

**WHA UTILITIES AND POWER PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

## **Independent Auditor's Report**

To the shareholders and the Board of Directors of WHA Utilities and Power Public Company Limited

### **My opinion**

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of WHA Utilities and Power Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, 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 2020;
- 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 significant accounting policies and other explanatory information.

### **Basis for opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that 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.

## My audit approach - overview



### Materiality

Overall group materiality: Baht 37 million which represents approximately 5% of Group's profit before tax.

### Audit scope

I conduct with audit work of the consolidated financial statements by focusing on the significant components which account for 82% of the Group's profit before tax and 79% of the Group's total assets.

### Key audit matters

I identified Goodwill impairment assessment as key audit matter.

## Materiality

The scope of my audit was influenced by my application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on my professional judgement, I determined certain quantitative thresholds for overall materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped me to determine the scope of my audit and the nature, timing and extent of my audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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<b>Overall materiality for consolidated financial statements</b>	Baht 37 million
<b>How I determined it</b>	5% of Group's profit before tax
<b>Rationale for the materiality benchmark applied</b>	I chose profit before tax as the critical measure because, in my view, it is the measure against the performance of the Group. The 5% benchmark is a generally accepted auditing practice and there were no significant unusual elements that merited adjustments to this benchmark.

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I agreed with the audit committee that I would report to them misstatements identified during my audit above Baht 3.7 million.

## Audit scope

I tailored the scope of my audit in order to perform sufficient work to enable me to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

## Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter which was goodwill impairment assessment. The 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 the matter.

Key audit matter	How my audit addressed the key audit matter
<p><b>Goodwill impairment assessment</b></p> <p>Refer to Note 9 'Critical accounting estimates and judgements' and Note 18 'Goodwill' to the financial statements. As at 31 December 2020, the Group had goodwill of Baht 2,773 million.</p> <p>The Group's goodwill arose from past acquisitions of power and water businesses. The Group is required to test for goodwill impairment annually in accordance with the requirements of the Thai Financial Reporting Standards.</p> <p>I focussed on the goodwill impairment assessment because the goodwill balance is material to the financial statements. The Group's management uses its judgement and future projections to determine the recoverable amount of cash-generating units, which includes goodwill.</p> <p>The recoverable amount is based on the fair value less costs of disposal determined using the present value method. The key assumptions used to estimate the future net cash flow discounted to net present value are the gross margin, growth rate and discount rate.</p> <p>From the impairment assessment this year, the Group's management concluded that there was no impairment of goodwill because the recoverable amount was higher than the carrying amount.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"><li>• understanding and assessing how the Group's management forecasted future cash flow</li><li>• comparing cash flow projections with approved budgets and business plans set by the Group's management, and reviewing other supporting evidence from the management on future operation plans</li><li>• challenging the reasonableness of management's key assumptions used in cash flow projections, such as its future business plans, projected future gross margin, growth rate and discount rate using the weighted average cost of capital method (WACC), and taking into account the sensitivity of these assumptions with regards to the recoverable amount, and</li><li>• testing the mathematical accuracy of estimated key figures based on the above assumptions and used them to calculate the recoverable amount, then comparing it with the carrying value.</li></ul> <p>Based on these audit procedures, I found that the goodwill impairment assessment was reasonable and consistent with the supporting evidences.</p>

## **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 TFRS, 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 judgement 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 ABAS Ltd.

**Chanchai Chaiprasit**  
Certified Public Accountant (Thailand) No. 3760  
Bangkok  
25 February 2021

WHA Utilities and Power Public Company Limited

Statement of Financial Position

As at 31 December 2020

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	11	1,784,154,716	754,591,304	967,860,536	541,569,322
Trade and other receivables, net	12	241,529,713	811,378,643	423,792,531	277,486,695
Short-term loans to related parties	31	-	283,490,552	687,000,000	5,029,490,000
Other current assets		218,319,945	224,806,825	110,222,411	152,134,369
<b>Total current assets</b>		<b>2,244,004,374</b>	<b>2,074,267,324</b>	<b>2,188,875,478</b>	<b>6,000,680,386</b>
<b>Non-current assets</b>					
Financial assets measured					
at fair value through profit or loss	8	328,772,518	-	-	-
Investments in associates	14	12,706,816,492	14,587,636,917	-	-
Investments in subsidiaries	15	-	-	9,524,499,944	9,324,499,944
Interests in joint ventures	14	781,978,409	737,554,465	158,900,000	158,900,000
Other long-term investment, net		-	253,557,521	-	-
Loans to related parties	31	248,490,552	-	5,384,490,000	-
Financial lease receivables		21,888,344	-	-	-
Property, plant and equipments, net	16	5,039,005,609	3,950,235,348	2,993,486,199	2,804,749,720
Intangible assets, net	17	1,987,912,390	2,035,470,443	1,945,020,316	1,991,856,390
Goodwill	18	2,772,877,526	2,772,877,526	597,693,413	597,693,413
Deferred tax assets	19	1,157,156	154,004	-	-
Other non-current assets		38,711,087	6,963,882	37,780,679	6,963,882
<b>Total non-current assets</b>		<b>23,927,610,083</b>	<b>24,344,450,106</b>	<b>20,641,870,551</b>	<b>14,884,663,349</b>
<b>Total assets</b>		<b>26,171,614,457</b>	<b>26,418,717,430</b>	<b>22,830,746,029</b>	<b>20,885,343,735</b>

Director

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	21	342,434,404	292,213,975	195,918,519	194,633,354
Short-term borrowings from financial institutions	20	-	1,765,000,000	-	1,765,000,000
Current portion of long-term borrowings from financial institutions	20	249,782,612	124,729,533	249,782,612	124,729,533
Current portion of debentures	20	2,389,299,319	3,998,377,529	2,389,299,319	3,998,377,529
Current portion of lease liabilities		8,272,490	-	7,252,465	
Income tax payable		16,039,533	29,983,988	-	-
Contingent consideration	14	-	242,915,209	-	-
Other current liabilities		28,406,056	28,452,287	23,871,256	21,541,148
<b>Total current liabilities</b>		<b>3,034,234,414</b>	<b>6,481,672,521</b>	<b>2,866,124,171</b>	<b>6,104,281,564</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	20	4,622,982,354	874,343,972	4,622,982,354	874,343,972
Debentures	20	5,604,086,210	4,994,265,166	5,604,086,210	4,994,265,166
Deferred tax liabilities	19	121,518,189	122,793,288	77,105,150	93,301,174
Provision for liabilities from water business	22	347,711,124	340,466,383	338,711,268	332,485,373
Employee benefit obligations	23	22,570,095	18,838,462	22,570,095	18,838,462
Lease liabilities		235,130,053	-	166,686,183	-
Other non-current liabilities		26,301,584	27,070,351	15,164,733	15,590,508
<b>Total non-current liabilities</b>		<b>10,980,299,609</b>	<b>6,377,777,622</b>	<b>10,847,305,993</b>	<b>6,328,824,655</b>
<b>Total liabilities</b>		<b>14,014,534,023</b>	<b>12,859,450,143</b>	<b>13,713,430,164</b>	<b>12,433,106,219</b>

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**

**Statement of Financial Position**

**As at 31 December 2020**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
		Ordinary shares 3,825,000,000 shares			
		at a par value of Baht 1 each	3,825,000,000	3,825,000,000	3,825,000,000
Issued and paid-up share capital					
		Ordinary shares 3,825,000,000 shares			
		at paid-up at Baht 1 each	3,825,000,000	3,825,000,000	3,825,000,000
		Share premium on ordinary shares	2,557,841,248	2,557,841,248	2,557,841,248
Retained earnings					
	25	Appropriated - legal reserve	245,981,167	164,386,579	245,981,167
		Unappropriated	3,316,403,452	3,491,991,192	1,210,577,774
		Other components of equity	2,211,854,448	3,520,048,146	1,277,915,676
		<b>Equity attributable to the owners of the parent</b>	<b>12,157,080,315</b>	<b>13,559,267,165</b>	<b>9,117,315,865</b>
		Non-controlling interests	119	122	-
		<b>Total equity</b>	<b>12,157,080,434</b>	<b>13,559,267,287</b>	<b>9,117,315,865</b>
		<b>Total liabilities and equity</b>	<b>26,171,614,457</b>	<b>26,418,717,430</b>	<b>22,830,746,029</b>

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
Revenue from sales		1,492,532,037	1,639,778,843	1,175,922,240	1,305,298,758
Revenues from leases and services		203,635,415	217,469,003	198,798,581	261,357,638
Interest earned from financial leases		1,797,711	-	-	-
<b>Total revenues</b>		<b>1,697,965,163</b>	<b>1,857,247,846</b>	<b>1,374,720,821</b>	<b>1,566,656,396</b>
Cost of sales		(1,009,435,952)	(1,014,792,686)	(925,628,899)	(957,595,384)
Cost of services		(188,692,174)	(149,614,420)	(150,623,546)	(143,332,680)
<b>Total costs</b>		<b>(1,198,128,126)</b>	<b>(1,164,407,106)</b>	<b>(1,076,252,445)</b>	<b>(1,100,928,064)</b>
<b>Gross profit</b>		<b>499,837,037</b>	<b>692,840,740</b>	<b>298,468,376</b>	<b>465,728,332</b>
Other income	26	79,956,660	145,671,434	1,921,655,769	1,054,117,435
Expected credit loss on financial assets		(1,125,351)	-	(1,125,351)	-
Administrative expenses		(188,113,352)	(197,548,033)	(179,082,873)	(166,161,717)
Finance costs	27	(432,857,291)	(342,024,905)	(429,585,990)	(337,735,184)
Share of profit of associates and interests in joint ventures	14	866,266,542	1,881,117,658	-	-
<b>Profit before income tax</b>		<b>823,964,245</b>	<b>2,180,056,894</b>	<b>1,610,329,931</b>	<b>1,015,948,866</b>
Income tax (expense) benefit	29	(11,237,189)	(42,847,843)	21,561,828	16,446,803
<b>Profit for the year</b>		<b>812,727,056</b>	<b>2,137,209,051</b>	<b>1,631,891,759</b>	<b>1,032,395,669</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of employee benefit obligations	23	-	1,769,703	-	1,769,703
Income tax on items that will not be reclassified subsequently to profit or loss		-	(353,941)	-	(353,941)
Total items that will not be reclassified subsequently to profit or loss		-	1,415,762	-	1,415,762
Items that will be reclassified subsequently to profit or loss					
Exchange rate difference on translation of the financial statements of subsidiaries		(11,016,131)	(22,148,436)	-	-
Share of other comprehensive income (expense) of associates and joint ventures accounted for using the equity method	14	(159,220,542)	(12,418,877)	-	-
Total items that will be reclassified subsequently to profit or loss		(170,236,673)	(34,567,313)	-	-
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(170,236,673)</b>	<b>(33,151,551)</b>	<b>-</b>	<b>1,415,762</b>
<b>Total comprehensive income for the year</b>		<b>642,490,383</b>	<b>2,104,057,500</b>	<b>1,631,891,759</b>	<b>1,033,811,431</b>
<b>Profit attributable to</b>					
Owners of the parent		812,727,022	2,137,209,022	1,631,891,759	1,032,395,669
Non-controlling interests		34	29	-	-
		<b>812,727,056</b>	<b>2,137,209,051</b>	<b>1,631,891,759</b>	<b>1,032,395,669</b>
<b>Total comprehensive income attributable to</b>					
Owners of the parent		642,490,349	2,104,057,471	1,631,891,759	1,033,811,431
Non-controlling interests		34	29	-	-
		<b>642,490,383</b>	<b>2,104,057,500</b>	<b>1,631,891,759</b>	<b>1,033,811,431</b>
<b>Earnings per share</b>					
Basic earnings per share	30	0.21	0.56	0.43	0.27

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

Consolidated financial statements																
Attributable to the owners of the parent																
	Notes	Issued and paid-up share capital Baht		Share premium on ordinary shares Baht		Retained earnings		Other components of equity				Total equity Baht				
								Appropriated - legal reserve Baht		Unappropriated Baht			Other comprehensive expense			
								Total owner of the parent Baht		Other non-controlling interests Baht			Surplus arising from business combination under common control Baht	Exchange rate differences on translation of the financial statements of subsidiaries Baht	Remeasurements of employee benefit obligations Baht	Share of other comprehensive expense of associates and joint ventures Baht
<b>Opening balance as at 1 January 2019</b>		3,825,000,000	2,557,841,248	112,766,796	4,000,462,005	3,576,558,531	(423,012)	(1,864,616)	(21,071,206)	14,049,269,746	118	14,049,269,864				
Retrospective adjustments from changes in accounting policy		-	-	-	(1,431,260,052)	-	-	-	-	(1,431,260,052)	-	(1,431,260,052)				
<b>Opening balance as at 1 January 2019 - restated</b>		3,825,000,000	2,557,841,248	112,766,796	2,569,201,953	3,576,558,531	(423,012)	(1,864,616)	(21,071,206)	12,618,009,694	118	12,618,009,812				
Dividend paid	24	-	-	-	(1,162,800,000)	-	-	-	-	(1,162,800,000)	-	(1,162,800,000)				
Legal reserve	25	-	-	51,619,783	(51,619,783)	-	-	-	-	-	-	-				
Dividend from a subsidiary paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(40)	(40)				
Subsidiary's capital increase		-	-	-	-	-	-	-	-	-	15	15				
Total comprehensive income (expense) for the year		-	-	-	2,137,209,022	-	(22,148,436)	1,415,762	(12,418,877)	2,104,057,471	29	2,104,057,500				
<b>Closing balance as at 31 December 2019</b>		<u>3,825,000,000</u>	<u>2,557,841,248</u>	<u>164,386,579</u>	<u>3,491,991,192</u>	<u>3,576,558,531</u>	<u>(22,571,448)</u>	<u>(448,854)</u>	<u>(33,490,083)</u>	<u>13,559,267,165</u>	<u>122</u>	<u>13,559,267,287</u>				
<b>Opening balance as at 1 January 2020</b>		3,825,000,000	2,557,841,248	164,386,579	3,491,991,192	3,576,558,531	(22,571,448)	(448,854)	(33,490,083)	13,559,267,165	122	13,559,267,287				
Retrospective adjustments from changes in accounting policy	5	-	-	-	59,092,326	-	-	-	(1,137,957,025)	(1,078,864,699)	-	(1,078,864,699)				
<b>Opening balance as at 1 January 2020 - restated</b>		3,825,000,000	2,557,841,248	164,386,579	3,551,083,518	3,576,558,531	(22,571,448)	(448,854)	(1,171,447,108)	12,480,402,466	122	12,480,402,588				
Dividend paid	24	-	-	-	(965,812,500)	-	-	-	-	(965,812,500)	-	(965,812,500)				
Legal reserve	25	-	-	81,594,588	(81,594,588)	-	-	-	-	-	-	-				
Dividend from a subsidiary paid to non-controlling interests		-	-	-	-	-	-	-	-	-	(37)	(37)				
Total comprehensive income (expense) for the year		-	-	-	812,727,022	-	(11,016,131)	-	(159,220,542)	642,490,349	34	642,490,383				
<b>Closing balance as at 31 December 2020</b>		<u>3,825,000,000</u>	<u>2,557,841,248</u>	<u>245,981,167</u>	<u>3,316,403,452</u>	<u>3,576,558,531</u>	<u>(33,587,579)</u>	<u>(448,854)</u>	<u>(1,330,667,650)</u>	<u>12,157,080,315</u>	<u>119</u>	<u>12,157,080,434</u>				

The accompanying notes are an integral part of these financial statements.

