Part I: Essentials of Internal Auditing, Federation of Accounting Professions of Thailand

% of Shares Held

- Self: -

Family Relationship between Director and Management: -

Work Experience in the Last Five Years

- 2018 – present Head of Internal Audit, Banpu Power Plc.
Secretary to the Audit Committee, Banpu Power Plc.
- 2015 – 2018 Manager-Global Internal Audit, Indorama Ventures Plc.
- 2014 – 2015 Section Head-Internal Audit (International Business), Thai Beverage Plc.

SHAREHOLDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT

As of 31 December 2019

	Name	Ordinary Share (Share)		
		31 Dec 2019	31 Dec 2018	+ / (-)
1.	Assoc. Prof. Dr. Naris Chaiyasoot	-	-	-
	Spouse/Minor child	-	-	-
2.	Mr. Yokporn Tantisawetrat	60,000	60,000	-
	Spouse/Minor child	-	-	-
3.	Prof. Dr. Bundhit Eua-Arporn	80,000	80,000	-
	Spouse/Minor child	-	-	-
4.	Mr. Chanin Vongkusolkrit	1,005,711	1,495,711	(490,000)
	Spouse/Minor child	330,000	330,000	-
5.	Mr. Metee Auapinyakul	431,500	431,500	-
	Spouse/Minor child	33,400	33,400	-
6.	Ms. Somruedee Chaimongkol	1,622,179	1,622,179	-
	Spouse/Minor child	-	-	-
7.	Mr. Rawi Corsiri	60,000	60,000	-
	Spouse/Minor child	62,142	62,142	-
8.	Mr. Voravudhi Linananda	100,000	100,000	-
	Spouse/Minor child	1,100	1,100	-
9.	Mr. Sutee Sukruan	14,000	14,000	-
	Spouse/Minor child	-	-	-
10.	Ms. Bubpachart Meecharoen	75,000	155,888	(80,888)
	Spouse/Minor child	-	-	-
11.	Mr. Banchob Kitchpanich	798	798	-
	Spouse/Minor child	-	-	-
12.	Mr. Chairat Chanhom	57,624	57,624	-
	Spouse/Minor child	-	-	-
13.	Mr. Praphan Likitwacharakorn	-	-	-
	Spouse/Minor child	-	-	-

REMUNERATION OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Compensation Committee reviewed and determined remuneration of the Board of Directors based on the Board's duties and responsibilities benchmarked against those in other publicly-listed companies of similar industries and businesses in Thailand. The consideration process was transparent, and to build confidence for shareholders, the remuneration of the Board of Directors was approved by the Board meeting and the 2019 Annual General Meeting of Shareholders as detailed below.

Remuneration Structure	2019
Remuneration of the Board of Directors	
1. Monthly remuneration (THB/month)	
• Chairman of the Board of Directors	52,000.00
• Other directors	40,000.00
2. Meeting allowances for Directors attending the meeting (THB/meeting)	
• Chairman of the Board of Directors	26,000.00
• Non-executive Directors	20,000.00
Meeting allowances for the Audit Committee attending the meeting (THB/meeting)	
• Chairman of the Audit Committee	31,200.00
• Members of the Audit Committee	24,000.00
Meeting allowances for the Corporate Governance and Nomination Committee and the Compensation Committee attending the meeting (THB/meeting)	
• Chairman of the Corporate Governance and Nomination Committee and the Compensation Committee	26,000.00
• Members of the Corporate Governance and Nomination Committee and the Compensation Committee	20,000.00

1. Remuneration in Cash for the Year Ended 31 December 2019

1.1 Total cash remuneration of the Board of Directors in the form of meeting allowance and directors' bonus amounted to THB 11,461,587.00, the details of which are as follows:

(Unit: THB)

Name/Position	Monthly Allowance and Meeting Allowance for Directors	Meeting Allowance for the Audit Committee	Meeting Allowance for the Compensation Committee	Meeting Allowance for the Corporate Governance and Nomination Committee	Directors** Bonus	Total Remuneration
1. Assoc. Prof. Dr. Naris Chaiyasoot	910,000.00	240,000.00	-	286,000.00	1,397,849.00	2,833,849.00
Chairman of the Board of Directors/ Chairman of the Corporate Governance and Nomination Committee/ Member of the Audit Committee/ Independent Director						

Notes: * Gratuity for three directors amounting THB 3,548,387 in 2019 needs to be approved by the 2019 Annual General Meeting of Shareholders since the director appointed by major shareholders and executive directors manifested an intent not to accept the gratuity.

(Unit: THB)

Name/Position	Monthly Allowance and Meeting Allowance for Directors	Meeting Allowance for the Audit Committee	Meeting Allowance for the Compensation Committee	Meeting Allowance for the Corporate Governance and Nomination Committee	Directors** Bonus	Total Remuneration
2. Mr. Yokporn Tantisawetrat Chairman of the Audit Committee/ Independent Director	720,000.00	343,200.00	-	-	1,075,269.00	2,138,469.00
3. Prof. Dr. Bundhit Eua-aporn Chairman of the Compensation Committee/ Member of the Audit Committee/ Independent Director	720,000.00	240,000.00	234,000.00	-	1,075,269.00	2,269,269.00
4. Mr. Chanin Vongkusolkrit Member of the Corporate Governance and Nomination Committee/ Non-Executive Director	700,000.00	-	-	240,000.00	-	940,000.00
5. Mr. Metee Auapinyakul Member of the Compensation Committee/ Non-Executive Director	700,000.00	-	180,000.00	-	-	880,000.00
6. Ms. Somruedee Chaimongkol Member of the Compensation Committee/Executive Director	480,000.00	-	-	-	-	480,000.00
7. Mr. Rawi Corsiri Member of the Corporate Governance and Nomination Committee/ Non-Executive Director	720,000.00	-	-	240,000.00	-	960,000.00
8. Mr. Voravudhi Linananda Executive Director	480,000.00	-	-	-	-	480,000.00
9. Mr. Sutee Sukruan Executive Director/ Chief Executive Officer	480,000.00	-	-	-	-	480,000.00
Total						11,461,587.00

Notes: * Gratuity for three directors amounting THB 3,548,387 in 2019 needs to be approved by the 2019 Annual General Meeting of Shareholders since the director appointed by major shareholders and executive directors manifested an intent not to accept the gratuity.

In addition to the above remuneration, each director receives annual medical check-up fee of THB 50,000 and fees for attending seminars held by Thai institute of Directors (IOD) and other related institutions as regulated by the Company.

- 1.2 Cash remuneration of the Company's executives in the form of salary and bonus is rewarded based on performance against the pre-determined key performance indicators and individual achievement.

Unit: THB	Number of Executives	2019	Number of Executives	2018
Total Salaries	5	37,674,275.75	5	24,876,900.00
Total Bonus	5	6,167,600.00	5	13,924,750.00
Total	5	43,841,875.75	5	38,801,650.00

Notes: - In 2019, there were five executives, namely, 1. Mr. Sutee Sukruan, 2. Ms. Bupchart Meecharoen, 3. Mr. Banchob Kitchpanich, 4. Mr. Chairat Chanhom, and 5. Mr. Praphan Likitwacharakorn.
 - In 2018, there were five executives, namely, 1. Mr. Sutee Sukruan, 2. Ms. Bupchart Meecharoen, 3. Mr. Banchob Kitchpanich, 4. Mr. Chairat Chanhom, and 5. Mr. Kathayuth Chupoon.

2. Other Remunerations

2.1 Contribution to Provident Fund

Details of the Company's contribution to provident fund for executives are as follows:

Unit: THB	Number of Executives	2019	Number of Executives	2018
Provident Fund	5	1,389,528.00	5	1,492,614.00

- 2.2 The Employee Stock Option Plan for Directors and Employees of the Company and its subsidiaries (BPP-ESOP): The 2017 Annual General Meeting of Shareholders on 3 April 2017 approved the issue and offering of newly issued ordinary shares of the Company under the Employee Stock Option Plan for Directors and Employees of the Company and its subsidiaries (BPP-ESOP). The Meeting also approved the allocation of the newly issued shares in the amount of not exceeding 30,000,000 shares, with a par value of THB 10 per share under such ESOP Plan. 18,300,000 shares, or 61 percent of the ESOP Plan, were allocated to the directors and employees of the Company and its subsidiaries as a reward for their performance and continued dedication to driving the growth of the Company. Moreover, the Meeting approved the allocation of 11,700,000 shares, or 39 percent of the ESOP Plan, which the Compensation Committee would consider and allocate these shares as appropriate. In 2018 and 2019, the shares under the ESOP Plan were allocated to three directors and executives. The details of the exercise of right to purchase the ordinary shares are as follows:

Exercise Prices and Exercise Periods:

Exercise Prices (THB per share)	Exercise Periods	Number of Shares Exercised
23.10	The date of issuance and offering of ordinary shares – 19 October 2021	10% of the total allocated shares
25.20	19 October 2017 – 19 October 2021	15% of the total allocated shares
27.30	19 October 2018 – 19 October 2021	20% of the total allocated shares
29.40	19 October 2019 – 19 October 2021	25% of the total allocated shares
31.50	19 October 2020 – 19 October 2021	30% of the total allocated shares

Exercise Dates of Right to Purchase the Ordinary Shares:

Exercise of the right to purchase ordinary shares shall be done four times a year, i.e., on the last business day of March, June, September, and December, except for the last exercise date, which is on 19 October 2021.

MAJOR SHAREHOLDERS



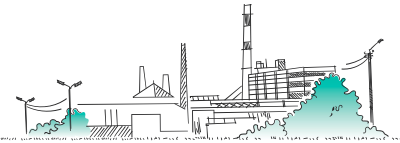
Ten Major Shareholders as of 31 December 2019

Major Shareholders	Amount of Shares Held	Percent
1. Banpu Public Company Limited	2,397,199,497	78.570
2. Bualuang Long-Term Equity Fund	47,489,500	1.557
3. Bualuang Long-Term Equity Fund 75/25	20,426,400	0.669
4. Mr. Vitit Pongpirodom	19,750,001	0.647
5. South East Asia UK (Type C) Nominees Limited	16,158,136	0.530
6. Mitr Phol Sugar Corp., Ltd.	14,930,257	0.489
7. Bualuang Flexible RMF	11,253,700	0.369
8. Social Security Office	11,145,700	0.365
9. Land and Houses Securities Public Company Limited	9,500,000	0.311
10. Bualuang Equity RMF	9,385,600	0.308
Total	2,557,238,791	83.815

DIVIDEND POLICY

Banpu Power has a policy to pay approximately 50 percent of its net profit from the consolidated financial statements less all kinds of statutory and corporate reserves. However, the dividend payout rate will be dependent on cash flows, investment obligations of the Company and its affiliates as well as legal and other requirements.





CONNECTED PERSONS AND TRANSACTIONS

Connected Persons

Connected Persons	Type of Business	Description of Relationship
1. Banpu Public Company Limited (Banpu Plc.)	Energy	1) A major shareholder of Banpu Power Public Company Limited, holding 78.57 percent of its paid-up capital 2) Four joint directors with the Company are: 1. Mr. Chanin Vongkusolkrit 2. Mr. Metee Auapinyakul 3. Mr. Rawi Corsiri 4. Ms. Somruedee Chaimongkol 3) The Company's executive who is a director of Banpu Plc. is: Ms. Somruedee Chaimongkol
2. Banpu Minerals Company Limited (BMC)	Coal mining and trading	1) A wholly-owned subsidiary of Banpu Plc. and Banpu Plc. is the Company's major shareholder 2) One joint director with the Company who is also executive of Banpu Plc. is: Ms. Somruedee Chaimongkol
3. Asian American Coal, Inc. (AACI)	Investment in coal mining	1) An indirect wholly-owned subsidiary of Banpu Plc. through BP Overseas Development Company Limited 2) Two joint directors with the Company are: 1. Mr. Chanin Vongkusolkrit 2. Ms. Somruedee Chaimongkol 3) The Company's executive who is a director of Asian American Coal, Inc. is: Mr. Chairat Chanhom
4. Banpu Australia Co. Pty Ltd. (BPA)	Investment in coal mining in Australia	1) An indirect wholly-owned subsidiary of Banpu Plc. through Banpu Singapore Pte. Ltd. 2) Two joint directors with the Company are: 1. Mr. Chanin Vongkusolkrit 2. Ms. Somruedee Chaimongkol
5. Banpu (Shanghai) Trading Co., Ltd. (BST)	Coal trading	1) An indirect wholly-owned subsidiary of Banpu Plc. through Banpu Minerals (Singapore) Pte. Ltd. 2) No joint director 3) The Company's executive who is a director of Banpu (Shanghai) Trading Co., Ltd. is: Mr. Chairat Chanhom

OTHER REFERENCES



1. Ordinary Share Registrar

Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok 10400
Tel. +66 (0) 2009 9999

2. Auditor

Ms. Amornrat Pearmpoonvatanasuk
Authorized Auditor No. 4599
PricewaterhouseCoopers ABAS Ltd.
15th Floor, Bangkok City Tower
179/74-80 South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120
Tel. +66 (0) 2844 1000

3. Financial Advisor

-None-

4. Advisor or Manager under Management Agreement

The Company did not hire any advisors or managers under any permanent management agreement. Advisors, including financial advisors, were hired on a case-by-case basis as necessary to support its operations from time to time. The Company's management is mainly supervised by the Board of Directors.

5. Financial Institutions Regularly in Contact

The Company is regularly in contact with around 30 local and international commercial banks and financial institutions.

DETAILS OF THE COMPANY AND ITS SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES

Name	Type of Business	Authorized Capital	Paid-up Capital	No. of Paid-up Capital (shares)	Par Value per Share	% of Holding	Head Office	Telephone
1. Banpu Power Public Company Limited	Investment in power business	31,044,920,000 THB	30,510,217,000 THB	3,051,021,700	10	78.57 (held by Banpu Public Company Limited)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	02 007 6000

Subsidiary Companies

Thailand

2. Banpu Coal Power Ltd.	Investment in power business	5,921,587,160 THB	5,921,587,160 THB	592,158,716	10	100.00 (held by Banpu Power Public Company Limited)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	02 007 6000
3. Banpu Renewable Energy Co., Ltd.	Investment in renewable energy business	6,000,000,000 THB	4,314,740,000 THB	600,000,000	10	100.00 (held by Banpu Power Public Company Limited)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	02 007 6000
4. Banpu Power (Japan) Co., Ltd.	Investment in renewable energy business	5,000,000 THB	5,000,000 THB	500,000	10	100.00 (held by Banpu Power Public Company Limited)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	02 007 6000
5. Power Vietnam Co., Ltd.	Investment in power business	359,000,000 THB	359,000,000 THB	35,900,000	10	100.00 (held by Banpu Coal Power Ltd.)	1550, Thanapoom Tower, 26 th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand	02 007 6000

China

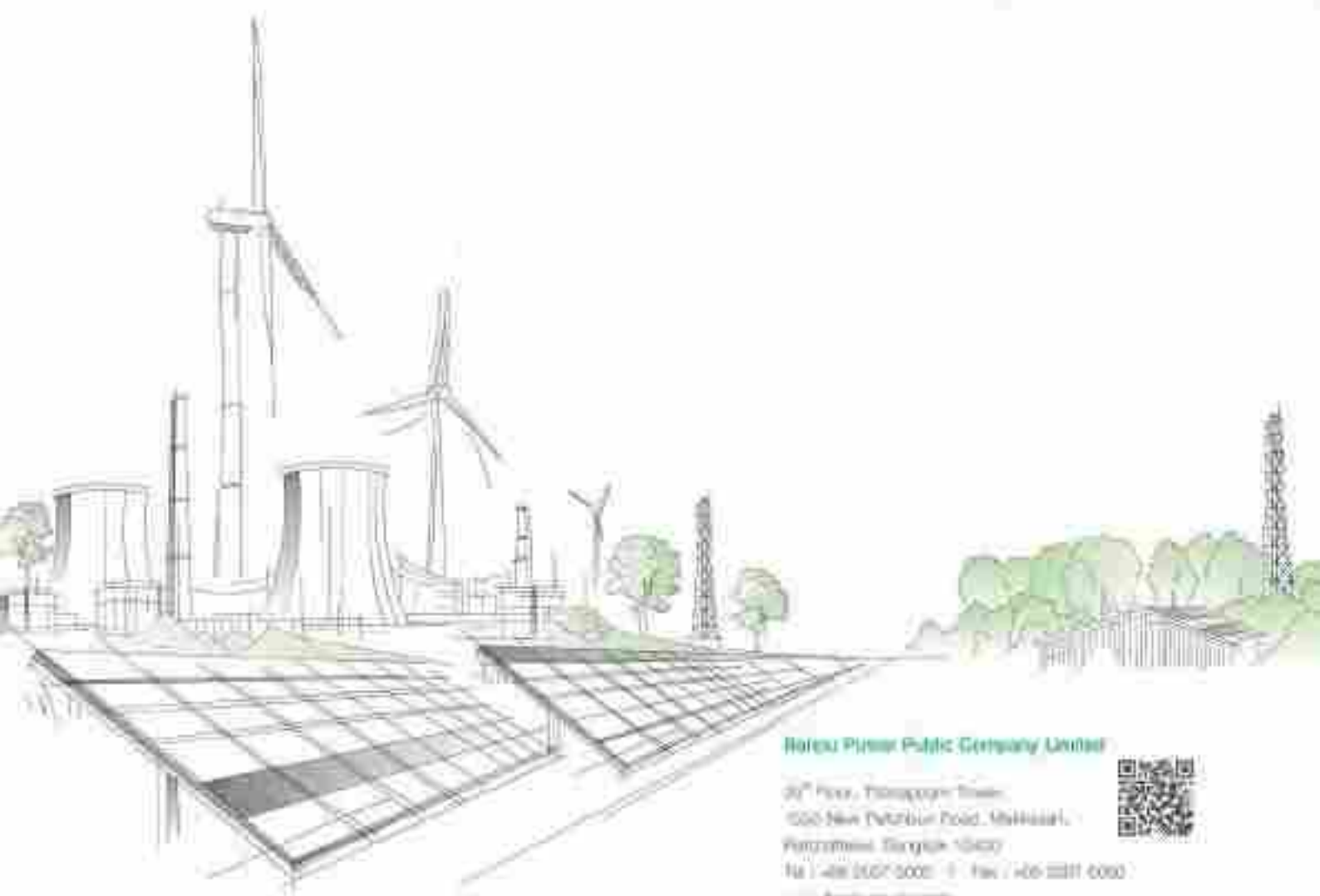
6. BPP Renewable Investment (China) Co., Ltd.	Investment in renewable energy business	160,000,000 USD	97,620,000 USD	NA	NA	100.00 (held by Banpu Renewable Energy Co., Ltd.)	Unit 108, No. 26 Jiafeng Road, Pilot Free Trade Zone, Shanghai Province, P.R.China	(8610) 57580388
7. Anqiu Huineng Renewable Energy Co., Ltd.	Solar power generation	66,000,000 CNY	66,000,000 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	1 st Floor, Unit 1, Dafugou Village, Wushan Town, Anqiu County, Weifang City, Shandong Province, P.R.China	(8610) 57580310
8. Weifang Tian'en Jinshan Comprehensive Energy Co., Ltd.	Solar power generation	83,000,000 CNY	83,000,000 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	2 nd Floor, Unit 1, Dafugou Village, Wushan Town, Anqiu County, Weifang City, Shandong Province, P.R.China	(8610) 57580310

