**Note Contents**

1. Basis of preparation of the interim financial statements
2. Related parties
3. Trade accounts receivable
4. Investments in associates and joint ventures
5. Investments in subsidiaries
6. Property, plant and equipment
7. Interest-bearing liabilities
8. Segment information and disaggregation of revenue
9. Income tax
10. Dividends
11. Financial instruments
12. Commitments with non-related parties
13. Significant events
14. Events after the reporting period

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by Audit Committee, as appointed by the Board of Directors on 13 August 2021.

1. **Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020.

1. **Related parties**

Relationships with subsidiaries, associates and joint ventures that have material changes are described in notes 4 and 5. Other related parties have no material changes in relationships during the period.

There are no material changes in pricing policies during the six-month periods ended 30 June 2021.

| ***Significant transactions with related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Six-month period ended 30 June*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Revenue from sales of electricity | 13,000,578 |  | 15,467,052 |  | - |  | - |
| Operation and maintenance service income | 32,736 |  | 28,377 |  | - |  | - |
| Revenue from lease contracts | 1,027,525 |  | 1,405,493 |  | - |  | - |
| Purchase of fuel | 214,413 |  | - |  | - |  | - |
| Purchase of electricity | 102,313 |  | 68,680 |  | - |  | - |
| Operation and maintenance service fee | 588,346 |  | 594,718 |  | - |  | - |
| Management service of fuel | 1,091 |  | 1,083 |  | - |  | - |
| Other service fee | 1,415 |  | 704 |  | 752 |  | - |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Management service income | - |  | - |  | 80,220 |  | 30,868 |
| Interest income | - |  | - |  | 27,095 |  | 25,271 |
| Dividend income | - |  | - |  | 1,980,883 |  | 1,044,143 |
| Interest expense | - |  | - |  | 19,381 |  | - |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Management service income | 1,138 |  | 1,138 |  | 1,138 |  | 1,138 |
| Dividend income | - |  | - |  | 11,400 |  | 16,200 |
|  |  |  |  |  |  |  |  |
| **Joint ventures and its Subsidiaries** |  |  |  |  |  |  |  |
| Operation and maintenance service income | 1,044 |  | 1,022 |  | - |  | - |
| Management service income | 105,845 |  | 151,226 |  | 105,315 |  | 150,683 |
| Interest income | 15,119 |  | 15,497 |  | 15,119 |  | 15,497 |
| Dividend income | - |  | - |  | 54,045 |  | 120,113 |
| Rental income | 25,803 |  | 6,034 |  | - |  | - |
| Other income | 10,821 |  | 8,800 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Dividend income | 2,507 |  | 1,012 |  | 2,507 |  | 1,012 |
| Other service fee | 5,450 |  | - |  | 5,450 |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel compensation** |  |  |  |  |  |  |  |
| Short-term employee benefits | 78,746 |  | 75,427 |  | 36,712 |  | 36,320 |
| Defined contribution plan | 3,533 |  | 3,496 |  | 1,015 |  | 1,394 |
| Defined benefit plan | 666 |  | 1,341 |  | 337 |  | 1,027 |
| **Total key management personnel**  **Compensation** | **82,945** |  | **80,264** |  | **38,064** |  | **38,741** |

Balances as at 30 June 2021 and 31 December 2020 with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 June 2021 |  | 31 December 2020 |  | 30 June  2021 |  | 31 December 2020 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  |  |  |  |  |  |  |
| Major shareholder | 6,768,755 |  | 4,982,071 |  | - |  | - |
| Indirect joint venture | 198 |  | 175 |  | - |  | - |
|  | 6,768,953 |  | 4,982,246 |  | - |  | - |
| *Less* allowance for expected credit loss | - |  | - |  | - |  | - |
| **Net** | **6,768,953** |  | **4,982,246** |  | **-** |  | **-** |

