

Part 3

Financial Position and Operational Performance

13. Financial highlights

13.1 Financial statements

Summary of the auditor's report on the financial statements for the year ended 31 December 2020

The auditor's report of the consolidated financial statements of the Company and its subsidiaries and the separate financial statement of the Company for the year ended 31 December 2020, which were audited by Mr. Chatchai Kasemsrithanawat, Certified Public Accountant No. 5813 of EY Office Limited as approved by the Office of the Securities and Exchange Commission, expressed an unqualified opinion on the financial statements. The report also highlighted key audit matters consisting of the investments in subsidiaries and jointly controlled entities. The financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries and of the separate Company as at 31 December 2020, their financial performance and cash flows for the year ended in accordance with Thai Financial Reporting Standards.

13.2 Summary of financial statements

The resented financial statements comprising the audited statement of financial position, statement of comprehensive income and cash flow statement for the year ended 31 December 2020 compared with the audited financial statements for the years ended 31 December 2019 and 2018 are shown as follows:

- Statements of financial position

Description	Consolidated financial statements (Unit: Baht)					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
<u>Assets</u>						
<u>Current assets</u>						
Cash and cash equivalents	2,586,577,697	4.1	4,214,184,164	6.6	8,899,070,502	13.3
Short-term restricted bank deposits	507,165,600	0.8	-	-	-	-
Current investments	1,647,791,836	2.6	694,854,506	1.1	-	-
Trade and other receivables	1,313,450,266	2.1	1,292,196,206	2.0	1,054,439,611	1.6
Current portion of finance lease receivable – related party	-	-	87,265,115	0.1	153,746,218	0.2
Spare parts and supplies	61,817,692	0.1	61,473,814	0.1	60,857,672	0.1
Other current financial assets					1,517,045	0.0
Refundable input tax	65,395,684	0.1	7,645,773	0.0	305,186	0.0
Other current assets	90,451,581	0.1	248,616,077	0.4	396,457,899	0.6
Total current assets	6,272,650,356	10.0	6,606,235,655	10.3	10,566,394,133	15.8
<u>Non-current assets</u>						
Long-term restricted bank deposits	1,034,530,094	1.7	459,335,947	0.7	459,574,027	0.7
Long-term loans to associated company and interest receivable	-	-	3,054,308,219	4.8	3,221,229,452	4.8
Finance lease receivable – related party, net of current portion	-	-	3,772,521,935	5.9	3,677,435,521	5.5
Investments in jointly controlled entities	319,665,842	0.5	343,735,530	0.5	356,827,929	0.5
Investments in associated companies	11,154,499,380	17.8	11,971,263,062	18.6	12,353,789,560	18.4
Right to produce and sell electricity - Equity attributable to owners of the Company	4,282,493,769	6.9	4,387,131,688	6.8	4,126,196,192	6.2
Right to produce and sell electricity - Non-controlling interests of the subsidiaries	5,484,217,972	8.8	4,858,296,229	7.6	4,597,947,902	6.9
Project costs during construction phase	3,075,480,261	4.9	105,057,547	0.2	14,186,000	0.0

Description	Consolidated financial statements (Unit: Baht)					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Assets of hydroelectric power project under concession agreement	21,096,265,056	33.8	19,108,398,692	29.8	18,082,605,400	27.0
Property, plant and equipment	9,483,396,592	15.2	9,246,964,400	14.4	8,919,433,627	13.3
Right-of-use assets	-	-	-	-	386,221,583	0.6
Intangible assets	93,684,692	0.1	83,720,684	0.1	74,947,102	0.1
Deferred tax asset	113,859	0.0	-	-	20,053,318	0.0
Other non-current assets	206,104,304	0.3	193,960,183	0.3	181,609,037	0.3
Total non-current assets	56,230,451,821	90.0	57,584,694,116	89.7	56,472,056,650	84.2
Total assets	62,503,102,177	100.0	64,190,929,771	100.0	67,038,450,783	100.0
<u>Liabilities and shareholders' equity</u>						
<u>Current liabilities</u>						
Trade and other payables	875,620,455	1.4	690,088,222	1.1	620,000,253	0.9
Current portion of lease liabilities	-	-	-	-	31,554,262	0.0
Current portion of long-term loans from financial institutions	1,519,657,611	2.4	522,494,325	0.8	544,789,275	0.8
Current portion debentures	-	-	2,100,000,000	3.3	4,999,362,074	7.5
Income tax payable	10,325,541	0.0	170,779	0.0	2,682,615	0.0
Retention payable	1,478,077	0.0	1,647,613	0.0	1,316,905	0.0
Other current liabilities	80,632,479	0.1	79,350,431	0.1	75,510,496	0.1
Total current liabilities	2,487,714,163	4.0	3,393,751,370	5.3	6,275,215,880	9.4

Description	Consolidated financial statements (Unit: Baht)					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
<u>Non-current liabilities</u>						
Long-term loans from financial institutions, net of current portion	12,732,914,091	20.4	6,178,407,594	9.6	5,637,603,846	8.4
Debentures, net of current portion	15,428,902,210	24.7	18,709,860,714	29.1	19,323,681,690	28.8
Lease liabilities, net of current portion	-	-	-	-	362,598,752	0.5
Derivative financial liabilities	7,937,056	0.0	-	-	-	-
Provision for long-term employee benefits	52,883,302	0.1	64,538,746	0.1	83,123,032	0.1
Provision for decommissioning	-	-	8,064,827	0.0	8,382,637	0.0
Other long-term liabilities – related party	270,752,440	0.4	289,602,186	0.5	309,857,421	0.5
Total non-current liabilities	28,493,389,099	45.6	25,250,474,067	39.3	25,725,247,378	38.4
Total liabilities	30,981,103,262	49.6	28,644,225,437	44.6	32,000,463,258	47.7
<u>Shareholder's equity</u>						
Registered capital	9,240,000,000	14.8	9,240,000,000	14.4	9,240,000,000	13.8
Issued and fully paid up	7,370,000,000	11.8	8,129,382,039	12.7	8,129,382,729	12.1
Share premium	9,522,332,101	15.2	13,319,242,296	20.7	13,319,245,746	19.9
Retained earnings						
Appropriated – statutory reserve	107,480,923	0.2	135,968,184	0.2	167,134,494	0.2
Unappropriated	1,101,156,516	1.8	1,635,211,021	2.5	1,785,754,588	2.7
Other components of shareholders' equity	232,457,595	0.4	328,879,305	0.5	372,897,000	0.6
Equity attributable to owners of the Company	18,333,427,135	29.3	23,548,682,845	36.7	23,774,414,557	35.5
Non-controlling interests of the subsidiaries	13,188,571,780	21.1	11,998,021,489	18.7	11,263,572,968	16.8
Total shareholders' equity	31,521,998,915	50.4	35,546,704,334	55.4	35,037,987,525	52.3
Total liabilities and shareholders' equity	62,503,102,177	100.0	64,190,929,771	100.0	67,038,450,783	100.0