WHA Utilities and Power Public Company Limited  
Statement of Changes in Equity  
For the year ended 31 December 2020

Separate financial statements								
	Notes					Other components of equity		Total equity Baht
						Retained earnings		
		Issued and paid-up share capital Baht	Share premium on ordinary shares Baht	Appropriated - legal reserve Baht	Unappropriated Baht	Surplus from business combination under common control Baht	Remeasurements of employee benefit obligations Baht	
<b>Opening balance as at 1 January 2019</b>		3,825,000,000	2,557,841,248	112,766,796	809,118,127	1,278,364,530	(1,864,616)	8,581,226,085
Dividend paid	24	-	-	-	(1,162,800,000)	-	-	(1,162,800,000)
Legal reserve	25	-	-	51,619,783	(51,619,783)	-	-	-
Total comprehensive income for the year		-	-	-	1,032,395,669	-	1,415,762	1,033,811,431
<b>Closing balance as at 31 December 2019</b>		<u>3,825,000,000</u>	<u>2,557,841,248</u>	<u>164,386,579</u>	<u>627,094,013</u>	<u>1,278,364,530</u>	<u>(448,854)</u>	<u>8,452,237,516</u>
<b>Opening balance as at 1 January 2020</b>		3,825,000,000	2,557,841,248	164,386,579	627,094,013	1,278,364,530	(448,854)	8,452,237,516
Retrospective adjustments from changes in accounting policy	5	-	-	-	(1,000,910)	-	-	(1,000,910)
<b>Opening balance as at 1 January 2020 - restated</b>		3,825,000,000	2,557,841,248	164,386,579	626,093,103	1,278,364,530	(448,854)	8,451,236,606
Dividend paid	24	-	-	-	(965,812,500)	-	-	(965,812,500)
Legal reserve	25	-	-	81,594,588	(81,594,588)	-	-	-
Total comprehensive income for the year		-	-	-	1,631,891,759	-	-	1,631,891,759
<b>Closing balance as at 31 December 2020</b>		<u>3,825,000,000</u>	<u>2,557,841,248</u>	<u>245,981,167</u>	<u>1,210,577,774</u>	<u>1,278,364,530</u>	<u>(448,854)</u>	<u>9,117,315,865</u>

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**
**Statement of Cash Flows**
**For the year ended 31 December 2020**

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		823,964,245	2,180,056,894	1,610,329,931	1,015,948,866
Adjustments for:					
Allowance for expected credit losses		1,125,351	-	1,125,351	-
Doubtful debt		-	815,622	-	815,622
Gains on exchange rates		(671,943)	-	-	-
Share of profit from investments in associates and interests in joint ventures		(866,266,542)	(1,881,117,658)	-	-
Gain from disposals of available-for-sale investment		-	(922,760)	-	(922,759)
Gain (Loss) from disposal of equipment		332,338	(645,422)	332,338	(78,716)
Depreciation	28	217,608,064	157,995,675	158,841,962	139,769,935
Amortisation of intangible assets	28	47,886,062	46,943,452	47,153,574	46,943,452
Amortisation of long-term investments		-	13,872,687	-	-
Provision for maintenance		1,810,254	-	1,810,254	-
Employee benefit obligations	23	4,013,593	3,568,716	4,013,593	3,568,716
Dividend income		(36,494,253)	(74,983,505)	(1,719,992,966)	(921,322,161)
Interest income		(19,048,669)	(47,948,721)	(200,265,852)	(131,789,193)
Finance costs	27	432,857,291	342,024,905	429,585,990	337,735,184
Changes in operating assets and liabilities:					
Trade and other receivables		2,986,222	(9,926,649)	11,035,850	(32,175,756)
Other current assets		(12,771,519)	(22,527,128)	22,815,528	36,735,750
Financial lease receivable		202,289	-	-	-
Intangible assets		-	-	-	43,614,053
Goodwill		-	-	-	12,976,460
Other non-current assets		(700,515)	1,414,252	(440,017)	1,414,252
Trade and other payables		24,658,959	10,906,595	19,341,398	7,848,585
Other current liabilities		(1,856,484)	10,307,012	519,853	8,830,043
Provision for liabilities from water business	22	(24,645,439)	(23,629,923)	(24,573,523)	(30,840,915)
Employee benefit obligations		(281,960)	-	(281,960)	-
Other non-current liabilities		4,044,124	13,812,090	3,287,768	3,109,376
<b>Cash generated from operations</b>		<b>598,751,468</b>	<b>720,016,134</b>	<b>364,639,072</b>	<b>542,180,794</b>
Interest received		19,582,221	47,590,310	40,547,677	89,340,135
Interest paid		(420,345,545)	(292,547,672)	(418,165,007)	(289,027,968)
Dividends received		1,753,769,945	803,743,394	1,719,992,966	921,322,161
Cash paid for corporate income tax		(54,040,956)	(62,630,962)	(5,664,317)	(10,713,285)
<b>Net cash receipts from operating activities</b>		<b>1,897,717,133</b>	<b>1,216,171,204</b>	<b>1,701,350,391</b>	<b>1,253,101,837</b>

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**
**Statement of Cash Flows**
**For the year ended 31 December 2020**

	Notes	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Cash flows from investing activities</b>					
Payments for the acquisition of available-for-sale investments		-	(650,000,000)	-	(650,000,000)
Proceeds from the disposal of available-for-sale investments		-	650,922,759	-	650,922,759
Payments for loans to related parties	31	-	(230,490,552)	(2,518,000,000)	(4,137,490,000)
Proceeds from loans to related parties	31	35,000,000	701,550,500	1,476,000,000	1,761,440,000
Payments for acquisition of investments in associates		-	(2,525,362,094)	-	-
Payments for acquisition of investments in subsidiaries		-	-	(200,000,000)	-
Payments for acquisition of interests in joint ventures		-	(26,075,008)	-	(26,075,000)
Payments for acquisition of property, plant and equipment		(1,032,683,054)	(818,340,820)	(163,764,580)	(104,595,068)
Proceeds from disposal of property, plant and equipment		156,394	4,374,176	156,394	224,766
Payments for acquisition of intangible assets	17	(613,009)	(745,000)	(602,500)	(745,000)
Net cash payments from investing activities		(998,139,669)	(2,894,166,039)	(1,406,210,686)	(2,506,317,543)
<b>Cash flows from financing activities</b>					
Proceeds from short-term borrowings from financial institutions	20	1,590,000,000	2,891,000,000	1,590,000,000	2,891,000,000
Repayment of short-term borrowings from financial institutions	20	(3,355,000,000)	(1,126,000,000)	(3,355,000,000)	(1,126,000,000)
Proceeds from long-term borrowings from financial institutions	20	4,000,000,000	1,000,000,000	4,000,000,000	1,000,000,000
Repayment of long-term borrowings from financial institutions	20	(125,000,000)	-	(125,000,000)	-
Proceeds from debentures	20	3,000,000,000	-	3,000,000,000	-
Repayment of debentures	20	(4,000,000,000)	-	(4,000,000,000)	-
Payments for issuing cost of long-term borrowings from financial institutions	20	(2,000,000)	(1,000,000)	(2,000,000)	(1,000,000)
Payments for debentures issuance	20	(3,793,150)	-	(3,793,150)	-
Payments for lease liabilities		(8,375,806)	-	(7,365,327)	-
Dividend paid	24	(965,690,014)	(1,162,727,680)	(965,690,014)	(1,162,727,680)
Dividend paid from a subsidiaries to non-controlling interests		(37)	(40)	-	-
Net cash receipts from financing activities		130,140,993	1,601,272,280	131,151,509	1,601,272,320

The accompanying notes are an integral part of these financial statements.

**WHA Utilities and Power Public Company Limited**

**Statement of Cash Flows**

**For the year ended 31 December 2020**

	Note	Consolidated financial statements		Separate financial statements	
		2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Net increase (decrease) in cash and cash equivalents</b>		1,029,718,457	(76,722,555)	426,291,214	348,056,614
Cash and cash equivalents at the beginning of the year		754,591,304	853,462,295	541,569,322	193,512,708
Exchange gains (losses) on cash and cash equivalents		(155,045)	(22,148,436)	-	-
<b>Cash and cash equivalents at the end of the year</b>		<b>1,784,154,716</b>	<b>754,591,304</b>	<b>967,860,536</b>	<b>541,569,322</b>
<b>Non-cash transactions</b>					
Significant non-cash transactions for the year ended 31 December					
Account payables from acquisition of property, plant and equipment		145,627,848	95,550,043	12,719,228	6,266,975
Right-of-use assets and lease liabilities		11,967,072	-	5,972,561	-
Dividend payable		122,486	-	122,486	-
Contingent consideration	14	-	242,915,209	-	-
Recognised changes in the value of contingent consideration to investment in associates	14	242,915,209	-	-	-

The accompanying notes are an integral part of these financial statements.

## **1 General information**

WHA Utilities and Power Public Company Limited (the Company) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

777 WHA Tower 22nd floor, Unit 2203-2205, Moo 13, Debaratna Road (Bangna-Trad) KM.7, Bang Kaeo, Bang Phli, Samut Prakarn 10540

The principal business operations of the Company and its subsidiaries (the Group) are to produce and distribute the industrial water, provide waste water treatment service in industrial estate, operate solar power business and invest in water and power business.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 25 February 2021.

## **2 Significant events during the current year**

The outbreak of Coronavirus Disease 2019 ("COVID-19") in 2020 had adverse effects on operating results for the year ended 31 December 2020 of related parties. Thus, the Group decided to relieve the calling on repayment of short-term loans to related parties for at least one year. Therefore, the loans were classified to non-current.

## **3 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") 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 as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

An English version of the consolidated and separate financial statements have been prepared from the statutory 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 statutory financial statements shall prevail.

The purpose of reclassifications in presentation is to be aligned with nature of accounts. Comparative figures have been reclassified to conform with the current year.

#### **4 New and amended financial reporting standards**

##### **4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group**

The new financial standards are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRS 16	Leases

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

Where the Group is a lessee, TFRS 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 on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

##### **4.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and 1 January 2022**

The Group has not early adopted the new and amended Thai Financial Reporting Standards which are effective on 1 January 2020 and 1 January 2022. The Group's management is currently assessing the impact of adoption of these standards.

**WHA Utilities and Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**5 Impacts from initial application of the new and revised financial reporting standards**

This note explains the impact of the adoption of TAS 32 *Financial Instruments: Presentation*, TFRS 7 *Financial Instruments: Disclosure*, TFRS 9 *Financial Instruments* and TFRS 16 *Leases* on the Group's consolidated financial statements and the Company's separate financial statements. The new accounting policies applied from 1 January 2020 were disclosed in Note 6.

The Group and the Company have adopted those accounting policies from 1 January 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 January 2020.

The impact of first-time adoption of new financial reporting standards on the consolidated and separate statements of financial position are as follows:

		<b>Consolidated financial statements</b>				
		<b>31 December</b>	<b>TFRS 9 and</b>	<b>TFRS 16</b>	<b>1 January</b>	
		<b>2019</b>	<b>TAS 32</b>	<b>16</b>	<b>2020</b>	
<b>Notes</b>		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	
<b>Current assets</b>						
	Trade and other receivables, net	A	811,378,643	(1,251,138)	-	810,127,505
<b>Non-current assets</b>						
	Financial assets measured at fair value through profit or loss	B	-	328,772,518	-	328,772,518
	Investments in associates	C	14,587,636,917	(1,137,957,025)	-	13,449,679,892
	Interests in joint ventures	C	737,554,465	(78,762)	-	737,475,703
	Other long-term investments, net	B	253,557,521	(253,557,521)	-	-
	Property, plant and equipment, net	D, E	3,950,235,348	-	234,965,448	4,185,200,796
<b>Total assets affected</b>			<b>20,340,362,894</b>	<b>(1,064,071,928)</b>	<b>234,965,448</b>	<b>19,511,256,414</b>
<b>Current liabilities</b>						
	Trade and other payables	D, E	292,213,975	-	(32,938)	292,181,037
	Current portion of lease liabilities	D, E	-	-	9,917,044	9,917,044
<b>Non-current liabilities</b>						
	Lease liabilities	D, E	-	-	229,894,233	229,894,233
	Deferred tax liabilities	F	122,793,288	14,792,771	-	137,586,059
	Other non-current liabilities	D, E	27,070,351	-	(4,812,891)	22,257,460
<b>Total liabilities affected</b>			<b>442,077,614</b>	<b>14,792,771</b>	<b>234,965,448</b>	<b>691,835,833</b>
	Retained earnings		3,491,991,192	59,092,326	-	3,551,083,518
	Other components of equity	C	3,520,048,146	(1,137,957,025)	-	2,382,091,121
<b>Total equity affected</b>			<b>7,012,039,338</b>	<b>(1,078,864,699)</b>	<b>-</b>	<b>5,933,174,639</b>

**WHA Utilities and Power Public Company Limited**  
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**For the year ended 31 December 2020**