	Name	Type of Business	Authorized Capital	Paid-up Capital	No. of Paid-up Capital (shares)	Par Value per Share	% of Holding	Head Office	Telephone
9.	Dongping County Haoyuan Solar Power Generation Co., Ltd.	Solar power generation	69,000,000 CNY	69,000,000 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	East side of the north section of Xishan Road, Dongping County, Tai'an City, Shandong Province, P.R.China	(8610) 57580310
10.	Anqiu County Hui'en PV Technology Co., Ltd.	Solar power generation	62,000,000 CNY	62,000,000 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	Unit 2, Longwangmiao Village, Dasheng Town, Anqiu County, Weifang City, Shandong Province, P.R.China	(8610) 57580310
11.	Jiaxing Deyuan Energy-Saving Technology Co., Ltd.	Solar power generation	150,740,000 CNY	150,737,586 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	No. 999 Xianghu Road, Yaozhuang Town, Jiashan County, Jiaxing City, Zhejiang Province, P.R.China	(8610) 57580310
12.	Feicheng Xingyu Solar Power PV Technology Co., Ltd.	Solar power generation	55,000,000 CNY	55,000,000 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	Huangtuling Village, Anzhan Town, Feicheng County, Tai'an City, Shandong Province, P.R.China	(8610) 57580310
13.	Jiangsu Jixin Electric Power Co., Ltd.	Solar power generation	64,000,000 CNY	64,000,000 CNY	NA	NA	100.00 (held by BPP Renewable Investment (China) Co., Ltd.)	Zhengwei Village, Qianfeng Town, Jinhu County, Huai'an City, Jiangsu Province, P.R.China	(8610) 57580310
14.	Shijiazhuang Chengfeng Cogen Co., Ltd.	Power and steam generation and sales	30,516,000 USD	30,516,000 USD	NA	NA	100.00 (held by Banpu Power Investment Co., Ltd.)	East of Jingshen Highway, Zhengding County, Shijiazhuang City 050800, Hebei Province, P.R.China	(86311) 85176918
15.	Banpu Investment (China) Ltd.	Investment in energy business and other industrial areas	30,000,000 USD	30,000,000 USD	NA	NA	100.00 (held by Banpu Power Investment Co., Ltd.)	Unit 508, 5 th Floor, Tower 21, No. 10 Jiuxianqiao Road, Chaoyang District, Beijing, P.R.China	(8610) 57580388
16.	Banpu Power Trading (Shandong) Co., Ltd.	Power Trading	20,000,000 CNY	0 CNY	NA	NA	100.00 (held by Banpu Investment (China) Ltd.)	Unit 2608, Tower C, No.11 Jingshi Road, Shizhong District, Jinan Province, P.R.China	(86543) 4866099
17.	Banpu Power Trading (Hebei) Co., Ltd.	Power Trading	20,000,000 CNY	0 CNY	NA	NA	100.00 (held by Banpu Investment (China) Ltd.)	(West Wing, 3 rd Floor, Office Building of Shijiazhuang Chengfeng Cogen Co., Ltd.) North of Beiguan Village, Zhengding County, Shijiazhuang City, Hebei Province, P.R.China	(86311) 85176969
18.	Tangshan Banpu Heat and Power Co., Ltd.	Power and steam generation and sales	78,082,200 USD	47,504,217 USD	NA	NA	87.92 (held by Pan-Western Energy Corporation LLC) 12.08 (held by Banpu Investment (China) Ltd.)	West of Gujiaying Village, Bencheng Town, Luannan County, Tangshan City 063500, Hebei Province, P.R.China	(86315) 4168274

Name	Type of Business	Authorized Capital	Paid-up Capital	No. of Paid-up Capital (shares)	Par Value per Share	% of Holding	Head Office	Telephone
19. Zouping Peak CHP Co., Ltd.	Power and steam generation and sales	261,800,000 CNY	261,800,000 CNY	NA	NA	70.00 (held by Zouping Peak Pte. Ltd.)	Handian Town, Zouping County, Binzhou City 256209, Shandong Province, P.R.China	(86543) 4615655
Mauritius								
20. Banpu Power International Ltd.	Investment in power business	85,050,000 USD	85,050,000 USD	85,050,000	1	100.00 (held by Banpu Power Public Company Limited)	4 th Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius	230 404 8000
Singapore								
21. Banpu Power Investment Co., Ltd.	Investment in power business	NA	90,177,391 USD	83,132,663	No par value*	100.00 (held by Banpu Power International Ltd.)	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
22. Banpu Renewable Singapore Pte. Ltd.	Investment in renewable energy business	NA	5,925,442,364 JPY 55,987,676.69 USD	5,925,442,364 55,987,675	No par value*	100.00 (held by Banpu Renewable Energy Co., Ltd.)	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
23. BRE Singapore Pte. Ltd.	Investment in renewable energy business	NA	17,110,001 USD	17,110,001	No par value*	100.00 (held by Banpu Renewable Energy Co., Ltd.)	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
24. Zouping Peak Pte. Ltd.	Investment in power business	NA	2 SGD 140,495,758 CNY	2 140,495,758	No par value*	100.00 (held by Banpu Power Investment Co., Ltd.)	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
Cayman Islands								
25. Pan-Western Energy Corporation LLC	Investment in power business	100,000 USD	100,000 USD	10,000,000	0.01	100.00 (held by Banpu Power Investment Co., Ltd.)	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	1 345 949 8066
Japan								
26. Banpu Japan K.K.	Investment in renewable energy business	NA	30,000,000 JPY	3,000	No par value*	100.00 (held by Banpu Renewable Energy Co., Ltd.)	Kasumigaseki Building, 33 rd Floor, 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo, Japan 100-6033	81 3 6205 4665
27. Banpu Power Trading G.K.	Energy trading	NA	100,000,000 JPY	NA	No par value*	100.00 (held by Banpu Renewable Singapore Pte. Ltd.)	Kasumigaseki Building, 33 rd Floor, 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo, Japan 100-6033	81 3 6205 4665
Vietnam								
28. BPP Vinh Chau Wind Power Limited Liability Company	Wind power production, power transmission and distribution	356,392,530,000 VND	330,922,790,000 VND	NA	No par value*	100.00 (held by BRE Singapore Pte. Ltd.)	No. 22 Bui Thi Xuan Street, Quarter 1, Ward 2, Soc Trang City, Soc Trang Province, Vietnam	849 0988 5015

Name	Type of Business	Authorized Capital	Paid-up Capital	No. of Paid-up Capital (shares)	Par Value per Share	% of Holding	Head Office	Telephone
Associated Companies								
Indonesia								
29. PT. ITM Banpu Power Co., Ltd.	Investment in power business	1,200,000,000,000 IDR	300,000,000,000 IDR	300,000	1,000,000	30.00 (held by Banpu Power Public Company Limited)	Pondok Indah Office Tower III, 3 rd Floor, Jalan Sultan Iskandar Muda Pondok Indah Kav V-TA, Jakarta Selatan, Indonesia	6221 29328100
Joint Ventures								
Thailand								
30. BLOP Power Ltd.	Power generation and sales	12,010,000,000 THB	12,010,000,000 THB	120,100,000	100	50.00 (held by Banpu Coal Power Co., Ltd.)	9 I-8 Road, Map Ta Phut Industrial Estate, Muang District, Rayong, Thailand	038 925 100
China								
31 Shanxi Lu Guang Power Co., Ltd.	Power generation and sales	1,745,818,000 CNY	1,500,000,000 CNY	NA	NA	30.00 (held by Banpu Power Investment Co., Ltd.)	Songcun Town, Zhangzi County, Changzhi City, Shanxi Province, P.R.China	(86355) 8580511
Lao PDR								
32 Hongsa Power Co., Ltd.	Power generation and sales	927,000,000 USD	927,000,000 USD	92,700,000	10	40.00 (held by Banpu Power Public Company Limited)	NNN Building 4 th Floor, Room No.D5 Bourichan Road, Phonsinouane Village, Sisattanak District, Vientiane Capital, Lao PDR	856 (0) 2122 483
33 Phu Fai Mining Co., Ltd.	Mining concession	50,000 USD	50,000 USD	5,000	10	37.50 (held by Banpu Power Public Company Limited)	NNN Building 4 th Floor, Room No.D5 Bourichan Road, Phonsinouane Village, Sisattanak District, Vientiane Capital, Lao PDR	856 (0) 2122 483
Singapore								
34 Aizu Energy Pte. Ltd.	Investment in renewable energy business	NA	17,630,952.87 USD 2,271,979,544.11 JPY	17,630,949 2,271,979,543	No par value*	75.00 (held by Banpu Renewable Energy Co., Ltd.)	8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981	65 6338 1888
Japan								
35 Digital Energy Solutions Corporation	Electricity sales and management	NA	50,000,000 JPY	5,000	No par value*	49.00 (held by Banpu Renewable Singapore Pte. Ltd.)	Kasumigaseki Building, 33 rd Floor, 3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo, Japan 100-6033	81 3 6205 4665
36 Global Engineering Co., Ltd.	Electricity sales and resource aggregator of virtual power plant (VPP)	NA	274,000,000 JPY	3,620,000	No par value*	19.90 (held by Banpu Renewable Singapore Pte. Ltd.)	Nishiko Living Kashii, 2 nd Floor, 1-1-1, Kashii, Higashi-ku, Fukuoka City, Fukuoka, Japan 813-0011	81 92 692 7547

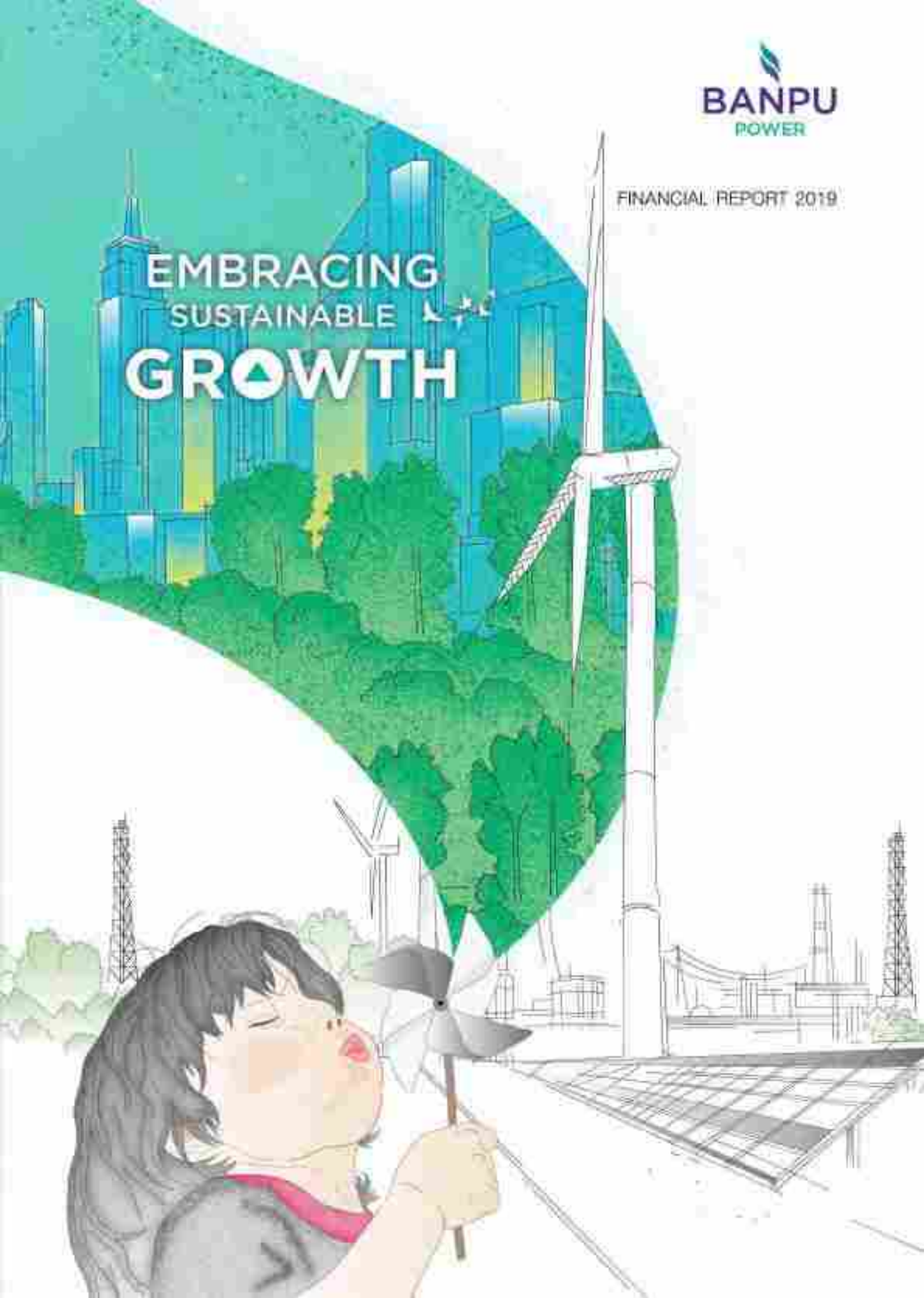
*Under Corporate Law



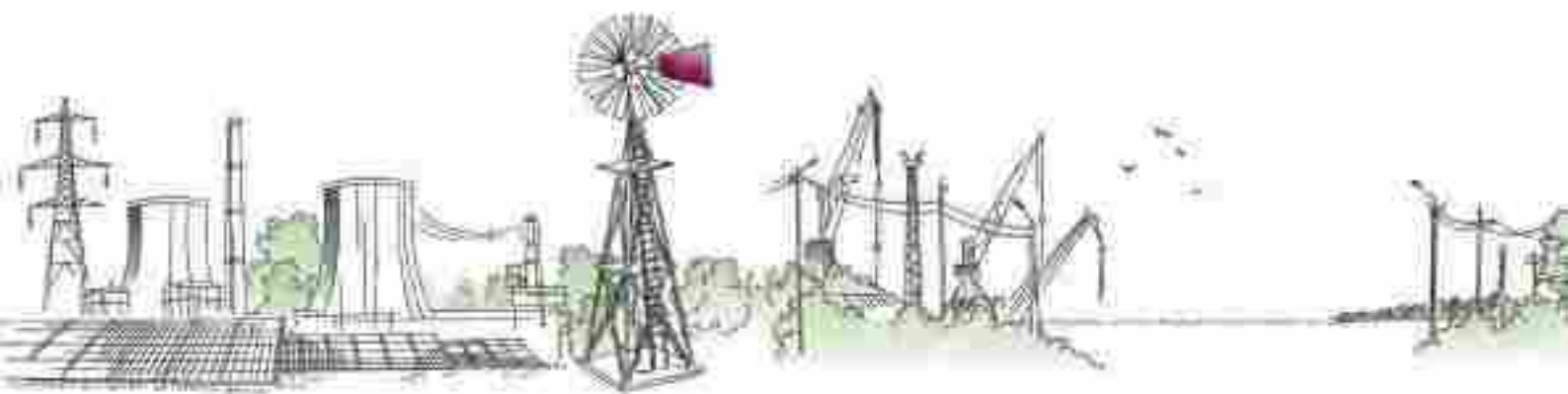
Batex Power Public Company Limited

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07430, USA
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EMBRACING SUSTAINABLE GROWTH



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REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of Directors has placed top priority on supervising the Company's operations to ensure their compliance with good corporate governance policy and overseeing the accuracy, completeness, and adequacy of financial statements and financial information appearing in the annual report. It also has a responsibility to ascertain that the financial statements are carefully prepared in strict compliance with Thai Financial Reporting Standards, which is based on the International Financial Reporting Standards. In addition, the Board of Directors must establish and maintain an effective internal control system to ensure the reliability of its financial statements. The Board has to safeguard the Company's assets with a good protection system to prevent corruption or suspicious operations. Connected transactions which can give rise to possible conflicts of interest are closely monitored to ensure that they are genuine transactions and are reasonably carried out based on the ordinary course of business for the Company's maximum benefits and in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its activities to the Board of Directors, and its opinions in the Audit Committee's Report are included in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been proved to be satisfactory. The Board was able to obtain reasonable assurance on the reliability of the consolidated financial statements as at 31 December 2019, which the auditor conducted an audit in accordance with Thai Standards on Auditing. The auditor is of the opinion that the financial statements present fairly the financial position and the results of its operations and cash flows in conformity with Thai Financial Reporting Standards.



(Assoc. Prof. Dr. Naris Chaiyasoot)
Chairman of the Board of Directors



(Mr. Sutee Sukruan)
Chief Executive Officer

REPORT OF THE AUDIT COMMITTEE TO SHAREHOLDERS

Dear Shareholders of Banpu Power Public Company Limited,

The Audit Committee of Banpu Power Public Company Limited consists of three independent directors who are competent and have relevant experience in finance and accounting, economics, risk management, engineering, and energy business as follows:

- | | |
|--------------------------------------|---------------------------------|
| (1) Mr. Yokpon Tantisawetthai | Chairman of the Audit Committee |
| (2) Assoc. Prof. Dr. Nant Chaiyasoot | Member of the Audit Committee |
| (3) Prof. Dr. Burin Eua-Aporn | Member of the Audit Committee |

Mrs. Chayrat Phumrangsri is the Head of the Internal Audit and the Secretary to the Audit Committee.

The Audit Committee is fully aware of its duties and responsibilities stipulated in the Audit Committee Charter as well as other duties entrusted by the Board of Directors with independence and in compliance with the Best Practice Guidelines for Audit Committee and the regulations of the Stock Exchange of Thailand. The Audit Committee underlines its commitment with the principles of good corporate governance, effective and efficient systems of risk management as well as internal control and internal audit to create sustainable value for the organization based on the Three Lines of Defense model.

The Audit Committee has encouraged and supported the Company to formulate Anti-Corruption Practice to create a transparent organization. Banpu Power also declared its intent to participate in Thailand's Private Sector Coalition Action Coalition Against Corruption (CAC) on 5 February 2018 and was certified as a CAC member on 4 November 2019. This demonstrates Banpu Power's determination to combat corruption in all its forms and improve corporate governance.

In 2019, the Audit Committee convened 10 times at which a quorum was established with the participation of the management, Internal Audit, and the external auditors on the related agenda. The Audit Committee also held a private meeting with the external auditors without the presence of the management. The results of the Audit Committee meetings were quarterly reported to the Board of Directors. The Audit Committee's main activities can be summarized as follows:

- 1. Review of Financial Statements:** The Audit Committee reviewed Banpu Power's quarterly financial statements and the 2019 annual financial statements on major issues, including related party transactions, transactions with a possible conflict of interest, and the appropriateness of accounting policies. The Committee also reviewed material accounts, significant changes in accounting and adjustment, accounting estimates, the disclosure of notes to the financial statements, and the external auditor's observations from the review and audit of the financial statements. The Audit Committee received sufficient explanations from external auditors, management, and related parties and ensured that the financial statements were prepared in compliance with laws and financial reporting standards. The disclosure of notes to the financial statements was accurate, sufficient, and timely for the benefit of investors and users of the financial statements.
- 2. Review of Internal Control and Internal Audit:** The Audit Committee quarterly reviewed the internal control system based on the report of internal audit results and the follow-up results of the Banpu Power Group. The Committee also conducted self-evaluation based on the Self-Evaluation Form formulated by the Office of the Securities and Exchange Commission (SEC). Overall, the Audit Committee concluded that Banpu Power had an adequate

appropriate, and effective internal control system which covered the corporate level as well as activity level.

The Audit Committee reviewed the Internal Audit Department's operation by approving the annual audit plan and budget. The Committee monitored internal audit results and performance of the department as well as the internal audit service provider (Banpu Public Company Limited, according to the Management Service Agreement). Moreover, the Committee provided advice and followed up the audit results against the audit plan by stressing preventive audit measures and monitoring prompt corrective action of significant issues. Internal Audit and Follow-up Results were regularly reported to the management. It is also reported to the Audit Committee on a quarterly basis.

Additionally, the Company educated employees about internal control on a regular basis and developed an electronic system and workflows to prevent errors and negligence of important duties.

3. **Review of Laws and Regulatory Compliance:** The Audit Committee reviewed the compliance of Banpu Power Group's businesses with applicable laws, rules, and regulations as well as policies. The Corporate Compliance Department is responsible for auditing and monitoring laws and regulatory compliance and regularly report compliance issues and monitoring results to the management and the Audit Committee. In addition, the Company reported risk management and internal audit results covering key compliance risks. In 2019, the Company developed Compliance Risk Management (C-RiM) application to oversee compliance risk of the Company and its subsidiaries in each country via an online system, and Laws In-Hand application is used to monitor recent laws and regulatory updates in all host countries of Banpu Power Group's businesses.
4. **Review of Related Party Transactions:** The Audit Committee reviewed related party transactions or transactions that may cause conflicts of interests between the Company, its subsidiaries, and other related parties to ensure that the transactions were carried out under fair conditions for the sake of the Company's and stakeholder's benefits and did not involve a transfer of interest. The transactions must also be fair and reasonable in compliance with the laws and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
5. **Oversight of Risk Management System:** The Audit Committee reviewed the efficiency and effectiveness of the risk management process and monitored key risks that may have posed threats to the Company's business operations. The Audit Committee also quarterly monitored the progress of the management of key risks and changing situations which affected the operations. The Audit Committee has reviewed the mitigation plan to be in place, emphasizing systematic and sustainable management which timely responds to rapidly changing business scenarios and trends. There is a clearly written policy on risk management as stipulated in the Risk Management Policy and the Charter of Risk Management Committee, which was approved by the Board of Directors. The Committee convenes regular meetings to assess risks. The Risk Management Policy was communicated to all units of Banpu Power, its subsidiaries and joint ventures with which they have to comply. In 2019, the Company formulated the Risk Appetite Statement Policy, covering strategic risk, financial risk, operational risk, and compliance risk, as a guideline for determining the appropriate risk tolerance for the Company's businesses and major activities to enhance risk management efficiency.