- Statements of comprehensive income

Description	Consolidated financial statements (Unit: Baht)					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Revenue from sales						
Revenue from sales of electricity and steam	8,852,227,341	97.1	8,127,561,349	91.9	6,427,885,532	89.4
Revenue from sales of electricity – electricity tariff adders	97,696,320	1.1	95,427,840	1.1	99,096,000	1.4
Project management income	119,872,867	1.3	153,896,815	1.7	168,073,159	2.3
Other income						
Gain on exchange	1,662,393	0.0	2,296,842	0.0	10,823,109	0.2
Finance income	19,220,526	0.2	413,532,653	4.7	474,222,610	6.6
Others	25,783,622	0.3	49,788,981	0.6	8,217,091	0.1
Total revenues	9,116,463,069	100.0	8,842,504,480	100.0	7,188,317,501	100.0
Cost of sales						
Cost of sales of electricity and steam	5,538,925,319	60.8	5,964,821,158	67.5	5,380,048,918	74.8
Amortization of right to produce and sell electricity	521,283,824	5.7	521,283,824	5.9	521,283,824	7.3
Cost of project management	88,435,523	1.0	90,772,698	1.0	88,549,669	1.2
Administrative expenses	465,145,790	5.1	442,336,300	5.0	427,675,145	5.9
Total expenses	6,613,790,456	72.5	7,019,213,980	79.4	6,417,557,556	89.3
Profit before share of profit (loss) from investments in jointly controlled entities and associated companies, finance cost and income tax	2,502,672,613	27.5	1,823,290,500	20.6	770,759,945	10.7
Share of profit from investments in jointly controlled entities	40,320,085	0.4	40,869,688	0.5	40,692,399	0.6
Share of profit (loss) from investments in associated companies	(33,650,551)	(0.4)	392,234,624	4.4	366,701,923	5.1
Profit before finance cost and income tax	2,509,342,147	27.5	2,256,394,812	25.5	1,178,154,267	16.4
Finance cost	1,100,426,415	12.1	1,161,294,032	13.1	996,360,515	13.9
Tax (income) expenses	44,859,885	15.5	12,277,780	0.1	(15,912,220)	(0.2)
Profit for the year	1,364,055,847	15.0	1,082,823,000	12.2	197,705,972	2.8

Description	Consolidated financial statements (Unit: Baht)					
	2018		2019		2020	
	Amount	%	Amount	%	Amount	%
Other comprehensive income:						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Gain (loss) on changes in value of available-for-sale investments	3,774,412	0.0	(19,185,248)	(0.2)	-	-
Unrealized gain from cash flow hedges	164,814,963	1.8	9,063,166	0.1	-	-
Less: Income tax effect	(2,517,743)	(0.0)	(113,859)	(0.0)	-	-
Share of other comprehensive income from associate	77,633,970	0.9	(36,579,484)	(0.4)	68,804,990	1.0
Other comprehensive income to be reclassified to profit or loss in subsequent periods – net of income tax	243,705,602	2.7	(46,815,425)	(0.5)	68,804,990	1.0
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial gain	-	-	-	-	1,895,117	0.0
Share of other comprehensive income from associate	-	-	-	-	(3,209,652)	(0.0)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	-	-	-	-	(1,314,535)	(0.0)
Other comprehensive income for the year	243,705,602	2.7	(46,815,425)	(0.5)	67,490,455	0.9
Total comprehensive income for the year	1,607,761,449	17.6	1,036,007,575	11.7	265,196,427	3.7
Profit attributable to						
Equity holders of the Company	599,068,450	6.6	768,901,766	8.7	404,714,326	5.6
Non-controlling interests of the subsidiaries	764,987,397	8.4	313,921,234	3.6	(207,008,354)	(2.9)
	1,364,055,847	15.0	1,082,823,000	12.2	197,705,972	2.8
Total comprehensive income attributable to						
Equity holders of the Company	750,657,819	8.2	716,830,284	8.1	469,609,033	6.5
Non-controlling interests of the subsidiaries	857,103,630	9.4	319,177,291	3.6	(204,412,606)	(2.8)
	1,607,761,449	17.6	1,036,007,575	11.7	265,196,427	3.7

- Cash flow statements

Description	Consolidated financial statements (Unit: Baht)		
	2018	2019	2020
Cash flows from operating activities			
Profit before tax	1,408,915,732	1,095,100,780	181,793,752
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities			
Depreciation and amortization	1,553,597,442	1,517,820,856	1,560,758,654
Share of profit from investments in jointly controlled entities	(40,320,085)	(40,869,688)	(40,692,399)
Share of (profit) loss from investments in associated companies	33,650,551	(392,234,624)	(366,701,923)
Loss on write-off of assets of hydroelectric power project under concession agreement	7,373,958	-	-
Loss on sales/write-off of equipment and intangible assets	2,169,955	3,846,903	635,492
Unrealized loss (gain) on exchange	15,494,079	(1,375,155)	653,333
Gain on disposal of other current financial assets	-	-	(3,434,387)
Unrealised gain from fair value measurement of other current financial assets	-	-	(4,824)
Amortization of interest rate reduction fee and debenture issuing costs	11,399,205	32,277,979	25,142,897
Amortization of right to produce and sell electricity	521,283,824	521,283,824	521,283,824
Finance income	-	(385,752,226)	(453,777,960)
Finance cost	1,078,735,111	871,694,329	955,887,816
Provision for long-term employee benefits	11,471,934	14,330,378	25,134,693
Profit from operating activities before changes in operating assets and liabilities	4,603,771,706	3,236,123,356	2,406,678,968
Operating assets (increase) decrease			
Trade and other receivables	(153,098,940)	22,563,719	237,629,739
Spare parts and supplies	(14,481,777)	(358,040)	616,142
Other current assets	200,381,279	169,770,898	(149,414,665)
Other non-current assets	(39,658,908)	3,966,915	4,173,940
Operating liabilities increase (decrease)			
Trade and other payables	(162,711,662)	(58,967,752)	(27,296,710)
Retention payable	773,997	169,536	(330,708)
Other current liabilities	20,714,491	(1,282,048)	(3,839,937)
Long-term employee benefit expenses	(2,007,800)	(2,674,934)	(4,655,290)
Other long-term liabilities - related party	73,116,718	-	-
Cash flows from operating activities	4,526,799,104	3,369,311,650	2,463,561,479