		<b>Separate financial statements</b>			
		<b>31 December</b>	<b>TFRS 9 and</b>	<b>TFRS 16</b>	<b>1 January</b>
<b>Notes</b>		<b>2019</b>	<b>TAS 32</b>	<b>Baht</b>	<b>2020</b>
		<b>Baht</b>	<b>Baht</b>	<b>Baht</b>	<b>Baht</b>
<b>Current assets</b>					
Trade and other receivables, net	A	277,486,695	(1,251,138)	-	276,235,557
<b>Non-current assets</b>					
Property, plant and equipment, net	D, E	2,804,749,720	-	171,592,779	2,976,342,499
<b>Total assets affected</b>		<b>3,082,236,415</b>	<b>(1,251,138)</b>	<b>171,592,779</b>	<b>3,252,578,056</b>
<b>Current liabilities</b>					
Trade and other payables	D, E	194,633,354	-	(25,092)	194,608,262
Current portion of lease liabilities	D, E	-	-	8,619,214	8,619,214
<b>Non-current liabilities</b>					
Lease liabilities	D, E	-	-	166,712,200	166,712,200
Deferred tax liabilities	F	93,301,174	(250,228)	-	93,050,946
Other non-current liabilities	D, E	15,590,508	-	(3,713,543)	11,876,965
<b>Total liabilities affected</b>		<b>303,525,036</b>	<b>(250,228)</b>	<b>171,592,779</b>	<b>474,867,587</b>
Unappropriated retained earnings		627,094,013	(1,000,910)	-	626,093,103
<b>Total equity affected</b>		<b>627,094,013</b>	<b>(1,000,910)</b>	<b>-</b>	<b>626,093,103</b>

**Note:**

- A) Adjustment on impairment of trade and other receivables (Note 5.1)
- B) Impacts from changes in classification and measurement of financial assets (Note 5.1)
- C) Impacts from TFRS 9 of associates and joint ventures (Note 5.1)
- D) Recognition of right of use assets and lease liabilities under TFRS 16 (Note 5.2)
- E) Reclassification of leased assets and finance lease liabilities (Note 5.2)
- F) Adjustments on deferred tax assets and liabilities resulted from the above adjustments

**5.1 Financial instruments**

The total impact on the Group's and the Company's unappropriated retained earnings and equity as of 1 January 2020 are as follows:

		<b>Consolidated</b>	
		<b>financial statements</b>	
		<b>Unappropriated</b>	<b>Share of other</b>
		<b>retained</b>	<b>comprehensive</b>
		<b>earnings</b>	<b>expense of</b>
<b>Notes</b>		<b>Baht</b>	<b>associates and</b>
			<b>joint ventures</b>
			<b>Baht</b>
	Balance as of 31 December 2019 (as previously reported)	3,491,991,192	(33,490,083)
	Reclassifications of general investments to investments at fair value through profit or loss (FVPL)	a 75,214,997	-
	Increase in impairment of trade receivables	e (1,251,138)	-
	Impacts from investments in associates and interests in joint ventures accounted for using the equity method		
	Investments in associates	c -	(1,137,957,025)
	Interests in joint ventures	c (78,762)	-
	Increase in deferred tax liabilities related to the above adjustments	(14,792,771)	-
	Balance as of 1 January 2020 after reflecting TFRS 9 adoption	3,551,083,518	(1,171,447,108)

**WHA Utilities and Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

	<b>Note</b>	<b>Separate financial statements Unappropriated retained earnings Baht</b>
Balance as of 31 December 2019 (as previously reported)		627,094,013
Increase in impairment for trade receivables	e	(1,251,138)
Increase in deferred tax liabilities related to the above adjustments		250,228
<b>Balance as of 1 January 2020 after reflecting TFRS 9 adoption</b>		<b>626,093,103</b>

On 1 January 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories as follows:

	<b>Notes</b>	<b>Consolidated financial statements</b>		
		<b>General investments Baht</b>	<b>Provision for liabilities from water business Baht</b>	<b>Financial assets or liabilities measured at fair value Baht</b>
<b>Financial assets</b>				
<b>Balance as at 31 December 2019 (Previously reported)</b>		<b>253,557,521</b>	-	-
Reclassify general investments to FVPL	a	(253,557,521)	-	253,557,521
Fair value adjustments on financial assets		-	-	75,214,997
<b>Opening balance 1 January 2020 - TFRS 9 adoption</b>		<b>-</b>	<b>-</b>	<b>328,772,518</b>
<b>Financial liabilities</b>				
<b>Balance as at 31 December 2019 (Previously reported)</b>		-	<b>340,466,383</b>	-
Reclassify provision for liabilities from water business to financial liabilities measured at fair value	b	-	(340,466,383)	340,466,383
<b>Opening balance 1 January 2020 - TFRS 9 adoption</b>		<b>-</b>	<b>-</b>	<b>340,466,383</b>

	<b>Notes</b>	<b>Separate financial statements</b>	
		<b>Provision for liabilities from water business Baht</b>	<b>Financial assets or liabilities measured at fair value Baht</b>
<b>Financial liabilities</b>			
<b>Balance as at 31 December 2019 (Previously reported)</b>		<b>332,485,373</b>	-
Reclassify provision for liabilities from water business to financial liabilities measured at fair value	b	(332,485,373)	332,485,373
<b>Opening balance 1 January 2020 - TFRS 9 adoption</b>		<b>-</b>	<b>332,485,373</b>

**WHA Utilities and Power Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

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(a) **General investments classified as FVPL**

As of 1 January 2020, the Group reclassified general investments in equity instruments that previously measured at cost less impairment of Baht 253,557,521 to FVPL. The respective fair value gains of Baht 75,214,997 million was recognised in retained earnings on 1 January 2020 as they are held as long-term strategic investments.

(b) **Provision for liabilities from water business classified as financial liabilities measured at fair value**

As of 1 January 2020, the Group and the Company reclassified provision for liabilities from water business of Baht 340,466,383 and Baht 332,485,373, respectively to financial liabilities measured at fair value.

(c) **Investments in associates and interests in joint ventures accounted for using the equity method**

Significant impacts from associates and joint ventures' TFRS 9 adoptions came from derivatives and hedging activities. The associates and joint ventures recognised derivatives in the statements of financial position at fair value and recognised corresponding adjustments to retained earnings as at 1 January 2020, unless hedges accounting is applied. Gain or loss on derivatives under hedge accounting relating to effective portion are recognised to other components of equity while gain or loss of ineffective portion are recognised to retained earnings.

(d) **Reclassifications of financial instruments on adoption of TFRS 9**

There were no significant change in measurement methods on other financial instruments which were measured at amortised cost. On 1 January 2020, the date of initial application, the carrying amounts of financial assets and financial liabilities were as follows.

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	754,591,304	541,569,322
Trade and other receivables	811,378,643	277,486,695
Short-term loans to related parties	283,490,552	5,029,490,000
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	292,213,975	194,633,354
Short-term borrowings from financial institutions	1,765,000,000	1,765,000,000
Current portion of long-term borrowings from financial institutions	124,729,533	124,729,533
Current portion of debentures	3,998,377,529	3,998,377,529
<b>Non-current liabilities</b>		
Long-term borrowings	874,343,972	874,343,972
Debentures	4,994,265,166	4,994,265,166
Other non-current liabilities	27,070,351	15,590,508

**WHA Utilities and Power Public Company Limited**  
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**For the year ended 31 December 2020**

(e) **Impairment of financial assets**

The Group and the Company have following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- trade and other receivables
- loans to related parties

The Group was required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology was recognised to the Group's and the Company's retained earnings on 1 January 2020.

While cash and cash equivalents and loans to related parties are subject to the new impairment requirement, the identified impact was immaterial.

Trade receivables

The Group applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

As of 1 January 2020, the Group and the Company recognised additional loss allowance of Baht 1,251,138 for trade receivables.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables. The expected credit loss for trade receivables were assessed based on historical credit loss together with the management's judgement in estimating the expected credit loss.

The loss allowance for trade receivables and amounts due from related parties as at 1 January 2020 was determined as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Trade receivables and amounts due from related parties Baht</b>	<b>Loss allowance Baht</b>	<b>Trade receivables and amounts due from related parties Baht</b>	<b>Loss allowance Baht</b>
Not yet due	149,403,378	(219,077)	119,657,529	(219,077)
Overdue				
Within 3 months	13,559,774	(1,032,061)	14,488,021	(1,032,061)
3 - 6 months	706,281	(706,281)	706,281	(706,281)
6 - 12 months	1,913,367	(1,913,367)	1,913,367	(1,913,367)
Over 12 months	7,422,273	(7,422,273)	7,422,273	(7,422,273)
<b>Total</b>	<b>173,005,073</b>	<b>(11,293,059)</b>	<b>144,187,471</b>	<b>(11,293,059)</b>

## 5.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 *Leases* for leases of land, buildings and vehicles with lease terms of more than 12 months. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2020. The lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2020 was 1.88 - 5.21% per annum.

The Group recognised right-of-use assets at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets when applying TFRS 16 for the first time.

	<b>Consolidated financial statements Baht</b>	<b>Separate financial statements Baht</b>
Operating lease commitments disclosed as at 31 December 2019	283,767,684	232,949,118
(Less): Discounted using the lessee's incremental borrowing rate of at the date of initial application	(276,920,812)	(225,494,395)
(Less): Short-term leases recognised on a straight-line basis as expense	(3,305,293)	(3,305,293)
Add: Adjustments as a result of a different treatment of extension and termination options	236,269,698	171,181,984
<b>Lease liability recognised as at 1 January 2020</b>	<b>239,811,277</b>	<b>175,331,414</b>
Current lease liabilities	9,917,044	8,619,214
Non-current lease liabilities	229,894,233	166,712,200

### *Practical expedients applied*

In applying TFRS 16 for the first time with the lease agreement that the group has before 1 January 2020, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4 Determining whether an arrangement contains a Lease.

## **6 Accounting policies**

### **6.1 Principles of consolidation and equity accounting**

#### **a) Subsidiaries**

Subsidiaries are all 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

#### **b) 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.

In the separate financial statements, investments in associates are accounted for using cost method.

#### **c) 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.

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 separate financial statements, investments in joint ventures are accounted for using cost method.

#### **d) Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative 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, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

#### **e) Intercompany transactions on consolidation**

Intra-group transactions, balances and unrealised gains on transactions are eliminated. 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 in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

f) **Business combination under common control**

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration 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.

The difference between consideration under business combination under common control and the acquirer's interests in the carrying value of the acquiree; and changes in contingent consideration (apart from interest portion) are presented as "surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed by transferring to retained earnings.

**6.2 Foreign currency translation**

a) **Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Group's and the Company's functional 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 or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) **Group companies**

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

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

**6.3 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

#### **6.4 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold and services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

#### **6.5 Financial asset**

For the year ended 31 December 2020

##### **a) Classification**

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### **c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

**d) Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are two measurement categories which the Group classifies its debt instruments:

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

**e) Equity instruments**

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by measuring the fair value of its unquoted equity investments at the end of the reporting period at the same amount as the investments' fair value on 1 January 2020 (the date of initial application of TFRS 9). As a result, the equity investments measured at FVPL as at 31 December 2020 of Baht 328,772,518 was presented at their fair value as of 1 January 2020. No gain or loss from changes in fair value was recognised.

**f) Impairment**

From 1 January 2020, the Group assesses on a forward looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables, contract assets and lease receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

For the year ended 31 December 2019

*Other long-term investments*

General investments are carried at cost less impairment.

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

*Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

**6.6 Property, plant and equipment**

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, or the straight-line method over the shorter of the asset's useful life and the lease term, for the right-of-use asset, as follows:

Building improvements	5 and 10 years
Buildings and structure	30 years
Tools	5 and 15 years
Equipment, furniture and fixtures	5 years
Vehicles	5 years
Raw water pipes	25 years
Industrial water production systems	30 years
Waste water treatment systems	30 years
Solar systems	5 - 25 years
Right-of-use land	15 - 47 years

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses.

**6.7 Intangible assets**

*Right to operate and distribute the industrial water and to provide waste water treatment service*

Right to operate and distribute the industrial water and to provide waste water treatment service to customers in the industrial estate is measured at historical cost and subsequently carried and cost less accumulate amortisation and accumulated impairment losses. The amortisation is calculated using the straight-line method over 25 or 50 years which are contractual life.

*Computer software and water plant maintenance program*

Computer software and water plant maintenance program's costs are recognised as assets and are amortised over their estimated useful lives, which does not exceed 3 years.

All other repairs and maintenance are charged to profit or loss when incurred.

## **6.8 Goodwill**

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. It is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

## **6.9 Impairment of assets**

Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

## **6.10 Leases**

For the year ended 31 December 2020

### **Leases - where the Group is the lessee**

At the date at which the leased asset is available for use by the Group right-of-use asset and a corresponding lease liability are recognised. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are presented in property, plant and equipment in the statement of financial position.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### **Leases - where the Group is the lessor**

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. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 December 2019

#### **Leases - where the Group is the lessee**

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

#### **Leases - where the Group is the lessor**

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. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **6.11 Financial liabilities**

#### **a) Classification**

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

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 reporting date.

#### **b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost except contingent consideration that is measured at fair value. Changes in fair value of contingent consideration arising from business combination under common control is disclosed in Note 6.1.

#### **c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

### **6.12 Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

### **6.13 Current and deferred income taxes**

The tax expense for the period 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.

#### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **6.14 Employee benefits**

### *Short-term employee benefits*

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

### *Defined contribution plan*

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

### *Defined benefit plans*

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

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

### **6.15 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **6.16 Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

### **6.17 Revenue recognition**

Revenue includes all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities are also presented as revenue.

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 individual 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 fulfilment of the obligation to the customer.

#### *Revenue from sales*

Revenue from sales of industrial water are recognised at a point in time when the controls over the industrial water is transferred to customers at destinations as stated in the agreements. The revenue under the sales of industrial water is recognised based on transaction price net of output tax, rebates and discounts.

#### *Revenue from service*

The Group recognises revenue under the waste water treatment service over the time when rendering services to customer according to the agreements. If the Group receives consideration above the services rendered, the Group recognises the excess consideration as a contract liability. On the other hand, if the Group receives consideration less than the services rendered, the Group recognises the consideration as a contract asset.

#### *Rental income from operating leases*

The Group recognised rental income as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

#### *Interest earned from financial leases*

The assets under the finance lease are recognized as finance lease receivables at the present value of the lease payments. The difference between the total amount of receivables that has not yet been discounted and the present value of the receivable is gradually recognized as financial income using the net investment method reflecting the constant rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and are gradually recognized by reducing income over the life of the lease.

*Dividend income*

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

*Other income*

Other income is recognised on an accrual basis.

*Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised of goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

**6.18 Dividend distribution**

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

**6.19 Derivatives and hedging activities**

The Group's associates and joint ventures recognised derivatives at fair value with changes in fair value recognised in profit or loss, unless hedges accounting is applied. Gain or loss on derivatives under hedge accounting relating to effective portion are recognised to other components of equity while gain or loss of ineffective portion are recognised to profit or loss.