6. **The Appointment of the External Auditor and Determine the Audit Fee** The Audit Committee considered the selection of external auditors based on the evaluation criteria set by the Company based on independence, timeliness, quality, professional standard, and reasonable audit fees. As a result of review, the external auditor qualifications met the Stock Exchange of Thailand's requirements. The Audit Committee proposed the appointment of external auditors to the Board of Directors for consideration and for a further proposal to the general shareholders' meeting for approval. The following individuals of PricewaterhouseCoopers ABAC Ltd. (PwC) were appointed as the external auditors of Bangpu Power Public Company Limited for 2020:

- | | |
|----------------------------------|------------------------------|
| 1) Ms. Rodlart Banyitanasuead, | CRA License No. 8435; and/or |
| 2) Ms. Amornat Poomponnatanasuk, | CRA License No. 4599; and/or |
| 3) Mr. Pongchawee Ratanakoson, | CRA License No. 7790; and/or |
| 3) Mr. Vichien Khingmantri, | CRA License No. 3877 |

The total audit fee for 2020 was proposed at THB 1,737,961. Some of Bangpu Power's subsidiaries appointed external auditors from other audit offices that suit their businesses. In those cases, the Audit Committee is responsible for the supervision of the timely preparation of financial statements.

In summary, in 2019, the Audit Committee independently performed its duties and responsibilities as set forth in the Audit Committee Charter based on their knowledge, capabilities, and prudent consideration for the equitable benefit of the stakeholders. The Audit Committee is certain that Bangpu Power's financial statements were completed and were consistent with generally accepted accounting standards and principles, and there was adequate information disclosure. Bangpu Power's business conduct was in line with a sound corporate governance policy, and the Company had an appropriate risk management system as well as effective and adequate internal control and external audit systems. In addition, Bangpu Power properly complied with existing laws and regulations relevant to its business operations.

20 February 2019

On behalf of the Audit Committee



Mr. Yokporn Tantakachit
Chairman of the Audit Committee
Bangpu Power Public Company Limited

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Management Discussion and Analysis

Barpu Power has achieved total operating capacity of 2,247 MWe on equity basis from additional capacity total 109.44 MWe during 2019. The increased capacity comes from an acquisition of Jilin Solar Power Plant in China for 36.32 MW, Luannan Combined Heat and Power (CHP) Plant phase 2 expansion to increase flexibility during high demand period, which completed its construction for 52 MWe, Commercial Operation Date (COD) of Kurukawa Solar Power Plant in Japan for 15.9 MW and acquisition of 4 new solar farms in Japan total 5.32 MW. The company continue its progress in construction of projects in pipeline in order to secure COD of additional 4 projects which are Yabuki and Yamagata Solar Power Plant Projects in Japan, and also progressing on the construction completion of Shanshi Lu Guang (SLG) projects in China and wind project in Vietnam within and at the year.

In 2019, the company reported normalized profit of THB 5,191 million, excluded the FX translation loss of THB 222 million from the strong THB currency against USD. The reported EBITDA was THB 4,502 million or a decrease of 19% compare to previous year, mainly from lower contribution from our 2 joint ventures which are Hongxi and BLCF Power Plant.

The total revenue was THB 5,687 million, including revenue from China CHP plants of THB 4,790 million, 7 solar power plants in China of THB 735 million and additional revenue from new energy trading business in Japan start to contribute revenue in 4Q19 for THB 162 million. China CHP Plants performance remain quite stable, driven by strong demands from both industrial and residential users at Zhenyuan and Luannan CHP Plants, though slightly lower demand from our customers at Zouping CHP Plant. The softening domestic coal price environment support the cost reduction with average coal cost of 699 CNY/ton compare to 639 CNY/ton last year. Solar in China reported increase in power sold from additional capacity of Jilin Solar Power Plant and support by the favorable weather during the year. The company reported gross profit margin at 19%.

The share of profit from joint ventures was THB 3,673 million compared to THB 4,707 million last year or the decrease of 22%. Hongxi Power Plant reported share of profit at THB 2,922 million (included the unrealized translation loss of THB 170 million) compare to THB 3,416 million last year or a decrease of 17%. The decrease is mainly due to the unplanned outage caused by earthquake in the TDR that happened in November 2019, reflected in an EAF of 81%. However, the operations of all 5 units resumed back to normal and expected to generate stable earnings in the coming quarter. BLCF reported the share of profit of THB 845 million (included the unrealized translation loss of THB 13 million and deferred tax gain of 111 million) compare to THB 1,348 million last year or a decrease of 37%, mainly come from the declining of Availability Payment (AP) under PPA. The operation of BLCF still running smoothly with EAF reported at 94%. Solar business in Japan reported TK distribution amount THB 38 million.

This year the company also achieved its new capacity growth target from 4.3 GWe to become 5.3 GWe within 2025, with its strategy to continue seeking for investment opportunities focusing on strategic countries with strong demand growth and support by government policy. In addition, the amalgamation of its renewable business with energy technology group under Barpu Group, its parent company to create new flagship company as Barpu NEXT, could expand its potential expansion to capture growth opportunities for both saved-kind energy generation business and also greener business with innovative new energy technology to serve future energy consumption.

2. Group Performance Analysis

The analysis and explanation of Bangu Power Group performance for the year ended 31 December 2019 and 2018:

Consolidated Statement of Income for the year ended 31 December 2019 and 2018

(Unit: Million Baht)

Consolidated financial performance	2019	2018	Change	
			Amount	%
Sales	5,857	5,322	535	10%
Cost of sales	(4,608)	(5,051)	442	9%
Gross profit	1,248	1,271	(23)	-2%
Administrative expenses	(1,749)	(1,229)	520	42%
Share of profit from an associate and joint ventures	3,975	4,707	(732)	-15%
Other income	454	(43)	497	214%
Other financial costs	(288)	(329)	41	-12%
Profit before income taxes	3,207	4,146	(939)	-23%
Income taxes	(204)	(200)	4	2%
Profit for the year	3,003	3,946	(943)	-24%
Owners of the company	2,969	3,915	(946)	-24%
Non-controlling interests	34	30	4	13%
Basic earnings per share (unit: Baht)	0.973	1.250	(0.277)	-22%

Net profit for 2019 reported at THB 2,969 million, decreased by THB 946 million compared to 2018, was mainly a decrease of profit arising from Bangu Power and Ptubli arising from operating performance in overall, and a decrease of profit sharing from BCP aligned with a decrease of revenue structure under a Power Purchase Agreement. This included a decrease of power and steam sales from CHP plants with slightly higher of power sales volume compared to the prior year.

2.1 Sales, Cost of sales and Gross profit

Sales represented electricity, steam and other sales of 3 CHP plants, solar power plants in China and also sales from new energy trading business in Japan.

Sales reported at THB 5,857 million, a net decrease of THB 535 million of 10% compared to 2018, was from a decrease of sales from CHP plants at THB 817 million whereas an increase from solar power plants in China at THB 40 million and from energy trading business in Japan of THB 142 million. Details were described as follows:

Items	Power Sales (\$Mn)		Steam & Others Sold (Million Tonnes)		Average Power tariff (THB/MWh)		Average Steam & Others Price (THB/Tonnes)	
	2019	2018	2019	2018	2019	2018	2019	2018
2x200MW CHP	423.49	418.11	0.94	0.71	0.33	0.34	104.18	100.83
Guangnan CHP	681.53	603.10	1.52	0.75	0.33	0.37	110.50	103.57
Zouping CHP	353.75	465.85	1.33	2.54	0.43	0.41	98.16	93.53
Total CHP Plant	1,458.78	1,487.06	3.80	4.11	0.36	0.37	104.27	101.80
Solar Power Plant	213.68	165.72	-	-	0.69	0.61	-	-

Combined Heat and Power (CHP) plants in China: Decrease THB 817 million

A decrease of sales from CHP plants compared to 2018 was derived from:

1. The effects of foreign exchange rate translation due to a depreciation of CNY currency against THB currency compared to 2018. This impact to sales revenue in THB currency when converted from revenue in CNY currency. Average exchange rate of CNY/THB in 2019 was THB 4.45 (2018: THB 4.88).
2. A decrease of steam sales volume and others 0.51 million tonnes, and a decrease of an average price per tonne was CNY 0.13. Average price of steam sales and others per tonne was CNY 101.87 (2018: CNY 101.60).
3. An increase of power sales volume 4.08 GWh, while a decrease of average power tariff by CNY 0.01 per kWh. An average power tariff was CNY 0.36 per kWh (2018: CNY 0.37 per kWh).

Solar power plants in China: Increase THB 40 million

An increase of sales from solar power plants in China compared to 2018 was net result of an increase of sales volume of 28.16 GWh from a new solar power plant in 2018. An average power tariff per kWh was CNY 0.83 (2018: CNY 0.81). Weather conditions supported operation better than prior year. The effects of foreign exchange rate translation was as mentioned in the other topic of CHP plants in China.

Energy trading in Japan : Increase THB 142 million

An increase of THB 142 million derived from sales volume of 35 GWh from a new energy trading business in Japan started during 4Q18.

Cost of sales: Decrease 9%

Cost of sales was THB 4,609 million, decreased by THB 442 million or 9% compared to 2018, mainly was from a decrease of coal production volume by 0.3 million tonnes, also a decrease of average coal cost, main fuel. Average coal cost was CNY 595 per ton (2018: CNY 633 per ton), decreased by CNY 40 per ton compared to 2018. In addition, a decrease was from the effects of foreign exchange rate translation caused by the depreciation of CNY currency against THB currency as above mentioned.

Gross profit: Decrease 15%

Gross profit reported at THB 1,016 million, decreased by 15% from 2018. This was a result of net impact from a decrease of CHP plants' revenue and more coal cost saving. Whereas, there were an increase from solar power plants and energy trading business and an impact from a depreciation of CNY currency against THB currency.

Administrative expenses: Decrease 42%

Administrative expenses of THB 1,749 million, increased by THB 520 million or 42% compared to 2018 was mainly from professional & consultant fees and project development expense for business expansion in Vietnam and Japan.

Unit: million Baht

Items	Total sales sharing		Increase/Decrease	
	2018	2019	Absolut	%
BLCP	840	1,540	700	+83%
HPC & PFMC	2,232	1,419	(813)	-37%
BL&L (Under construction)	94	(18)	(112)	-119%
Hosting Company for Solar Power in Japan	18	35	17	+95%
Hosting Company for Solar Power in Indonesia	14	(8)	(22)	-157%
Total	3,073	4,787	1,714	+56%

Share of profit from joint ventures and associates

An increase of profit sharing from joint ventures and associates by THB 1,094 million or 22% compared to 2018 was from a decrease of profit sharing from Hongsa Power and Phutai of THB 595 million. This was due to the effects of foreign exchange rate translation of THB 154 million and a decrease of operating profit by THB 442 million, mainly was from unplanned outage caused by the earthquake during Q219 in order to inspect and repair damaged equipment. Presently, Hongsa power plant has resumed its normal operation. A decrease of profit sharing from SUCP of THB 500 million is according to its revenue structure under a power purchase agreement, including an increase of interest expense and corporate income tax rate under condition of BOI promotion certificate. Solar business in Japan also reported share of profit total THB 10 million.

Other income

Other income of THB 484 million was composed of:

1. Interest income of THB 140 million.
2. Management fee income of THB 167 million, mainly was fees charged to related companies and joint ventures.
3. Pipeline connecting fee income charged to new steam customers of CHP plants in China of THB 81 million.
4. Government subsidy for steam sales of THB 175 million.
5. Profit distribution received from investments in solar Japan under TS (TOKUMEI KUMEI) agreement of THB 20 million.
6. Gain from solar power business acquisition in China (Kongin) of THB 10 million.
7. Net loss on exchange rate of THB 222 million was mostly from unrealized loss on exchange rate from loan to subsidiary and dividend receivable at the end of the year caused by an appreciation of USD currency against THB currency compared to last year. Average exchange rate of USD/THB as at 31 Dec 2019 was 31.0476 (31 Dec 2018: 32.3105).
8. Other income of THB 80 million consisted of ash & slag sales from CHP plants of THB 41 million, and others of THB 39 million.

Interest expenses and finance cost

Interest expenses and finance cost of THB 268 million, increased by THB 63 million mainly from an addition of borrowing principal from financial institutions or subsidiaries in China during this year.

Corporate income tax: Decreased 30%

Corporate income tax of THB 204 million, decreased by THB 89 million compared to 2018 was from:

1. an increase of corporate income tax of THB 4 million in accordance with higher operating profits from solar power plant businesses in China that paid tax under condition of tax privileges structure compared to prior year;
2. an increase of deferred income tax liability of THB 21 million from an impact of time difference of profit recognition period between tax and accounting principal for recognition of pipeline connecting fee income from CHP plants in China that charged to new steam customers;
3. a decrease of deferred income tax asset of THB 114 million was from a reversal entry of deferred tax assets recognized since prior year.

Net profit for the year ended 31 December 2019 reported at THB 2,965 million, decreased by THB 844 million from the previous year.

Basic Earnings per Share Reported at THB 13.73 (2018: THB 1.250)

3. Statement of Consolidated Financial Position

Statement of Consolidated Financial Position as of 31 December 2019 in comparison with Statements of Consolidated Financial Position as of 31 December 2018:

(Unit : Million Baht)

Items	Financial Position		Increase/(Decrease)	
	31-Dec-19	31-Dec-18	Amount	%
Assets	48,808	51,566	(2,758)	-5%
Liabilities	8,942	10,385	(1,443)	-13%
Equity	39,816	41,181	(1,365)	-3%

3.1 Total assets of THB 48,808 million, a decrease of THB 2,758 million compared to the 31 December 2018 were mainly described as follows:

(Unit : Million Baht)

Financial Position	Assets		Increase/(Decrease)	
	31-Dec-19	31-Dec-18	Amount	%
Cash and cash equivalents	3,345	1,442	1,903	132%
Short-term investments	3,326	104	3,222	3101%
Trade accounts receivable and note receivable	1,150	1,069	(81)	-7%
Current portion of dividend receivable from related parties	-	330	(330)	-100%
Other current assets	1,074	366	708	193%
Total current assets	8,895	4,228	4,667	110%
Dividend receivable from related parties	639	6,907	(6,268)	-91%
Investments in an associate and joint ventures	20,545	21,246	(701)	-3%
Other investments, net	3,759	4,154	(395)	-9%
Property, plant and equipment, net	11,386	12,232	(846)	-7%
Other non-current assets	3,030	2,300	730	31%
Total non-current assets	39,909	47,338	(7,429)	-16%
Total assets	48,808	51,566	(2,758)	-5%

- Cash and cash equivalents of THB 3,345 million, increased by THB 1,903 million or 132% (See explanation in # 4 Consolidated Statement of Cash Flow).
- Short-term investments of THB 3,326 million, increased by THB 3,222 million, mainly was fixed deposits with financial institutions in accordance with cash management of the Group and aimed to receive higher yields.

(Unit : Million Baht)

Dividend receivable from related parties	Financial Position		Increase/(Decrease)	
	31-Dec-19	31-Dec-18	Amount	%
Current portion of dividend receivable from related parties	-	330	(330)	-
Dividend receivable from related parties	639	6,907	(6,268)	-
Total	639	7,237	(6,598)	-

- Current and non-current portions of dividend receivables from related parties totaling of THB 632 million, decreased by THB 5,494 million, was due to receipts such dividend receivables from a domestic power plant joint venture during the year.
- Investment in joint ventures and an associate of THB 20,545 million, decreased by THB 701 million or 3% was from additional investment in solar power business in Japan, Indonesia and China of THB 550 million, THB 13 million and THB 659 million, respectively. Also there was a reclassification of advance for project development to be investment in a joint venture of THB 150 million. Profit sharing recognized from joint ventures of THB 3,200 million. Net with the effects of foreign exchange rate translation at the end of period of THB 445 million, dividend declaration of THB 2,047 million and a decrease from the impacts of New Thai Financial Reporting Standard No. 15 "Revenue from contracts with customers" that was effective in 2019 total of THB 216 million.
- Other investments of THB 9,799 million, decreased by THB 665 million. This was a net impact from an increase of investments of THB 484 million in solar power plants in Japan under form of TS (TOKUMITSU KUMAI) agreement and capital refund of THB 447 million from the induced debt to equity portion under condition of project financing of Kurpeswa project (Goudou Kalatia Woodlake) and resale of THB 169 million of Hiocharia project (Goudou Kalatia Chivengy) because the counter party was unable to follow conditions under the agreement. Also there was a decrease from the effects of foreign exchange rate translation at the end of period by THB 244 million.
- Net property, plant and equipment of THB 11,395 million, decreased by THB 535 million was from additions of machinery and equipment of GHP plants of THB 786 million, business acquisition of solar power business in China of THB 588 million, net with disposal of THB 18 million, depreciation charges for the year of THB 667 million and a decrease from the effects of foreign exchange rate translation at the end of period of THB 1,125 million.
- Other non-current assets of THB 2,005 million, increased by THB 127 million was mainly from an increase in accrued subsidy income from solar power plants in China of THB 487 million. Net with a decrease from an amortization of land used right and right in long-term power purchase agreement during the year of THB 71 million, a decrease in impairment of solar power plants from using credit set during the year of THB 70 million, a decrease from reclassification of advance for project development in Japan to be investment in joint ventures of THB 160 million and a decrease of other tax assets of THB 68 million, mainly from the effects of foreign exchange rate translation at the end of period.

3.2 Total liabilities of THB 8,992 million, decreased by THB 1,393 million or 13% compared to total liabilities as of 31 December 2018 with details mainly described as follows:

(in Million Baht)

Financial Position	Liabilities		Variance(Increase)	
	31-Dec-19	31-Dec-18	Amount	%
Short-term loans from financial institutions	897	1,190	(293)	-25%
Trade accounts payable	997	841	(156)	-13%
Current portion of long-term loans from financial institutions and finance lease liabilities	1,118	1,079	39	4%
Other current liabilities	1,422	1,540	(118)	-8%
Total current liabilities	3,444	4,750	(1,306)	-28%
Long-term loans from financial institutions, net	5,029	5,465	(436)	-8%
Other non-current liabilities	119	128	(9)	-7%
Total non-current liabilities	5,148	5,593	(445)	-8%
Total liabilities	8,592	10,343	(1,751)	-17%

- Short-term loans from financial institutions of THB 887 million, decreased by THB 230 million was from additional loans of THB 3,262 million, net with repayment of THB 3,594 million. And a decrease from the effects of foreign exchange rate translation at the end of period of THB 50 million, mainly was from loan in CNY currency because of depreciation of CNY currency against THB currency. Average exchange rate of CNY/THB as of 31 Dec 2019 was 4.3141 (31 Dec 2018: 4.7237).
- Current portion of long-term loans from financial institutions of THB 1,125 million, an increase of THB 50 million or 5% was a net result of reclassification from non-current portion of THB 1,110 million (including net from and fee) additions from financial lease of THB 60 million and repayment of THB 1,038 million. Also it decreased from the effects of foreign exchange rate translation at the end of period of THB 33 million as a result of a depreciation of CNY currency against THB currency.
- Long-term loans from financial institutions of THB 5,029 million, a decrease of THB 435 million or 9%, was from additional loan THB 732 million (including net from and fee), net with reclassification to current portion of THB 1,110 million. Also, a decrease from the effects of foreign exchange rate translation at the end of period of THB 105 million that mainly from loan in CNY currency because of depreciation of CNY currency against THB currency.
- Other current liabilities of THB 1,432 million, a decrease of THB 410 million mainly was from a decrease of advances received from down residential customers of GHP plants in China of THB 90 million. In addition, a decrease of assets purchased payables of GHP plants and solar power plants in China by THB 252 million including a decrease of accrued expense THB 50 million from payment during the period.

3.3 Shareholders' equity of THB 39,616 million, a decrease of THB 1,365 million compared to shareholders' equity as of 31 December 2018 was due to:

Financial Position	Equity		Increase/Decrease	
	31-Dec-19	31-Dec-18	Amount	%
Owners of the parent	29,979	40,410	(1,221)	(3%)
Non-controlling interests	737	771	(34)	(4%)
Total equity	39,616	41,181	(1,365)	(3%)

- An increase of THB 2,269 million from net profit of 2019.
- An increase of THB 5 million from reserve for share-based payment.
- A decrease of THB 34 million from non-controlling interests.
- A decrease of THB 468 million from changes in fair value of hedged financial instruments.
- A decrease of THB 1,549 million from loss on foreign exchange translation of subsidiaries' financial statements.
- A decrease of dividend payment of THB 1,365 million.
- A decrease from the impacts of new Thai Financial Reporting Standard No. 15 "Revenue from contracts with customers" that was effective in 2018 total of THB 215 million.

Net debt to equity ratio as of 31 December 2019 from consolidated financial statements was 0.01 times (31 December 2018: 0.15 times).