|  | Consolidated  financial statements | | | |  | | Separate  financial statements | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 June  2021 |  | 31 December 2020 | |  | | 30 June  2021 | |  | | 31 December 2020 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Advances to and other current receivables*** |  |  |  |  | |  | |  | |  | |
| Major shareholder | 286 |  | 2,215 |  | | - | |  | | - | |
| Direct subsidiaries | - |  | - |  | | 18,911 | |  | | 16,827 | |
| Indirect subsidiaries | - |  | - |  | | 10,542 | |  | | 71,297 | |
| Direct associates | 202 |  | 202 |  | | 202 | |  | | 202 | |
| Direct joint ventures | 2,591 |  | 3,232 |  | | 2,591 | |  | | 3,232 | |
| Indirect joint ventures | 14,334 |  | 15,969 |  | | 9,485 | |  | | 5,209 | |
| Subsidiaries of direct joint ventures | 4,743 |  | 40,894 |  | | 4,743 | |  | | 40,894 | |
| Subsidiary of indirect joint venture | 9,222 |  | - |  | | 9,222 | |  | | - | |
| **Total** | **31,378** |  | **62,512** |  | | **55,696** | |  | | **137,661** | |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans to*** | 31 December 2020 |  | 30 June  2021 |  | 31 December 2020 |  | Increase |  | Decrease |  | 30 June  2021 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Direct subsidiary | 2.09 |  | 2.15 |  | 60,000 |  | 92,624 |  | (32,000) |  | 120,624 |
| *Less* allowance for | |  |  |  |  |  |  |  |  |  |  |
| expected credit loss | |  |  |  | (332) |  |  |  |  |  | (335) |
| **Net** |  |  |  |  | **59,668** |  |  |  |  |  | **120,289** |
|  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Interest rate** | | | | | |  | | Consolidated financial statements | | | | | | | | | |
| ***Long-term loans to*** | 31 December 2020 | |  | | 30 June  2021 | |  | | 31 December 2020 | |  | | Increase |  | Exchange differences |  | 30 June  2021 | |
|  | *(% per annum)* | | | | | |  | | *(in thousand Baht)* | | | | | | | | | |
| Direct joint ventures | 4.21 - 4.22 | |  | | 4.13 - 5.30 | |  | | 538,896 | |  | | 23,960 |  | 36,426 |  | 599,282 | |
| *Less* allowance for | |  | |  | |  | |  | |  | |  | |  |  |  | |  | |
| expected credit loss | |  | |  | |  | | (16,234) | |  | |  | |  |  |  | | (17,653) | |
| **Net** |  | |  | |  | |  | | **522,662** | |  | |  |  |  |  | | **581,629** | |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Interest rate** | | |  | **Separate financial statements** | | | | | | |
| ***Long-term loans to*** | 31 December 2020 |  | 30 June  2021 |  | 31 December 2020 |  | Increase |  | Exchange differences |  | 30 June  2021 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Direct subsidiaries | 3.65 - 4.50 |  | 3.34 - 4.50 |  | 1,266,992 |  | 228,240 |  | 65,611 |  | 1,560,843 |
| Direct joint ventures | 4.21 - 4.22 |  | 4.13 - 5.30 |  | 538,896 |  | 23,960 |  | 36,426 |  | 599,282 |
| **Total** |  |  |  |  | **1,805,888** |  |  |  |  |  | **2,160,125** |
| *Less* allowance for | |  |  |  |  |  |  |  |  |  |  |
| expected credit loss | |  |  |  | (52,092) |  |  |  |  |  | (58,495) |
| **Net** |  |  |  |  | **1,753,796** |  |  |  |  |  | **2,101,630** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | | | | | |
|  | Portion due  within one year | | |  | Portion due  after one year | | |  | Total | | | |
| ***Receivable under*** | 30 June |  | 31 December |  | 30 June |  | 31 December |  | 30 June |  | 31 December |
| ***lease contracts*** | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | | | | | | |
| Receivable under |  |  |  |  |  |  |  |  |  |  |  |
| lease contracts | 4,304,725 |  | 4,481,635 |  | 12,895,627 |  | 15,021,896 |  | 17,200,352 |  | 19,503,531 |
| *Less* unearned |  |  |  |  |  |  |  |  |  |  |  |
| interest income | (1,701,281) |  | (1,906,035) |  | (3,659,175) |  | (4,458,173) |  | (5,360,456) |  | (6,364,208) |
|  | **2,603,444** |  | **2,575,600** |  | **9,236,452** |  | **10,563,723** |  | **11,839,896** |  | **13,139,323** |
| *Less* allowance for  expected credit loss | - |  | - |  | (1,644) |  | (1,840) |  | (1,644) |  | (1,840) |
| **Receivable under** |  |  |  |  |  |  |  |  |  |  |  |
| **lease contracts-net** | **2,603,444** |  | **2,575,600** |  | **9,234,808** |  | **10,561,883** |  | **11,838,252** |  | **13,137,483** |

The gross receivable and interest under lease contracts as at 30 June 2021 and 31 December 2020 were as follow:

|  | Consolidated financial statements | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Receivable and |  | Receivable |  | Receivable and |  | Receivable |
|  | interest under |  | under lease |  | interest under |  | under lease |
|  | lease contracts |  | contracts - net |  | lease contracts |  | contracts - net |
|  | 30 June 2021 | | |  | 31 December 2020 | | |
|  | *(in thousand Baht)* | | | | | | | |
| Portion due within one year | 4,304,725 |  | 2,603,444 |  | 4,481,635 |  | 2,575,600 |
| Portion due after one year |  |  |  |  |  |  |  |
| but within five years | 10,832,935 |  | 7,366,584 |  | 12,053,444 |  | 7,983,513 |
| Portion due after five years | 2,062,692 |  | 1,869,868 |  | 2,968,452 |  | 2,580,210 |
|  | **17,200,352** |  | **11,839,896** |  | **19,503,531** |  | **13,139,323** |
| *Less* unearned interest income | (5,360,456) |  | - |  | (6,364,208) |  | - |
| *Less* allowance for expected |  |  |  |  |  |  |  |
| credit loss | (1,644) |  | (1,644) |  | (1,840) |  | (1,840) |
| **Lease contracts-net** | **11,838,252** |  | **11,838,252** |  | **13,137,483** |  | **13,137,483** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | | |  | | Separate  financial statements | | | |
|  | 30 June |  | 31 December | | |  | | 30 June |  | 31 December |
| ***Other non-current receivables*** | 2021 |  | 2020 | | |  | | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | | | | |
| Direct subsidiaries | - |  | | - |  | | 30,250 | |  | 3,793 |
| Direct joint venture | 59,019 |  | | 44,011 |  | | 59,019 | |  | 44,011 |
| **Total** | **59,019** |  | | **44,011** |  | | **89,269** | |  | **47,804** |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***(Reversal of) Expected credit losses*** | Consolidated  financial statements | | | |  | | Separate  financial statements | | | | |
| ***for the six-month period ended 30 June*** | 2021 |  | 2020 | | |  | | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Short-term loans to | - |  | | - |  | | 3 | |  | 22 | |
| Long-term loans to | 1,419 |  | | 3,586 |  | | 6,403 | |  | 16,827 | |
| Receivable under lease contracts | (196) |  | | (125) |  | | - | |  | - | |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans from*** | 31 December 2020 |  | 30 June  2021 |  | 31 December 2020 |  | Increase |  | Decrease |  | 30 June  2021 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Direct subsidiary | 1.10 |  | 0.83 - 1.10 |  | **3,465,000** |  | 450,000 |  | (35,000) |  | **3,880,000** |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 June |  | 31 December |  | 30 June |  | 31 December |
| ***Trade account payables*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Major shareholder | **166,944** |  | **-** |  | **-** |  | **-** |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 June |  | 31 December |  | 30 June |  | 31 December |
| ***Other current payables*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Major shareholder | 49,004 |  | 40,347 |  | - |  | 1,609 |
| Direct subsidiary | - |  | - |  | 10,859 |  | 9,872 |
| Indirect subsidiary | - |  | - |  | 7,379 |  | 3,343 |
| Indirect joint venture | 14,410 |  | 14,151 |  | 12,892 |  | 12,506 |
| Subsidiary of direct joint venture | 19,740 |  | - |  | - |  | - |
| Other related party | 3,399 |  | 1,449 |  | 3,399 |  | 1,449 |
| **Total** | **86,553** |  | **55,947** |  | **34,529** |  | **28,779** |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 June |  | 31 December |  | 30 June |  | 31 December |
| ***Other non-current payables*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Subsidiary of indirect joint venture | **6,445** |  | **-** |  | **6,445** |  | **-** |

***Significant agreements during the period***

***Land Lease Agreement***

On 23 August 2019, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into Land Lease Agreement for an area of 175 rai with Hin Kong Power Company Limited, a subsidiary of direct joint venture, for a period of 29 years which effective from 1 January 2021 onwards.

***Management Service Agreement***

On 24 February 2021, the Company entered into a Management Service Agreement with Hin Kong Power Company Limited, a subsidiary of direct joint venture, whereby the Company will receive management service fee amounting to Baht 36 million per year and will increase annually as stipulated in the agreement. The agreement is automatically extended for a period of 1 year unless written notice.

***Long-term loans agreements to related parties***

On 20 April 2021, the Company entered into a loan agreement with Smart Infranet Company Limited, a direct joint venture, which has total facility of loan in proportion of investment amounting to Baht 25.50 million. The loan bears interest at the fixed rate of 5.30% per annum which has repayment term of principal and interest as stipulated in the agreement. As at 30 June 2021, the Company has outstanding of loan totalling Baht 18.36 million.

On 21 April 2021, the Company entered into a loan agreement with Things on Net Company Limited, a direct joint venture, which has total facility of loan in proportion of investment amounting to Baht 5.60 million which bear interest at the fixed rate of 5.30% per annum which has repayment term of principal and interest as stipulated in the agreement. As at 30 June 2021, the Company has outstanding of loan totalling Baht 5.60 million.

On 29 April 2021, the Company entered into a loans agreement with RATCH Cogeneration Company Limited, a direct subsidiary, which has total facility of loan of Baht 1,600 million for the additional expansion project which bear interest at 3.34% per annum which has repayment term of principal and interest as stipulated in the agreement. As at 30 June 2021, the Company has outstanding of loan totalling Baht 228.24 million.