**7 Financial risk management**

**Financial risk factors**

The Group's activities are exposed to a variety of financial risks, such as impact of changes in market price risk (including currency risk and fair value risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on managing the fluctuation of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

*Foreign exchange risk*

Since the core business of the Group's associates is production and distribution of electricity with partial sources of loans denominated in foreign currencies, the Group's shared of profit from associate is exposed to foreign currency risk from the borrowings. The associates seek to reduce this risk by entering derivative financial instruments to hedge foreign currency exposure when they consider appropriate.

*Interest rate risk*

The Group has interest rate risk from borrowings and debentures at fixed and floating interest rates. The Group has no significant interest-bearing assets.

For the year ended 31 December 2020, a change of 1% increase or a 1% decrease in floating rates applied to the long-term borrowings would impact to the financial statements increased or decreased on profit for the period by Baht 20 million or Baht 20 million (2019: increased Baht 8 million or decreased Baht 8 million)

Information about interest rates from borrowings is disclosed in Note 20.

**WHA Utilities and Power Public Company Limited**  
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**For the year ended 31 December 2020**

*Credit risk*

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit as well as obtaining appropriate guarantees from customers. Deposits counterparties are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

*Liquidity risk*

Liquidity risk is the risk that suitable sources of fund for the Group's business activities may not be available. The Group applies prudent liquidity risk management in which the Group maintains sufficient cash to use for its business activities. The Group's availability of fund is managed through an adequate amount of committed credit facilities provided to the Group.

The following are the contractual maturities of financial liabilities:

	Consolidated financial statements					Net Book Value Million Baht
	On demand Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	
<b>As at 31 December 2020</b>						
Trade and other payables	-	301	-	-	301	301
Borrowings from financial institutions	-	395	4,791	-	5,186	4,873
Debentures	-	2,594	4,581	1,720	8,895	7,993
Lease liabilities	-	18	54	579	651	243
Provision for liabilities from water business*	-	35	162	1,762	1,959	347
Guarantee received	-	-	-	6	6	6
<b>Total</b>	-	3,343	9,588	4,067	16,998	13,763

	Consolidated financial statements					Net Book Value Million Baht
	On demand Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	
<b>As at 31 December 2019</b>						
Trade and other payables	-	228	-	-	228	228
Borrowings from financial institutions	200	1,729	930	-	2,859	2,764
Debentures	-	6,671	2,937	24	9,632	8,993
Lease liabilities	-	-	-	-	-	-
Provision for liabilities from water business*	-	33	155	1,806	1,994	340
Contingent consideration	-	243	-	-	243	243
Guarantee received	-	-	1	6	7	7
<b>Total</b>	200	8,904	4,023	1,836	14,963	12,575

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	Separate financial statements					Net Book Value Million Baht
	On demand Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	
<b>As at 31 December 2020</b>						
Trade and other payables	-	155	-	-	155	155
Borrowings from financial institutions	-	395	4,791	-	5,186	4,873
Debentures	-	2,594	4,581	1,720	8,895	7,993
Lease liabilities	-	14	38	445	497	174
Provision for liabilities from water business*	-	35	158	1,699	1,892	339
Guarantee received	-	-	-	6	6	6
<b>Total</b>	-	3,193	9,568	3,870	16,631	13,540

	Separate financial statements					Net Book Value Million Baht
	On demand Million Baht	Within 1 year Million Baht	1 - 5 years Million Baht	Over 5 years Million Baht	Total Million Baht	
<b>As at 31 December 2019</b>						
Trade and other payables	-	130	-	-	130	130
Borrowings from financial institutions	200	1,729	930	-	2,859	2,764
Debentures	-	6,672	2,937	24	9,633	8,993
Lease liabilities	-	-	-	-	-	-
Provision for liabilities from water business*	-	33	151	1,740	1,924	332
Guarantee received	-	-	-	6	6	6
<b>Total</b>	200	8,564	4,018	1,770	14,552	12,225

\*Provision for liabilities from water business was calculated from the expected future payment obligation. Information about the provision is disclosed in Note 22.

*Risk management*

The objectives when managing capital are to safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and 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.

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**8 Fair value**

The following table presents fair value of financial assets and liabilities recognised at fair value hierarchy.

	Level 1		Level 2		Level 3	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Consolidated financial statements</b>						
<b>Financial assets</b>						
Unquoted equity investments	-	-	-	-	328,772,518	-
<b>Financial liabilities</b>						
Provision for liabilities from water business	-	-	-	-	347,711,124	340,466,383
<b>Separate financial statements</b>						
<b>Financial liabilities</b>						
Provision for liabilities from water business	-	-	-	-	338,711,268	332,485,373

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by active markets such as the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The Group did not have any transfers between levels during the period.

Changes in level 3 financial instruments for the period ended 31 December 2020 is as follows:

	Consolidated financial statements		
	Unlisted equity securities Baht	Provision for liabilities from water business Baht	Total Baht
<b>As at 1 January 2019</b>	<b>267,430,208</b>	<b>331,571,745</b>	<b>599,001,953</b>
Paid during the year	-	(23,629,922)	(23,629,922)
Loss recognised in profit or loss	(13,872,687)	32,524,560	18,651,873
<b>As at 31 December 2019</b>	<b>253,557,521</b>	<b>340,466,383</b>	<b>594,023,904</b>
Adjustments from changes in accounting policy	75,214,997	-	75,214,997
Paid during the year	-	(24,645,439)	(24,645,439)
Loss recognised in profit or loss	-	31,890,180	31,890,180
<b>As at 31 December 2020</b>	<b>328,772,518</b>	<b>347,711,124</b>	<b>676,483,642</b>

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	<b>Separate financial statements</b>
	<b>Provision for liabilities from water business Baht</b>
<b>As at 1 January 2019</b>	331,571,745
Paid during the year	(23,629,923)
Loss recognised in profit or loss	31,754,543
Transfer of rights to a subsidiary	(7,210,992)
<b>As at 31 December 2019</b>	<b>332,485,373</b>
Paid during the year	(24,573,523)
Loss recognised in profit or loss	30,799,418
<b>As at 31 December 2020</b>	<b>338,711,268</b>

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements and relationship of unobservable inputs to fair value.

	Range of inputs	Movement	Change in fair value	
			Increase in inputs	Decrease in inputs
<b>Consolidated financial statements</b>				
<b>Unlisted equity securities</b>				
Adjusted net asset value	Baht 6.58 billion	1%	Decrease by 1%	Increase by 1%
<b>Provision for liabilities from water business</b>				
Risk-adjusted discount rate	12% - 14%	1%	Decrease by 7%	Increase by 9%
<b>Separate financial statements</b>				
<b>Provision for liabilities from water business</b>				
Risk-adjusted discount rate	12% - 14%	1%	Decrease by 7%	Increase by 9%

**The Group's valuation processes**

Management and valuation teams discuss valuation processes and results quarterly.

Fair value of unquoted equity investments is determined using valuation techniques by valuation techniques based on Net Asset Value (NAV) which is estimated based on the issuance entities' enterprise value.

Fair value of provision for liabilities from water business calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the operating water business.

## **9 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **a) Fair value of certain financial assets**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 8.

### **b) Goodwill impairment**

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 18. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

### **c) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 23.

### **d) Determination of lease terms**

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

### **e) Determination of discount rate applied to leases**

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

**f) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

**g) Fair value of provision from water business**

The Group estimates the liabilities from water business according to the strategic partnership agreement and production and distribution license agreements for industrial water operations and wastewater treatment by determining the demand of sales and services, price and other relevant factors. The Group uses future cashflows expected to pay under the agreements and discount rate which reflects the related risk.

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**10 Segment information**

The Group's chief operating decision-maker e.g. Board of directors identifies reportable segments of its business to examine the Group's performance by product lines and geographical location of customers. Material information about incomes and profits information by business segment are as follows:

	2020					2019				
	Domestic		Overseas		Total Baht	Domestic		Overseas		Total Baht
	Water business	Power business	Water business	Holding company		Water business	Power business	Water business	Holding company	
Revenues from sales	1,492,360,787	-	171,250	-	1,492,532,037	1,639,715,710	-	63,133	-	1,639,778,843
Revenues from services	150,061,385	53,574,030	-	-	203,635,415	207,274,027	10,194,976	-	-	217,469,003
Interest earned from financial leases	-	1,797,711	-	-	1,797,711	-	-	-	-	-
<b>Total revenues</b>	<b>1,642,422,172</b>	<b>55,371,741</b>	<b>171,250</b>	<b>-</b>	<b>1,697,965,163</b>	<b>1,846,989,737</b>	<b>10,194,976</b>	<b>63,133</b>	<b>-</b>	<b>1,857,247,846</b>
Profit (loss) from operations	298,653,759	17,326,184	(3,217,357)	(2,164,252)	310,598,334	527,824,119	(15,384,568)	(1,183,525)	(15,608,201)	495,647,825
Other income	7,442,087	71,815,702	400	28,209	79,286,398	3,105,795	142,511,722	730	53,187	145,671,434
Gain (loss) on exchange rates	(1,680)	-	62,605,191	(61,933,249)	670,262	-	-	(179,019)	(176,099)	(355,118)
Finance costs	(120,167,893)	(214,561,639)	(98,127,759)	-	(432,857,291)	(72,841,472)	(268,676,968)	(506,465)	-	(342,024,905)
Share of profit (loss) of associates and joint ventures	-	1,025,958,730	(159,692,188)	-	866,266,542	-	1,894,588,338	(13,470,680)	-	1,881,117,658
Income tax expense	635,266	(6,983,303)	(4,876,330)	(12,822)	(11,237,189)	(32,919,281)	(9,928,562)	-	-	(42,847,843)
<b>Profit (loss) for the year</b>	<b>186,561,539</b>	<b>893,555,674</b>	<b>(203,308,043)</b>	<b>(64,082,114)</b>	<b>812,727,056</b>	<b>425,169,161</b>	<b>1,743,109,962</b>	<b>(15,338,959)</b>	<b>(15,731,113)</b>	<b>2,137,209,051</b>
Profit attributable to non-controlling interests					(34)					(29)
Profit attributable to owners of the parent					812,727,022					2,137,209,022
Segment depreciation and amortisation	231,746,373	33,230,428	517,325	-	265,494,126	198,791,380	20,020,434	-	-	218,811,814

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Assets and liabilities information by business segment are as follows:

	31 December 2020					31 December 2019				
	Domestic		Overseas		Total	Domestic		Overseas		Total
	Water business Baht	Power business Baht	Water business Baht	Holding company Baht		Water business Baht	Power business Baht	Water business Baht	Holding company Baht	
Non-current assets										
Segment non-current assets	6,525,522,344	14,998,782,790	2,403,086,020	218,929	23,927,610,083	5,995,949,378	15,588,039,278	2,760,461,450	-	24,344,450,106
Other assets										
Segment other assets	1,559,219,989	653,390,517	17,474,464	13,919,404	2,244,004,374	989,883,985	1,020,819,841	38,265,047	25,298,451	2,074,267,324
Total assets	8,084,742,333	15,652,173,307	2,420,560,484	14,138,333	26,171,614,457	6,985,833,363	16,608,859,119	2,798,726,497	25,298,451	26,418,717,430
Segment liabilities	4,741,716,386	6,624,646,847	2,644,186,006	3,984,784	14,014,534,023	4,701,864,111	7,897,021,812	17,052,050	243,512,170	12,859,450,143

Business segment information in the consolidated financial statement is as follows:

	31 December 2020					31 December 2019				
	Domestic		Overseas		Total	Domestic		Overseas		Total
	Water business Baht	Power business Baht	Water business Baht	Holding company Baht		Water business Baht	Power business Baht	Water business Baht	Holding company Baht	
Cash and cash equivalents	1,211,524,591	551,179,229	7,532,107	13,918,789	1,784,154,716	601,476,997	106,275,794	21,540,062	25,298,451	754,591,304
Financial assets measured at fair value through profit or loss	-	328,772,518	-	-	328,772,518	-	-	-	-	-
Investments in associates	-	10,402,109,133	2,304,707,359	-	12,706,816,492	-	11,872,208,582	2,715,428,335	-	14,587,636,917
Interests in joint ventures	-	781,978,409	-	-	781,978,409	-	737,554,465	-	-	737,554,465
Other long-term investment, net	-	-	-	-	-	-	253,557,521	-	-	253,557,521
Property, plant and equipment, net	3,888,207,289	1,052,470,530	98,327,790	-	5,039,005,609	3,342,691,176	562,511,057	45,033,115	-	3,950,235,348
Intangible assets, net	1,987,903,087	-	9,303	-	1,987,912,390	2,035,470,443	-	-	-	2,035,470,443
Goodwill	610,669,873	2,162,207,653	-	-	2,772,877,526	610,669,873	2,162,207,653	-	-	2,772,877,526
Others	386,437,493	373,455,835	9,983,924	219,545	770,096,797	395,524,874	914,544,047	16,724,985	-	1,326,793,906
Total assets	8,084,742,333	15,652,173,307	2,420,560,483	14,138,334	26,171,614,457	6,985,833,363	16,608,859,119	2,798,726,497	25,298,451	26,418,717,430

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**11 Cash and cash equivalents**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cash at bank and on hand	246,299	263,621	169,998	213,621
Short-term bank deposits	1,798,908,417	754,327,683	967,690,538	541,355,701
<b>Total</b>	<b>1,784,154,716</b>	<b>754,591,304</b>	<b>967,860,536</b>	<b>541,569,322</b>

The interest rates on deposits are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 % (per annum)	2019 % (per annum)	2020 % (per annum)	2019 % (per annum)
Deposits held at call	0.05 - 0.25	0.10 - 0.625	0.05 - 0.25	0.10 - 0.625

**12 Trade and other receivables**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade receivables - third parties	155,052,589	148,076,199	93,318,483	98,017,038
Trade receivables - related parties (Note 31)	22,736,897	24,928,874	66,537,753	46,170,433
<u>Less</u> Loss allowance (2019: Allowance for doubtful accounts under TAS 101)	<u>(12,418,410)</u>	<u>(10,041,921)</u>	<u>(12,418,410)</u>	<u>(10,041,921)</u>
Trade accounts receivable, net	165,371,076	162,963,152	147,437,826	134,145,550
Prepaid expenses	6,189,971	4,674,721	5,324,140	3,892,343
Accrued income	67,282,929	63,596,707	58,410,873	86,650,605
Dividend receivable	-	564,287,076	-	-
Accrued interest receivable	1,838,694	2,372,246	211,424,250	51,706,075
Other receivables	847,043	13,484,741	1,195,442	1,092,122
<b>Total</b>	<b>241,529,713</b>	<b>811,378,643</b>	<b>423,792,531</b>	<b>277,486,695</b>