Description	Consolidated financial statements (Unit: Baht)		
	2018	2019	2020
Cash paid for interest expenses	(205,570,007)	(219,488,422)	(215,087,925)
Cash paid for corporate income tax	(38,104,298)	(25,245,114)	(3,207,184)
Net cash flows from operating activities	4,283,124,799	3,124,578,114	2,245,266,370
<u>Cash flows from investing activities</u>			
Decrease (increase) in short-term restricted bank deposits	(157,372,583)	507,165,600	-
Decrease (increase) in long-term restricted bank deposits	(57,634,169)	575,194,147	(238,080)
Decrease in current investments	622,919,311	933,752,082	-
Proceeds from sales of other current financial assets	-	-	696,776,672
Decrease in finance lease receivable – related party	-	432,000,000	373,340,197
Increase in long-term loans to associated company	-	(3,000,000,000)	-
Increase in investments in subsidiary	-	(681,464,240)	-
Increase in investments in associated companies	(3,274,654,000)	(481,474,125)	(12,824,700)
Increase in project costs during construction phase	(469,094,275)	(171,427,302)	(47,855,542)
Increase in assets of hydroelectric power project under concession agreement	(10,287,774)	-	-
Increase in plant and equipment	(103,505,350)	(74,634,544)	(52,898,417)
Proceeds from sales of equipment	1,916,982	6,140,636	3,501,894
Interest received	-	-	4,717,305
Increase in intangible assets	(44,904,792)	(969,900)	(2,523,472)
Dividends income from jointly controlled entities	12,000,000	16,800,000	27,600,000
Cash paid for interest capitalized as part of project costs during construction phase	(150,877,917)	(4,122,915)	(2,805,164)
Net cash flows from (used in) investing activities	(3,631,494,567)	(1,943,040,561)	986,790,693
<u>Cash flows from financing activities</u>			
Decrease in non-controlling interests of the subsidiary	(1,625)	-	-
Decrease in long-term loans from financial institutions	(4,164,644,863)	(7,812,120,374)	(522,494,325)
Payment of principal portion of lease liabilities	-	-	(29,613,703)
Cash paid for interest on lease liabilities	-	-	(9,330,200)
Cash receipt from issuance of debentures	9,500,000,000	6,000,000,000	5,600,000,000
Repayment of debentures	(4,000,000,000)	(600,000,000)	(2,100,000,000)
Cash paid for loan arrangement fee	(206,443)	-	-
Cash paid for issuance of debentures	(31,172,527)	(39,460,111)	(7,974,321)
Cash paid for interest expenses	(814,595,901)	(772,740,877)	(703,297,809)
Dividend payment	(165,643,460)	(206,360,000)	(243,881,461)
Dividend payment of the subsidiaries	(578,637,121)	(679,770,150)	(530,035,913)

Description	Consolidated financial statements (Unit: Baht)		
	2018	2019	2020
Cash received from exercise of warrants	-	4,556,292,234	4,140
Net cash flows from (used in) financing activities	(254,901,940)	445,840,722	1,453,376,408
Effect of exchange rate changes on cash and cash equivalents	(7,631,112)	228,192	(547,133)
Net increase in cash and cash equivalents	389,097,180	1,627,606,467	4,684,886,338
Cash and cash equivalents at beginning of year	2,197,480,517	2,586,577,697	4,214,184,164
Cash and cash equivalent at end of year	2,586,577,697	4,214,184,164	8,899,070,502

- Significant financial ratios

Description	Consolidated financial statements		
	2018	2019	2020
<u>Profitability ratio</u>			
Gross profit margin (%)	32.5	25.6	16.5
EBITDA margin (%) ⁽¹⁾⁽²⁾	50.3	42.1	45.4
Net profit margin (%) ⁽¹⁾⁽²⁾	6.6	2.2	5.6
Earnings per share (Baht) ⁽²⁾	0.081	0.025	0.050
<u>Financial policy ratio</u>			
Total liabilities to total shareholders' equity ratio (times)	0.98	0.81	0.91
Net interest-bearing debt to total shareholder' equity ratio (times)	0.76	0.62	0.60
Return on equity ratio (%) ⁽²⁾	3.3	0.9	1.7
Return on assets ratio (%) ⁽²⁾	1.0	0.3	0.6

(1) Including Share of Profit from Investments in Jointly Controlled Entities and Associated Companies

(2) Excluding one-time Foreign Exchange Gain in 2019

Report on the Board of Directors' Responsibilities for Financial Report

The Board of Directors attaches great importance to promoting the good corporate governance, strongly encouraging the Company to have an efficient, transparent management system and appropriate internal control system in place, including support of essential resources and tools for the financial report preparation process to ensure that the Company's financial reports are accurate, complete, and reflect the Company's true financial status and operational results, to build confidence of shareholders, general investors and all stakeholders.

The Board of Directors has established the Audit Committee, comprising qualified independent directors who are knowledgeable and competent, to perform the duty to review and ensure that the Company's financial reports are prepared completely, accurately, with adequate, suitable disclosure of information in accordance with the financial reporting standards, as well as considering connected transactions or transactions which may give rise to a conflict of interest and/or benefit, to ensure compliance with the requirements of the Stock Exchange of Thailand and rules and regulations applicable to the Company's business.

The Board of Directors is of the opinion that the financial statements for 2020 of the Company and its subsidiaries which was reviewed by the Audit Committee in conjunction with the management and the Company's auditor are prepared in accordance the financial reporting standards, by adopting appropriate accounting policies, exercising the discretion with due care, prudence, and making reasonable estimates, including adequate disclosure of significant information in the notes to the financial statements. In this regard, such financial statements had been audited and provided unqualified opinions by the independent certified public accountant that the financial statements presented fairly the financial position, operational results, and cash flows of the Company and its subsidiaries in all material respects in accordance with generally accepted accounting principles.

Dr. Thanong Bidaya

Chairman of the Board of Directors

Mr. Thanawat Trivisvavet

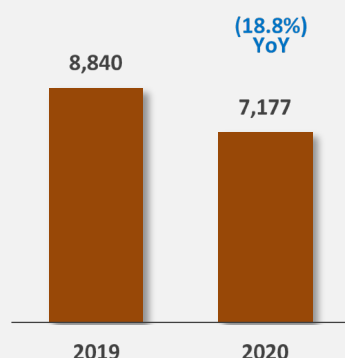
Managing Director

14. Management Discussion and Analysis

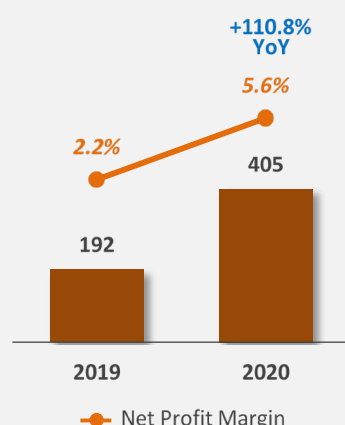
Executive Summary

Unit: Baht Million

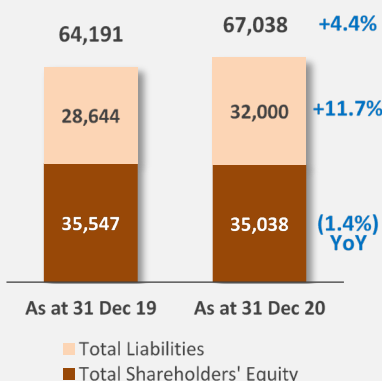
Total Revenue



Recurring Net Profit



Financial Position



Total Revenue

Total Revenue of 2020 declined by 18.8% YoY, mainly because:

- (1) Revenue from Sales of Electricity of NN2 decreased by 43.7% YoY following lower water level at the beginning of 2020 and below-average water inflow during 2020 causing the Nam Ngum 2 Hydroelectric Power Plant to declare 2020 as a Drought Year and manage its declaration conservatively to ensure that the water level at the end of the year is adequate for the electricity production in the first half of 2021.
- (2) Revenue from Sales of Electricity and Steam of BIC decreased by 7.3% from the decline in average natural gas price in 2020 compared to the previous year, which resulted in a decrease in Energy Payment revenue, the maintenance outage of a gas turbine unit of Bangpa-in Cogeneration Power Plant 1 during January 2020, and lower electricity and steam demand from industrial customers.

Recurring Net Profit attributable to Equity Holders of the Company

Net Profit attributable to Equity Holders of the Company in 2020 increased by Baht 212.7 million or 110.8% compared to the 2019 Recurring Net Profit, which excluded a one-time foreign exchange gain from XPCL in Q4/2019.

The YoY increase in 2020 Net Profit was driven by higher share of profit from investment in XPCL following a full year of electricity operation and sales in 2020, while in 2019, XPCL only started its commercial operation at the end of October 2019.

Financial Position as at 31 December 2020

Total Assets increased by 4.4% from the end of 2019, mainly driven by proceeds from Baht 4,000 million debentures that the Company issued on 25 November 2020. The proceeds will be used to redeem debentures maturing in Q2/2021, expand the Company's business, and support operation as working capital.

Total Liabilities increased by 11.7% from the end of 2019, primarily due to the Company's debentures issuance on 25 November 2020 and the increase in liabilities under finance lease agreements following the adoption of Thai Financial Reporting Standards No. 16 since January 2020.

Total Shareholders' Equity declined by 1.4% from the end of 2019, mainly because of the decline in the Non-controlling Interests of the Subsidiaries following the decrease of operating results and dividend payment of NN2.

Significant Events in 2020 to Date

Debentures Issuance No. 1/2020 by Nam Ngum 2 Power Company Limited (“NN2”)

On 5 March 2020, NN2 issued Baht 600 million of unsecured, unsubordinated Debentures No. 1/2020 with a debentureholders’ representative to investors in a Private Placement transaction to rollover maturing debentures and reduce financial cost. TRIS Rating Co., Ltd. (“TRIS Rating”) assigned the company rating of “A” (with Stable outlook) to NN2 and the issue rating of “A” (with Stable outlook) to all of NN2’s outstanding debentures including the Debentures No.1/2020.

Approval of Interim Dividend Payment from the 2019 Operating Results

On 13 April 2020, the Board of Directors’ meeting of the Company resolved to postpone the 2020 Annual Ordinary General Meeting of Shareholders of the Company indefinitely until the COVID-19 situation would come to an end. The meeting also approved the interim dividend payment from the Company’s operating results for the year 2019 of Baht 0.0300 per share instead of the annual dividend payment. Such payment was made from the Net Profit under the separate financial statements. The Record Date to determine the list of shareholders entitled to receive the dividends was 27 April 2020. The dividend was paid on 12 May 2020. The 2020 Annual Ordinary General Meeting of Shareholders was subsequently held on 3 August 2020.

Company Rating and Issue Rating of CK Power Public Company Limited (“the Company”) Affirmed by TRIS Rating

On 28 April 2020, TRIS Rating affirmed credit rating of the Company at “A” (with Stable outlook) and credit rating of the Company’s unsecured, unsubordinated debentures at “A-” (with Stable outlook).

Exercise of Warrants of the Company (CKP-W1) on the Last Exercise Date on 28 May 2020

On 28 May 2020, the last exercise date of CKP-W1, 690 units of CKP-W1 were exercised with Baht 4,140 of total proceeds received by the Company. The Company registered the capital increase on 29 May 2020 with the newly issued shares trading on the Stock Exchange of Thailand since 5 June 2020. After the capital increase registration, the Company’s paid-up capital and share premium increased to Baht 8,129.4 million and Baht 13,319.2 million, respectively.

Extension of Credit Limit for Issuance and Offering of Debentures to Not Exceeding Baht 20,000 Million

On 3 August 2020, the 2020 Annual Ordinary General Meeting of Shareholders of the Company approved the extension of credit limit for issuance and offering of debentures to not exceeding Baht 20,000 million from the previous credit limit of not exceeding Baht 10,000 million. The debentures would be source of fund for business expansion and to enhance the Company’s ability to manage liquidity and service debt.

Xayaburi Hydroelectric Power Plant Achieving Full Production Capacity

On 9 August 2020, Xayaburi Hydroelectric Power Plant has reached its full production capacity for the first time since COD, as a result of higher average water flow following more rain fall in Lao PDR. The power plant continued to operate near its full production capacity throughout August and September 2020.

Debentures Issuance No. 2/2020 by NN2

On 30 September 2020, NN2 issued Baht 1,000 million of unsecured, unsubordinated Debentures No. 2/2020 with a debentureholders’ representative to rollover maturing debentures, consisting of:

- Baht 400 million debentures with a tenor of 3 years at the interest rate of 3.20% per annum; and
- Baht 600 million debentures with a tenor of 5 years at the interest rate of 3.60% per annum.

TRIS Rating assigned the company rating of “A” (with Stable outlook) to NN2 and the issue rating of “A” (with Stable outlook) to NN2’s debentures No. 2/2020.

Acquisition of Shares in Luang Prabang Power Company Limited (“LPCL”)

On 19 November 2020, the Company acquired 42% of registered capital of LPCL from PT Sole Company Limited at the total amount of Baht 12.82 million to perform feasibility study and develop Luang Prabang Hydroelectric Power Project in Luang Prabang, Lao PDR.

Debentures Issuance No. 1/2020 by CKPower

On 25 November 2020, the Company issued Baht 4,000 million of unsecured, unsubordinated Debentures No. 1/2020 with a debentureholders’ representative. The proceeds from the debentures will be used to redeem debentures maturing in Q2/2021, expand the Company’s business, and support operation as working capital. The debentures consisted of:

- Baht 1,000 million debentures with a tenor of 2 years at the interest rate of 2.31% per annum;
- Baht 1,500 million debentures with a tenor of 3 years at the interest rate of 2.62% per annum; and
- Baht 1,500 million debentures with a tenor of 7 years at the interest rate of 3.76% per annum.

TRIS Rating assigned the company rating of “A” (with Stable outlook) to the Company and the issue rating of “A-” (with Stable outlook) to the Company’s debentures No. 1/2020.