4. Statements of Consolidated Cash Flows

Statement of consolidated cash flow for the year ended 31 December 2012 recorded an increase of net cash flow by THB 1,000 million (included the effect from exchange rate translation) (loss of THB 100 million from 31 December 2011). The consolidated cash flows were as follows:

	Unit: Million Baht
Cash flow	Consolidated
Net cash used in operating activities	(626)
Net cash receipts from investing activities	5,256
Net cash receipts from (used in) financing activities	(2,630)
Net increase in cash and cash equivalents	2,000
Exchange differences on cash and cash equivalents	(130)
Cash and cash equivalents at beginning of the year	1,441
Cash and cash equivalents at end of the year	3,343

4.1 Net cash outflow from operating activities of THB 626 million with major items as follows:

- Collection from sales of power and steam of THB 3,672 million.
- Payment to suppliers and contractors of THB 3,837 million.
- Payment of interest expense of THB 275 million.
- Payment of corporate income tax of THB 192 million.

4.2 Net cash inflow from investing activities of THB 5,256 million with major items as follows:

- Receipts of dividends from joint ventures and investment in solar power plants in Japan of THB 10,261 million.
- Receipts from restricted deposits THB 49 million.
- Receipts for short-term investment of THB 1,560 million.
- Receipts from short-term loan to related parties of THB 36 million.
- Payment for machine, equipment, and project in progress of THB 1,668 million.
- Additional investments in power business in China, solar power business in Japan of THB 1,142 million.
- Payment for virtual power plant business of THB 346 million.
- Payment for short-term investment of THB 4,611 million.
- Payment for short-term loan to related parties of THB 133 million.
- Receipts from interest income of THB 80 million.

4.3 Net cash outflow from financing activities of THB 2,630 million comprised of:

- Receipts from short-term and long-term loans from financial institutions of THB 4,036 million.
- Repayment of short-term and long-term loans from financial institutions of THB 4,662 million.
- Payments for dividend of THB 1,000 million.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Bangpu Power Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Bangpu Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company (separately), in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under these 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 Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: impairment assessment of investment in a subsidiary. This matter was 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 this matter.

Key audit matter	How my audit addressed the key audit matter
Impairment assessment of investment in a subsidiary Refer to Note 13 Investments in subsidiaries, associates and joint ventures, the Company has an investment in Bangsi Coal Power Ltd., a subsidiary whose principal business is to invest in a business of generation and sales of electricity under a long-term power purchase agreement. The cost of investment in the subsidiary in the separate statement of financial position was Baht 5,922 million. As at 31 December 2018, the cost of investment in this subsidiary presented in the separate financial statements was higher than its net equity value. Management considered this as an impairment indicator of investment in the subsidiary and therefore performed impairment testing on the investment by applying the value-in-use model in the calculation of recoverable amount. This model involves management's significant judgments with respect to the future operating results of business, projected cash flows and discount rate to be applied to the projected cash flows. Since the subsidiary invests only in a coal-fired power plant in Thailand, therefore, the management applied the value-in-use model based on the projected cash flow of such coal-fired power plant. Key assumptions applied in the value-in-use model are electricity tariff, assumed capacity of the power plant, growth rate, expected changes to spending expenditures, and the discount rate to be applied to the projected cash flows. As a result of management's impairment testing, the recoverable amount of this investment is higher than the carrying value. Therefore, the Company did not recognise an impairment of investment in the subsidiary in the 2018 separate financial statements. I focused on the value of the investment in the subsidiary which invests in a coal-fired power plant in Thailand because the subsidiary's carrying book value is significant and the determination of value-in-use depends on a number of assumptions. Those assumptions involve management's significant judgments in assessing the feasibility of future business plans.	I carried out the following procedures to assess the impairment testing of the investment in a subsidiary which invests in a coal-fired power plant in Thailand which prepared by the management: - Assessed the appropriateness of management's identification of the indicators for impairment of investment in a subsidiary. - Held discussions with the management to understand the basis for assumptions applied to the cash flow projections. - Challenged management's significant assumptions applied in the impairment testing of investment in a subsidiary, especially the electricity tariff, assumed capacity of the power plant, growth rate, spending expenditures and discount rate. My procedures included comparing those assumptions to the underlying agreements, external sources, foreign exchange rate forecasts and the approved business plan. - Assessed reasonableness of the business plan by comparing the 2019 plan with actual results. - Assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry to see whether the discount rate applied by management was within the acceptable range. As a result of the procedures performed, I noted that the key assumptions applied by management in the assessment of the recoverable amount were reasonable and consistent with supporting evidence.

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities 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 scepticism 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 the directors;
- Conclude on the appropriateness of the directors' 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 the audit committee 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 the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, 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.

PricewaterhouseCoopers (PwC) Ltd.



Anonwat Puangpoorn-Thanabul
Certified Public Accountant (Thailand) No. 4584

Bangkok

20 February 2020

STATEMENT OF FINANCIAL POSITION

Sungu Power Public Company Limited

As at 31 December 2019

Shs'000

		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	8	3,042,710	1,442,073	1,237,232	902,400
Restricted deposits at financial institutions	3	-	52,012	-	-
Short-term investments	10	3,026,347	103,001	2,238,438	-
Trade accounts receivable and note receivables	11	1,136,482	1,566,400	-	-
Amounts due from related parties	27	6,744	16,041	830,321	328,348
Current portion of dividend receivables from related parties	27	-	330,700	-	330,000
Advances to related parties	27	38	105	30,662	21,900
Short-term loans to related parties	27	86,235	2,003	-	2,290
Fuel		380,808	418,185	-	-
Spare parts and supplies, net		35,139	38,662	-	-
Other current assets	12	542,464	417,558	12,351	4,930
Total current assets		8,896,504	4,236,621	5,218,122	1,518,504
Non-current assets					
Dividend receivables from related parties	27	600,031	6,002,690	548,054	7,000,029
Advances to related parties	27	-	181,738	-	-
Long-term loans to related parties	27	-	-	7,489,867	8,172,724
Investments in subsidiaries	18	-	-	21,420,104	17,400,722
Investments in associates and joint ventures	18	20,044,727	21,246,055	13,116,776	10,703,254
Other investments	14	3,738,736	4,153,080	-	-
Property, plant and equipment, net	15	11,835,521	12,211,641	2,063	2,292
Deferred income tax assets, net	16	634,286	621,180	2,898	8,284
Goodwill		38,343	47,104	-	-
Rights to operate the power plants, net		189,845	212,815	-	-
Other non-current assets	17	2,236,980	1,649,882	150,007	122,667
Total non-current assets		38,909,169	47,337,509	43,741,061	45,937,221
Total assets		48,805,672	51,574,130	48,959,183	47,455,725

The notes on the consolidated and separate financial statements on pages 17 to 32 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Sinpu Power Public Company Limited

As at 31 December 2019

BMY002

		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2019	2018
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	18	688,030	1,384,877	-	323,000
Trade accounts payable		338,547	680,823	-	-
Amounts from and amounts due to related parties	27	62,057	7,535	8	4
Current portion of long-term loans:					
from financial institutions, net	25	1,081,173	1,072,838	896,761	894,872
Financial lease liabilities, net		85,435	-	-	-
Income tax payable		35,481	35,925	-	-
Other current liabilities	19	1,315,096	1,798,949	31,816	41,223
Total current liabilities		3,543,305	4,701,060	728,265	1,055,299
Non-current liabilities					
Long-term loans from financial institutions, net	25	5,020,083	5,465,568	3,800,861	4,367,488
Deferred income tax liabilities, net	16	68,660	84,347	-	-
Financial derivatives liabilities		2,728	-	2,728	-
Employee benefit obligations		47,005	34,525	47,405	32,518
Total non-current liabilities		5,148,484	5,593,925	3,736,051	4,418,308
Total liabilities		8,691,839	10,394,985	4,464,916	5,473,607

The notes to the consolidated and separate financial statements on pages 57 to 80 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

Bangpu Power Public Company Limited

As at 31 December 2019

Baht/1000

		Consolidated financial statements		Separable financial statements	
	Notes	2019	2018	2019	2018
Liabilities and equity (Cont.)					
Equity					
Share capital	21				
Registered share capital					
5,154,402,000 ordinary shares of Baht 10 each		51,044,020	51,044,020	51,044,020	51,044,020
Issued and paid-up share capital					
30,510,217 ordinary shares of Baht 10 each		30,510,217	30,510,217	30,510,217	30,510,217
Premium on share capital	21	7,221,389	7,221,389	7,221,389	7,221,389
Surplus from business combination under common control		(1,370,421)	(1,370,421)	-	-
Reserve for share-based payment	25	37,407	35,620	37,407	35,620
Retained earnings					
Accumulated					
- legal reserve	22	1,581,200	1,581,200	1,581,200	1,581,200
Unappropriated		6,705,128	6,144,336	6,714,243	2,542,696
Other components of equity		14,395,357	(2,301,688)	12,189	-
Owners of the Company		89,075,348	60,408,650	73,662,272	41,660,119
Non-controlling interests		737,285	771,460	-	-
Total equity		90,812,633	61,180,110	73,662,272	41,660,119
Total liabilities and equity		49,807,472	51,526,190	49,117,197	47,153,726

The notes to the consolidated and separable financial statements on pages 27 to 82 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Baidu Power Public Company Limited

For the year ended 31 December 2018

(Burmese)

Consolidated financial statements Separate financial statements

	Notes	2018	2017	2016	2015
Sales		5,637,010	6,322,203	-	-
Cost of sales		(4,608,372)	(5,051,162)	-	-
Gross profit		1,028,637	1,271,041	-	-
Dividend income from a subsidiary and joint ventures	27	-	-	4,285,432	3,528,435
Dividend income from other investments	33	19,579	10,486	-	-
Management fee and others		555,911	371,528	29,799	24,341
Interest income		135,636	55,276	380,163	205,409
Administrative expenses		(1,749,280)	(1,229,346)	(902,038)	(485,725)
Indemnity payment		-	(900,888)	-	(900,880)
Net gains (losses) on exchange rate		(221,988)	19,241	(187,709)	41,361
Interest expenses		(275,329)	(220,956)	(141,830)	(86,302)
Other financial costs		(12,607)	(7,718)	(8,417)	(7,770)
Share of profit (loss) associates and joint ventures	13	3,673,075	4,766,875	-	-
Profit before income taxes		3,205,824	4,144,797	3,560,594	2,372,064
Income taxes	16	(204,080)	(280,726)	1,817	(112,365)
Profit for the year		3,000,544	3,864,071	3,562,411	2,259,699
Other comprehensive income (expense), net of taxes:					
Items that will not be reclassified to profit or loss					
- Share of other comprehensive incomes of associates and joint ventures accounted for using the equity method	13	(12,438)	-	-	-
- Remeasurements of post-employment benefit		-	(11,718)	-	(10,380)
Less income tax relating to other comprehensive income (expense)		-	2,328	-	2,156
Total items that will not be reclassified to profit or loss, net of taxes		(12,438)	(9,390)	-	(8,224)
Items that will be reclassified to profit or loss					
- Losses on cash flow hedge reserve		(2,720)	-	(2,725)	-
Less income tax relating to other comprehensive income (expense)		545	-	545	-
- Share of other comprehensive income (expense) of associates and joint ventures accounted for using the equity method	13	(802,975)	(93,730)	-	-
- Translation differences		(1,282,842)	(765,051)	-	-
Total items that will be reclassified to profit or loss, net of taxes		(2,162,792)	(858,381)	(2,180)	-
Other comprehensive expense for the year, net of taxes		(2,175,230)	(767,751)	(2,180)	(8,224)
Total comprehensive income for the year		825,312	3,106,320	3,560,231	2,251,475

The notes to the consolidated and separate financial statements on pages 27 to 60 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

(Saysu Power Public Company Limited)

(For the year ended 31 December 2019)

(Baht/000)

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit attributable to:					
Owners of the Company		2,968,882	3,812,688	3,382,711	3,199,097
Non-controlling interests		51,703	36,470	-	-
		<u>3,020,585</u>	<u>3,849,158</u>	<u>3,382,711</u>	<u>3,199,097</u>
Total comprehensive Income (expense)					
attributable to:					
Owners of the Company		361,812	3,158,328	3,390,631	3,199,310
Non-controlling interests		(54,252)	(7,245)	-	-
		<u>307,560</u>	<u>3,151,083</u>	<u>3,390,631</u>	<u>3,199,310</u>
Earnings per share (Baht)					
Basic earnings per share	28	0.373	1.250	1.298	0.723
Diluted earnings per share	28	0.373	1.250	1.298	0.723

The notes to the consolidated and separate financial statements on pages 37 to 62 are an integral part of these financial statements.

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Minimizing Excesses of the Economy

CMV seropositivity of study

[illegible]

The study by the investigators may indicate a potential influence of serum α -fetoprotein (AFP) levels on the prognosis of patients with HCC. AFP levels ≥ 100 ng/ml were found to be associated with poor prognosis in patients with HCC [10].

STATEMENT OF CASH FLOWS

Sung Power Public Company Limited

For the year ended 31 December 2018

(Bath Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2018	2017	2018	2017
Cash flows from operating activities					
Profit for the year before income taxes		3,330,324	4,164,797	2,950,934	2,312,564
Adjustment to reconcile profit for cash receipts					
(Income) from operations					
- Depreciation and amortization		612,667	(625,302)	779	714
- (Reversal) provision for slow moving					
of spare parts and supplies		(7,481)	19,106	-	-
- Interest income		(130,838)	(82,278)	(380,660)	(205,400)
- Interest expenses		270,530	220,935	141,635	24,162
- Other financial costs		12,607	7,775	8,417	7,775
- Share of profit from associates and joint ventures	18	(3,673,070)	(4,700,076)	-	-
- Dividend income from subsidiaries and joint ventures	27	-	-	(4,380,402)	(3,326,426)
- Dividend income from other investment	14	(75,578)	(10,486)	-	-
- Losses on write-off other investment	14	2,504	-	-	-
- Net gains on disposal of property, plant and equipment		(525)	(1,302)	(34)	(2)
- Write-off property, plant and equipment	10	17,757	60,676	-	-
- Share-based payments	23	4,787	3,650	4,237	3,088
- Net unrealized (gain) losses on exchange rate		119,709	(70,914)	584,180	(84,867)
Cash flow before changes in working capital		411,995	162,239	(874,676)	(1,340,737)
Changes in working capital (net of effects from acquisition and disposal of subsidiaries)					
- Trade accounts receivable and note receivables		396,600	(716,474)	-	-
- Amounts due from related parties		13,060	(3,501)	2,385	5,814
- Advances to related parties		181,808	14,018	(6,302)	(16,867)
- Fuel and spare parts		57,740	(2,749)	-	-
- Other current assets		107,831	(106,341)	(5,773)	(86)
- Other non-current assets		(461,441)	(324,103)	(27,240)	(22,842)
- Trade accounts payable		(295,680)	72,664	-	-
- Advances from and amounts due to related parties		54,527	3,688	2	4
- Employee benefits obligation		12,420	(1,348)	10,006	(8,450)
- Other current liabilities		(872,168)	(10,700)	(6,010)	(4,502)
Cash used in operating		(155,340)	(557,546)	(906,621)	(1,395,893)
- Interest paid		(278,045)	(201,573)	(145,166)	(82,124)
- Income tax paid		(162,512)	(248,920)	0	(7,306)
Net cash used in operating activities		(626,298)	(760,039)	(881,607)	(1,477,189)

The notes to the consolidated and separate financial statements on pages 27 to 30 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Baidu Power Public Company Limited

For the year ended 31 December 2019

(RMB'000)

		Consolidated financial statements		Separate financial statements	
	Notes	2019	2018	2018	2018
Cash flows from investing activities					
Cash receipts from short-term investments		1,379,717	550,058	577,401	—
Cash payments for short-term investments		(9,811,681)	(518,478)	(4,312,558)	—
Cash receipts from restricted deposits at financial institutions		78,194	38,534	—	—
Cash payments for restricted deposits at financial institutions		(25,707)	(89,550)	—	—
Cash receipts from short-term loans to related parties	27	36,228	—	3,220	265,029
Cash payments for short-term loans to related parties	27	(132,678)	(2,715)	(1,000)	(2,294)
Cash receipts from long-term loans to related parties	27	—	—	2,440,127	718,538
Cash payments for long-term loans to related parties	27	—	—	(1,889,508)	(1,992,498)
Cash payments for addition of investments in subsidiaries	12	—	—	(4,319,332)	—
Cash payments for addition of investments in an associate and joint ventures	13	(384,888)	(327,771)	(12,323)	(8,881)
Cash payments for purchase of investment in an associate	13	(315,833)	—	—	—
Cash payments for purchase of other investments	14	(483,732)	(1,053,867)	—	—
Cash receipts from decrease of other investment	14	441,734	—	—	—
Net cash payments for business combination		(215,234)	(83,308)	—	—
Cash payments for purchase of property, plant and equipment		(1,046,630)	(1,295,227)	(502)	(1,310)
Cash receipts from disposal of property, plant and equipment		603	2,028	30	97
Interest received		79,772	14,214	255,535	64,969
Cash receipts from dividends from other investments	14	(3,579)	19,456	—	—
Cash receipts from dividends from subsidiaries and joint venturer		10,891,130	3,106,402	11,148,808	5,111,318
Net cash receipts from investing activities		8,258,529	270,631	4,810,889	2,152,548

The notes to the consolidated and separate financial statements on pages 37 to 52 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Baidu Power Public Company Limited

For the year ended 31 December 2018

(RMB'000)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Cash flows from financing activities:					
Cash receipts from short-term loans from financial institutions		3,552,235	5,174,489	1,745,000	1,865,314
Cash payments for short-term loans from financial institutions		(2,593,088)	(4,283,601)	(2,000,000)	(5,115,472)
Cash receipts from long-term loans from financial institutions	22	774,485	4,110,258	-	3,000,000
Cash payments for long-term loans from financial institutions	22	(1,087,652)	(284,928)	(700,000)	-
Cash payment for finance lease payable		(80,357)	-	-	-
Cash payments for other financial costs		(1,130)	(8,448)	(1,130)	(8,448)
Cash receipts from the exercise rights to purchase the Company's ordinary shares under BPP-W and BPP-CSOP		-	3,234	-	3,234
Dividend paid to shareholders	25	(1,885,154)	(1,830,532)	(1,885,154)	(1,830,532)
Net cash receipts from (used in) financing activities		(2,829,588)	770,432	(3,001,300)	(200,956)
Net increase in cash and cash equivalents		2,035,137	365,024	1,164,892	424,448
Exchange differences on cash					
and cash equivalents		(100,408)	(44,942)	-	-
Cash and cash equivalents at beginning of the year		1,442,070	1,129,187	832,465	208,003
Cash and cash equivalents at end of the year		3,342,715	1,442,974	1,787,357	632,451
Significant non-cash transactions:					
Other payables for purchase of property, plant and equipment		458,140	715,450	44	-
Transfer advances for project development of power plants to other investments	14	-	205,801	-	-
Transfer other investments to other receivables	14	100,639	-	-	-
Purchase consideration for business acquisition					
- Other payables from business acquisition		85,746	90,347	-	-

The notes to the consolidated and separate financial statements on pages 37 to 50 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. General information

Bangpu Power Public Company Limited (the Company) is a public company which incorporated and resident in Thailand. The address of the Company's registered office is 1550, Thanapoom Tower 25th Floor, New Petchburi Road, Mueangmai, Ratchathewi, Bangkok.

The Company is listed on the Stock Exchange of Thailand. For reporting purpose, the Company and its subsidiaries are referred to as the Group.

The Company is a subsidiary of Bangpu Public Company Limited (the Parent) who holds 76.27% of the Company's shares.

The Group is engaged in investments in power businesses in Thailand and overseas.

These consolidated and separate financial statements were authorized by Board of Directors on 20 February 2020.

2. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRSs) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to use certain critical accounting estimates and to exercise its judgment in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas that are more likely to be materially affected due to changes in estimates and assumptions are discussed in Note 3.

An English version of the consolidated and separate financial statements has been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 New and amended financial reporting standards are effective for annual periods beginning on 1 January 2019

Commencing from 1 January 2019, the Group adopted new and amended financial reporting standards effective for annual periods beginning on or after 1 January 2019 and relevant to the Group. The adoption of these standards do not have significant impact on the Group except TFRS 15 "Revenue from contracts with customers" which is disclosed in Note 3.

2.2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020. The Group has not yet adopted those standards.

(a) Financial Instruments

The new financial standards relate to financial instruments are:

IAS 32	Financial Instruments: Presentation
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 18	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

The Group's management is currently assessing the final impact of adoption of these standards.

(b) IFRS-16, Leases

When the Group is a lessee, IFRS-16/ Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception of short-term and low-value leases.

The Group's management is currently assessing the final impact of adoption of this standard.

2.3 Group accounting - Investments in subsidiaries, associates and joint arrangements

2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable intangible assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportional share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquiree's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intra-company transactions, balances and unrealised gains or transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the Group's subsidiaries is shown in Note 12.

2.3.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3.3 Disposal of subsidiaries

When the Group ceases to have control it shall cease to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2.3.4 Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the varying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of the period for which the financial statements in the previous period are comparatively prepared in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements, while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus from business combination under common control" in equity and is derecognised when the investment is disposed and transferred to retained earnings.