**Fair values of trade receivables**

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

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*Impairments of trade receivables*

The loss allowance for trade receivables as at 31 December 2020 was determined as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Trade receivables and amounts due from related parties Baht</b>	<b>Loss allowance Baht</b>	<b>Trade receivables and amounts due from related parties Baht</b>	<b>Loss allowance Baht</b>
Within due	149,237,186	(41,108)	110,129,316	(41,108)
Overdue				
Up to 3 months	16,580,438	(405,440)	37,755,058	(405,440)
3 - 6 months	513	(513)	513	(513)
6 - 12 months	1,355	(1,355)	1,355	(1,355)
Over 12 months	11,969,994	(11,969,994)	11,969,994	(11,969,994)
<b>Total</b>	<b>177,789,486</b>	<b>(12,418,410)</b>	<b>159,856,236</b>	<b>(12,418,410)</b>

The reconciliations of loss allowance for trade receivables for the year ended 31 December are as follows:

	<b>Consolidated and separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>As at 31 December - calculated under TAS 101</b>		
Amounts restated through opening retained earnings	10,041,921	9,226,299
	1,251,138	-
Opening loss allowance as at 1 January - calculated under TFRS 9 (2019: TAS 101)	11,293,059	9,226,299
Increase in loss allowance recognised in profit or loss during the year	1,125,351	3,555,734
Receivable written off during the year as uncollectible	-	(2,740,112)
<b>As at 31 December - calculated under TFRS 9 (2019: calculated under TAS 101)</b>	<b>12,418,410</b>	<b>10,041,921</b>

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**13 Financial assets and financial liabilities**

As at 31 December 2020, classification of the Group's financial assets and financial liabilities are as follows:

	<b>Consolidated financial statements</b>		
	<b>Fair value Baht</b>	<b>Amortised cost Baht</b>	<b>Total Baht</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	-	1,784,154,716	1,784,154,716
Trade and other receivables, net	-	235,339,742	235,339,742
<b>Non-current assets</b>			
Financial assets measured at fair value through profit or loss	328,772,518	-	328,772,518
Loans to related parties	-	248,490,552	248,490,552
Financial lease receivables	-	21,888,344	21,888,344
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	-	339,759,592	339,759,592
Current portion of long-term borrowings from financial institutions	-	249,782,612	249,782,612
Current portion of debentures	-	2,389,299,319	2,389,299,319
Current portion of lease liabilities	-	8,272,490	8,272,490
<b>Non-current liabilities</b>			
Long-term borrowings from financial institutions	-	4,622,982,354	4,622,982,354
Debentures	-	5,604,086,210	5,604,086,210
Provision for liabilities from water business	347,711,124	-	347,711,124
Lease liabilities	-	235,130,053	235,130,053
Other non-current liabilities	-	26,301,584	26,301,584
<b>Separate financial statements</b>			
	<b>Fair value Baht</b>	<b>Amortised cost Baht</b>	<b>Total Baht</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	-	967,860,536	967,860,536
Trade and other receivables, net	-	418,468,391	418,468,391
Short-term loans to related parties	-	687,000,000	687,000,000
<b>Non-current assets</b>			
Loans to related parties	-	5,384,490,000	5,384,490,000
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	-	193,243,706	193,243,706
Current portion of long-term borrowings from financial institutions	-	249,782,612	249,782,612
Current portion of debentures	-	2,389,299,319	2,389,299,319
Current portion of lease liabilities	-	7,252,465	7,252,465
<b>Non-current liabilities</b>			
Long-term borrowings from financial institutions	-	4,622,982,354	4,622,982,354
Debentures	-	5,604,086,210	5,604,086,210
Provision for liabilities from water business	338,711,268	-	338,711,268
Lease liabilities	-	166,686,183	166,686,183
Other non-current liabilities	-	15,164,733	15,164,733

Due to nature of the current portion of financial assets and liabilities measured at amortised cost, the carrying amount are close to fair value. For the non-current financial liabilities, the fair values are disclosed in relating notes to financial statements.

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**14 Interests in associates and joint ventures**

The material investments in associates and joint ventures are as follows:

Name of entity	Country	Nature of business	% of ownership interest		Consolidated financial statements		Separate financial statements	
			2020	2019	Investment at equity method		Investment at cost method	
			%	%	2020	2019	2020	2019
				Million Baht	Million Baht	Million Baht	Million Baht	
Material Associates								
GHECO - One Company Limited	Thailand	Power plant operation and sale of electricity	35	35	7,325	7,894	-	-
Duong River Surface Water Plant Joint Stock Company*	Vietnam	Production and distribution of water supply	34	-	2,272	-	-	-
Immaterial associates					3,110	6,694	-	-
<b>Total</b>					<b>12,707</b>	<b>14,588</b>	<b>-</b>	<b>-</b>
<i>Joint ventures:</i>								
Immaterial joint ventures					782	738	159	159
<b>Total</b>					<b>782</b>	<b>738</b>	<b>159</b>	<b>159</b>

\*Considered as material associate since 2020

The Group has contingent liabilities relating to guarantee of associates and joint ventures' loans by ordinary shares of such associates and joint ventures' and joint ventures' bank guarantees facilities by subsidiaries which are shareholders of such associates and joint ventures.

The movements of investments in associates are as follows:

	Consolidated financial statements	
	2020 Baht	2019 Baht
<b>As at 1 January</b>	14,587,636,917	12,630,879,987
Additions	-	2,768,277,303
Changes in the value of contingent consideration	(242,915,209)	-
Currency translation differences	(7,687,323)	2,591,000
Share of profits in associates	777,874,402	1,846,172,983
Impact of changes in accounting policies	(1,298,924,865)	(1,431,260,052)
Dividends received	(1,109,167,430)	(1,229,024,304)
<b>As at 31 December</b>	<b>12,706,816,492</b>	<b>14,587,636,917</b>

Dividend income from associates are as follows:

	Consolidated financial statements	
	2020 Baht	2019 Baht
GHECO-One Company Limited	419,858,878	564,287,076
Gulf TS1 Company Limited	87,655,048	114,625,832
Gulf TS2 Company Limited	98,059,208	107,780,595
Gulf TS3 Company Limited	100,740,280	128,491,376
Gulf TS4 Company Limited	113,235,276	109,558,806
Others	289,618,741	204,280,619
<b>Total</b>	<b>1,109,167,431</b>	<b>1,229,024,304</b>

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On 25 October 2019, the Group acquired ordinary shares of Duong River Surface Water Plant Joint Stock Company, equivalent to 34% ownership interests, and classified as investment in associates. The Group partially paid for share capital and recognised contingent consideration in the amount of Baht 242,915,209.

Contingent consideration is initially recognised at fair value and included as part of the cost of acquisition of an investment in an associate. The Group elects to recognise subsequent changes in the value of contingent consideration applying a cost-based approach by including changes in the contingent consideration as an inclusion or a reduction of the cost of the investment.

As of 31 December 2019, the measurement of acquired assets and assumed liabilities was not completed. During 2020, the Group adjusted the fair value of assets acquired and liabilities assumed as follows:

	<b>Balance as previously reported Baht</b>	<b>Adjustment Baht</b>	<b>Adjusted balance Baht</b>
<b>Purchase consideration</b>			
Cash paid	2,451,235,290	-	2,451,235,290
Contingent consideration	242,915,209	(242,915,209)	-
Total purchase consideration	2,694,150,499	(242,915,209)	2,451,235,290
<b>Net assets acquired</b>			
Net identifiable assets acquired	1,101,175,442	3,990,947,269	5,092,122,711
Group's share in associates (34%)	374,399,650	1,356,922,072	1,731,321,722
Goodwill	2,319,750,849	(1,599,837,281)	719,913,568
Net assets acquired	2,694,150,499	(242,915,209)	2,451,235,290

*Summarised financial information for associates*

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policy. There is no disclosure of the comparative figures of summarised financial information of Duong River Surface Water Plant Joint Stock Company as they're not material.

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	<b>GHECO - One Company Limited</b>		<b>Duong River Surface Water Plant Joint Stock Company</b>
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>
<i>Summarised of performance</i>			
Revenue	10,483,036,311	10,951,256,418	443,707,663
Profit (Loss) before income tax	811,210,125	1,572,321,154	(478,412,607)
Income tax	(28,141,223)	339,890,028	3,654,568
Profit (Loss) for the year	783,068,902	1,912,211,182	(474,758,039)
Other comprehensive income	(133,597,549)	-	10,379,296
Total comprehensive income	649,471,353	1,912,211,182	(464,378,743)
Dividends received from associate	419,858,878	564,287,076	-
<i>Summarised statement of financial position</i>			
Current assets	6,431,335,015	8,297,758,031	337,395,273
Non-current assets	32,512,147,054	32,816,247,881	10,206,811,359
Current liabilities	(1,867,651,510)	(3,615,946,073)	(318,350,558)
Non-current liabilities	(16,147,547,162)	(14,941,725,232)	(5,632,675,412)
Currency translation differences	-	-	(27,949,606)
Net assets	20,928,283,397	22,556,334,607	4,565,231,056
Group's share in associates (%)	35%	35%	34%
Group's share in associates (Baht)	7,324,572,493	7,894,412,075	1,552,178,559
Goodwill	-	-	719,913,568
Associates carrying amount	7,324,572,493	7,894,412,075	2,272,092,127

*Individually immaterial associates and joint ventures*

The table below is the carrying amount of its interests, in aggregate, all individually immaterial associates that are accounted for using equity method.

	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Aggregate carrying amount of individually immaterial associates</b>	3,110,151,872	6,693,224,842
<b>The Group's share of:</b>		
Profit from continuing operations	665,218,021	869,536,985
Other comprehensive income	(115,922,116)	-
Total comprehensive income	549,295,905	869,536,985
<b>Aggregate carrying amount of individually immaterial joint ventures</b>	781,978,409	737,554,465
<b>The Group's share of:</b>		
Profit from continuing operations	88,392,139	34,944,675
Other comprehensive income	(68,245)	(15,009,877)
Total comprehensive income	88,323,894	19,934,798

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**15 Investments in subsidiaries**

The subsidiaries included in consolidated financial statements are listed below. The subsidiaries have only ordinary shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

The material investments in subsidiaries are as follows:

Entity name	Country	Nature of business	Ownership interest held by Company		Ownership interest held by the Group		Investment in cost method	
			2020 (%)	2019 (%)	2020 (%)	2019 (%)	2020 Million Baht	2019 Million Baht
WHA Water Company Limited	Thailand	Water resources, development and management	100	100	-	-	301	101
WHA Energy Company Limited and its subsidiaries:	Thailand	Holding company	100	100	-	-	9,178	9,178
WHA Energy 2 Company Limited	Thailand	Holding company	-	-	100	100	7,270	7,270
WHA Solar Company Limited	Thailand	Power plant operation and sale of electricity	-	-	100	100	350	200
WHAUP International Company Limited and its subsidiaries:	Thailand	Holding company	100	100	-	-	45	45
WHAUP (SG) 1 PTE. Limited and its subsidiaries	Singapore	Holding company	-	-	100	100	43	43
WHAUP (SG) 2 PTE. Limited and its subsidiary	Singapore	Holding company	-	-	100	100	40	40
WHAUP (SG) 2DR PTE. Limited	Singapore	Holding company	-	-	100	100	3	3
WHAUP Nghe An Joint Stock Company	Vietnam	Water Industrial and wastewater treatment	-	-	100	100	40	40

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**16 Property, plant and equipment, net**

		Consolidated financial statements											
		Right-of-use land Baht	Building improvements Baht	Buildings and structure Baht	Tools Baht	Equipment, furniture and fixtures Baht	Vehicles Baht	Raw water pipes Baht	Industrial water production systems Baht	Waste water treatment systems Baht	Solar systems Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2019</b>		-											
Cost		-	9,792,664	271,273,919	132,908,343	12,451,110	672,897	2,041,973,148	955,174,570	293,011,540	35,476,439	97,142,643	3,849,877,273
<u>Less</u> Accumulated depreciation		-	(3,618,700)	(37,763,771)	(69,036,259)	(3,674,489)	(89,228)	(328,438,629)	(169,568,088)	(22,131,983)	(1,239,789)	-	(635,560,936)
Net book amount		-	6,173,964	233,510,148	63,872,084	8,776,621	583,669	1,713,534,519	785,606,482	270,879,557	34,236,650	97,142,643	3,214,316,337
<b>For the year ended 31 December 2019</b>													
Opening net book amount		-	6,173,964	233,510,148	63,872,084	8,776,621	583,669	1,713,534,519	785,606,482	270,879,557	34,236,650	97,142,643	3,214,316,337
Additions		-	4,462,472	740,000	7,328,992	622,888	-	9,327,363	219,104	-	-	874,942,621	897,643,440
Transfers in (out)		-	1,075,000	-	13,377,385	176,000	-	88,140,383	58,150,935	13,753,385	168,802,953	(343,476,041)	-
Disposal		-	-	-	-	-	(146,050)	-	-	-	-	(3,582,704)	(3,728,754)
Depreciation (Note 28)		-	(1,776,884)	(9,157,588)	(10,873,024)	(2,495,670)	(113,276)	(83,357,954)	(33,246,761)	(10,408,612)	(6,565,906)	-	(157,995,675)
Closing net book amount		-	9,934,552	225,092,560	73,705,437	7,079,839	324,343	1,727,644,311	810,729,760	274,224,330	196,473,697	625,026,519	3,950,235,348
<b>As at 31 December 2019</b>													
Cost		-	15,330,136	272,013,919	153,614,720	13,249,998	485,981	2,139,440,894	1,013,544,609	306,764,925	204,279,392	625,026,519	4,743,751,093
<u>Less</u> Accumulated depreciation		-	(5,395,584)	(46,921,359)	(79,909,283)	(6,170,159)	(161,638)	(411,796,583)	(202,814,849)	(32,540,595)	(7,805,695)	-	(793,515,745)
Net book amount		-	9,934,552	225,092,560	73,705,437	7,079,839	324,343	1,727,644,311	810,729,760	274,224,330	196,473,697	625,026,519	3,950,235,348