Capital Increase in LPCL

On 18 January 2021, the Company completed Baht 2,170.56 million capital injection in proportion to its shareholding in LPCL following the Board of Directors’ approval to support the development of Luang Prabang Hydroelectric Power Project.

Awards and Recognition in 2020

Participated in the United Nations Global Compact (UNGC) Thailand

On 28 May 2020, the Company became a member of the United Nations Global Compact (UNGC) Thailand to operate its business to support UNGC’s principles of human rights, labor, environment and anti-corruption. Moreover, the Company aims to operate its business to achieve United Nations Sustainable Development Goals (UNSDGs). At present, 8 out of 17 goals of UNSDGs have already been embedded into the Company’s business strategy.

Received Asia Power Awards 2020

On 23 September 2020, the Company received Asian Power Awards 2020 in Silver Label under 2 categories, namely:

- Natural Gas-fired Power Project of the Year
- Environmental Upgrade of the Year – Thailand

The Awards recognized the Company for its development of project and innovation to reduce the use of natural resource, minimize the environmental and social impacts, and achieve cost savings from reduction in electricity use.

Included in Thailand Sustainability Investment (THSI) List for 2020

On 11 November 2020, the Company was included in the Thailand Sustainability Investment or THSI list of 2020 by the Stock Exchange of Thailand, reflecting the Company’s intent to operate a sustainable business that supports environment, community, and good corporate governance.

Achieved Excellent Corporate Governance (CG) Score

On 19 November 2020, the Company received “Excellent” Corporate Governance (CG) score under the Corporate Governance Report of Thai Listed Companies 2020 published by Thai Institute of Directors Association. This has been the Company’s 3rd consecutive year of achieving such score.

Won IR Magazine Awards 2020 – Best Crisis Management

On 8 December 2020, the Company won the IR Magazine Awards 2020 South East Asia in the category of Best Crisis Management. The award recognized the achievement of Xayaburi Hydroelectric Power Plant in engaging with its stakeholders to foster a clear understanding of how the power plant manages its electricity production in conjunction with its water and environmental resource management system.

The Impact from the COVID-19 Situation

The Company does not experience any material impact from the COVID-19 situation to its electricity business since the Company's main off-takers are the Electricity Generating Authority of Thailand and the Provincial Electricity Authority. While the Company also sells electricity to industrial customers, most of its industrial customers are not in the industries that were severely affected by the situation.

In terms of electricity production, all power plants continue to operate normally without interruption throughout the COVID-19 situation. Each plant applies strict hygiene and safety measures and does not allow visit from any outside person.

For liquidity management, the Company's Cash and Cash Equivalent was at Baht 8,899.1 million at the end of 2020, increased by Baht 4,684.9 million from the end of 2019. Net Interest-bearing Debt to Total Shareholders' Equity Ratio was at 0.60 times, well below its debentures covenant of 3.00 times, reflecting strong liquidity to support operating expenses, debt services, and business expansions. Furthermore, the Company has secured approximately Baht 9.5 billion of credit facility with financial institutions to support its liquidity management and debentures redemption, if necessary.

Analysis of Operating Results of 2020

Description	Year (Baht Million)		Changes	
	2019	2020	Inc/(Dec)	%
Revenue from Sales of Electricity and Steam	8,223.0	6,527.0	(1,696.0)	(20.6)
Project Management Income	153.9	168.1	14.2	9.2
Interest Income under Finance Lease Agreement	351.8	344.7	(7.1)	(2.0)
Other Income	111.5	137.7	26.2	23.5
Total Revenues	8,840.2	7,177.5	(1,662.7)	(18.8)
Operating Expenses	(7,019.2)	(6,417.5)	(601.7)	(8.6)
Share of Profit from Investments in Jointly Controlled Entities and Associated Companies	(143.8)	407.4	551.2	383.3
Foreign Exchange Gain	2.3	10.8	8.5	369.6
Earnings Before Interest and Tax	1,679.5	1,178.2	(501.3)	(29.8)
Finance Cost	(1,161.3)	(996.4)	(164.9)	(14.2)
Income Tax Expenses	(12.3)	15.9	28.2	229.3
Net Profit attributable to Non-controlling Interests of the Subsidiaries	(313.9)	207.0	520.9	165.9
Recurring Net Profit	192.0	404.7	212.7	110.8
One-time Foreign Exchange Gain	576.9	-	(576.9)	(100.0)
Net Profit attributable to Equity Holders of the Company	768.9	404.7	(364.2)	(47.4)

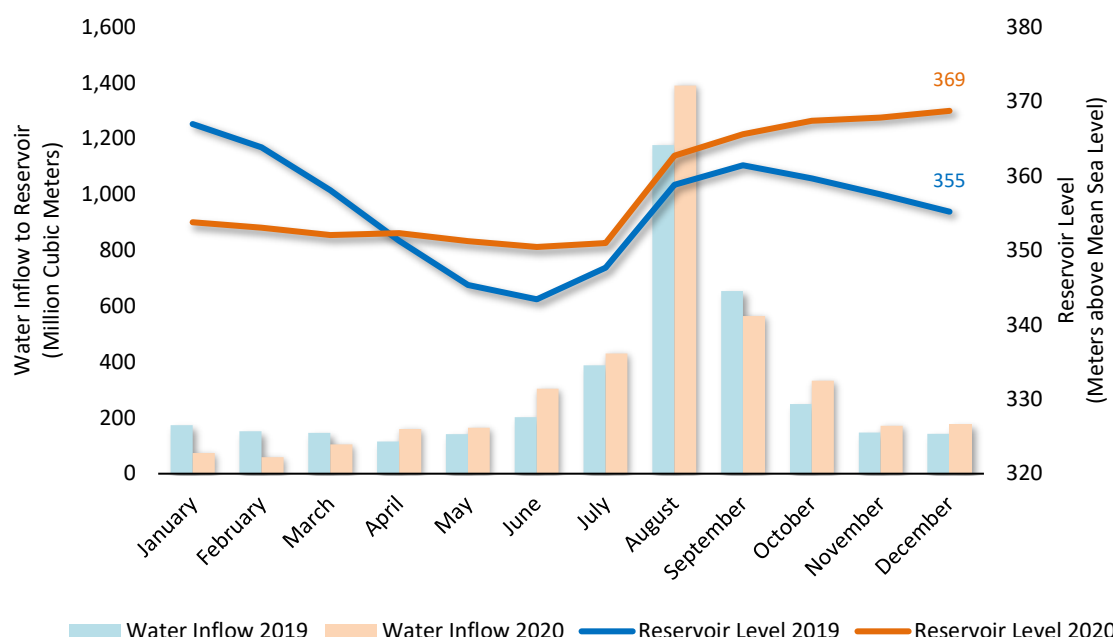
Revenue from Sales of Electricity and Steam