1. **Trade accounts receivables**

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 June  2021 |  | 31 December 2020 |  | 30 June  2021 |  | 31 December 2020 |
|  | *(in thousand Baht)* | | | | | | |
| **Related Parties** (Note 2) |  | | | | | | |
| Within credit terms | 6,632,227 |  | 4,954,142 |  | - |  | - |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 104,123 |  | 28,104 |  | - |  | - |
| 6 - 12 months | 32,603 |  | - |  | - |  | - |
|  | **6,768,953** |  | **4,982,246** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| **Other parties** |  |  |  |  |  |  |  |
| Within credit terms | 355,724 |  | 206,806 |  | - |  | - |
| Overdue: |  |  |  |  |  |  |  |
| 3 - 6 months | - |  | 253 |  | - |  | - |
| 6 - 12 months | - |  | 638 |  | - |  | - |
|  | **355,724** |  | **207,697** |  | **-** |  | **-** |
| **Total** | **7,124,677** |  | **5,189,943** |  | **-** |  | **-** |
| *Less* allowance for expected credit loss | - |  | - |  | - |  | - |
| **Net** | **7,124,677** |  | **5,189,943** |  | **-** |  | **-** |

1. **Investments in associates and joint ventures**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| ***Six-month period ended 30 June*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | 40,787,800 |  | 31,103,146 |  | 9,490,861 |  | 5,681,107 |
| Share of profit of joint ventures and |  |  |  |  |  |  |  |
| associates accounted for using |  |  |  |  |  |  |  |
| equity method | 3,011,646 |  | 2,133,378 |  | - |  | - |
| Share of other comprehensive income  (expense) of joint ventures and   associates accounted for using  equity method | 865,669 |  | (535,718) |  | - |  | - |
| Additions investments in associates   and joint ventures | 3,695,347 |  | 1,377,930 |  | 2,951,958 |  | 1,147,724 |
| Transfer from subsidiary due to loss  of control | - |  | 2,040 |  | - |  | 2,040 |
| Dividend income | (1,193,309) |  | (686,302) |  | - |  | - |
| Exchange rate adjustment | 1,972,824 |  | 437,692 |  | - |  | - |
| **At 30 June** | **49,139,977** |  | **33,832,166** |  | **12,442,819** |  | **6,830,871** |

None of the Group and the Company’s associates and joint ventures are publicly listed and consequently do not have published price quotations except Bangkok Aviation Fuel Services Public Company Limited which is listed on the Stock Exchange of Thailand. Based on the closing price of Baht 27.50 per share at 30 June 2021, the fair value of the investment in Bangkok Aviation Fuel Services Public Company Limited was Baht 2,722.04 million.

***Paid-up share capital***

During the six-month period ended 30 June 2021, associates and joint ventures called for paid-up share capital. The Group had paid for the share capital in proportion of investment as follows:

|  |  |  |
| --- | --- | --- |
| **Name of entities** | **Description** | **Amount** |
|  |  | *(in million Baht)* |
| ***Direct associate*** |  |  |
| Bangkok Aviation Fuel Services  Public Company Limited | Paid for share capital | 2,712.14 |
|  |  |  |
| ***Indirect associate*** |  |  |
| Yandin WF Holdings Pty Ltd | Paid for increase in share capital | 420.45 |
|  |  |  |
| ***Direct joint ventures*** |  |  |
| Hin Kong Power Holding Company Limited | Paid for increase in share capital | 210.12 |
| R E N Korat Energy Company Limited | Additional paid-up share capital | 29.70 |
|  |  |  |
| ***Indirect joint ventures*** |  |  |
| PT Medco Ratch Power Riau | Additional paid-up share capital | 55.28 |
| RATCH & AIDC Wind Energy Pte. Ltd. | Paid for increase in share capital | 62.36 |
| NEXIF ENERGY BT PTE. LTD. | Paid for share capital and paid for increase in share capital | 205.30 |

***Investment in direct associate - Bangkok Aviation Fuel Services Public Company Limited***

On 19 December 2020, the Company attended the auction and offered the highest purchase price of Bangkok Aviation Fuel Services Public Company Limited (“BAFS") 98.98 million shares (or equivalent to 15.53% of total issued and paid-up shares) from Thai Airways International Public Company Limited ("THAI") at Baht 27.40 per share totalling Baht 2,712.14 million. On 19 January 2021, THAI completely transferred the shares to the Company and the Company paid a total share purchase price to THAI.

As at the date of approval of these consolidated financial statements, the Company was in progress of determine the fair value of the business. The fair value of acquired assets and liabilities assumed at the acquisition date.

***Investment in indirect associate - Yandin Holding Company Pty Ltd (“Yandin”)***

On 17 May 2021, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary, paid for increase in share capital of Yandin WF Holdings Pty Ltd, an associate of the indirect subsidiary, totalling Australian Dollars 17.40 million or equivalent to Baht 420.45 million, in proportion of investment of 70%.