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Consolidated financial statements												
	Right-of-use land Baht	Building improvements Baht	Buildings and structure Baht	Tools Baht	Equipment, furniture and fixtures Baht	Vehicles Baht	Raw water pipes Baht	Industrial water production systems Baht	Waste water treatment systems Baht	Solar systems Baht	Construction in progress Baht	Total Baht
<b>Adjustments from change in accounting policy (Note 5)</b>												
Cost	212,884,752	13,729,778	-	-	-	8,350,918	-	-	-	-	-	234,965,448
<u>Less</u> Accumulated depreciation		-	-	-	-	-	-	-	-	-	-	-
Net book amount	212,884,752	13,729,778	-	-	-	8,350,918	-	-	-	-	-	234,965,448
<b>As at 1 January 2020 - adjusted</b>												
Cost	212,884,752	29,059,914	272,013,919	153,614,720	13,249,998	8,836,899	2,139,440,894	1,013,544,609	306,764,925	204,279,392	625,026,519	4,978,716,541
<u>Less</u> Accumulated depreciation		(5,395,584)	(46,921,359)	(79,909,283)	(6,170,159)	(161,638)	(411,796,583)	(202,814,849)	(32,540,595)	(7,805,695)	-	(793,515,745)
Net book amount	212,884,752	23,664,330	225,092,560	73,705,437	7,079,839	8,675,261	1,727,644,311	810,729,760	274,224,330	196,473,697	625,026,519	4,185,200,796
<b>For the year ended 31 December 2020</b>												
Opening net book amount	212,884,752	23,664,330	225,092,560	73,705,437	7,079,839	8,675,261	1,727,644,311	810,729,760	274,224,330	196,473,697	625,026,519	4,185,200,796
Additions	2,634,327	7,151,169	42,200	6,707,582	2,111,586	3,338,234	6,217,743	1,836,449	9,200,214	-	1,056,231,064	1,095,470,568
Transfers in (out)	-	-	4,294,397	12,000,751	224,688	-	219,994,461	164,966,495	31,436,916	757,466,428	(1,190,384,136)	-
Disposal	-	-	-	-	(52,449)	(151,284)	-	-	-	-	-	(203,733)
Transfer to finance lease receivables	-	-	-	-	-	-	-	-	-	(23,167,680)	-	(23,167,680)
Depreciation (Note 28)	(5,945,207)	(8,152,615)	(9,298,864)	(11,332,233)	(2,852,602)	(3,878,709)	(92,616,607)	(38,331,087)	(11,498,637)	(33,701,503)	-	(217,608,064)
Currency translation differences	-	-	(157,016)	(298,298)	(5,970)	-	(20,438)	(204,556)	-	-	-	(686,278)
Closing net book amount	209,573,872	22,662,884	219,973,277	80,783,239	6,505,092	7,983,502	1,861,219,470	938,997,061	303,362,823	897,070,942	490,873,447	5,039,005,609
<b>As at 31 December 2020</b>												
Cost	215,519,079	36,211,083	276,191,180	172,017,458	15,522,509	11,932,142	2,365,632,419	1,180,139,975	347,402,055	938,578,140	490,873,447	6,050,019,487
<u>Less</u> Accumulated depreciation	(5,945,207)	(13,548,199)	(56,217,903)	(91,234,219)	(9,017,417)	(3,948,640)	(504,412,949)	(241,142,914)	(44,039,232)	(41,507,198)	-	(1,011,013,878)
Net book amount	209,573,872	22,662,884	219,973,277	80,783,239	6,505,092	7,983,502	1,861,219,470	938,997,061	303,362,823	897,070,942	490,873,447	5,039,005,609

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	Separate financial statements										Total Baht
	Right-of-use land Baht	Building improvements Baht	Buildings and structure Baht	Tools Baht	Equipment, furniture and fixtures Baht	Vehicles Baht	Raw water pipes Baht	water production systems Baht	Waste water treatment systems Baht	Construction in progress Baht	
<b>As at 1 January 2019</b>											
Cost	-	9,714,608	271,273,919	127,384,507	12,451,110	672,897	2,017,029,690	626,947,402	293,011,541	17,367,845	3,375,853,519
<u>Less</u> Accumulated depreciation	-	(3,618,358)	(37,763,771)	(65,735,357)	(3,674,489)	(89,228)	(320,930,781)	(84,795,812)	(22,131,983)	-	(538,739,779)
Net book amount	-	6,096,250	233,510,148	61,649,150	8,776,621	583,669	1,696,098,909	542,151,590	270,879,558	17,367,845	2,837,113,740
<b>For the year ended 31 December 2019</b>											
Opening net book amount	-	6,096,250	233,510,148	61,649,150	8,776,621	583,669	1,696,098,909	542,151,590	270,879,558	17,367,845	2,837,113,740
Additions	-	4,206,172	-	7,206,092	567,532	-	9,191,849	219,104	-	86,161,216	107,551,965
Transfers in (out)	-	1,075,000	-	13,377,386	176,000	-	69,682,439	1,000,000	13,753,385	(99,064,210)	-
Disposal	-	-	-	-	-	(146,050)	-	-	-	-	(146,050)
Depreciation (Note 28)	-	(1,749,608)	(9,148,972)	(10,592,283)	(2,494,822)	(113,276)	(82,297,906)	(22,964,456)	(10,408,612)	-	(139,769,935)
Closing net book amount	-	9,627,814	224,361,176	71,640,345	7,025,331	324,343	1,692,675,291	520,406,238	274,224,331	4,464,851	2,804,749,720
<b>As at 31 December 2019</b>											
Cost	-	14,995,780	271,273,919	147,967,985	13,194,642	485,981	2,095,903,978	628,166,506	306,764,926	4,464,851	3,483,218,568
<u>Less</u> Accumulated depreciation	-	(5,367,966)	(46,912,743)	(76,327,640)	(6,169,311)	(161,638)	(403,228,687)	(107,760,268)	(32,540,595)	-	(678,468,848)
Net book amount	-	9,627,814	224,361,176	71,640,345	7,025,331	324,343	1,692,675,291	520,406,238	274,224,331	4,464,851	2,804,749,720

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	Separate financial statements										Total Baht
	Right-of-use land Baht	Building improvements Baht	Buildings and structure Baht	Tools Baht	Equipment, furniture and fixtures Baht	Vehicles Baht	Raw water pipes Baht	water production systems Baht	Waste water treatment systems Baht	Construction in progress Baht	
<b>Adjustments from change in accounting policy (Note 5)</b>											
Cost	149,512,082	13,729,779	-	-	-	8,350,918	-	-	-	-	171,592,779
<u>Less</u> Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Net book amount	149,512,082	13,729,779	-	-	-	8,350,918	-	-	-	-	171,592,779
<b>As at 1 January 2020 - adjusted</b>											
Cost	149,512,082	28,725,559	271,273,919	147,967,985	13,194,642	8,836,899	2,095,903,978	628,166,506	306,764,926	4,464,851	3,654,811,347
<u>Less</u> Accumulated depreciation	-	(5,367,966)	(46,912,743)	(76,327,640)	(6,169,311)	(161,638)	(403,228,687)	(107,760,268)	(32,540,595)	-	(678,468,848)
Net book amount	149,512,082	23,357,593	224,361,176	71,640,345	7,025,331	8,675,261	1,692,675,291	520,406,238	274,224,331	4,464,851	2,976,342,499
<b>For the year ended 31 December 2020</b>											
Opening net book amount	149,512,082	23,357,593	224,361,176	71,640,345	7,025,331	8,675,261	1,692,675,291	520,406,238	274,224,331	4,464,851	2,976,342,499
Additions	2,634,327	1,156,657	-	5,417,108	2,077,688	3,338,234	1,817,257	1,050,000	8,994,954	149,703,170	176,189,395
Transfers in (out)	-	-	-	3,775,470	81,839	-	56,631,230	80,072,817	-	(140,561,356)	-
Disposal	-	-	-	-	(52,449)	(151,284)	-	-	-	-	(203,733)
Depreciation (Note 28)	(3,250,933)	(7,846,920)	(9,173,376)	(10,694,243)	(2,818,354)	(3,878,709)	(85,845,854)	(24,645,360)	(10,688,213)	-	(158,841,962)
Closing net book amount	148,895,476	16,667,330	215,187,800	70,138,680	6,314,055	7,983,502	1,665,277,924	576,883,695	272,531,072	13,606,665	2,993,486,199
<b>As at 31 December 2020</b>											
Cost	152,146,409	29,882,216	271,273,919	157,160,563	15,296,969	11,932,142	2,154,352,465	709,289,323	315,759,880	13,606,665	3,830,700,551
<u>Less</u> Accumulated depreciation	(3,250,933)	(13,214,886)	(56,086,119)	(87,021,883)	(8,982,914)	(3,948,640)	(489,074,541)	(132,405,628)	(43,228,808)	-	(837,214,352)
Net book amount	148,895,476	16,667,330	215,187,800	70,138,680	6,314,055	7,983,502	1,665,277,924	576,883,695	272,531,072	13,606,665	2,993,486,199

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Borrowing costs of Baht 2,367,314 (2019: Baht 506,465) arising from financing specifically entered into for the construction of a new factory, were capitalised during the year and are included in 'additions'. A capitalisation rate of 2.88 % (2019: 3.21%) was used representing the actual borrowing cost of the loan used to finance the project.

The Group and the Company have right-of-use assets for the leases of building and equipment (2019: Finance lease assets) that are classified as property, buildings and equipment as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Right-of-use land	209,573,872	-	148,895,476	-
Building improvements	14,178,580	-	8,422,894	-
Vehicles	7,869,929	-	7,869,929	-
<b>Total</b>	<b>231,622,381</b>	<b>-</b>	<b>165,188,299</b>	<b>-</b>

During the year 2020, the Group and the Company's additions to the right-of-use assets that are included in the properties, buildings and equipment in consolidated and separate financial statements were Baht 11,967,072 and Baht 5,972,561, respectively.

Cash flows relating to leases of property, building and equipment are as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
Expense relating to short-term leases	1,182,699	1,182,699
Expense relating to leases of low-value assets	2,000,140	1,923,500
Total cash outflow for leases	<b>22,664,449</b>	<b>18,993,901</b>

Depreciation charged to the statements of comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of sales	123,095,896	100,921,353	97,553,257	88,843,360
Cost of services	83,072,888	54,966,763	49,853,004	48,819,016
Administrative expense	11,439,280	2,107,559	11,435,701	2,107,559
<b>Total</b>	<b>217,608,064</b>	<b>157,995,675</b>	<b>158,841,962</b>	<b>139,769,935</b>

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**17 Intangible assets, net**

	<b>Consolidated financial statements</b>		
	<b>Right to operate and distribute industrial water and waste management Baht</b>	<b>Computer software and water plant maintenance program Baht</b>	<b>Total Baht</b>
<b>At 1 January 2019</b>			
Cost	2,269,769,461	3,672,800	2,273,442,261
<u>Less</u> Accumulated amortisation	(190,857,782)	(915,584)	(191,773,366)
Net book amount	2,078,911,679	2,757,216	2,081,668,895
<b>For the year ended 31 December 2019</b>			
Opening net book amount	2,078,911,679	2,757,216	2,081,668,895
Additions	-	745,000	745,000
Amortisation charged during the year (Note 28)	(45,594,219)	(1,349,233)	(46,943,452)
Closing net book amount	2,033,317,460	2,152,983	2,035,470,443
<b>At 31 December 2019</b>			
Cost	2,269,769,461	4,417,800	2,274,187,261
<u>Less</u> Accumulated amortisation	(236,452,001)	(2,264,817)	(238,716,818)
Net book amount	2,033,317,460	2,152,983	2,035,470,443
<b>For the year ended 31 December 2020</b>			
Opening net book amount	2,033,317,460	2,152,983	2,035,470,443
Additions	-	328,009	328,009
Amortisation charged during the year (Note 28)	(46,426,603)	(1,459,459)	(47,886,062)
Closing net book amount	1,986,890,857	1,021,533	1,987,912,390
<b>At 31 December 2020</b>			
Cost	2,269,769,461	4,745,809	2,274,515,270
<u>Less</u> Accumulated amortisation	(282,878,604)	(3,724,276)	(286,602,880)
Net book amount	1,986,890,857	1,021,533	1,987,912,390

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	<b>Separate financial statements</b>		
	<b>Right to operate and distribute industrial water and waste management Baht</b>	<b>Computer program and water plant maintenance program Baht</b>	<b>Total Baht</b>
<b>At 1 January 2019</b>			
Cost	2,269,769,461	3,672,800	2,273,442,261
<u>Less</u> Accumulated amortisation	(190,857,782)	(915,584)	(191,773,366)
Net book amount	2,078,911,679	2,757,216	2,081,668,895
<b>For the year ended 31 December 2019</b>			
Opening net book amount	2,078,911,679	2,757,216	2,081,668,895
Additions	-	745,000	745,000
Transfer during the year	(43,614,053)	-	(43,614,053)
Amortisation charged during the year (Note 28)	(45,594,219)	(1,349,233)	(46,943,452)
Closing net book amount	1,989,703,407	2,152,983	1,991,856,390
<b>At 31 December 2019</b>			
Cost	2,226,155,408	4,417,800	2,230,573,208
<u>Less</u> Accumulated amortisation	(236,452,001)	(2,264,817)	(238,716,818)
Net book amount	1,989,703,407	2,152,983	1,991,856,390
<b>For the year ended 31 December 2020</b>			
Opening net book amount	1,989,703,407	2,152,983	1,991,856,390
Additions	-	317,500	317,500
Amortisation charged during the year (Note 28)	(45,695,320)	(1,458,254)	(47,153,574)
Closing net book amount	1,944,008,087	1,012,229	1,945,020,316
<b>At 31 December 2020</b>			
Cost	2,226,155,408	4,735,300	2,230,890,708
<u>Less</u> Accumulated amortisation	(282,147,321)	(3,723,071)	(285,870,392)
Net book amount	1,944,008,087	1,012,229	1,945,020,316

**18 Goodwill**

Goodwill is allocated to cash-generating groups (CGUs) by the operating segments as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Power business	2,162,207,653	2,162,207,653	-	-
Water business	610,669,873	610,669,873	597,693,413	597,693,413
	<b>2,772,877,526</b>	<b>2,772,877,526</b>	<b>597,693,413</b>	<b>597,693,413</b>

The recoverable amount of a CGU is determined based on fair value less costs of disposal and calculated by using a present value techniques that are within level 3 of the fair value hierarchy. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for fair value less costs of disposal are as follows:

	<b>Power business (%)</b>	<b>Water business (%)</b>
Gross margin	-	29.1
Growth rate	(2.0)	3.1
Discount rate	5.4	9.5

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used reflect specific risks relating to the relevant segments.