	Sales Volume of Electricity / Steam (GWh) / (Tons)		Changes		Revenue (Baht Million)		Changes	
	2019	2020	Inc/(Dec)	%	2019	2020	Inc/(Dec)	%
Revenue from Sales of Electricity								
NN2	1,684.9	920.1	(764.8)	(45.4)	3,048.0	1,716.6	(1,331.4)	(43.7)
BIC	1,560.8	1,535.7	(25.1)	(1.6)	4,967.7	4,604.8	(362.9)	(7.3)
BKC	15.5	20.1	4.6	29.7	144.8	157.8	13.0	9.0
Subtotal	3,261.2	2,475.9	(785.3)	(24.1)	8,160.5	6,479.2	(1,681.3)	(20.6)
Revenue from Sales of Steam								
BIC	87,486	74,026	(13,460)	(15.4)	62.5	47.8	(14.7)	(23.5)
Total					8,223.0	6,527.0	(1,696.0)	(20.6)

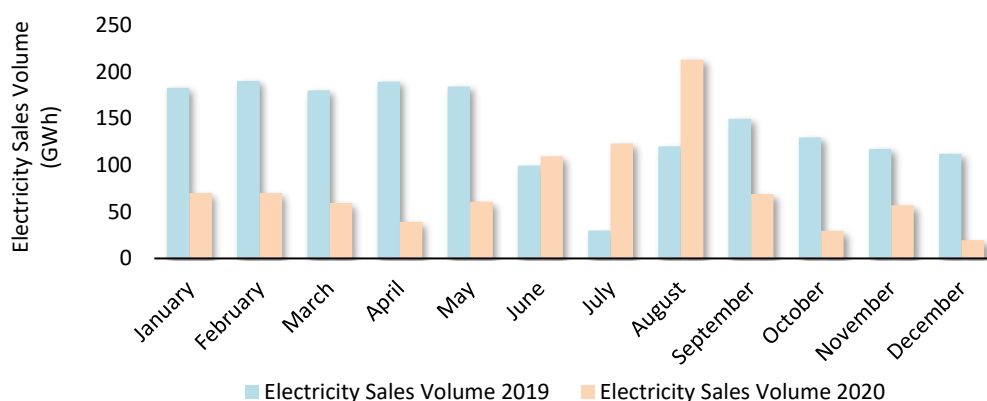
In 2020, Revenue from Sales of Electricity and Steam declined by 20.6% YoY, mainly due to the following reasons:

NN2: Revenue from sales of electricity of NN2 in 2020 decreased by 43.7% YoY due to the decrease in electricity sales volume, following lower water level at the beginning of 2020 and below-average water inflow during 2020, causing Nam Ngum 2 Hydroelectric Power Plant to declare 2020 as a Drought Year and manage its declaration conservatively to ensure that the water level at the end of the year is adequate for the electricity production in the first half of 2021.

Water Inflow and Reservoir Level of Nam Ngum 2 Hydroelectric Power Plant



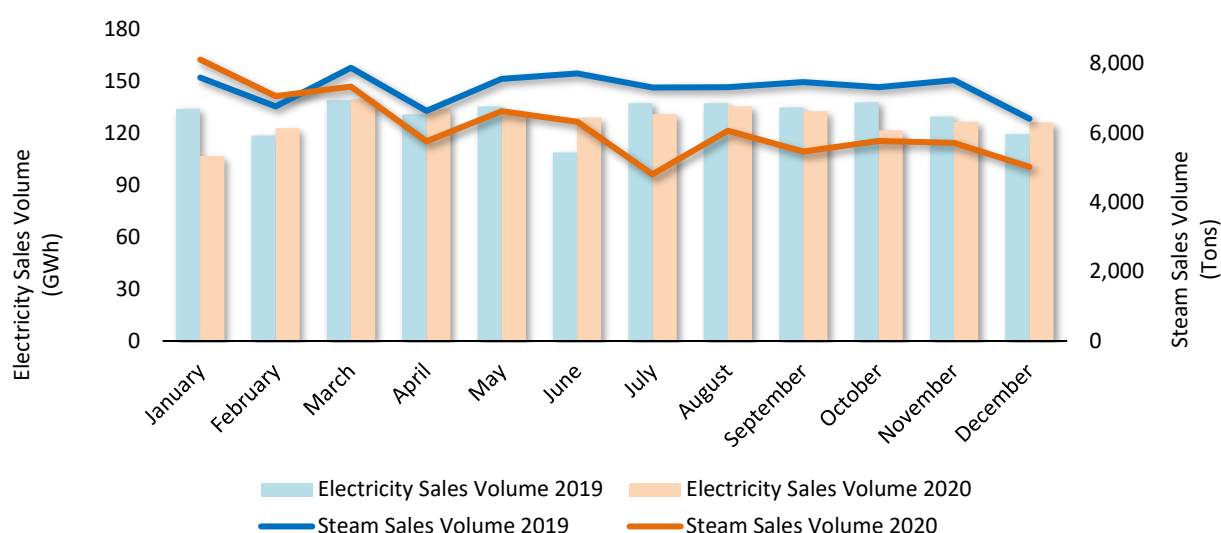
Electricity Sales Volume of Nam Ngum 2 Hydroelectric Power Plant



Description	Year (GWh)		Changes	
	2019	2020	Inc/(Dec)	%
Primary Energy (PE)	1,674.5	915.7	(758.8)	(45.3)
Secondary Energy (SE)	4.2	-	(4.2)	(100.0)
Excess Energy (EE)	-	-	-	-
Test Energy (TE)	6.2	4.4	(1.8)	(29.0)
Total Electricity Sales	1,684.9	920.1	(764.8)	(45.4)

BIC: Revenue from Sales of Electricity and Steam of BIC in 2020 decreased by 7.3% YoY due to the decline in average natural gas price in 2020 compared to the previous year, which resulted in a decrease in Energy Payment revenue, the maintenance outage of a gas turbine unit of Bangpa-in Cogeneration Power Plant 1 during January 2020, and lower electricity and steam demand from industrial customers.