***Investment in direct joint venture - Hin Kong Power Holding Company Limited***

At the extraordinary meeting of the shareholders of Hin Kong Power Holding Company Limited, a direct joint venture, held on 9 February 2021, the shareholders approved to increase the authorised share capital from Baht 1,204 million *(comprising 120.40 million ordinary shares at par value of Baht 10 per share)* to Baht 2,852 million *(comprising 285.20 million ordinary shares at par value of Baht 10 per share)* by issuance of new ordinary shares totalling 164.80 million shares at par value of Baht 10 per share and call for paid-up of 25% of the additional share capital. On 19 February 2021, the Company paid for increase in share capital totalling of Baht 210.12 million, in proportion of investment of 51%.

***Investments in indirect joint venture - RATCH & AIDC Wind Energy Pte. Ltd. (“RATCH & AIDC”)***

On 23 April 2021, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary, paid for increase in shares capital 1.21 million shares at par value of US Dollar 1 per share totalling US Dollars 1.21 million to RATCH & AIDC totalling US Dollars 1.21 million or equivalent to Baht 37.82 million, in proportion of investment of 63.80%.

On 18 June 2021, RHIS paid for increase in share capital to RATCH & AIDC 0.77 million shares at par value of US Dollar 1 per share totalling US Dollar 0.77 million or equivalent to Baht 24.54 million, in proportion of investment of 63.80%.

***Investment in indirect joint venture - NEXIF ENERGY BT PTE. LTD.*** ***(“NEBTP”)***

On 5 May 2021, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary, has entered into Share Purchase and Subscription Agreement to purchase ordinary shares of NEXIF ENERGY BT PTE. LTD. (“NEBTP”) from NEXIF ENERGY PTE. LTD., the existing shareholder. The purpose of investment is to develop Nexif Energy Ben Tre Wind Power Project in the Socialist Republic of Vietnam totalling US Dollars 8.68 million or equivalent to Baht 272.58 million, in proportion of investment of 50%. Subsequently on 7 May 2021, RHIS paid a total share purchase price totalling US Dollars 5.19 million or equivalent to Baht 162.24 million, in proportion of investment of 50%. The Project is a near-shore wind power plant with the capacity of 80 megawatts. The project located in Thanh Hai commune, Thanh Phu district of Ben Tre Province, Socialist Republic of Vietnam. It has a 20-year power purchase agreement with Vietnam Electricity Group (EVN).The project is currently under development. The construction period is expected to take approximately 18 months, with commercial scheduled in December 2022 with aim to distribute electricity generation to Vietnam Electricity Group (EVN) under long-term power purchase agreement.

Subsequently on 30 June 2021, RHIS paid for increase in share capital, in proportion of investment of 50% of 1.34 million shares at par value of US Dollar 1 per share to NEBTP totalling US Dollars 1.34 million or equivalent to Baht 43.06 million.

***Progress of Saddle Dam D collapse***

On 23 July 2018, the Saddle Dam D of Xe-Pian Xe-Namnoy Hydroelectric Power Project, located in Lao PDR, of Xe-Pain Xe-Namnoy Power Company Limited, a direct joint venture, collapsed. The Saddle Dam fractured which caused the water flow to the downstream area. The joint venture evacuated the people residing around the affected area for safety. The project also has a standard insurance package in accordance with the loan agreement, including all risk insurance for construction, third-party liability insurance, and delay start-up insurance. The costs incurred as a result of the collapse are primarily the responsibility by the contractor in charge of engineering, procurement and construction (EPC). From this situation, the Government of Lao PDR appointed the National Investigation Committee to investigate the situation. Subsequently on 28 May 2019, the National Investigation Committee announced the result of investigation is not force majeure as stipulated in the Concession Agreement. Currently, the joint venture is during the process of claiming the compensation and related damages from the EPC contractor. During the year 2020, the joint venture has received the document of claiming on compensation from the Government of Lao PDR and the case is currently under consideration in mutually agreed among the shareholders. However, the project started its commercial operation on 6 December 2019.

1. **Investments in subsidiaries**

|  |  |
| --- | --- |
| ***Material movements for the six-month***  ***period ended 30 June 2021*** | Separate  **financial statements** |
|  | *(in thousand Baht)* |
| At 1 January | 50,836,610 |
| Increase share capital in subsidiaries | 1,200,000 |
| **At 30 June** | **52,036,610** |

***Increase in share capital of RH International Corporation Company Limited (“RHIC”)***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Date** | **Description** | **Registered** | **Par value** | **Registered** |  | **Paid-up** |
|  |  | **share capital** | **per share** | **share capital** |  | **share capital** |
|  |  | *(in thousand shares)* | *(Baht)* | *(in thousand Baht)* |  | *(in thousand Baht)* |
| 1 January 2021 | Balance | 3,265,000 | 10 | 32,650,000 |  | 25,930,000 |
| 19 January 2021 | Paid for increase  in share capital | - |  | - |  | 705,000 |
| 11 May 2021 | Paid for increase  in share capital | - |  | - |  | 495,000 |
| **30 June 2021** | **Balance** | **3,265,000** | **10** | **32,650,000** |  | **27,130,000** |