2.3.5 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting.

A list of the Group's associates is shown in Note 15.

2.3.6 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method in the consolidated financial statements.

A list of the Group's principal joint arrangements is shown in Note 15.

2.3.7 Accounting under the equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates and joint ventures includes goodwill identified on acquisition.

If the ownership interest in associates and joint ventures is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from a reduced ownership interest in associates and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investments in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3.9 Separate financial statements

In the separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration adjustments. Cost also includes direct attribution costs of investment.

A test for impairment of investments in subsidiaries, associates and joint ventures are carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Euro, which is the Company's functional currency and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill arising after 1 January 2013 and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

2.6 Trade accounts receivable and notes receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts. Bad debts are recognised in the profit or loss after administrative expenses.

Notes receivable are notes received from customers that are issued by financial institutions from sales of electricity and steam from subsidiaries in the PRC and the Republic of China in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.7 Fuel and spare parts

Fuel and spare parts which are not met conditions of property, plant and equipment are stated at cost less allowance for obsolescence and defective.

Cost of fuel and spare parts are determined by the weighted average method. Fuel comprises coal and diesel.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of fuel and spare parts, such as import duties and transportation charges, less all attributable discounts and allowances. Allowance for obsolete, slow-moving and defective spare parts are reviewed on a specific case.

2.8 Accounting for derivative financial instruments and hedging activities

The Group recognises derivative financial instruments at fair value on the date a derivative financial instrument contract is entered into and subsequently re-measured to their fair value. Changes in fair value of any derivative financial instrument that does not qualify for hedge accounting are recognised in profit and loss, within "net gains (losses) from financial derivatives".

When the Group applies hedge accounting, which is appropriate based upon the specific criteria in accordance to hedging, the impact of recording the derivatives is offset to the extent that the hedging relationship is effective. If a hedge is designated and qualified as a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognised in other comprehensive income and amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged items affects profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. If a hedge is designated and qualified as a fair value hedge, changes in the fair value of derivative financial instruments are recorded in profit or loss, together with any changes in fair value of the hedged items that are attributable to the hedged risk.

2.9 Other investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into three categories: 1) held-to-maturity, 2) available-for-sale and 3) general investments. The classification depends on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with a fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
- Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequently, all plant and equipment are stated at historical cost less accumulated depreciation and allowance for impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

Assets of the Company and subsidiaries

Power plants and components of power plants	30 years
Building and building improvements	5 to 30 years
Machinery and equipment	10 to 30 years
Furniture	3 to 5 years
Office equipment and tools	3 and 5 years
Motor vehicles	5 years

Assets of joint ventures

Land improvement	10 years or according to lease agreement period
Components of power plants	The shorter of power purchase agreement period or estimated useful lives
Building and building improvements	10 to 25 years
Machinery and equipment	5 to 25 years
Furniture	5 years
Office equipment and tools	3 to 5 years
Motor vehicles	3 and 5 years

The assets, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gain and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the profit or loss.

2.11 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture or associated undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position. Goodwill on acquisitions of interests in joint ventures or associates is included in interests in joint ventures and investments in associates and is tested for impairment as part of the overall business.

Separately recognised goodwill is tested annually for impairment and carried at not less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gain and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

2.12 Intangible assets**2.12.1 Computer software**

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed 5 years.

2.12.2 Rights to operate the power plants

The rights to operate the power plants arising on acquisition of subsidiaries are amortised over the periods of estimated useful life of the power plants.

2.13 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Long-term leases

The determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement, and not merely the legal form. It requires an assessment of whether (a) the fulfilment of the arrangement is dependent on the use of specific assets and (b) the arrangement conveys a right to use such assets.

If the arrangement is a lease or contains a lease, payments and other consideration required by the arrangement shall be separated into those for the lease and those for other elements (e.g. for services and the cost of inputs) on the basis of their relative fair values. The lease element of the arrangement shall be classified as a finance lease or an operating lease.

Leases - where the Group is the lessee

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Long-term leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.15 Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Employee benefits

The Group operates various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

Defined contribution

The Group operates a provident fund that is funded by payments from employees and by the relevant Group companies which are managed by trustees. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to the provident fund are charged to the profit or loss in the year in which they are due.

Furthermore, the Group contributes to a monthly defined contribution retirement benefit plan administered by the government of the Peoples Republic of China. The relevant government agencies undertake to assume the retirement benefit obligation payable to all existing and future retired employees under this plan and the Group has no further obligation for post-retirement benefits beyond the contributions made. Contributions to this plan are recognised as an expense in profit or loss when incurred.

Retirement benefits

Employees are entitled to receive benefits reaching normal retirement age under the labour law applicable in Thailand and those countries in which the Group operates, or such other date of retirement as may be agreed between the Group and employees. Retirement benefits depend on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the interest rates of government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement of gains and losses arising from experienced adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Post-service costs are recognised immediately in profit or loss.

2.17 Share-based payment

The Company operates a number of equity-settled, its share-based compensation plans, under which the Company receives services from employees as consideration for its equity instruments (warrants). The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the warrants granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- Excluding the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of warrants that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Company revises its estimates of the number of warrants that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the warrants are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of warrants over its equity instruments to the employees of the Parent is treated as a distribution to owner both in the consolidated and separate financial statements and recognised directly to equity at fair value of the warrants as of the grant date.

2.18 Provisions

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

2.19 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Revenue recognition

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sales of electricity and steam not under finance lease agreements

Sales of electricity and steam from Power Purchase Agreement and Steam Purchase Agreement will be recognised upon transmission of electricity and steam at delivery points stipulated in the Purchase Agreement. Revenue are recognised with nettable value net of output tax, credits and discount.

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Interest income

Interest income is recognised using the effective interest method.

2.22 Dividends

Dividends distribution to the Group's shareholders is recognised as a liability in the consolidated and separate financial statements in the period in which the dividends are approved by the shareholders. Interim dividends are approved by the Board of Directors.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer is the chief operating decision-maker, responsible for allocating resources, assessing performance of the operating segments, and making strategic decisions.

2.24 Group accounting policies for joint ventures' business operations other than above accounting policies

2.24.1 Long-term leases

Leases - where the Group operates as the lessee:

Leases in which a significant portion of risks and rewards of ownership are retained by the lessee are classified as finance lease. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance lease income (interest income from finance leases) is recognised over the term of the lease using the net interest method, which reflects a constant periodic rate of return.

Leases in which a significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term.

2.24.2 Revenue recognition

Service income under finance lease agreements:

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

Service income under finance lease agreements related to the Power Purchase Agreements is recognised when the services have been rendered. Service income comprises income in relation to the availabilities of the power plants as agreed with the Electricity Generating Authority of Thailand (EGAT) and in accordance with terms of the Power Purchase Agreements, i.e. servicing income and fuel cost reserved from lessee with respect to the leased assets. If the considerations exceed the services rendered, a contract liability is recognised. On the other hand, if the considerations less than the services rendered, a contract asset is recognised.

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

3. Change in accounting policies

The Group has adopted the new Thai Financial Reporting Standards 15, "Revenue from contracts with customers" (TFRS 15) from 1 January 2019 under the modified retrospective approach and the comparative figures have not been restated. The Group did apply practical expedients as it relates to completed contracts and contract modifications allowed by TFRS 15.

Joint ventures of the Group principally generate revenue from finance lease income and service income under the Power Purchase Agreements with the Electricity Generating Authority of Thailand (EGAT). The adoption of TFRS 15 mainly affects the accounting treatment on revenue recognition of service income under Power Purchase Agreement in relation to the availabilities of the power plants, as agreed with the EGAT and in accordance with terms of the Power Purchase Agreements. The service income is recognised over time as the services rendered. If the considerations exceed the services rendered, a contract liability is recognised. On the other hand, if the considerations less than the services rendered, a contract asset is recognised.

The impact of adoption of this new standard is as follows:

(Bath000)

Consolidated financial statements			
	As at 31 December 2018 Previously reported	Adjustment	As at 1 January 2019 Restated
Investments in associates and joint ventures	21,245,305	(214,537)	21,030,768
Retained earnings – Unappropriated	6,144,356	(214,532)	5,929,824

The following tables show the amounts by each financial statements line item in the current year from the adoption of the new revenue standard compared to the previous revenue standards

(Bath000)

Consolidated financial statements			
As at 31 December 2018			
Statement of financial position	Balance as reported	Impacts from TTPS 1/5	Balance under the previous revenue standards
Investments in associates and joint ventures	20,644,727	186,146	20,729,873
Retained earnings – Unappropriated	6,706,126	(186,146)	6,520,274

(Bath000)

Consolidated financial statements			
For the year ended 31 December 2019			
Statement of comprehensive income	Balance as reported	Impacts from TTPS 1/5	Balance under the previous revenue standards
Share of profit from associates and joint ventures	3,673,076	(29,391)	3,643,685
Profit for the year	3,002,841	(29,391)	2,973,450
Total comprehensive income for the year	627,805	(29,391)	598,414
Profit attributable to:			
Owners of the Company	2,965,932	(29,391)	2,936,541
Total comprehensive income attributable to:			
Owners of the Company	591,812	(29,391)	562,421
Basic earnings per share (Bath)	0.975	(0.015)	0.960
Diluted earnings per share (Bath)	0.975	(0.015)	0.960

4. Financial risk management

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by a central treasury department under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

4.1.1 Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange rate risk arising from various currency exposures, primarily with respect to US Dollar, Japanese Yen and Chinese Yuan. The Group does not use forward foreign exchange contracts and currency swap contracts to hedge their exposure to foreign exchange rate risk in connection with their measurement currency.

4.1.2 Interest rate risk

The Group manages interest rate risk by closely monitoring the trend of interest rates in the world's markets as well as in Thailand. The Group allocates its debt portfolio in either short and long term cashflows or loans with fixed and floating interest rates corresponding to their types of investments. The Company has chosen financial instruments to create an alternative source of funding and to manage its financial structure globally in country in which it invests. For example, interest rate swaps are being used to manage the proportion of fixed interest rates necessary to meet the market trends.

4.1.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of goods and services are made to customers with an appropriate credit history. Derivative counter parties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

4.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group Treasury aims at maintaining flexibility in funding by keeping credit lines available.

4.2 Fair value

The Group recognises financial liabilities at fair value which are hedging financial instruments for interest rate swap contracts. As at 31 December 2019, the Group recognised financial derivative liabilities within level 2 of the fair value hierarchy amounting to THB 2.73 million.

5. Critical accounting estimates, assumptions and judgments

The Group makes estimates and assumptions concerning the future. The results of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

5.1 Fair value and useful lives of intangible assets acquired from business combination

The fair value estimates of these intangible assets acquired from business combination, which is the right to operate the power plant, is based on valuation techniques. The valuation models require significant judgments and assumptions made by the management. Key assumptions used for the valuation includes electricity tariffs, assumed capacity of the power plants, profit growth rates, expected changes to operating expenditures, capital structure and discounted rate. The management must also make assumptions about the useful life of the acquired intangible assets.

5.2 Impairment assessment of investments in subsidiaries, associates, and joint ventures

The Group tests the impairment of investments in subsidiaries, associates, and joint ventures when events or changes in circumstances would indicate that the carrying value of the investment is higher than its recoverable amount by applying the value-in-use model. The value-in-use model involves management's significant judgments with respect to the future operating results of the business, projected cash flows, and the appropriate discount rate to be applied to the projected cash flows. Key assumptions applied in the value-in-use model are electricity tariffs, the assumed capacity of the power plants, growth rate, expected changes to operating expenditures, and the discount rate to be applied to the projected cash flows.

5.3 Allowance for doubtful accounts

The assessment of the allowance for doubtful accounts involves management's judgment to estimate the collectible accounts receivable based on the historical collection, aging of receivables and current economic situation.

6. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

7. Segment information – Consolidated financial statements

The Group has one operating segment which is power business. Therefore, the Group presents the segment information based on geographical segment and considers the net profit (loss) from operating before interest expense and income taxes for each segment.

The segment information are as follows:

(Euro'000)

	Consolidated financial statements							
	Power business							
	Finland's Republic of China	Turkey	Lat Viggo's Democratic Republic	Japan	Rest of the	Total	Finland's owner	Total
For the year ended								
31 December 2019								
Sales	5,545,375	-	-	141,738	-	5,687,010	-	5,687,010
Cost of sales	(4,478,949)	-	-	(110,928)	-	(4,609,878)	-	(4,609,878)
Gross profit	1,066,330	-	-	7,807	-	1,074,137	-	1,074,137
Gross profit margin (%)	19%	-	-	5%	-	19%	-	19%
Share of profit (loss) from associated and joint ventures	(4,885)	520,962	2,302,269	18,176	(4,289)	2,822,073	-	2,822,073
Administrative expenses	(105,893)	-	-	(167,558)	(298,815)	(1,092,000)	-	(1,092,000)
Interest income	147,400	-	-	88	409,221	605,709	(467,146)	138,633
Profit (loss) from operating before interest expenses and income taxes	607,366	520,962	2,302,269	(160,606)	166,637	4,366,330	(467,146)	3,799,184
Others	-	-	-	-	-	-	-	(54,344)
Net losses on exchange rate	-	-	-	-	-	-	-	(221,085)
Interest expenses	-	-	-	-	-	-	-	(375,330)
Income taxes	-	-	-	-	-	-	-	(204,083)
Non-controlling interests	-	-	-	-	-	-	-	(33,908)
Profit for the year: - owner of the Company	-	-	-	-	-	-	-	2,965,052
Total segmented assets	17,170,910	2,701,527	14,651,142	1,449,087	-	35,345,535	(45,167)	35,694,712
Total unallocated assets	-	-	-	-	-	-	-	15,112,970
Total assets	-	-	-	-	-	-	-	49,807,672
Timing of revenue recognition:								
Point in time	5,545,375	-	-	141,738	-	5,687,010	-	5,687,010
Total revenue	5,545,375	-	-	141,738	-	5,687,010	-	5,687,010

RMB'000

Consolidated financial statements

	Year business						Disposal income	Total
	People's Republic of China	Thailand	Laos People's Democratic Republic	Japan	Head office	Total		
For the year ended:								
31 December 2018								
Sales	6,322,309	-	-	-	-	6,322,309	-	6,322,309
Cost of sales	(5,091,162)	-	-	-	-	(5,091,162)	-	(5,091,162)
Gross profit	1,231,147	-	-	-	-	1,231,147	-	1,231,147
Gross profit margin (%)	20%					20%		20%
Share of profit (loss) from an associate and joint ventures	(13,435)	1,229,592	3,419,094	30,512	(2,742)	4,785,979	-	4,785,979
Administrative expenses	(629,055)	-	-	(115,050)	(223,754)	(967,859)	-	(967,859)
Indemnity payment	-	-	-	-	(900,885)	(900,885)	-	(900,885)
Interest income	100,349	-	-	42	243,705	343,996	(385,718)	55,278
Profit (loss) from operating before interest expenses and income taxes	749,026	1,229,592	3,419,094	(84,496)	(983,459)	4,509,758	(385,718)	4,217,513
Others								128,898
Net gain on exchange rate								22,247
Interest expenses								(200,365)
Income taxes								(997,739)
Non-controlling interests								(39,400)
Profit for the year - owner of the Company								2,812,898
Total unallocated assets	16,554,399	4,352,748	14,688,112	(517,575)	-	36,321,343	658,296	37,480,078
Total unallocated assets								14,064,034
Total assets								51,544,112

Major customers

During the year ended 31 December 2018, revenues from three major customers of approximately CNY 704.70 million or equivalent to THB 3,187.57 million represented 55.70% of the Group's total revenues 2018; revenues from three major customers of approximately THB 807.55 million or equivalent to THB 3,583.87 million represented 62.51% of the Group's total revenues.

Revenue reported in segment information for the year ended 31 December 2018 was disaggregated under Thai Accounting Standard 18, "Revenue". Consequently, disaggregated revenue for the current and comparative year cannot be comparable. However, the comprehensive disaggregated revenue information is disclosed in Note 2.

8. Cash and cash equivalents

Unit: RMB

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash in hand	270	284	5	5
Deposits held at call with banks	2,342,482	1,442,695	787,327	632,445
Fixed deposits with banks	1,000,000	-	1,000,000	-
Total cash and cash equivalents	3,342,710	1,442,979	1,792,332	632,450

As at 31 December 2019, the interest rates on deposits held at call with banks were 0.05% to 1.15% per annum (31 December 2018: 0.50% to 1.30% per annum).

As at 31 December 2018, the interest rate on fixed deposit with bank was 1.10% per annum (31 December 2018: none). This fixed deposit has an original maturity within three months.

9. Restricted deposits at financial institutions

As at 31 December 2019, the Group has no restricted deposits at bank (31 December 2018: restricted deposits at bank amounting to CNY 11.01 billion or equivalent to THB 53.01 million represent deposits held at bank as reserve for issuing of Bank Acceptance Bills for a subsidiary in the People's Republic of China).

10. Short-term investments

Consolidated financial statements

As at 31 December 2019, the Group has investment in bonds due within one year amounting to THB 235.44 million bearing interest at the rates of 1.70% to 3.21% per annum and fixed deposits at financial institutions in Thailand amounting to THB 3,000 million bearing interest at the rates of 1.25% to 1.50% per annum and fixed deposits at financial institutions in the People's Republic of China amounting to CNY 21 million or equivalent to THB 92.61 million bearing interest at the rates of 2.50% to 2.80% per annum and matures within 180 days (31 December 2018: fixed deposits at financial institutions in the People's Republic of China amounting to CNY 22 million or equivalent to THB 103.02 million bearing interest at the rates between 2.80% to 3.30% per annum and matures within 180 days).

Separate financial statements

As at 31 December 2019, the Company has investment in bonds due within one year amounting to THB 235.44 million bearing interest at the rates of 1.70% to 3.21% per annum and fixed deposits at financial institutions in Thailand amounting to THB 3,000 million bearing interest at the rates of 1.25% to 1.50% per annum and matures within 180 days (31 December 2018: none).

11. Trade accounts receivable and note receivables

As at 31 December, trade accounts receivable and note receivables consist of:

(RMB'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable – third parties	1,094,215	1,349,437	-	-
Note receivables	82,154	18,063	-	-
Total trade accounts receivable and note receivables	1,100,449	1,360,400	-	-

Note receivables represent note receivables from sales of power and steam of enterprises in the People's Republic of China which are issued by a financial institution to guarantee the possessors to get money on the maturity date of note receivables. Note receivables are non-interest bearing.

Trade accounts receivable and note receivables are aged as follows:

(RMB'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade accounts receivable and note receivables under credit term	883,280	823,097	-	-
Trade accounts receivable due for payment				
- Less than 3 months	281,165	325,800	-	-
- Over 3 months but less than 6 months	-	113,009	-	-
- Over 6 months but less than 12 months	-	-	-	-
- Over 12 months	-	-	-	-
Total trade accounts receivable and note receivables	1,155,445	1,260,400	-	-

12. Other current assets

Other current assets consist of:

(RMB'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Prepaid expenses	37,225	30,960	3,410	3,640
Advances for prepayment	37,068	34,030	-	-
Accrued interest income	4,608	942	4,401	-
Value-added tax receivables	293,325	300,813	208	199
Prepaid income tax	25,036	10,214	4,356	1,283
Other receivables	187,536	51,457	-	-
Total other current assets	542,454	407,952	12,365	4,390

During the year ended 31 December 2018, the Group transferred other receivables amounting to RMB 347,80 million or equivalent to total 1,000 million to other receivables as disclosed in Note 18.

13. Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are as follows:

Barrow

	Consolidated financial statements (Fairly method)		Separate financial statements (Cost method)	
	2019	2018	2019	2018
Subsidiaries				
Barpu Coal Power Ltd.	-	<1	5,921,887	5,921,887
Barpu Renewable Energy Co., Ltd.	-	<1	4,310,387	865,847
Barpu Power International Limited	-	-	(1,192,315)	(1,327,873)
Barpu Power (Japan) Co., Ltd.	-	-	4,815	4,810
Total investments in subsidiaries - cost method	-	-	21,428,704	17,433,722
Joint ventures				
BLDP Power Ltd.	8,089,171	8,089,171	-	<1
Hongru Power Company Limited	13,062,534	13,062,534	13,062,534	13,062,534
Phu Fai Mining Company Limited	536	536	536	536
Ava Energy Pte. Ltd.	872,304	788,118	-	-
Shann Le Guang Power Co., Ltd.	1,345,430	1,397,088	-	-
Digital Energy Solutions Corporation	4,528	5,128	-	-
Associates				
Pt. (TM) Barpu Power	22,408	2,684	22,408	2,684
Digital Engineering Co., Ltd.	315,683	-	-	-
Total investments in associates and joint ventures - cost method	22,453,177	21,553,625	13,113,778	13,103,258
Add Cumulative equity account of:				
investments in an associate and joint ventures:				
joint ventures	(1,808,480)	(137,240)	-	-
Total investments in associates and joint ventures	20,644,727	21,246,385	13,113,778	13,103,258

As at 31 December 2019, under the condition of loans for project finance of joint ventures, the Group pledged its investments in two joint ventures with a cost of USD 370.82 million, as collateral for loans from financial institutions. Of such joint ventures (31 December 2018), the Group pledged its investments in a subsidiary and three joint ventures with a cost of THB 12,210.75 million and USD 370.82 millions.