The recoverable amount will be equal to the carrying amount if the key assumptions used for fair value less costs of disposal changes to be as follows:

	<b>Power business (%)</b>	<b>Water business (%)</b>
Gross margin	-	24.5
Growth rate	(3.6)	0.6
Discount rate	7.1	12.4

**19 Deferred income taxes**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered more than 12 months	1,157,156	154,004	-	-
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(13,454,772)	(16,276,256)	(12,788,481)	(13,263,875)
Deferred tax liabilities to be settled more than 12 months	(108,063,417)	(106,517,032)	(64,316,669)	(80,037,299)
	<b>(121,518,189)</b>	<b>(122,793,288)</b>	<b>(77,105,150)</b>	<b>(93,301,174)</b>
<b>Deferred tax asset (net)</b>	<b>(120,361,033)</b>	<b>(122,639,284)</b>	<b>(77,105,150)</b>	<b>(93,301,174)</b>

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The movements in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements						
	As at 1 January 2019 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 31 December 2019 Baht	Adjustment from changes in accounting policy Baht	Recognised to profit or loss Baht	As at 31 December 2020 Baht
<b>Deferred tax assets</b>							
Allowance for doubtful account	1,845,399	162,985	-	2,008,384	250,228	225,070	2,483,682
Cash received in advance	-	-	-	-	-	534,962	534,962
Employee benefit obligations	3,407,890	713,743	(353,941)	3,767,692	-	746,327	4,514,019
Cash paid for transfer of water business	518,555,858	(10,976,000)	-	507,579,858	-	(10,976,000)	496,603,858
Provision liabilities from water business	66,314,349	1,778,928	-	68,093,277	-	1,448,948	69,542,225
Lease liabilities	-	-	-	-	-	48,457,673	48,457,673
Provision for maintenance	-	-	-	-	-	362,050	362,050
	590,123,496	(8,320,344)	(353,941)	581,449,211	250,228	40,799,030	622,498,469
<b>Deferred tax liabilities</b>							
Right to operate and distribute industrial water and waste management	(390,582,680)	7,380,444	-	(383,202,236)	-	7,546,921	(375,655,315)
Depreciation	(312,122,060)	15,135,233	-	(296,986,827)	-	14,775,472	(282,211,355)
Right-of-use asset	-	-	-	-	-	(45,932,402)	(45,932,402)
Financial assets measured at FVPL (2019: Long-term investment)	(24,986,040)	2,774,537	-	(22,211,503)	(15,042,999)	-	(37,254,502)
Debenture underwriting fees	(2,428,823)	933,082	-	(1,495,741)	-	151,607	(1,344,134)
Interest expenses paid on borrowings	-	(192,188)	-	(192,188)	-	(269,606)	(461,794)
	(730,119,603)	26,031,108	-	(704,088,495)	(15,042,999)	(23,728,008)	(742,859,502)
<b>Deferred income tax, net</b>	(139,996,107)	17,710,764	(353,941)	(122,639,284)	(14,792,771)	17,071,022	(120,361,033)

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	Separate financial statements						
	As at 1 January 2019 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 31 December 2019 Baht	Adjustment from changes in accounting policy Baht	Recognised to profit or loss Baht	As at 31 December 2020 Baht
<b>Deferred tax assets</b>							
Allowance for doubtful account	1,845,399	162,985	-	2,008,384	250,228	225,070	2,483,682
Cash received in advance	-	-	-	-	-	534,962	534,962
Employee benefit obligations	3,407,890	713,743	(353,941)	3,767,692	-	746,327	4,514,019
Cash paid for transfer of water business	518,555,858	(10,976,000)	-	507,579,858	-	(10,976,000)	496,603,858
Provision liabilities from water business	66,314,349	182,726	-	66,497,075	-	1,245,179	67,742,254
Lease liabilities	-	-	-	-	-	34,787,729	34,787,729
Provision for maintenance	-	-	-	-	-	362,051	362,051
	590,123,496	(9,916,546)	(353,941)	579,853,009	250,228	26,925,318	607,028,555
<b>Deferred tax liabilities</b>							
Right to operate and distribute industrial water and waste management	(390,582,680)	16,103,253	-	(374,479,427)	-	7,400,664	(367,078,763)
Depreciation	(312,122,060)	15,135,233	-	(296,986,827)	-	14,775,472	(282,211,355)
Right-of-use asset	-	-	-	-	-	(33,037,659)	(33,037,659)
Debenture underwriting fees	(2,428,823)	933,082	-	(1,495,741)	-	151,607	(1,344,134)
Interest expenses paid on borrowings	-	(192,188)	-	(192,188)	-	(269,606)	(461,794)
	(705,133,563)	31,979,380	-	(673,154,183)	-	(10,979,522)	(684,133,705)
<b>Deferred income tax, net</b>	(115,010,067)	22,062,834	(353,941)	(93,301,174)	250,228	15,945,796	(77,105,150)

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**20 Borrowings**

	<b>Consolidated and separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Current</b>		
Short-term borrowings from financial institutions	-	1,765,000,000
Current portion of long-term borrowings from financial institutions	249,782,612	124,729,533
Current portion of debentures	2,389,299,319	3,998,377,529
	<b>2,639,081,931</b>	<b>5,888,107,062</b>
<b>Non-current</b>		
Long-term borrowings from financial institutions	4,622,982,354	874,343,972
Debentures	5,604,086,210	4,994,265,166
	<b>10,227,068,564</b>	<b>5,868,609,138</b>
<b>Total</b>	<b>12,866,150,495</b>	<b>11,756,716,200</b>

The movements in loans from financing activities during the year are as follows:

	<b>Consolidated and separate financial statements</b>			
	<b>Short-term borrowings from financial institutions Baht</b>	<b>Long-term borrowings from financial institutions Baht</b>	<b>Debentures Baht</b>	<b>Total Baht</b>
As at 1 January 2019	-	-	8,987,977,050	8,987,977,050
Cash flows in	2,891,000,000	1,000,000,000	-	2,765,000,000
Cash flows out	(1,126,000,000)	(1,000,000)	-	(1,000,000)
Amortisation of deferred direct finance cost	-	73,505	4,665,645	4,739,150
As at 31 December 2019	1,765,000,000	999,073,505	8,992,642,695	11,756,716,200
Cash flows in	1,590,000,000	4,000,000,000	3,000,000,000	8,590,000,000
Cash flows out	(3,355,000,000)	(127,000,000)	(4,003,793,150)	(7,485,793,150)
Amortisation of deferred direct finance cost	-	691,461	4,535,984	5,227,445
As at 31 December 2020	-	4,872,764,966	7,993,385,529	12,866,150,495

The carrying amounts and fair values of certain long-term loans from financial institutions and debentures are as follows:

	<b>Consolidated and separate financial statements</b>			
	<b>Carrying amount</b>		<b>Fair values</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
Long-term borrowings from financial institutions	4,872,764,966	999,073,505	4,882,924,331	999,073,505
Debentures	7,993,385,530	8,992,642,695	7,996,104,983	9,136,743,356
	<b>12,866,150,496</b>	<b>9,991,716,200</b>	<b>12,879,029,314</b>	<b>10,135,816,861</b>

The fair values of long-term borrowings from financial institutions are based on discounted cash flows using a discount rate based upon the loan rate of 2.45% - 3.10% (2019: 3.47% -3.48%) and are within level 2 of the fair value hierarchy.

The fair values of debentures are based on clean price announced by Thai Bond Market Association that are within level 2 of the fair value hierarchy.

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The proportion of fixed rate borrowings of the Group and Company are 59% (2019: 36%) of all borrowings.

The effective interest rates at the statement of financial position date were as follows:

	Consolidated and separate financial statements	
	2020 %	2019 %
Long-term borrowings from financial institutions	2.84 - 3.19	3.47 - 3.48
Debentures	2.27 - 3.63	2.70 - 3.63

Maturity of borrowings and debentures are as follows:

	Consolidated and separate financial statements	
	2020 Baht	2019 Baht
Within 1 year	2,639,081,931	5,888,107,062
Between 2 years and 5 years	8,728,852,189	4,550,540,922
Over 5 years	1,498,216,375	1,318,068,216
<b>Total</b>	<b>12,866,150,495</b>	<b>11,756,716,200</b>

## 21 Trade and other payable

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Trade payable from other parties	170,978,620	68,059,550	32,739,595	26,127,913
Trade payable from related parties (Note 31)	72,525,229	66,412,692	72,525,229	65,351,067
Income received in advance	2,674,812	-	2,674,812	-
Accrued interest expense	39,624,670	64,230,550	39,624,670	64,230,550
Accrued expenses	55,873,639	93,151,228	47,975,429	38,829,431
Others	757,434	359,955	378,784	94,393
<b>Total</b>	<b>342,434,404</b>	<b>292,213,975</b>	<b>195,918,519</b>	<b>194,633,354</b>

## 22 Provision for liabilities from water business

Provision for liabilities from water business represents the annual license fees to be paid under the strategic partnership agreement and production and distribution license agreements for industrial water operations and wastewater treatment. The annual fees are calculated at 1% on the first three years since 30 March 2016 and 3% on the fourth to fiftieth year of revenue from water business before deduction of expenses over the contracts period.

Movements of provision for liabilities from water business are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
As at 1 January	340,466,383	331,571,745	332,485,373	331,571,745
Amount paid during the year	(24,645,439)	(23,629,923)	(24,573,523)	(23,629,923)
Interest expense	31,890,180	32,524,561	30,799,418	31,754,543
Transfer right to subsidiary company	-	-	-	(7,210,992)
As at 31 December	347,711,124	340,466,383	338,711,268	332,485,373

## 23 Employee benefit obligations

	Consolidated and separate financial statements	
	2020 Baht	2019 Baht
<b>Statement of Financial Position</b>		
Retirement benefits	22,570,095	18,838,462
<b>Profit or loss</b>		
Retirement benefits	4,013,593	3,568,716
<b>Other comprehensive income</b>		
Remeasurements	-	(1,769,703)

The movement of employee benefit obligation for the year is as follows:

	Consolidated and separate financial statements	
	2020 Baht	2019 Baht
As at 1 January	18,838,462	17,039,449
Current service cost	3,648,949	3,266,360
Interest expense	364,644	302,356
Paid during the year	(281,960)	-
Gain on remeasurements of retirement benefit obligations	-	(1,769,703)
As at 31 December	22,570,095	18,838,462

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The principal actuarial assumptions used were as follows:

	Consolidated and separate financial statements	
	2020	2019
Discount rate	1.98%	1.98%
Salary increase rate	5.50%	5.50%
Retirement age	55 years old	55 years old
Turnover rate	9.00% - 15.00%	9.00% - 15.00%

Sensitivity analysis for each significant assumption used is as follows:

	Change in assumption	Consolidated and separate financial statements			
		Impact on defined benefit obligation			
		Increase in assumption		Decrease in assumption	
		2020	2019	2020	2019
Discount rate	1.00 %	Decrease by 5.07 %	Decrease by 5.07 %	Increase by 5.67 %	Increase by 5.67 %
Salary growth rate	1.00 %	Increase by 6.42 %	Increase by 6.42 %	Decrease by 5.86 %	Decrease by 5.86 %
Staff turnover rate	1.00 %	Decrease by 5.48 %	Decrease by 5.48 %	Increase by 2.93 %	Increase by 2.93 %

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method) has been applied as when calculating the retirement benefits recognised within the statement of financial position.

The weighted average durations of the retirement benefit obligation as at 31 December 2020 and 2019 are 9.09 and 8.24 years, respectively.

## 24 Dividend

On 21 April 2020, the Board of Directors at the Board of Directors Meeting No.4/2020 has approved a interim dividend payment for the operating results for the year ended 2019 at Baht 0.1600 per share, amounting to Baht 612 Million. The dividend was paid on 20 May 2020.

On 13 November 2020, the Board of Directors at the Board of Directors Meeting No.7/2020 has approved a interim dividend payment for the operating results for the nine-month period ended of 30 September 2020 at Baht 0.0925 per share, amounting to Baht 353.81 Million. The dividend was paid on 9 December 2020.

On 26 April 2019, the shareholders at the Annual General Meeting for the year ended 2019 has approved a dividend payment for the operating results for the year ended 2018 at Baht 0.2115 per share, amounting to Baht 808.99 million. The dividend was paid on 22 May 2019.

On 8 November 2019, the Board of Directors at the Board of Directors Meeting No.9/2019 has approved a interim dividend payment for the operating results for the nine-month period ended of 30 September 2019 at Baht 0.0925 per share, amounting to Baht 353.81 Million. The dividend was paid on 4 December 2019.