1. **Property, plant and equipment**

| ***For the six-month period ended 30 June 2021*** |  |  | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(in thousand Baht)* | | |
| Acquisitions - at cost |  |  | 828,830 |  | 3,819 |
| Disposals - net book value |  |  | (261) |  | - |
| Transfer to investment property - net book value |  |  | (103,300) |  | - |

***Security***

As at 30 June 2021, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, had mortgaged land, buildings and power plants and pledged power plant equipment of 5 power plants with a net book value of Australian Dollars 1,011.43 million or equivalent to Baht 24,334.61 million as collateral for long-term loans from financial institutions (see note 7).

As at 30 June 2021, RATCH Cogeneration Company Limited, a direct subsidiary, had mortgaged land with all buildings on land and partial machine as collateral for long-term loans from financial institution (see note 7).

1. **Interest-bearing liabilities**

Balances of interest-bearing liabilities net of deferred financing fees, excluding lease liabilities as at

30 June 2021 were as follows:

|  | Consolidated financial statements | | | | |
| --- | --- | --- | --- | --- | --- |
|  | Total facilities | Amount | Interest rate |  | Repayment term |
|  |  | *(in million Baht)* | *(% per annum)* |  |  |
| ***Short-term*** |  |  |  |  |  |
| **Loan from financial institutions** |  |  |  |  |  |
| RATCH Group Public  Company Limited | As stipulated in the agreement | 3,408 | Fixed rate |  | Within 1 year during July 2021 to October 2021 and at call |
|  |  |  |  |  |  |
| ***Long-term*** |  |  |  |  |  |
| **Loans from financial institutions** |  |  |  |  |  |
| RATCH Group Public  Company Limited | Baht 5,000 million | 50 | Fixed rate |  | Within March 2024 |
| RATCH Cogeneration  Company Limited | Baht 4,632 million | 3,401 | 3-Month floating rate plus a fixed margin |  | Within 12 years during November 2020 to November 2032 |
| RATCH-Australia Corporation  Pty. Ltd. | Australian Dollars  312 million | 5,715 | BBSY, plus  a fixed margin |  | Within 5 years during October 2018 to May 2023 |
| Mount Emerald Wind Farm  Pty. Ltd. *(subsidiary of RATCH-Australia Corporation Pty. Ltd.)* | Australian Dollars  252 million | 4,779 | BBSY, plus  a fixed margin |  | Within 5 years during December 2018 to October 2023 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| ***Long-term*** |  |  |  |  |  |
| **Loans from financial institutions** |  |  |  |  |  |
| RATCH-Australia Collinsville Solar PV Pty. Ltd.  *(subsidiary of RATCH-Australia Corporation  Pty. Ltd.)* | Australian Dollars  60 million | 1,023 | BBSY, plus  a fixed margin |  | Within 5 years during March 2020 to April 2024 |
| Collector Wind Farm Pty. Ltd.  *(subsidiary of RATCH-Australia Corporation Pty. Ltd.)* | Australian Dollars  175 million | 4,155 | BBSY, plus  a fixed margin |  | Within 5 years during June 2021 to May 2024 |
| **Total** |  | **19,123** |  |  |  |
| *Less* deferred financing fees |  | (83) |  |  |  |
| **Net** |  | **19,040** |  |  |  |
| *Less* current portion due   within one year |  | (1,542) |  |  |  |
| **Total non-current - net** |  | **17,498** |  |  |  |
|  |  |  |  |  |  |
| ***Current portion due within  one year*** |  |  |  |  |  |
| **Debenture** |  |  |  |  |  |
| Ratchaburi Electricity Generating  Company Limited | Baht 2,000 million | 2,000 | 3.50 |  | Repayment period of 7 years and will be due for redemption in 2022 |
|  |  |  |  |  |  |
| ***Long-term*** |  |  |  |  |  |
| **Debentures** |  |  |  |  |  |
| RATCH Group Public  Company Limited | Baht 8,000 million | 8,000 | 1.32 - 2.94 |  | Repayment period of 3, 5,10, 15 years and will be due for redemption in 2023, 2025, 2030, 2035, respectively |
| RH International (Singapore)  Corporation Pte. Ltd. | US Dollars  300 million | 9,616 | 4.50 |  | Repayment period of 10 years and will be due for redemption in 2028 |
| RH International (Singapore)  Corporation Pte. Ltd. | Japanese Yen 15,000 million | 4,342 | 2.72 |  | Repayment period of 15 years and will be due for redemption in 2026 |
| **Total** |  | **21,958** |  |  |  |
| *Less* deferred financing fees |  | (33) |  |  |  |
| **Net** |  | **21,925** |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Separate financial statements | | | | |
|  | Total facilities | Amount | Interest rate |  | Repayment term |
|  |  | *(in million Baht)* | *(% per annum)* |  |  |
| ***Short-term*** |  |  |  |  |  |
| **Loan from financial institutions** |  |  |  |  |  |
| RATCH Group Public  Company Limited | As stipulated in the agreement | 3,408 | Fixed rate |  | Within 1 year during July 2021 to October 2021 and at call |
|  |  |  |  |  |  |
| **Loans from related party** |  |  |  |  |  |
| RATCH Group Public  Company Limited | Baht 10,000  million | 3,880 | 0.83 - 1.10 |  | Within 1 year during September 2021 to November 2021 |
|  |  |  |  |  |  |
| ***Long-term*** |  |  |  |  |  |
| **Loan from financial institutions** |  |  |  |  |  |
| RATCH Group Public  Company Limited | Baht 5,000  million | 50 | Fixed rate |  | Within March 2024 |
|  |  |  |  |  |  |
| **Debentures** |  |  |  |  |  |
| RATCH Group Public  Company Limited | Baht 8,000  million | 8,000 | 1.32 - 2.94 |  | Repayment period of 3, 5,10, 15 years and will be due for redemption in 2023, 2025, 2030, 2035, respectively |
| *Less* deferred financing fees |  | (11) |  |  |  |
| **Net** |  | **7,989** |  |  |  |