13.1 Changes in investments in subsidiaries, associates and joint ventures

Movements of investments in subsidiaries, associates and joint ventures for the years ended 31 December are as follows:

	Consolidated financial statements (Equity method)		Separate financial statements (Cost method)	
	2019	2018	2018	2017
Opening balance	21,245,555	18,392,943	20,512,976	20,504,265
Retrospective adjustments from changes in accounting policy (Note 2)	(214,537)	-	-	-
Opening balance after adjustment	21,031,018	18,392,943	20,512,976	20,504,265
Additions of investments	684,633	377,273	4,021,308	3,381
Purchase of investment	315,356	-	-	-
Dividend income from joint ventures	(4,447,101)	(2,392,069)	-	-
Add Share of profit from associates and joint ventures	3,621,276	4,760,978	-	-
Share of other comprehensive income (expense) from associates and joint ventures				
- Remeasurements of post-employment benefit	(12,439)	-	-	-
- Cash flow hedge reserve	(458,521)	(69,317)	-	-
- Translation differences	(345,354)	(16,681)	-	-
Closing balance	20,548,727	21,340,365	24,544,302	20,512,976

a) Additional investments

Consolidated financial statements

During the year ended 31 December 2019, additional investments are as follows:

The Group additionally invested in Alzu Energy Pte. Ltd., a joint venture, in the same proportion of shareholding, with a cost of JPY 660.00 million or equivalent to THB 154.10 million. The Group paid the whole amount for such shares.

The Group additionally invested in Shanh Lu Quang Power Co., Ltd., a joint venture, in the same proportion of shareholding, with a cost of CNY 157.25 million or equivalent to THB 657.57 million. The Group paid the whole amount for such shares.

The Group additionally invested in PT. ILM Banga Power, an associate, in the same proportion of shareholding, with a cost of USD 0.40 million or equivalent to THB 12.62 million. The Group paid the whole amount for such shares.

The Group purchases an investment in Global Engineering Co., Ltd., which is incorporated in Japan with the business objective of virtual power plant and power trading. The Group has a 19.90% shareholding of its registered share capital. The total amount of investment is JPY 1,143.96 million or equivalent to THB 315.67 million. The Group classified such investment as an investment in an associate as disclosed in Note 28.2 and paid the whole amount for such shares.

Separate financial statements

During the year ended 31 December 2019, additionally investments are as follows:

The Company additionally invested in Banpu Renewable Energy Co., Ltd, a subsidiary, in the same proportion of shareholding, with a cost of THB 3,354.74 million. The Company paid the whole amount for such shares.

The Company additionally invested in PT. ITM Banpu Power, an associate, in the same proportion of shareholding, with a cost of USD 0.40 million or equivalent to THB 12.52 million. The Company paid the whole amount for such shares.

The Company additionally invested in Banpu Power International Limited., a subsidiary, in the same proportion of shareholding, with a cost of USD 22 million or equivalent to THB 664.64 million. The Company paid the whole amount for such shares.

b) Group restructuring

At the Board of Directors' meeting on 25 October 2019, the Board of Directors approved the formation of a new company from the amalgamation between Banpu Renewable Energy Co., Ltd. (BRE), a direct subsidiary, and Banpu Infinergy Co., Ltd. (BPIN), a subsidiary of the Parent. The amalgamation of these companies is intended to rationalise and group all clean energy technology businesses under the Company and the Parent. The Company and the Parent entered into an Amalgamation and Shareholders Agreement on 31 October 2019. Under this agreement, the shares of the new company shall be allocated based on the fair value of BRE and BPIN to the Company and the Parent. As at 31 December 2019, the Company has been under the process of the amalgamation.

c) Dividend income from joint ventures

During the year ended 31 December 2019, dividend income from joint ventures in the consolidated financial statements represented the dividend income from BLP Power Limited, Hongsa Power Company Limited, Phu Fai Mining Company Limited and Aizu Energy Pte. Ltd. amounting to THB 2,001.99 million, THB 2,209.97 million, USD 7.13 million or equivalent to THB 221.34 million and JPY 50.07 million or equivalent to THB13.80 million, respectively (2018: dividend income from BLP Power Limited, Hongsa Power Company Limited and Phu Fai Mining Company Limited amounting to THB 1,050 million, THB 981.60 million and USD 11.06 million or equivalent to THB 360.47 million, respectively).

The Company has provided standby letters of credit, issued by commercial banks on behalf of the Company, amounting to THB 1,600 million and USD 22 million or equivalent to THB 663.39 million as a guarantee for lenders of Hongsa Power Company Limited (2018: amounting to THB 1,120 million and USD 22 million or equivalent to THB 713.90 million).

13.2 Investments in subsidiaries

List of subsidiaries of the Group is disclosed in Note 13.1.

As at 31 December 2019 and 2018, the group had the following subsidiary that has significant non-controlling interests as follows:

Name of company	Country	Business	Proportion of ordinary shares held by the Group (%)	Proportion of shares held by non-controlling interests (%)
Zouping Peak CHP Co., Ltd.	People's Republic of China	Power and steam production and trading	70.00	30.00

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for a subsidiary that has non-controlling interests that is material to the Group. The information below is the amount before inter-company eliminations.

Summarised statements of financial position

(RMB'000)

As at 31 December	Zouping Peak CHP Co., Ltd.	
	2019	2018
Current assets	706,027	932,712
Current liabilities	828,944	1,322,011
Current net assets	(122,917)	(389,299)
Non-current assets	2,589,581	2,304,343
Non-current liabilities	-	102,868
Non-current net assets	2,589,581	2,201,475
Net assets	2,466,664	1,812,176
Accumulated non-controlling interests	736,278	774,088

Summarised statements of comprehensive income

(RMB'000)

For the years ended 31 December	Zouping Peak CHP Co., Ltd.	
	2019	2018
Revenue	1,676,727	2,205,015
Profit before income tax	182,347	165,254
Income tax expense	(29,317)	(33,902)
Post-tax profit from continuing operations	153,030	131,352
Other comprehensive expense	(136,937)	(138,620)
Total comprehensive income (expense)	16,093	(7,268)
Total comprehensive income (expense) allocated to non-controlling interests	(13,772)	8,812
Dividend paid to non-controlling interests	-	-

Summarised statement of cash flows

(Sgd'000)

For the years ended 31 December	Deeping Peak CHP Co., Ltd.	
	2019	2018
Cash flow from operating activities:		
Cash generated from operations:	378,409	390,370
Interest paid	(31,507)	(36,024)
Income tax paid	(26,267)	(31,336)
Net cash generated from operating activities	318,015	327,615
Net cash used in investing activities	(145,370)	(157,222)
Net cash used in financing activities	(115,300)	(43,246)
Net increase/(decrease) in cash and cash equivalents	58,045	(19,553)
Cash and cash equivalents at beginning of the year	9,400	13,829
Exchange differences on cash and cash equivalents	(5,220)	(667)
Cash and cash equivalents at end of the year	95,225	9,400

13.3 Investments in associates and joint ventures

Set out below are the joint ventures, which are material to the Group. The joint ventures as listed below are held directly by the Group and has voting right in proportion of the ordinary shares.

Name of company	Country	Business	Measurement method	Percent of ownership interest	
				2019 %	2018 %
BLCP Power Ltd.	Thailand	Power production and trading	Equity method	80.00	80.00
Hongta Power Company Limited	Lao People's Democratic Republic	Power production	Equity method	40.00	40.00

Commitments and contingent liabilities in respect of joint ventures

As at 31 December, the Group has commitments relating to investment in joint ventures, as disclosed in Note 23.2.

Significant commitments in the ownership proportion of joint ventures of the Group are as follows:

(Mn Rmb)

	Consolidated financial statements	
	2019	2018
Letter of Guarantee	68	68
Commitments on significant contracts	15,230	17,521
Total	15,300	17,589

Summarised financial information for joint ventures

Set out below are the summarised financial information which are significant joint ventures and accounted for using the equity method.

Summarised statements of financial position

(Bath000)

As at 31 December	ELCP Power Limited		Hoksu Power Company Limited		Total	
	2019	2018	2019	2018	2019	2018
Current assets						
Cash and cash equivalents	4,865,228	55,700	5,085,721	8,386,011	10,050,949	8,546,711
Deposits at financial institutions						
used as collateral		5,300,960	1,914,635	2,140,697	1,914,635	8,041,655
Current portion of finance lease						
receivable, net	504,837	1,389,887	4,971,487	4,774,104	4,916,324	6,164,101
Other current assets	4,677,353	4,885,081	4,766,882	5,347,227	9,444,235	10,276,288
Total current assets	10,047,418	12,830,741	16,418,693	21,088,039	25,325,703	35,087,755
Non-current assets						
Finance lease receivable, net	8,101,085	8,347,944	74,295,533	88,274,261	62,436,801	89,322,209
Property, plant and equipment, net	2,838,519	3,029,052	3,989,963	3,441,238	6,809,322	8,520,901
Other assets	3,062,190	3,221,439	12,208,061	10,748,209	15,318,251	15,979,848
Total non-current assets	13,991,807	14,598,445	90,493,557	94,463,708	104,564,374	109,822,958
Current liabilities						
Current portion of long-term loans, net	1,534,665	1,289,731	8,087,954	5,585,274	7,622,619	6,869,325
Other current liabilities						
including trade payables	2,779,897	15,870,358	2,050,468	2,972,939	4,830,365	19,640,197
Total current liabilities	4,314,562	17,160,089	10,138,412	8,558,213	12,452,984	26,510,522
Non-current liabilities						
Long-term loans, net	19,029,718	986,581	62,000,949	88,652,981	75,250,865	70,768,823
Other liabilities	948,172	349,958	1,068,565	921,527	2,039,240	1,871,486
Total non-current liabilities	19,977,890	1,336,539	63,069,514	89,574,508	77,290,105	72,640,309
Net assets	5,417,191	4,334,117	33,210,726	38,125,317	45,572,614	44,477,424

Summarised statements of comprehensive income

(Summ)

	BLOP Power Limited		Hogus Power Company Limited		Total	
For the years ended 31 December	2018	2019	2019	2018	2018	2019
Sales and services	14,262,869	14,755,887	20,161,268	21,863,745	35,124,533	36,711,683
Cost of sales and services	(12,145,491)	(11,382,837)	(6,071,508)	(8,105,143)	(20,217,037)	(19,197,772)
Depreciation and amortisation	(2,999)	(114,441)	(88,872)	(87,472)	(102,871)	(181,913)
Interest income	54,500	66,116	749,088	137,074	800,946	193,700
Interest expense not included other finance cost	(416,391)	(175,454)	(4,780,232)	(5,231,428)	(5,710,923)	(5,436,360)
Net unrealised gains/losses on exchange rate	102,664	(74,735)	1,544,230	177,264	1,755,834	303,028
Profit before income tax	1,677,896	2,889,808	9,357,206	7,797,541	8,434,351	10,697,147
Income tax expense	(192,778)	(220,524)	-	-	(192,778)	(220,524)
Net profit	1,479,920	2,679,082	9,357,206	7,797,541	8,237,126	10,476,623
Other comprehensive income (expense)	(236,326)	(44,077)	(1,170,051)	423,278	(1,706,877)	(378,351)
Total comprehensive income	1,144,594	2,635,005	8,187,154	8,220,819	6,530,249	10,098,272
Dividends from joint ventures	4,003,966	2,100,300	5,304,360	2,454,000	9,128,306	4,554,000

The information above reflects the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures (and not the Group's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures.

(Summ)

	BLOP Power Limited		Hogus Power Company Limited		Total	
	2019	2018	2019	2018	2018	2019
Opening net assets	9,335,477	7,804,672	36,135,747	31,372,925	44,478,424	36,177,600
Retrospective adjustments from changes in accounting policy	(61,494)	-	(408,476)	-	(470,970)	-
Dividend paid	(4,003,966)	(2,100,300)	(5,304,360)	(2,454,000)	(8,028,990)	(4,554,000)
Profit for the year	1,479,920	2,679,082	9,357,206	7,797,541	8,237,126	10,476,623
Other comprehensive income (expense)	(236,326)	(44,077)	(1,170,051)	423,278	(1,706,877)	(378,351)
Closing net assets	5,417,124	8,239,877	35,842,366	36,139,747	40,009,809	44,479,424
Ownership percentage in joint ventures (%)	50	50	40	40	-	-
Interests in joint ventures	2,708,562	4,119,938	14,337,002	14,455,898	(8,825,538)	(18,605,736)
Impact of changes in functional currency of joint venture	82,311	82,911	218,053	218,053	298,364	298,364
Closing carrying value	2,791,505	4,202,149	14,555,055	14,673,951	(17,224,583)	(18,024,700)

Individually immaterial associates and joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method.

	Baht'000	
	Consolidated financial statements	
	2018	2017
Aggregate carrying amount of individually immaterial associates and joint ventures, which are accounted for using equity method	3,725,164	3,521,655
Aggregate amounts of the reporting entity's share of:		
Net profit	216,232	308,422
Other comprehensive expense	(176,891)	(52,542)
Total comprehensive income	38,341	255,880

13.4 List of subsidiaries, associates and joint ventures

Name of company	Country	Business	Percentage of direct shareholding	
			2018 %	2017 %
Direct shareholding				
Subsidiaries				
- Bangpu Coal Power Limited	Thailand	Investment in power	100.00	100.00
- Bangpu Renewable Energy Co., Ltd.	Thailand	Investment in renewable energy	100.00	100.00
- Bangpu Power International Limited	Republic of Mauritius	Investment in power	100.00	100.00
- Bangpu Power (Japan) Co., Ltd.	Thailand	Investment in renewable energy	100.00	100.00
Joint arrangement - joint venture				
- Hongsai Power Company Limited	Laos People's Democratic Republic	Power generation	40.00 ⁽¹⁾	40.00 ⁽¹⁾
- Phu Fai Mining Company Limited	Laos People's Democratic Republic	Mining concession	37.50 ⁽¹⁾	37.50 ⁽¹⁾
An associate				
- PT. (TM) Bangpu Power	Republic of Indonesia	Investment in power	30.00	30.00
Indirect shareholding				
1) Bangpu Coal Power Limited and a subsidiary and a joint venture are as follows:				
A subsidiary				
- Power Vietnam Co., Ltd.	Thailand	Investment in power	100.00	-
Joint arrangement - joint venture				
- BCP Power Limited	Thailand	Power production and trading	50.00 ⁽¹⁾	50.00 ⁽¹⁾

Name of Company	Country	Business	Percentage of direct shareholding	
			2019 %	2018 %
2) Sanyo Renewable Energy Co., Ltd.				
and subsidiaries and a joint venture are as follows:				
<u>Subsidiaries</u>				
- Sanyo Renewable Singapore Pte. Ltd. and a subsidiary, a joint venture and an associate are as follows:	Singapore	investment in renewable energy	100.00	100.00
<u>A subsidiary</u>				
- Sanyo Power Trading OK	Japan	Power trading	100.00	100.00
<u>Joint arrangement – joint venture</u>				
- Digital Energy Solutions Corporation	Japan	Power trading	49.00	35.00
<u>An associate</u>				
- Global Engineering Co., Ltd.	Japan	Virtual power plant and power trading	19.00	-
- Asia Energy Limited and a subsidiary	Hong Kong	investment in power	-	100.00
- Asia Energy (South) Limited	Hong Kong	investment in power	-	100.00
- GRE Singapore Pte. Ltd. and a subsidiary	Singapore	investment in renewable energy	100.00	100.00
- BPP Vinh Chau Wind Power Limited Liability Company	Socialist Republic of Vietnam	Wind power generation	100.00	100.00
- BPP Renewable Investment (China) Co., Ltd. and subsidiaries	People's Republic of China	investment in renewable energy	100.00	100.00
- Anhui Huizhou Renewable Energy Co., Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Weifang Tianhe Jieshan Comprehensive Energy Co., Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Congqing County Hanyuan Solar Power Generation Co., Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Anhui County Huhai PV Technology Co., Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Jiangxi Dayuan Energy-Saving Technology Co., Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Fochang Xingyu Solar Power PV Technology Co., Ltd.	People's Republic of China	Solar power generation	100.00	100.00
- Jiangxi Sun Electric Power Co., Ltd.	People's Republic of China	Solar power generation	100.00	-
- Sanyo Japan KK	Japan	investment in renewable energy	100.00	-
<u>JOINT SHAREHOLDING – JOINT VENTURE</u>				
- Asia Energy Pte. Ltd.	Singapore	investment in renewable energy	75.00	75.00

Name of company	Country	Business	Percentage of direct shareholding	
			2016 %	2014 %
(i) Baidu Power International Limited and subsidiaries and a joint venture are as follows:				
<u>Subsidiaries</u>				
- Baidu Power Investment Co., Ltd. and subsidiaries and a joint venture are as follows:	Singapore	Investment in power	100.00	100.00
<u>Subsidiaries</u>				
- Shilichuang Chengpeng Cogen Co., Ltd.	People's Republic of China	Power and steam production and trading	100.00	100.00
- Zouping Peak Pte. Ltd. and a subsidiary	Singapore	Investment in power	100.00	100.00
- Zouping Peak CHP Co., Ltd.	People's Republic of China	Power and steam production and trading	70.00	70.00
- Baidu Investment (China) Ltd. and subsidiaries	People's Republic of China	Investment in power	100.00	100.00
- Tangshan Baidu Heat & Power Co., Ltd.	People's Republic of China	Power and steam production and trading	12.00 ⁽ⁱ⁾	12.00 ⁽ⁱ⁾
- Baidu Power Trading (Shandong) Co., Ltd.	People's Republic of China	Power trading	100.00	100.00
- Baidu Power Trading (Hubei) Co., Ltd.	People's Republic of China	Power trading	100.00	100.00
- Pan-Walton Energy Corporation LLC and a subsidiary	Cayman Islands	Investment in power	100.00	100.00
- Tangshan Baidu Heat & Power Co., Ltd.	People's Republic of China	Power and steam production and trading	87.82 ⁽ⁱⁱ⁾	87.82 ⁽ⁱⁱ⁾
<u>Joint-arrangement – Joint venture</u>				
- Shandi Lu-Qiang Power Co., Ltd.	People's Republic of China	Power and steam production and trading	50.00 ⁽ⁱⁱ⁾	50.00 ⁽ⁱⁱ⁾

⁽ⁱ⁾ The ultimate controller of joint ventures of the Group has determined the management structure including strategic financial decision and operation which has voting right from the shareholders of the subsidiaries of each case. The Group classifies as investments in joint ventures.

⁽ⁱⁱ⁾ The Group holds (overseas) in Tangshan Beripu Heat & Power Co., Ltd., 100% of registered share by SINPU POWER INVESTMENT (CHINA) CO., LTD. and Pan-Walton Energy Corporation LLC in the proportion of 12.00% and 87.82%, respectively.

14. Other investments

Balance

	Consolidated financial statements		Separate financial statements	
	2018	2018	2018	2018
General investments – cost method				
Goudou Kaisha SPJ	¥10,251	¥12,268	-	-
Goudou Kaisha K&P	227,001	241,707	-	-
Goudou Kaisha YMG	817,511	848,179	-	-
Goudou Kaisha Smart Solar Japan 8	350,356	313,781	-	-
Goudou Kaisha Woodlake	592,005	1,033,077	-	-
Goudou Kaisha Univergy 100	331,039	352,111	-	-
Goudou Kaisha Smart Solar Japan 11	832,845	652,727	-	-
Goudou Kaisha Univergy 48	-	182,980	-	-
Goudou Kaisha Oka Photovoltaic				
Generation Plant	251,443	258,035	-	-
Goudou Kaisha J&A Energy	308,080	325,486	-	-
Renewable Japan Co., Ltd.	7,067	7,061	-	-
Goudou Kaisha Tensho Clean Energy	143,816	-	-	-
Goudou Kaisha Marpan Clean Energy	120,584	-	-	-
Goudou Kaisha Takao Clean Energy	35,742	-	-	-
Total other investments	3,798,736	4,103,080	-	-

Balance

	Consolidated financial statements
	General investments
For the year ended 31 December 2018	
Opening book value	2,765,147
Addition investments	1,009,557
Adjusted from transfer advances for project development of power plant	208,621
Transaction differences	35,375
Closing book value	4,103,080
For the year ended 31 December 2019	
Opening book value	4,103,080
Addition investments	433,762
Decrease investment	(441,734)
Write-off investment	(2,534)
Transfer to other localities	(150,528)
Transaction differences	(243,790)
Closing book value	3,798,736

During the year ended 31 December 2019, the Group had entered into the Tokushima Kureha ("TK") Investment Agreement to develop 9 new solar power plants projects in Japan, which are Goudou Kureha Tanzen Clean Energy, Goudou Kureha Munshi Clean Energy and Goudou Kureha Takeo Clean Energy totaling JPY 1,390.02 million or equivalent to THB 313.61 million (2018: 2 additional solar power plants projects totaling JPY 2,170.42 million or equivalent to Baht 624.40 million).