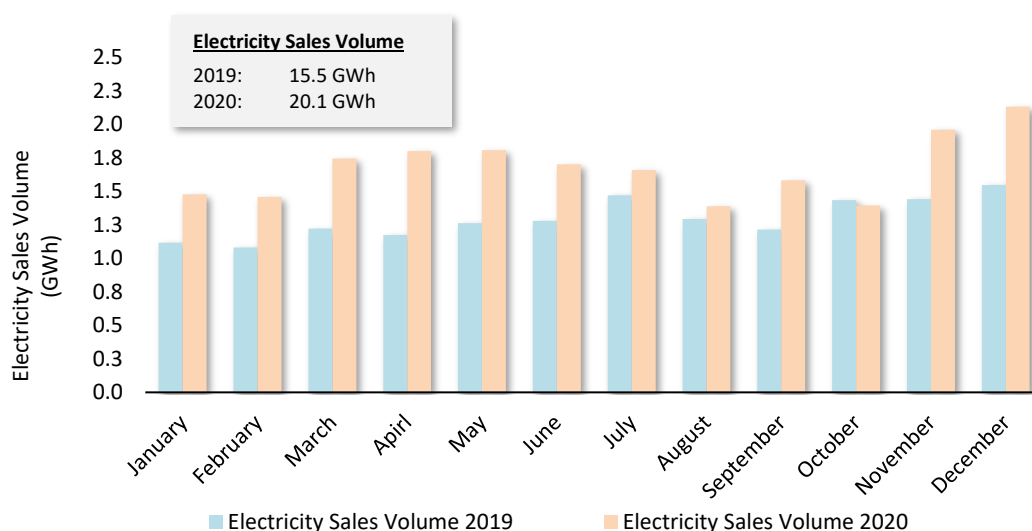
Electricity and Steam Sales Volume of Bangpa-in Cogeneration Power Plant



Off-takers	Year (GWh)		Changes	
	2019	2020	Inc/(Dec)	%
Electricity Generating Authority of Thailand (EGAT)	1,250.3	1,235.9	(14.4)	(1.2)
Industrial customers	310.5	299.8	(10.7)	(3.4)
Total Electricity Sales	1,560.8	1,535.7	(25.1)	(1.6)

BKC: Revenue from Sales of Electricity of BKC in 2020 increased by 9.0% YoY primarily because (i) Bangkhengchai Solar Power Plant changed its solar panels during Q3/2020, which has improved the plant's overall efficiency, (ii) five new solar rooftop power plants under BKC with a total installed capacity of 4.1 MW started selling electricity to private-sector operators during 2019, and (iii) a new solar farm power plant under BKC with an installed capacity of 2.7 MW started selling electricity to private-sector operators at the end of Q3/2020. This has resulted in an increase in electricity sales volume in 2020 compared to the previous year.

Electricity and Steam Sales Volume of Solar Power Plants under BKC



Project Management Income

The Project Management Income in 2020 increased by 9.2% YoY, mainly from increases in management fees in accordance with the contracts.

Interest Income under Finance Lease Agreement

Interest Income under Finance Lease Agreement in 2020 decreased by 2.0% YoY following the decline in finance lease receivable, as a result of a gradually received rental fee under lease agreement between Nabong Substation and the Government of Lao.

Other Income

In 2020, Other Income increased by 23.5% YoY, primarily from the interest of long-term loan to XPCL in accordance with the conditions specified in the Sponsors Support Agreement. The Company started providing loan support to XPCL in August 2019 and recognized interest for the full year of 2020. As at 31 December 2020, outstanding principal of the long-term loan to XPCL was Baht 3,000 million.

Operating Expenses

Description	Year (Baht Million)		Changes	
	2019	2020	Inc/(Dec)	%
Cost of Sales of Electricity and Steam	5,964.8	5,380.0	(584.8)	(9.8)
<i>Fuel Costs</i>	3,334.2	2,948.4	(385.8)	(11.6)
<i>Depreciation Expenses</i>	1,484.0	1,500.7	16.7	1.1
<i>Operation and Maintenance Costs</i>	724.1	644.8	(79.3)	(11.0)
<i>Wheeling Charge</i>	216.9	119.2	(97.7)	(45.0)
<i>Royalty Fee</i>	104.9	59.6	(45.3)	(43.2)
<i>Others</i>	100.7	107.3	6.6	6.6
Amortization of Right to Produce and Sell Electricity	521.3	521.3	-	-
Cost of Project Management	90.8	88.5	(2.3)	(2.5)
Administrative Expenses	442.3	427.7	(14.6)	(3.3)
Total Operating Expenses	7,019.2	6,417.5	(601.7)	(8.6)

The Operating Expenses for 2020 decreased by 8.6% YoY with key changes as follow:

- BIC's Fuel Costs decreased by 11.6% YoY following the decline of electricity sales volume and average natural gas price.
- Depreciation Expenses increased by 1.1% YoY mainly from the depreciation of Right-of-use Assets following the adoption of Thai Financial Reporting Standards No. 16 since January 2020.
- Operating and Maintenance Costs decreased by 11.0 % YoY primarily because of higher maintenance expenses in Q2/2019 related to Major Overhaul of BIC and a decrease in other operating costs during 2020.
- Wheeling Charges declined by 45.0% YoY following the decline in the dispatched electricity of NN2.
- Royalty Fee decreased by 43.2% YoY, consistent with the decline in NN2's revenue from sales of electricity.
- Cost of Project Management and Administrative Expenses decreased by 2.5% and 3.3% YoY, respectively, from lower activities during the COVID-19 situation and effective cost management.

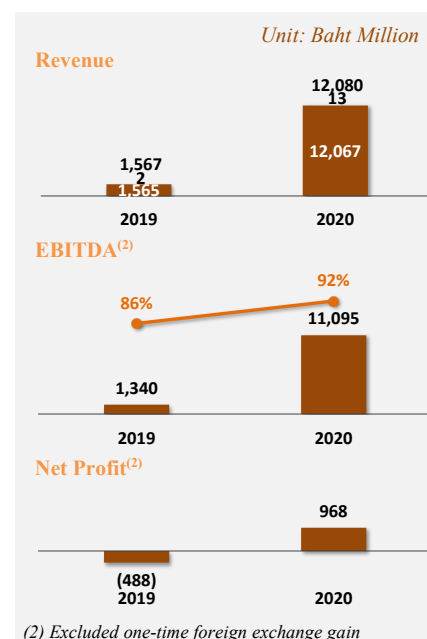
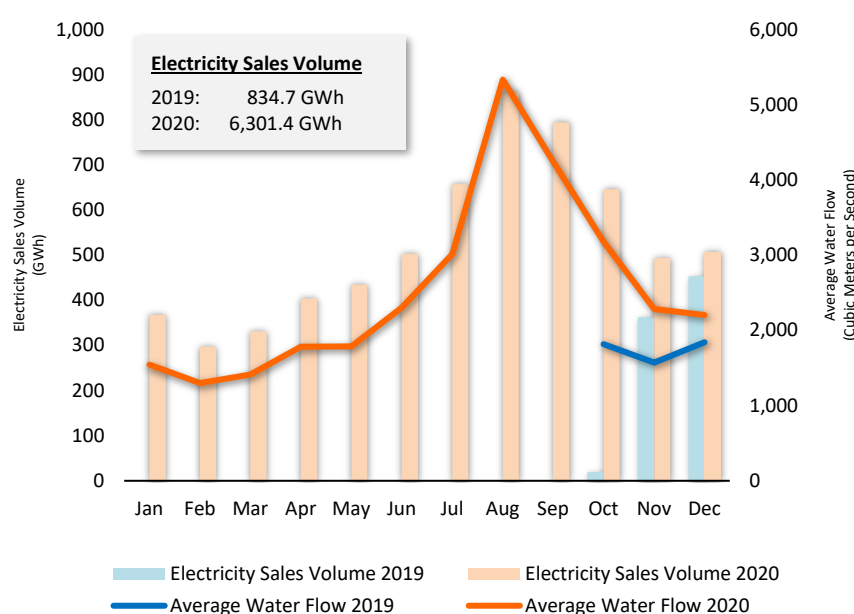
Share of Profit from Investments in Jointly Controlled Entities and Associated Companies