As at 30 June 2021, the Company and the Group had unutilised credit facilities totalling Baht 33,344.00 million, US Dollars 350.00 million and Australian Dollars 100.00 million. *(31 December 2020: Baht 30,413.59 million, US Dollars 350.00 million and Australian Dollars 260.31 million).*

The Company and the Group must comply with certain conditions in those agreements including maintaining certain key financial ratios for all long-term loans agreement from financial institutions and long-term debenture of RH International (Singapore) Corporation Pte. Ltd.

1. **Segment information and disaggregation of revenue**

Management determined that the Group has 4 reportable segments which are the Group’s strategic divisions for different products and services, and are managed separately. The following summary describes the operations in each of the Group’s reportable segments.

|  |  |
| --- | --- |
| Segment 1 | Domestic Electricity Generating |
| Segment 2 | Renewable Energy |
| Segment 3 | International Power Projects |
| Segment 4 | Related business and Infrastructure |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | | |
|  | **Domestic Electricity Generating** | | |  | **Renewable Energy** | | |  | | **International Power Projects** | | |  | **Related business and Infrastructure** | | |  | **Total** | | |
| ***Six-month period ended 30 June*** | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 | |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | | |
| Revenue from sales and rendering  of services | 13,154,132 |  | 15,565,007 |  | - |  | - |  | 1,606,948 | |  | 1,351,052 |  | - |  | - |  | 14,761,080 |  | 16,916,059 |
| Revenue from lease contracts | 1,027,525 |  | 1,405,493 |  | - |  | - |  | - | |  | - |  | - |  | - |  | 1,027,525 |  | 1,405,493 |
| Cost of sales and rendering of services | (12,745,253) |  | (15,324,208) |  | - |  | - |  | (962,153) | |  | (888,338) |  | - |  | - |  | (13,707,406) |  | (16,212,546) |
| **Gross profit** | **1,436,404** |  | **1,646,292** |  | **-** |  | **-** |  | **644,795** | |  | **462,714** |  | **-** |  | **-** |  | **2,081,199** |  | **2,109,006** |
| Management service income | - |  | - |  | - |  | - |  | 529 | |  | 543 |  | 106,517 |  | 151,886 |  | 107,046 |  | 152,429 |
| Interest income | 25,168 |  | 22,352 |  | 25 |  | 289 |  | 55,192 | |  | 8,512 |  | 23,832 |  | 27,245 |  | 104,217 |  | 58,398 |
| Dividend income | - |  | - |  | - |  | - |  | 56,323 | |  | 60,172 |  | 2,507 |  | 1,012 |  | 58,830 |  | 61,184 |
| Other income | 79,090 |  | 19,064 |  | 35 |  | 115 |  | 62,308 | |  | 18,120 |  | 5,695 |  | 3,552 |  | 147,128 |  | 40,851 |
| Administrative expenses | (98,006) |  | (126,815) |  | (7) |  | (17) |  | (228,627) | |  | (256,698) |  | (425,255) |  | (492,191) |  | (751,895) |  | (875,721) |
| Net foreign exchange gain (loss) | (356) |  | (6,846) |  | - |  | - |  | 144,380 | |  | (90,424) |  | 57,007 |  | 15,963 |  | 201,031 |  | (81,307) |
| Gain (loss) on fair value adjustment of |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |
| derivatives | 18,632 |  | (1,120) |  | - |  | - |  | 32,058 | |  | (32,175) |  | - |  | - |  | 50,690 |  | (33,295) |
| Finance costs | (88,387) |  | (95,320) |  | - |  | - |  | (639,172) | |  | (689,676) |  | (109,112) |  | (4,651) |  | (836,671) |  | (789,647) |
| Share of profit (loss) of joint ventures |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |
| and associates accounted for using |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |
| equity method | 382,148 |  | 268,652 |  | 168,546 |  | 196,975 |  | 2,497,193 | |  | 1,657,481 |  | (36,241) |  | 10,270 |  | 3,011,646 |  | 2,133,378 |
| **Profit (loss) before income tax expense** | **1,754,693** |  | **1,726,259** |  | **168,599** |  | **197,362** |  | **2,624,979** | |  | **1,138,569** |  | **(375,050)** |  | **(286,914)** |  | **4,173,221** |  | **2,775,276** |