During the year ended 31 December 2018, the Group refunded investment cost from investment in Goudou Kureha Woodlase (Kurehawa) amounting to JPY 1,581.00 million or equivalent to THB 441.73 million since the project completed the borrowing from bank for operational use.

During the year ended 31 December 2019, the Group terminated an investment agreement of Goudou Kureha Clean Energy -> Kurehawa amounting JPY 838.12 million or equivalent to THB 123.46 million due to a delay and breach of obligations. Therefore, as at 31 December 2019, the Group has been going through a refund process for JPY 545.88 million or equivalent to THB 155.53 million until the agreed period. The Group will make other investment to other companies in the concerned financial district.

Dividend income from other company

Consolidated financial statements

During the year ended 31 December 2019, dividend income from other company are dividend income from Goudou Kureha SEC, amounting to JPY 89.69 million or equivalent to THB 19.58 million (2018: Goudou Kureha SEC, JPY 67.15 million or equivalent to THB 19.50 million).

15. Property, plant and equipment, net

	Consolidated financial statements					2019/2018
	Transfer and impairment losses	Disposals and depreciation	Transfer and office relocation	Other income	Contribution in joint venture	Total
At 1 January 2018						
Cost	1,842,272	13,422,665	34,453	47,020	63,154	15,389,564
Less: Accumulated depreciation	(1,811,507)	(3,677,273)	(12,206)	(68,884)	(43,386)	(6,613,256)
Net book amount	3,276,495	9,745,392	22,247	(21,864)	19,768	8,777,549
For the year ended 31 December 2018						
Opening net book amount	3,276,495	9,745,392	22,247	(21,864)	19,768	12,981,948
Additions	123	4,325	2,184	3,564	4,227	12,023
Disposals from business restructure	-	(32,249)	-	54	(279)	(32,194)
Depreciation - Net book value	(227)	(8,390)	(298)	-	(42,453)	(51,368)
Write-off - Net book value	(392,364)	(1,090,009)	(8,282)	(8,288)	(5,198)	(1,494,131)
Transfer in (out)	(170,823)	(483,216)	(2,192)	(5,100)	(8,490)	(660,821)
Depreciation change	(179,258)	(112,433)	(279)	(7,483)	(1,083)	(293,533)
Transfer's contribution	2,308,500	8,852,754	13,888	15,888	17,888	11,198,907
Closing net book amount	3,032,218	12,065,177	32,401	(1,409)	60,721	15,149,107
At 31 December 2018						
Cost	11,628,318	34,182,210	(18,513)	(32,723)	(42,583)	45,616,709
Less: Accumulated depreciation	(8,596,100)	(22,117,033)	(13,888)	(19,688)	(17,828)	(28,974,537)
Net book amount	3,032,218	12,065,177	32,401	(1,409)	60,721	15,149,107

BATCHES

Consolidated financial statements

	Building and infrastructure	Surrounding and equipment	Furniture and office equipment	Other intangible assets	Construction in progress	Total
For the year ended 31 December 2018:						
Opening net book amount	2,308,000	6,811,134	12,008	—	17,828	9,138,970
Additions	43,901	3,260	4,003	—	3,008	52,172
Disposals from business acquisition	20,254	545,743	231	—	811	602,039
Depreciation - Net book value	—	—	178	—	—	178
Write-off - net book value	1072	(110,000)	(103)	—	—	(110,831)
Transfer to other	302,428	345,613	1,323	—	702	649,066
Depreciation charge	(118,937)	(450,300)	(8,138)	—	(8,288)	(575,663)
Transfer to other	(212,100)	(641,355)	(468)	—	(1,468)	(855,391)
Closing net book amount	2,430,192	6,035,388	12,751	—	14,373	8,492,704
At 31 December 2019						
Other	4,333,332	13,373,109	35,132	—	38,007	17,779,580
Less Accumulated depreciation	(1,602,983)	(8,333,313)	(20,211)	—	(4,321)	(9,960,828)
Net book amount	2,730,349	5,040,096	14,921	—	33,686	7,819,052

As at 31 December 2019, assets with net book value of THB 500.03 million (equivalent to THB 3,947.06 million) were mortgaged into collateral for long-term loans from financial institutions of a subsidiary in the People's Republic of China (31 December 2019: CNY 301.33 million or equivalent to THB 1,423.47 million).

RMB'000

Separate financial statements

Furniture and
office equipment

At 1 January 2018

Cost	2,737
Less Accumulated depreciation	(1,586)
Net book amount	1,151

For the year ended 31 December 2018

Opening net book amount	1,151
Additions	1,359
Disposals - Net book value	(34)
Depreciation charge	(714)
Closing net book amount	2,362

At 31 December 2018

Cost	4,925
Less Accumulated depreciation	(2,563)
Net book amount	2,362

For the year ended 31 December 2019

Opening net book amount	2,362
Additions	646
Disposals - Net book value	(40)
Depreciation charge	(779)
Closing net book amount	2,689

At 31 December 2019

Cost	4,927
Less Accumulated depreciation	(2,238)
Net book amount	2,689

16. Deferred income taxes and income tax

Corporate income tax for the years ended 31 December 2019 and 2018 are calculated based on the net profit (tax base) which excludes the interest in joint ventures. The rates are as follows:

	2019	2018
Turkey	20%	20%
People's Republic of China	0% to 25%	0% to 25%
Mauritius Island	15%	15%
Japan	23.2%	23.2%
Singapore	17%	17%
Socialist Republic of Vietnam	20%	20%
Hong Kong Special Administrative Region of the People's Republic of China		16.5%
Macao Special Administrative Region of the People's Republic of China		0% to 12%

16.1 Deferred income tax assets and liabilities

16.1.1 The analysis of current portion and non-current portion of deferred tax assets and liabilities is as follows:

(in lakhs)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Deferred income tax assets:				
Deferred income tax asset to be recovered within 12 months:	15,758	17,009	548	-
Deferred income tax asset to be recovered after 12 months:	538,837	601,671	8,143	8,264
	554,595	621,190	8,691	8,264
Deferred income tax liabilities:				
Deferred income tax liability to be recovered within 12 months:	-	-	-	-
Deferred income tax liability to be recovered after 12 months:	(89,802)	(84,847)	-	-
	(89,802)	(84,847)	-	-
Deferred income taxes, net	464,793	536,343	8,691	8,264

Deferred income tax assets are recognised for tax losses carry forwards only to the extent that realisation of the related tax benefit through the future taxable profit is probable. The Group did not recognise deferred income tax assets amounting to THB 524.35 million from tax losses of THB 2,521.73 million that could be carried forward against future taxable income. These tax losses will be expired in 2024 (2018) deferred income tax assets amounting to THB 448.80 million from tax losses of THB 2,248.88 million that could be carried forward against future taxable income. These tax losses will be expired in 2023.

15.1.2 The movements of deferred income tax assets and liabilities are as follows:

RMB'000

Consolidated financial statements						
	At 1 January 2019	Charged to profit or loss	Charged to other comprehensive income or expense	Aising from business combination	Translation differences	At 31 December 2019
Deferred income tax assets:						
Employee benefit obligation	6,905	2,406	-	-	-	9,311
Financial derivatives	-	-	545	-	-	545
Depreciation of building and machinery	581,773	(29,138)	-	-	(52,807)	499,745
Accrued expenses and others	62,502	18,177	-	-	(7,388)	73,291
Total	651,180	(7,555)	545	-	(60,195)	584,075
Deferred income tax liabilities:						
Fair value uplift from the business combination	(88,683)	-	-	(3,575)	7,027	(85,231)
Amortisation of fair value of plant and equipment from the acquisition of power plants	32,055	5,491	-	-	(2,711)	34,835
Connection fee	(13,606)	15,400	-	-	1,929	(1,807)
Others	(3,886)	-	-	-	-	(3,886)
Total	(69,119)	20,891	-	(3,575)	6,245	(45,568)
Net	582,061	13,336	545	(3,575)	(53,950)	538,507

RMB'000

Consolidated financial statements						
	At 1 January 2018	Charged to profit or loss	Charged to other comprehensive income or expense	Aising from business combination	Translation differences	At 31 December 2018
Deferred income tax assets:						
Employee benefit obligation	5,868	(1,508)	1,358	-	-	5,718
Loss carry forward	110,465	(110,330)	-	-	-	131
Depreciation of building and machinery	584,773	(7,370)	-	-	(25,438)	551,773
Accrued expenses and others	68,142	11,828	-	-	(3,373)	76,597
Total	769,258	(121,380)	1,358	-	(28,811)	621,425
Deferred income tax liabilities:						
Fair value uplift from the business combination	(65,258)	-	-	(7,248)	3,124	(69,382)
Amortisation of fair value of plant and equipment from the acquisition of power plants	25,857	2,509	-	-	(256)	28,060
Connection fee	(77,551)	23,868	-	-	1,839	(51,844)
Others	(3,886)	-	-	-	-	(3,886)
Total	(119,838)	26,377	-	(7,248)	3,707	(97,002)
Net	649,420	(95,003)	1,358	(7,248)	(25,104)	524,423

(BHKD)

	Separate financial statements		
	At 1 January 2019	Charged to profit or loss	Charged to other comprehensive income or 31 December expense
Deferred income tax assets:			
Employee benefit obligation	8,164	2,121	—
Financial derivative	—	—	545
Other	100	(142)	—
Total	8,264	1,979	545

(HKD'000)

	Separate financial statements		
	At 1 January 2018	Charged to profit or loss	Charged to other comprehensive income or 31 December expense
Deferred income tax assets:			
Employee benefit obligation	3,665	(1,690)	2,156
Good carry forward	(110,566)	(110,563)	—
Other	(376)	876	—
Total	(107,277)	(111,377)	2,156

16.2 Income taxes

16.2.1 Income taxes for the years ended 31 December are as follows:

(BHKD)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current tax	214,007	210,148	—	11,208
Withholding tax from dividends	4,506	3,990	—	—
Deferred tax	(14,400)	79,689	(1,875)	(111,762)
Total income taxes	204,113	293,727	(1,875)	(100,554)

15.2.2 The tax on the Group's profit before taxes differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:

in million

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit before taxes	3,006,004	4,744,707	3,950,834	2,210,084
Tax calculated at a tax rate of 20%	601,201	948,941	790,167	442,017
Tax effect of:				
Income not subject to tax	(881,299)	(792,250)	(802,818)	(480,051)
Expenses not deductible for tax purpose	17,152	26,024	3,538	6,736
Withholding tax from dividends	4,500	3,693	-	-
Recognition of previously unrecognized tax losses	-	(5,276)	-	-
Tax losses for which no deferred income tax asset was recognized	206,245	88,781	37,508	25,066
Write-off deferred tax assets	-	(10,550)	-	(10,550)
Tax effect from different tax rates of:				
Foreign entities	(36,782)	(41,873)	-	-
Others	(11,888)	(6,286)	2	1,203
Income taxes	254,186	262,729	(1,871)	112,382

Weighted average tax rate of the Group is 8.36% (2018: 7.05%).

17. Other non-current assets

in million

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Value-added tax receivable	319,729	390,220	148,010	122,094
Withholding tax receivable	-	744	1,057	571
Accrued income	(1,546,252)	(1,051,274)	-	-
Deposits	51,356	24,233	940	-
Land used HgFA net	281,790	349,802	-	-
Others	27,567	(18,610)	-	2
Total other non-current assets	2,234,190	1,645,115	150,007	122,667

18. Short-term loans from financial institutions

Consolidated financial statements

As at 31 December 2019, the Group had short-term loans from financial institutions amounting to CNY 205.49 million (or equivalent to THB 996.92 million) (31 December 2018: CNY 183.09 million (or equivalent to THB 954.68 million) and THB 320 million). These loans bore interest at the rates of 4.37% to 5.25% per annum (31 December 2018: 3.07% to 4.22% per annum) and due for repayment within one year.

Separate financial statements

As at 31 December 2019, the Company had no short-term loans from financial institutions (31 December 2018: THB 320 million bearing interest at the rate of 5.07% per annum).

The fair value of short-term loans from financial institutions approximated their carrying amount, as short-term borrowings had a short period of maturity.

19. Other current liabilities

(Bath000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued expenses	585,535	599,575	28,400	58,222
Advance from customers	105,839	277,062	-	-
Value added tax payable	17,189	4,007	48	201
Withholding tax payable	12,836	8,402	3,376	2,800
Other liabilities for purchase of property, plant and equipment	458,140	218,483	44	-
Payables for purchase of investments	65,793	30,547	-	-
Total other current liabilities	1,215,291	1,136,069	31,818	41,223

20. Long-term loans from financial institutions, net

Long-term loans from financial institutions consist of:

(Bath000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Long-term local currency loans	4,400,000	5,100,000	4,400,000	5,100,000
Long-term foreign currency loans	1,701,235	1,458,432	-	-
	6,101,235	6,558,432	4,400,000	5,100,000
Less Deferred financing charges	(11,158)	(18,428)	(11,158)	(18,428)
Less Current portion of long-term loans from financial institutions	(1,081,573)	(1,072,898)	(598,161)	(598,072)
Long-term loans from financial institutions, net	5,029,003	5,465,095	3,800,661	4,357,489

Movements of long-term loans from financial institutions are as follows:

(RMB'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Opening balance	8,538,014	2,887,718	5,061,581	2,062,231
Cash flow:				
Additions	774,495	4,110,259	-	3,000,000
Repayment	(1,087,932)	(394,926)	(700,000)	-
Deferred financing service fees	-	(7,510)	-	(7,510)
Other non-cash movements:				
Amortisation of deferred financing service fees	7,281	6,540	7,281	6,540
Net gains on exchange rate	-	(2,884)	-	-
Translation differences	(147,823)	(71,711)	-	-
Closing balance	6,980,235	6,518,214	4,368,562	5,061,261

As at 31 December, long-term loans from financial institutions are unsecured liabilities except long-term loans of a subsidiary in the People's Republic of China are secured liabilities. The long-term loans are secured over assets as disclosed in Note 15. Details of loans are shown as follows:

Consolidated financial statements:

No.	Currency	2019		2018		Interest rate	Date of loan payment
		Original currency Amount	Million Baht	Original currency Amount	Million Baht		
1	THB	1,400.00	1,400.00	2,100.00	2,100.00	THBFX plus applicable fixed margin	Repayment every 6 months commencing 27 June 2019 to expiry of agreement on 27 December 2021
2	THB	1,500.00	1,500.00	1,500.00	1,500.00	THBFX plus applicable fixed margin	Repayment every 6 months commencing 21 February 2022 to expiry of agreement on 21 August 2023
3	THB	1,500.00	1,500.00	1,500.00	1,500.00	THBFX plus applicable fixed margin	Repayment every 6 months commencing 20 June 2022 to expiry of agreement on 20 December 2023
4	CNY	18.53	84.28	50.72	253.78	BSA LIBOR plus applicable fixed margin	Repayment every 3 months commencing 21 February 2019 to expiry of agreement on 21 August 2020
5	CNY	22.41	116.22	-	-	BSA LIBOR plus applicable fixed margin	Repayment every 3 months commencing 21 April 2020 to expiry of agreement on 21 January 2022
6	CNY	18.60	81.12	43.87	207.22	BSA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 11 June 2018 to expiry of agreement on 9 June 2020
7	CNY	2.33	10.08	3.40	15.83	BSA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 11 June 2018 to expiry of agreement on 9 June 2020
8	CNY	4.86	2.71	2.01	9.49	BSA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 11 June 2018 to expiry of agreement on 9 June 2020
9	CNY	197.35	881.81	210.00	983.33	BSA LIBOR plus applicable fixed margin	Repayment every 3 months commencing 11 April 2018 to expiry of agreement on 11 January 2021
10	CNY	98.88	461.63	-	-	BSA LIBOR plus applicable fixed margin	Repayment every 6 months commencing 30 May 2020 to expiry of agreement on 30 May 2022
11	CNY	29.38	128.79	-	-	BSA LIBOR plus applicable fixed margin	Repayment every 3 months commencing 20 November 2020 to expiry of agreement on 20 May 2022
			<u>6,101.28</u>		<u>6,256.45</u>		

Separate financial statements:

No.	Currency	2019		2018		Interest rate	Date of loan payment
		Original currency Amount	Million Baht	Original currency Amount	Million Baht		
1	THB	1,400.00	1,400.00	2,100.00	2,100.00	THBFX plus applicable fixed margin	Repayment every 6 months commencing 27 June 2019 to expiry of agreement on 27 December 2021
2	THB	1,500.00	1,500.00	1,500.00	1,500.00	THBFX plus applicable fixed margin	Repayment every 6 months commencing 21 February 2022 to expiry of agreement on 21 August 2023
3	THB	1,500.00	1,500.00	1,500.00	1,500.00	THBFX plus applicable fixed margin	Repayment every 6 months commencing 20 June 2022 to expiry of agreement on 20 December 2023
			<u>4,400.00</u>		<u>5,100.00</u>		

Weighted average effective interest rate of long-term loans from financial institutions of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
	%	%	%	%
THB	2.54	2.87	2.54	2.87
CNY	5.88	5.72	-	-

Interest rate risk of long-term loans of the Group is as follows:

(in million)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
At fixed rates	-	-	-	-
At floating rates	6,191,388	6,656,453	4,400,000	5,100,000
Total loans	6,191,388	6,656,453	4,400,000	5,100,000

The fair value of long-term borrowings approximated their carrying amount, as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the market borrowing rate as at the reporting date and are within level 2 of the fair value hierarchy.

Maturities of long-term loans from financial institutions are as follows:

(in million)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
Within 1 year	1,566,012	1,078,888	700,000	700,000
Later than 1 year but not later than 5 years	4,306,446	5,556,125	3,700,000	4,400,000
Later than 5 years	319,030	1,021,440	-	3,000,000
Total loans	6,191,388	6,656,453	4,400,000	5,100,000

The Group is required to comply with certain covenants and conditions; for example, maintaining debt to equity ratio.

21. Share capital and premium on share capital

(Baht'000)

	Number of registered shares Share	Issued and paid-up share capital		Premium on share capital Baht'000	Total Baht'000
		Number of shares Share	Ordinary shares Baht'000		
As at 1 January 2018	3,104,492,000	3,048,965,200	30,489,550	7,193,118	37,678,598
Add Warrant exercised	-	2,600,700	26,007	39,221	65,838
As at 31 December 2018	3,104,492,000	3,051,565,900	30,515,557	7,231,986	37,741,603
As at 1 January 2019	3,104,492,000	3,051,565,900	30,515,557	7,231,986	37,741,603
Add Warrant exercised	-	-	-	-	-
As at 31 December 2019	3,104,492,000	3,051,565,900	30,515,557	7,231,986	37,741,603

22. Legal reserve

(Baht'000)

	Cumulative and separate financial statements
As at 1 January 2018	1,146,200
Appropriation during the year	217,200
As at 31 December 2018	1,363,200
As at 1 January 2019	1,363,200
Appropriation during the year	188,000
As at 31 December 2019	1,551,200

Under the Public Limited Company Act, B.E. 2535, the Company is required to set aside statutory reserve of at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve reaches not less than 10 percent of the registered capital. The legal reserve is non-distributable.

23 Share-based payment

In 2016, the Company issued rights to purchase of ordinary shares to the directors and employees of Bangpu Group (BPP/W) (including directors, management and employees of the Bangpu Power Group). In 2017, the Company issued rights to purchase of ordinary shares to the directors and employees of Bangpu Power Group (BPP/ESOP) based on their position, duty and responsibility towards the Company and its subsidiaries. The Group has no legal or constructive obligation to repurchase or settle such rights in cash. The terms and conditions of the rights to purchase ordinary shares are summarized as follows:

Descriptions	Detail		
Number of issued and offered shares	Not exceeding 68,000,000 shares. As at 31 December 2019, 40,000,000 shares to be allocated and not exceeding 9,500,000 shares which the Ad-hoc Compensation Committee will consider and allocate as appropriate.		
Term of the plan	Not exceeding 5 years from the date of approval by the shareholders' meeting of the Company. The offering will be completed within 19 October 2021.		
Exercise price, period and, conditions	Exercise price (Baht per share)	Exercise period	Number of exercised shares
	25.10	The time of issue and offering ordinary shares to 19 Oct 2021	10% of the total allocated shares
	25.20	From 19 October 2017 to 19 October 2021	15% of the total allocated shares
	27.30	From 19 October 2018 to 19 October 2021	20% of the total allocated shares
	25.40	From 19 October 2019 to 19 October 2021	25% of the total allocated shares
	31.50	From 19 October 2020 to 19 October 2021	30% of the total allocated shares
Subscription dates	Can exercise 4 times a year on the last business day of March, June, September and December from the first exercise date, except for the last exercise date, which is 19 October 2021.		