Description	Year (Baht Million)		Changes	
	2019	2020	Inc/(Dec)	%
Share of Profit from Investments in Jointly Controlled Entities	40.9	40.7	(0.2)	(0.5)
Share of Profit (Loss) from Investments in Associated Companies	(184.7)	366.7	551.4	298.5
Total	(143.8)	407.4	551.2	383.3
One-time Foreign Exchange Gain ⁽¹⁾	576.9	-	(576.9)	(100.0)
Share of Profit from Investments in Jointly Controlled Entities and Associated Companies	433.1	407.4	(25.7)	(5.9)

(1) The Company's proportionate sharing of one-time Foreign Exchange Gain of XPCL

The Company recognized Share of Profit from Investments in Jointly Controlled Entities and Associated Companies in 2020 at Baht 407.4 million, increased by Baht 551.2 million or 383.3% YoY. The increase mainly came from an increase in the share of profit from investment in XPCL following its full year of electricity production and sales in 2020 after the COD in late October 2019.

Monthly Average Water Flow and Electricity Sales Volume of Xayaburi Hydroelectric Power Plant



Finance Cost

Finance Cost in 2020 decreased by 14.2% YoY, mainly from NN2's debentures issuance to fully repay its long-term loan from financial institutions in March 2019, the subsidiaries' principal repayments and lower interest rates YoY.

Net Profit attributable to Equity Holders of the Company

Overall, Net Profit attributable to Equity Holders of the Company in 2020 increased by Baht 212.7 million or 110.8% compared to the Recurring Net Profit of 2019, which excluded one-time foreign exchange gain from XPCL in Q4/2019. The increase primarily came from an increase in the share of profit from investment in XPCL, following its full year of electricity production and sales after the COD in late October 2019.

Analysis of Financial Position

Description	As at 31 Dec 2019 (Baht Million)	As at 31 Dec 2020 (Baht Million)	Changes	
			Inc/(Dec)	%
Total Assets	64,190.9	67,038.5	2,847.6	4.4
Total Liabilities	28,644.2	32,000.5	3,356.3	11.7
Total Shareholders' Equity	35,546.7	35,038.0	(508.7)	(1.4)

Total Assets

As at 31 December 2020, Total Assets increased by 4.4% from the end of 2019, mainly driven by proceeds from Baht 4,000 million debentures that the Company issued on 25 November 2020. The proceeds will be used to redeem debentures maturing in Q2/2021, expand the Company's business, and support operation as working capital.

Total Liabilities

As at 31 December 2020, Total Liabilities increased by 11.7% from the end of 2019, primarily from the Company's debentures issuance on 25 November 2020 and the increase in liabilities under finance lease agreements following the adoption of Thai Financial Reporting Standards No. 16 since January 2020.

Total Shareholders' Equity

As at 31 December 2020, Total Shareholders' Equity decreased by 1.4% from the end of 2019, mainly because of the decline in the Non-controlling Interests of the Subsidiaries following the decrease of operating results and dividend payment of NN2.

Cash Flows Analysis

As at 31 December 2020, the Company reported Cash and Cash Equivalent of Baht 8,899.1 million, increased by Baht 4,684.9 million or 111.2% from the end of 2019.

Cash Flow Statement for 2020	Baht Million
Net cash flows from operating activities	2,245.3
Net cash flows from investing activities	986.8
Net cash flows from financing activities	1,453.3
Effect of exchange rate changes on cash and cash equivalents	(0.5)
Net Increase in Cash and Cash Equivalents	4,684.9

- Net cash inflows from operating activities came mainly from the Company and its subsidiaries' operating cash flows.
- Net cash inflows from investing activities came primarily from selling of Other Current Financial Assets, cash received from Finance Lease Agreement and dividend received from jointly controlled entities.
- Net cash inflows from financing activities came mainly from the Company's debentures issuance, offset by the repayment of long-term loans and debentures as well as dividend payments by the Company and its subsidiaries.

Significant Financial Ratios

Profitability Ratios	Year		Changes
	2019	2020	
Gross Profit Margin (%)	25.6	16.5	(9.1)
EBITDA Margin (%)	43.7	39.7	(4.0)
EBITDA Margin including Share of Profit (%) ⁽³⁾	42.1	45.4	3.3
Recurring Net Profit Margin (%) ⁽³⁾	2.2	5.6	3.4
Net Profit Margin (%)	8.7	5.6	(3.1)
<i>Recurring earnings per share (Baht)⁽³⁾</i>	<i>0.025</i>	<i>0.050</i>	<i>0.025</i>
<i>Earnings per share (Baht)</i>	<i>0.010</i>	<i>0.050</i>	<i>(0.040)</i>
Leverage Ratios	As at 31 Dec 2019	As at 31 Dec 2020	Changes
Total Liabilities to Total Shareholders' Equity Ratio (Times)	0.81	0.91	0.10
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times) ⁽⁴⁾	0.62	0.60	(0.02)
Liquidity Ratio	As at 31 Dec 2019	As at 31 Dec 2020	Changes
Current Ratio (Times)	1.95	1.68	(0.27)

⁽³⁾ Excluded one-time item

⁽⁴⁾ Excluded Liabilities under Finance Lease Agreements

In 2020, Gross Profit Margin and EBITDA Margin declined YoY, mainly due to the decrease in Revenue from Sales of Electricity of NN2. EBITDA Margin including Share of Profit and Recurring Net Profit Margin increased YoY, mainly driven by an increase in the share of profit from Investment in XPCL as a result of its full year of electricity production and sales in 2020.

As at 31 December 2020, Total Liabilities to Total Shareholders' Equity Ratio increased from the end of 2019, primarily due to (i) the Company's debentures issuance on 25 November 2020 and (ii) the decline in Total Shareholders' Equity following the decline in the Non-controlling Interests of the Subsidiaries. Net Interest-

bearing Debt to Total Shareholders' Equity Ratio decreased slightly from the end of 2019, mainly due to an increase of Cash and Cash Equivalent from operating activities.

Current Ratio declined from the end of 2019, mainly because the Company's Baht 4,000 million Debentures will become due within 1 year. The Company has plan to rollover such debentures using Baht 2,000 million of proceeds from debentures 1/2020 together with the issuance of new debentures during 2021. The Company also maintains approximately Baht 9.5 billion of credit facility with financial institutions to support its liquidity management and debentures redemption, if necessary.