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**25 Legal reserve**

	Consolidated and separate financial statements	
	2020 Baht	2019 Baht
As at 1 January	164,386,579	112,766,796
Appropriation during the year	81,594,588	51,619,783
As at 31 December	245,981,167	164,386,579

Under the public limited company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

**26 Other income**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Dividend income	36,494,253	74,983,505	1,719,992,966	921,322,161
Interest income	19,048,669	47,948,721	200,265,852	131,789,193
Guarantee fee	18,670,317	21,141,204	-	-
Gain from disposal of available-for-sale investments	-	922,759	-	922,759
Others	5,743,421	675,245	1,396,951	83,322
Total	79,956,660	145,671,434	1,921,655,769	1,054,117,435

**27 Finance costs**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Long-term borrowings from financial institutions	79,251,358	15,575,233	79,740,736	15,575,233
Debentures	300,958,849	285,739,763	303,343,250	285,739,763
Debenture underwriting fees (Note 20)	4,535,985	4,665,645	4,535,985	4,665,645
Provision for liabilities from water business (Note 22)	31,890,181	32,524,561	30,799,418	31,754,543
Lease liabilities (2019: Finance lease liabilities)	11,173,903	-	8,590,475	-
Others	5,047,015	3,519,703	2,576,126	-
Total	432,857,291	342,024,905	429,585,990	337,735,184

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**28 Expense by nature**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Cost of raw water	677,008,776	716,142,766	673,841,845	716,060,824
Employee benefit expense	111,015,898	106,367,854	109,730,315	105,813,520
Depreciation (Note 16)	217,608,064	157,995,675	158,841,962	139,769,935
Amortisation (Note 17)	47,886,062	46,943,452	47,153,574	46,943,452
Rental	3,245,566	22,449,643	3,106,198	19,833,164
Professional fee	33,253,313	33,370,200	33,196,613	33,370,200

**29 Income tax expense (benefit)**

Income tax expenses (benefit) for the year ended 31 December can be summarised below:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Current tax	33,966,901	60,324,270	-	5,616,031
Adjustments in respect of prior year	(5,658,690)	234,337	(5,616,032)	-
Deferred tax (Note 19)	(17,071,022)	(17,710,764)	(15,945,796)	(22,062,834)
<b>Total</b>	<b>11,237,189</b>	<b>42,847,843</b>	<b>(21,561,828)</b>	<b>(16,446,803)</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the year presents as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Profit before income tax	823,964,245	2,180,056,894	1,610,329,931	1,015,948,866
Profit exempt from BOI	(61,337,301)	(55,575,195)	(6,956,640)	(32,410,477)
Share of profit from investments in associates and interest in joint ventures	(866,266,542)	(1,881,117,658)	-	-
	(103,639,598)	243,364,041	1,603,373,291	983,538,389
Tax calculated at a tax rate of 20%	(20,727,919)	48,672,808	320,674,658	196,707,678
Tax effect:				
Additional expenses deductible for tax purposes	(569,686)	(692,772)	(569,686)	(692,772)
Income not subject to tax	(3,649,425)	(7,498,351)	(343,998,593)	(184,264,432)
Expenses not deductible for tax purpose	5,713,349	9,396,440	2,573,888	3,165,203
Utilisation of previously unrecognised tax losses	(9,594,658)	(31,362,480)	-	(31,362,480)
Tax losses for which no deferred income tax asset was recognised	45,724,218	24,097,861	5,373,937	-
Adjustments in respect of prior year	(5,658,690)	234,337	(5,616,032)	-
Income tax expense (benefit)	<b>11,237,189</b>	<b>42,847,843</b>	<b>(21,561,828)</b>	<b>(16,446,803)</b>

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The tax relating to component of other comprehensive income is as follows:

	Consolidated financial statements					
	2020			2019		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Currency translation differences	(11,016,131)	-	(11,016,131)	(22,148,436)	-	(22,148,436)
Remeasurements on employee benefit obligations	-	-	-	1,769,703	(353,941)	1,415,762
Share of other comprehensive income of associates and joint ventures	(159,220,542)	-	(159,220,542)	(12,418,877)	-	(12,418,877)
<b>Total</b>	<b>(170,236,673)</b>	<b>-</b>	<b>(170,236,673)</b>	<b>(32,797,610)</b>	<b>(353,941)</b>	<b>(33,151,551)</b>

  

	Separate financial statements					
	2020			2019		
	Before tax Baht	Before tax Baht	Before tax Baht	Before tax Baht	Tax Baht	After tax Baht
Remeasurements on employee benefit obligations	-	-	-	1,769,703	(353,941)	1,415,762

### 30 Earnings per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	Profit attributable to ordinary shareholders of the Company (Baht)	812,727,022	2,137,209,022	1,631,891,759
Weighted average number of ordinary shares outstanding (shares)	3,825,000,000	3,825,000,000	3,825,000,000	3,825,000,000
Basic earnings per share (Baht per share)	0.21	0.56	0.43	0.27

The Company does not have any potential dilutive ordinary shares in issue for the years ended 31 December 2020 and 2019, so no diluted earnings per share is presented.

**WHA Utilities and Power Public Company Limited**  
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**31 Related party transactions**

Company's major shareholder is WHA Industrial Development Public Company Limited in proportion of 70.45% which has WHA Corporation Public Company Limited as an ultimate parent company. The remaining 29.55% of the shares are widely held.

Other related parties comprise the entities under common control of WHA Industrial Development Public Company Limited and WHA Corporation Public Company Limited

Additional information for transactions with parties are as follows:

**Transactions**

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
<b>Ultimate parent company</b>				
Revenue from sales and services	4,410,037	4,499,851	-	-
Management fee	1,204,613	1,378,200	1,204,613	1,378,200
<b>Parent company</b>				
Purchase of raw water	47,507,949	46,253,587	47,507,949	46,253,587
Maintenance fee	180,000	180,000	180,000	180,000
Property tax expenses	-	41,885	-	41,885
Management fee	31,992,000	31,992,000	31,992,000	31,992,000
Land rental	-	3,125,405	-	3,125,405
Advertising fee	3,782,450	420,000	3,362,450	-
Interest expense	3,044,155	-	3,044,155	-
<b>Subsidiaries</b>				
Revenue from sales and services	-	-	305,836,250	327,335,117
Interest income	-	-	194,400,195	130,618,464
Dividend income	-	-	1,719,992,966	921,322,161
<b>Associates</b>				
Revenue from sales and services	206,649,537	221,113,669	206,649,537	221,113,669
Interest income	-	34,490,451	-	-
Other income	18,524,007	20,024,853	-	-
<b>Joint ventures</b>				
Revenue from sales and services	12,318,437	17,152,586	12,018,437	16,828,586
Interest income	12,642,791	11,398,141	-	-
Other income	146,309	1,116,351	-	-
<b>Other related parties</b>				
Revenue from sales and services	5,600,836	4,541,133	4,680,051	4,541,133
Purchase of raw water	622,658,580	665,866,483	622,658,580	665,866,483
Electricity fee	1,107,285	785,576	1,107,285	785,576
Service fee	514,000	432,000	432,000	432,000
Property tax expenses	-	688,912	-	688,912
Rental	164,515	7,734,249	164,515	5,185,959
Advertising fee	13,544,980	600,000	12,944,980	-
Engineering fee	1,800,000	1,800,000	1,800,000	1,800,000
Training fee	9,900	6,000	9,900	6,000
Interest expense	7,317,823	-	4,945,180	-

**WHA Utilities and Power Public Company Limited**  
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**Outstanding balances**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Trade receivables</b>				
Ultimate parent company	692,567	738,641	-	-
Associates	19,993,305	22,462,027	15,626,520	17,693,991
Subsidiaries	-	-	49,181,693	26,946,776
Joint ventures	978,311	1,306,570	924,810	1,116,046
Other related parties	1,072,714	421,636	804,730	413,620
<b>Total</b>	<b>22,736,897</b>	<b>24,928,874</b>	<b>66,537,753</b>	<b>46,170,433</b>
<b>Accrued income</b>				
Subsidiaries	-	-	17,749,596	44,171,938
Other related parties	368,595	510,363	368,595	510,363
<b>Total</b>	<b>368,595</b>	<b>510,363</b>	<b>18,118,191</b>	<b>44,682,301</b>
<b>Dividend receivables</b>				
Associates	-	564,287,076	-	-
<b>Total</b>	<b>-</b>	<b>564,287,076</b>	<b>-</b>	<b>-</b>
<b>Interest receivables</b>				
Subsidiaries	-	-	211,424,250	51,706,075
Joint ventures	1,838,694	2,372,246	-	-
<b>Total</b>	<b>1,838,694</b>	<b>2,372,246</b>	<b>211,424,250</b>	<b>51,706,075</b>
<b>Advance payment</b>				
Subsidiaries	-	-	361,974	428,534
<b>Total</b>	<b>-</b>	<b>-</b>	<b>361,974</b>	<b>428,534</b>
<b>Other receivables</b>				
Parent company	10,161	10,161	-	-
Other related parties	14,516	14,516	-	-
<b>Total</b>	<b>24,677</b>	<b>24,677</b>	<b>-</b>	<b>-</b>
<b>Trade and other payables</b>				
Parent company	6,654,252	8,000,068	6,654,252	8,000,068
Other related parties	65,870,977	58,412,624	65,870,977	57,350,999
<b>Total</b>	<b>72,525,229</b>	<b>66,412,692</b>	<b>72,525,229</b>	<b>65,351,067</b>
<b>Accrued expenses</b>				
Ultimate parent company	239,680	138,244	239,680	138,244
Parent company	6,291,751	2,678,889	6,291,751	2,678,889
Other related parties	17,845,071	10,936,579	17,827,379	10,853,833
<b>Total</b>	<b>24,376,502</b>	<b>13,753,712</b>	<b>24,358,810</b>	<b>13,670,966</b>

**WHA Utilities and Power Public Company Limited**  
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	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
<b>Provision for liabilities from water business</b>				
Parent company and other related parties	347,711,124	340,466,383	338,711,268	332,485,373
<b>Total</b>	<b>347,711,124</b>	<b>340,466,383</b>	<b>338,711,268</b>	<b>332,485,373</b>
<b>Lease liabilities</b>				
Parent company	59,117,488	-	59,117,488	-
Other related parties	158,496,213	-	95,812,272	-
<b>Total</b>	<b>217,613,701</b>	<b>-</b>	<b>154,929,760</b>	<b>-</b>

**Loans to related parties**

The movements of loans to related parties are as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>	<b>2020 Baht</b>	<b>2019 Baht</b>
At 1 January	283,490,552	754,550,500	5,029,490,000	2,653,440,000
Loans advanced during the period	-	230,490,552	2,518,000,000	4,137,490,000
Loans repayment received	(35,000,000)	(701,550,500)	(1,476,000,000)	(1,761,440,000)
At 31 December	<b>248,490,552</b>	<b>283,490,552</b>	<b>6,071,490,000</b>	<b>5,029,490,000</b>

**Consolidated financial statements**

The loans to related parties were made on commercial terms and conditions. The loans are maturity in 8 years without collaterals which carry interest at MLR minus 1.25% per annum (2019: MLR minus 1.25% per annum).

**Separate financial statements**

The loans to related parties are due at call without collaterals which carry interest at the fixed rate of 3.21% per annum (2019: 4.25% per annum).

**Key management compensation**

Key management includes directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key management is as follows:

	<b>Consolidated and separate financial statements</b>	
	<b>2020 Baht</b>	<b>2019 Baht</b>
Short-term benefits	49,693,779	54,247,246
Post-employment benefits	2,359,941	2,160,134
<b>Total</b>	<b>52,053,720</b>	<b>56,407,380</b>

**32 Commitments and contingent liabilities**

*Capital commitments*

Capital commitment at the statement of financial position date, but not recognised in the financial statements is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Construction in progress	79,478,417	238,463,925	2,311,807	18,630,607

*Operating lease commitments*

The Company has the obligations under low-value lease agreements for IT-equipment and office equipment with the term of contracts for 3 years and 5 years, respectively (2019: operating lease). The obligations for rental payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not later than 1 year	177,818	14,867,590	177,818	13,408,237
Later than 1 year but not later than 5 years	-	39,302,259	-	32,925,436
Over 5 years	-	229,597,835	-	186,615,445
<b>Total</b>	<b>177,818</b>	<b>283,767,684</b>	<b>177,818</b>	<b>232,949,118</b>

*Contingent liabilities*

The Group has contingent liabilities relating to a guarantee under conditions of the standby letters of credit issued by the financial institutions according to the performance bond with power business in the total amount of Baht 114.25 million (2019: Baht 175.59 million) and USD 5.56 million (2019: USD 5.50 million); the guarantees will expire in 30 April 2021.

The Group has contingent liabilities relating to a guarantee issued by the financial institutions according to the performance bond with Provincial Electricity Authority and other as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Baht	2019 Baht	2020 Baht	2019 Baht
Not later than 1 year	750,000	7,375,100	-	7,375,100
Later than 1 year but not later than 5 years	8,153,500	-	7,341,500	-
Over 5 years	269,257	269,257	269,257	269,257
<b>Total</b>	<b>9,172,757</b>	<b>7,644,357</b>	<b>7,610,757</b>	<b>7,644,357</b>

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**33 Assets pledged as collaterals**

Company	Assets pledged as collaterals	Collaterals
WHA Energy Company Limited	Investment in ordinary shares of associates - Gulf JP NLL Company Limited amounted to 26.31 million shares - B.Grim Power (WHA) 1 Limited amounted to 3.84 million shares - Gulf VTP Company Limited amounted 40.27 million shares - Gulf TS1 Company Limited amounted to 42.14 million shares - Gulf TS2 Company Limited amounted to 42.27 million shares - Gulf TS3 Company Limited amounted to 38.02 million shares - Gulf TS4 Company Limited amounted to 36.76 million shares - Gulf NLL2 Company Limited amounted to 36.01 million shares	Borrowings by Gulf JP NLL Co., Ltd. Borrowings by B.Grim Power (WHA) 1 Ltd. Borrowings by Gulf VTP Co., Ltd. Borrowings by Gulf TS1 Co., Ltd. Borrowings by Gulf TS2 Co., Ltd. Borrowings by Gulf TS3 Co., Ltd. Borrowings by Gulf TS4 Co., Ltd. Borrowings by Gulf NLL2 Co., Ltd.
WHA Energy 2 Company Limited	Investment in ordinary shares of associates - Gheco-One Company Limited amounted to 406.84 million	Borrowings by Gheco-One Co., Ltd.

**34 Benefits from the Board of Investment of Thailand (BOI)**

For the year ended 31 December 2020 and 2019, the Group has received the benefits from the BOI for public utilities and basis services production of water supply for industry, 7 certificates and basis services production of solar rooftop, 25 certificates.

Significant privileges consist of:

- 1) Tax exemption on the profit that the Company obtains (no more than 100% of the investment cost that is not include in land cost and working capital for a period of 8 years). Where the Company has loss from the operation during the exemption period as mentioned in 1 above, BOI allows the Company to deduct the loss from the profit that might occur after BOI expiry date within 5 years. In addition, the Company can also choose to deduct the loss within one year or within multiple years.
- 2) The Group does not need to include dividend received from a BOI-promoted entity to calculate the income tax expenses during the exemption period.
- 3) Tax deduction (50% of normal rate) on net profit within 5 years after the end of the privilege period as mentioned in 1 above.
- 4) Double deduction on distribution, electricity, and water supply cost within 10 years starting from the date that the Group receives its first profit from the operation.
- 5) Deduction on investment cost for installation or construction (25% of investment cost) that is not included in the normal depreciation deduction.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Sales income and services income for promoted and non-promoted activities for the years ended 31 December can be classified as follows:

	Consolidated financial statements					
	2020			2019		
	Promoted activity Thousand Baht	Non-promoted activity Thousand Baht	Total Thousand Baht	Promoted activity Thousand Baht	Non-promoted activity Thousand Baht	Total Thousand Baht
Sales income	271,090	1,222,054	1,493,144	256,662	1,383,117	1,639,779
Services income	44,804	160,017	204,821	5,371	212,098	217,469
	315,894	1,382,071	1,697,965	262,033	1,595,215	1,857,248

### 35 Events occurring after the reporting period

On 9 February 2021, the Company issued the debentures No. 1/2021 under the Medium Term Notes Program with the total principal amount of Baht 700 Million and has been approved for trading in debt securities market by The Securities and Exchange Commission on 7 February 2020. The issuance of this debenture has already been approved by virtue of the resolution of the 2020 Annual General Meeting (AGM) dated 10 July 2020.