The Company recognized and presented the rights to purchase ordinary shares for the selected directors and employees of Bangpu Group under BPP/W and the rights to purchase ordinary shares for the directors and employees of Bangpu Power Group under BPP/ESOP totalling of THB 4.75 million in the statement of income and statement of changes in equity for the year ended 31 December 2019 (2018: THB 9.69 million).

The number of the rights to purchase ordinary shares and the related weighted average exercise prices are as follows:

Number

	Consolidated and Separate financial statements			
	2019		2018	
	Weighted average exercise price Baht per share	Unit	Weighted average exercise price Baht per share	Unit
At 1 January	28.30	42,670,000	28.90	41,910,000
Granted during the period	29.09	1,000,000	29.09	900,000
Exercised during the period			25.10	(740,000)
At 31 December	28.30	43,970,000	28.90	42,670,000

For the rights to purchase ordinary shares for the selected directors and employees of Bangsi Group under BSPVW, the weighted average fair value of granted the rights to purchase determined using the Black-Scholes valuation model was THB 0.19 per unit. The significant inputs into the model were a weighted average share price of THB 21.00 at the grant date, exercise price was THB 33.10 to THB 31.50, volatility of 20%, dividend yield of 4.80%, an expected life of 5 years, and an annual risk-free interest rate of 1.70%.

For share-based payment to the director and employees of Bangsi Power Group under BSPVETDP, the weighted average fair value of granted the rights to purchase determined using the Black-Scholes valuation model was THB 2.11 per unit. The significant inputs into the model were a weighted average share price of THB 25.25 at the grant date, exercise price was THB 28.10 to THB 21.30, volatility of 20%, dividend yield of 4.80%, an expected life of 5 years, and an annual risk-free interest rate of 2.13%.

24. Expenses by nature

(Amount)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost consumption	2,902,526	3,405,337	-	-
Staff costs	912,132	942,714	94,270	88,338
Depreciation and amortisation	512,547	625,228	779	754
Operating lease	35,827	45,348	1,213	1,760
Professional fee	235,725	139,472	48,542	44,379
Management fee	160,000	144,000	290,867	290,116

25. Earnings per share

25.1 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issued and paid-up during the year.

Basic earnings per share for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net profit attributable to ordinary shareholders of the Company (Baht)	2,983,832	3,812,868	3,922,711	2,124,597
Weighted average ordinary shares (Thousand shares)	3,061,022	3,050,368	3,061,022	3,050,368
Basic earnings per share (Baht)	0.973	1.250	1.280	0.721

25.2 Diluted earnings per share

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: the Company's warrants. A calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average market price during the period of the Company's shares) based on the monetary value of the subscription rights attached to outstanding warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the position of warrants, which the exercise price are lower than the average market price of the Company's shares have been exercised.

Diluted earnings per share for the years ended 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net profit attributable to ordinary shareholders of the Company (Baht'000)	2,968,322	3,812,655	3,852,111	2,184,087
Weighted average ordinary shares (Thousand shares)	3,051,022	3,051,022	3,051,022	3,051,022
Adjustment for:				
Assumed conversion of warrants	-	101	-	101
Weighted average number of ordinary shares for diluted earnings per share	3,051,022	3,051,069	3,051,022	3,051,069
Diluted earnings per share (Baht)	0.973	1.250	1.256	0.721

26. Dividend paid

At the Annual General Shareholders' meeting on 2 April 2019, the shareholders approved a payment of final dividends of 2018 at THB 0.30 per share for 3,051,021,700 shares, totalling of THB 915.31 million. The Company paid such dividend to the shareholders on 26 April 2019.

At the Board of Directors' meeting on 30 August 2019, the Board of Directors approved a payment of interim dividends of 2018 of THB 0.35 per share for 3,051,021,700 shares, totalling of THB 1,067.85 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling of THB 350. The Company paid such dividend to the shareholders on 25 September 2019.

At the Annual General Shareholders' meeting on 2 April 2018, the shareholders approved a payment of final dividends of 2017 at THB 0.30 per share for 3,051,021,700 shares, totalling of THB 915.31 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling of THB 28,710. The Company paid such dividend to the shareholders on 26 April 2018.

At the Board of Directors' meeting on 31 August 2018, the Board of Directors approved a payment of interim dividends of 2018 at THB 0.30 per share for 3,051,021,700 shares, totalling of THB 915.31 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling of THB 870. The Company paid such dividend to the shareholders on 26 September 2018.

27. Related party transactions

The Company is controlled by Bangpu Public Company Limited (the Parent), which is domiciled in Thailand. The Parent holds 75.57% of the Company's shareholding.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The pricing policies for transactions between the Parent, subsidiaries, associates, joint ventures and related parties are set out below:

- Management income represents fees charged to the parent company, a subsidiary, joint ventures, and related parties for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the conditions in agreement.
- Management expenses represent fee charged from the parent company and a subsidiary for rendering the management services in the normal course of business. The fees are based on the service provided and the agreed rate in accordance with the conditions in agreement.
- For bank borrowings, interest income and interest expenses, the Group charges interest by considering the average cost of borrowings and market interest rate.
- Advance to/from related parties represent the advance payment for related parties which will be reimbursed within the normal credit term.

The following significant transactions were carried out with related parties:

27.1 Transactions during the years ended 31 December are as follows

(in THB)

	Consolidated financial statements		Separate financial statements	
	2018	2018	2017	2016
Purchases of goods from related parties	155,535	-	-	-
Dividend income	-	-	-	-
- Subsidiaries	-	-	1,354,124	2,154,366
- Joint ventures	-	-	2,421,308	1,342,088
Total dividend income from related parties	-	-	4,355,432	3,526,454
Interest income	-	-	-	-
- Subsidiaries	-	-	535,749	202,833
- Joint venture	7,403	35	-	-
Total interest income from related parties	7,403	35	535,749	202,833
Management fee	-	-	-	-
- The Parent	45,037	32,927	-	-
- Subsidiary	-	-	4,070	-
- Joint venture	21,333	57,998	10,421	20,890
- Related parties	113,546	103,778	-	-
Total management fee charged	180,000	194,703	14,491	20,890
to related parties	180,000	194,703	14,491	20,890
Management and service expenses	-	-	-	-
- The Parent	133,000	144,000	165,000	144,000
- Subsidiary	-	-	142,987	148,116
Total management and service expenses to related parties	133,000	144,000	307,987	292,116

27.2 Amounts due from related parties as at 31 December consist of:

(Rm'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest receivable				
- Subsidiaries	-	-	907,515	218,852
- Joint venture	2,089	38	-	-
Total interest receivables	2,089	38	907,515	218,852
Other receivables				
- The Parent	-	2,912	-	-
- Subsidiary	-	-	1,369	-
- Joint ventures	1,245	8,192	1,245	8,192
- Related parties	1,087	6,795	-	-
Total other receivables	2,332	15,909	2,614	8,192
Total amount due from related parties	4,421	15,947	210,129	227,044
Dividend receivables				
Dividend receivables - Current				
- Subsidiary	-	-	-	330,000
- Joint venture	-	330,000	-	-
	-	330,000	-	330,000
Dividend receivables - Non-current				
- Subsidiaries	-	-	546,034	7,013,938
- Joint venture	638,431	6,802,880	-	281
	638,431	6,802,880	546,034	7,014,219
Total dividend receivables from related parties	638,431	7,132,880	546,034	7,014,219

27.3 Advances to and loans to related parties as at 31 December consist of:

(Rm'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Advances to - Current				
- Subsidiaries	-	-	30,682	21,900
- Related parties	38	103	-	63
Total advances to related parties - Current	38	103	30,682	21,963
Advances to a joint venture - from current	-	181,735	-	-

Advances to a joint venture which represent its non-current assets are advances for project development of solar power plant in Japan.

(in million)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term loans to:				
- Subsidiary	-	-	-	2,260
- Joint venture	98,238	2,003	-	-
Total short-term loans to related parties	98,238	2,003	-	2,260
Long-term loans to related parties	-	-	7,489,267	8,172,724

Short-term loans to subsidiaries are unsecured promissory notes which details are as follows:

Consolidated financial statements

No.	Currency	2019		2018		Maturity date
		Currency in promissory note (Million JPY)	Million JPY	Currency in promissory note (Million JPY)	Million JPY	
1	JPY	-	-	9.00	2.60	25 June 2019
2	JPY	260.28	98.24	-	-	31 March 2020
Total			98.24		2.60	

Separate financial statements

No.	Currency	2019		2018		Maturity date
		Currency in promissory note (Million USD)	Million USD	Currency in promissory note (Million USD)	Million USD	
1	USD	2.28	2.28	0.03	2.28	6 December 2018 which fully repaid before maturity date
Total			2.28		2.28	

The fair value of short-term loans to related parties approximated their carrying amount, as short-term loans to related parties had a short period of maturity.

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

(€1000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
Opening balance	2,603	-	2,360	262,800
Cash flows:				
Addition	122,578	2,702	1,000	2,265
Repayments	(26,223)	-	(2,202)	(264,370)
Other non-cash movements:				
Interest accrued interest income to loans	- 3,266	-	-	-
Date: 12/08/2018 at exchange rate	(4,304)	(107)	(40)	2,414
Closing balance	98,236	2,603	-	2,265

Long-term loans to related parties are unsecured promissory notes which details are as follows:

Separate financial statement

Currency	2019			2018			Repayment term
	Carrying in promissory note (€1000)	Market Rate	Average interest rate per annum	Carrying in promissory note (€1000)	Market Rate	Average interest rate per annum	
EUR	5,429.98	5,429.98	4.25%	6,300.01	6,300.01	4.25%	Repayment at the end of contract 30 November 2023 to 27 May 2024
GBP	32.79	362.79	4.60% - 4.84%	14.81	500.99	4.84%	Repayment at the end of contract 20 August 2023 to 5 March 2025
JPY	2,433.79	602.68	4.25%	2,064.31	500.02	4.25%	Repayment at the end of contract 30 November 2023 to 29 May 2024
CNY	97.60	414.00	4.25%	97.60	464.70	4.25%	Repayment at the end of contract 30 November 2023
Total		1,409.37			5,172.72		

The fair values of long-term loans to related parties are based on discounted cash flows using a discount rate based upon the market borrowing rate as at the reporting date and are within level 2 of the fair value hierarchy. As at 31 December 2018 and 2019, the fair values of long-term loans to related parties approximated their carrying amount.

Movements of long-term loans to related parties for the year ended 31 December are as follows:

(Rs'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
Opening balance			8,172,724	8,842,484
Cash flows:				
Additions	—	—	1,888,025	1,083,408
Repayment	—	—	(3,440,127)	(718,579)
Other non-cash movements:				
Gain (losses) on exchange rate	—	—	(131,253)	54,361
Closing balance			7,489,367	8,172,724

27.4 Advances from and amounts due to related parties as at 31 December consist of:

(Rs'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
Advances from:				
- The Parent	2,100	7,406	8	—
- Related parties	—	44	—	4
Amounts due to related parties	58,885	—	—	—
Total advances from and amounts due to related parties	(62,087)	7,450	8	4

27.5 Key management compensation

Key management compensation for the years ended 31 December are detailed as follows:

(Rs'000)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2018	2018
Salary and other short-term benefits	45,231	40,481	40,201	46,481
Post-employment benefits	1,228	1,424	1,228	1,424
Other long-term employee benefits	331	761	921	761
	47,291	43,066	42,351	48,666

In addition, the Group paid management fee to the Parent for the year ended 31 December 2019 of THB 150 million (2018: THB 144 million). Part of the fee is considered as performing key management of the Group.

28 Business combination and purchase of indirect investment

28.1 Investments in People's Republic of China

On 7 December 2019, BPP Renewable Investments (China) Co., Ltd. which is a subsidiary of the Group completed to acquire 100% of shareholding in Feicheng Xingyu Solar Power PV Technology Co., Ltd. (Xingyu) from a third party. Xingyu is incorporated in the People's Republic of China with the business objective of solar power generation. The Group paid QNT 2 million or equivalent to THB 14.22 million for such shareholding.

On 16 July 2019, BPP Renewable Investments (China) Co., Ltd. which is a subsidiary of the Group entered into the Share Purchase Agreement to acquire 100% of shareholding in Jiangsu Jike Electric Power Co., Ltd. (Jike) from two parties at the consideration of QNT 48 million or equivalent to THB 215.84 million. Jike is incorporated in the People's Republic of China with the business objective of solar power generation.

The details of total purchase consideration and fair value of net assets acquired at the acquisition date are as follows:

	Period		
	Qingyi	Jike	Total
Fair value of net assets acquired			
Cash and cash equivalents	5,930	18,328	24,258
Trade accounts receivable	10,454	779,882	790,336
Spare parts and supplies	-	884	884
Property, plant and equipment	230,910	587,730	818,640
Intangible assets (Right to operate the power plant)	2,925	19,177	22,102
Trade accounts payable	-	(8,214)	(8,214)
Short-term loans	(243,677)	-	(243,677)
Finance lease liabilities	-	(105,105)	(105,105)
Deferred income tax liabilities	(595)	(8,815)	(9,410)
Other assets less other liabilities	(18,683)	(453,448)	(472,131)
Total fair value of net assets acquired	15,250	215,855	231,105
Purchase considerations			
Consideration at the acquisition date	14,222	185,985	200,207
Contingent considerations	-	29,850	29,850
Total purchase considerations	14,222	215,835	230,057

As at 31 December 2019, the Group had completely measured the fair value of the identifiable assets acquired and liabilities assumed of Xingyu to comply with the measurement period for a business combination referred in IFRS 3, "Business combinations". The determination of fair value does not significant impact to the consolidated financial statements for the year ended 31 December 2019.

As at 31 December 2019, the Group had been under the process of determining fair value of the net assets acquired and reviewing purchase price allocation (PPA) of Jike. The purchase price over net assets' carrying value may be the right to operate the power plant. However, it is subjected to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalized within 12 months from the acquisition date. Right to operate the power plant will be amortized by straight-line method over the estimated useful life of such power plant.

28.2 Investment in Japan

On 12 December 2019, Sangu Renewable Singapore Pte. Ltd. which is a subsidiary of the Group purchase investment in Global Engineering Co., Ltd. from a third party. The Company is incorporated in Japan and its business objective is virtual power plant and power trading. The Group has a 19.92% shareholding of its registered share capital. The total amount of investment is JPY 1,143.96 million or equivalent to THB 315.67 million. The Group paid the whole amount and classified such investment as an investment in an associate since the Group has a representative in the Board of Directors with voting right as indicated in Share Purchase Agreement and Article of Incorporation.

Details of the consideration paid and Group's profile of estimated net assets purchased and recognised at the acquisition date are as follows:

	Balance
Portion of estimated fair value of net assets acquired	60,404
Purchase price over net assets acquired (Presented in Investment in an associate)	275,281
Purchase consideration	335,685

As at 31 December 2019, the Group is under the process in determining fair value of the acquired net assets and reviewing purchase price allocation (PPA). Therefore, fair value of net assets acquired may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

29. Commitment and contingent liabilities

29.1 Letter of Guarantee

As at 31 December, the Group has obligations with banks as follows:

	THB million	
	Consolidated and separate financial statements	
	2019 (Original currency)	2018 (Original currency)
Letter of Guarantee		
- USD	0	22
- THB	1,300	1,300
- JPY	-	280

29.2 Capital commitments

As at 31 December, the Group had capital expenditure and capital commitments to provide funding that were not recognised in the financial statement is as follows:

	Period			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Property, plant and equipment	339,916	654,346	-	-
Investments in a joint venture*	-	127,699	-	-
Investment in solar power plants	915,567	1,600,684	-	-
	1,255,483	3,382,729	-	-

The Group has capital commitment to provide funding to assist in the development of investment in accordance with the requirement of a joint venture in the Project Hostile of China.

29.3 Operating lease commitments

The Group has entered into office rental and equipment and service contracts. The future aggregate minimum lease payments under non-cancellable operating leases as at 31 December 2019 are as follows:

	Period			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Less than 1 year	25,682	32,537	2,350	2,350
Later than 1 year, but not later than 5 years	89,436	88,682	1,064	3,391
Later than 5 years	344,387	306,843	-	-
	559,505	528,062	3,414	5,741

29.4 Litigation

In 2007, a group of individuals and corporate entities (Plaintiffs), who were ex-developers of a coal mine and a power plant in Lao PDR (Hongsa Project), filed a civil lawsuit against the Company, Banpu International Limited, the Parent and three members of the Parent's management as defendants, based on the allegations that the Defendants had deceptively entered into a joint development agreement with the Plaintiffs for the purpose of gaining access to the information of the Hongsa Project, and then, in fact, misinformed the Government of Lao PDR (GOL) to terminate their Hongsa Project concessions in order that the Company could directly enter into a concession contract with the GOL. The Plaintiffs demanded the Defendants to pay damages of THB 2,000 million for the value of the Hongsa Project information, another THB 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, and THB 50,000 million for the lost profits due to the GOL having terminated the Hongsa Project concessions, totaling THB 63,000 million plus interest on this amount.

On 20 September 2012, the Civil Court issued a judgment that the Defendants did not breach the joint development agreement; the Plaintiffs breached the joint development agreement; the Defendants committed a wrongful act by using the Plaintiffs' information of the Hongsa Project for the development of a 600-MW power plant; to develop the 1,600-MW power plant, and adjudicated that the Company and the Parent pay to the Plaintiffs compensation for damages of THB 2,000 million for the value of the information,

another THB 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, totaling THB 4,000 million plus 7.5% interest per annum from the date of plaint until fully paid; and for loss of profits of THB 660 million per year for years 2010 – 2021 and THB 1,000 million per year for years 2022 – 2029, payable at each year end, totaling THB 27,740 million. The grand total of damages is THB 31,740 million. The claims involving Bangpu International Limited and the Parent's management were dismissed.

On 8 September 2014, the Civil Court announced the judgment of the Appeal Court whereby the Plaintiffs' complaint was dismissed. The grounds for dismissal were that the Defendants which are the Company and Bangpu Public Company Limited (the Parents) had always acted in good faith before and after the Joint Development Agreement was entered into, and that the Defendants did not commit a wrongful act against the Plaintiffs. The Appeal Court also found that it was the Plaintiffs that breached the Joint Development Agreement, and that the Defendants had no obligation to return to the Plaintiffs the documents in which the information relating to the Plaintiffs' Hongsa Project contains. The Plaintiffs has filed with the Supreme Court a petition against the judgment of the Appeal Court and the Defendants submitted an answer to the Plaintiffs' petition on 17 February 2015.

On January 2018, a summons was issued by the Civil Court to hear the Supreme Court judgment on 8 March 2018. The Supreme Court judgment was read as summarised below:

1. In respect of the claim that the Defendants deceived the Plaintiffs in entering into the Preliminary Agreement and the Joint Development Agreement with an intention to acquire the project information of the Plaintiffs, the Court considered that the Plaintiffs had approached the Defendants to develop the Project and the Defendants acted in good faith in entering into the Agreement with its true intention to develop the Hongsa Project, but not to deceptively acquire the information as alleged.
2. In respect of the claim that the Defendants terminated a contract with a contractor to delay the Hongsa Project to result in the Lao Government terminating the concession agreements with the Plaintiffs, the Court considered that the Defendants terminated the contractor in good faith for the benefit of the Hongsa Project.
3. In respect of the claim that the Defendants induced the Lao Government to terminate the concession agreements with the Plaintiffs, the Court considered that the Defendants were in good faith and did not do so. The termination of the concession agreements by the Lao Government was resulting from the acts of the Plaintiffs since the Lao Government was concerned that the Hongsa Project would not be succeeded in the hands of the Plaintiffs as they were seen incapable, which would be detrimental to the benefit of Laos and its people.
4. In respect of the claim that the Defendants used the project information of the Plaintiffs, the Court considered that the Defendant which are the Company, Bangpu International Limited and the Parent utilised the project information of the Plaintiffs as base for developing a new 1,300 MW power project without the Plaintiffs' consent, and therefore ordered the Defendants to jointly pay the Plaintiffs the sum of THB 1,500 million plus interest at the rate of 7.50% per annum calculated from 3 July 2007.

Subsequently, the Company (jointly with Bangpu International Limited and the Parent) paid the damages plus interest to the Plaintiffs in full on 8 March 2018. The Company took one-third of the damages, amounting to Baht 500.00 million and recognised in the consolidated and separate statements of comprehensive income for the year ended 31 December 2018.



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