| Tax (expense) income | 70,379 |  | (334,696) |  | - |  | - |  | (35,409) | |  | (6,138) |  | 2,519 |  | 554 |  | 37,489 |  | (340,280) |
| **Profit (loss) for the period** | **1,825,072** |  | **1,391,563** |  | **168,599** |  | **197,362** |  | **2,589,570** | |  | **1,132,431** |  | **(372,531)** |  | **(286,360)** |  | **4,210,710** |  | **2,434,996** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | |
|  | **Domestic Electricity Generating** | | |  | **Renewable Energy** | | |  | **International Power Projects** | | |  | **Related business and Infrastructure** | | |  | **Total** | | |
| ***Six-month period ended 30 June*** | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Disaggregation of revenue*** |  | | | | | | | | | | | | | | | | | | |
| **Primary geographical markets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thailand | 13,154,132 |  | 15,565,007 |  | - |  | - |  | - |  | - |  | - |  | - |  | 13,154,132 |  | 15,565,007 |
| Australia | - |  | - |  | - |  | - |  | 1,573,168 |  | 1,321,653 |  | - |  | - |  | 1,573,168 |  | 1,321,653 |
| Other countries | - |  | - |  | - |  | - |  | 33,780 |  | 29,399 |  | - |  | - |  | 33,780 |  | 29,399 |
| **Total** | **13,154,132** |  | **15,565,007** |  | **-** |  | **-** |  | **1,606,948** |  | **1,351,052** |  | **-** |  | **-** |  | **14,761,080** |  | **16,916,059** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Major products and service lines** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Product | 13,152,669 |  | 15,563,590 |  | - |  | - |  | 1,573,168 |  | 1,321,653 |  | - |  | - |  | 14,725,837 |  | 16,885,243 |
| Service | 1,463 |  | 1,417 |  | - |  | - |  | 33,780 |  | 29,399 |  | - |  | - |  | 35,243 |  | 30,816 |
| **Total** | **13,154,132** |  | **15,565,007** |  | **-** |  | **-** |  | **1,606,948** |  | **1,351,052** |  | **-** |  | **-** |  | **14,761,080** |  | **16,916,059** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At a point in time | 13,152,669 |  | 15,563,590 |  | - |  | - |  | 1,573,168 |  | 1,321,653 |  | - |  | - |  | 14,725,837 |  | 16,885,243 |
| Over time | 1,463 |  | 1,417 |  | - |  | - |  | 33,780 |  | 29,399 |  | - |  | - |  | 35,243 |  | 30,816 |
| **Total** | **13,154,132** |  | **15,565,007** |  | **-** |  | **-** |  | **1,606,948** |  | **1,351,052** |  | **-** |  | **-** |  | **14,761,080** |  | **16,916,059** |

1. **Income tax**

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group’s consolidated income tax in respect of continuing operations for the six-month period ended 30 June 2021 was presented as tax income 0.90 % which mainly caused by taxable expenses and utilisation of the loss carry forward *(30 June 2020: Tax expense 12.26%).*

1. **Dividends**

Details of dividends during 2021 are as follows:

|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(Baht)* |  | *(in million Baht)* |
| Annual dividend   for the year 2020 | 5 April 2021 | April 2021 | 2.40 |  | 3,480 |
| Interim dividend   for the year 2020 | 24 August 2020 | September 2020 | (1.15) |  | (1,667) |
| Additional dividend |  |  | 1.25 |  | 1,813 |
| **Total dividend** |  |  |  |  | **1,813** |

1. **Financial instruments**

*Carrying amounts and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | |
|  | **Carrying amount** | | | | | | | | |  | **Fair value** | | | | | | | |
| ***At 30 June 2021*** | Hedging instruments |  | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total | |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| Other current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| Investment in debt instruments | - |  | 855,323 |  | - |  | 52,979 |  | 908,302 |  | - |  | 908,941 |  | - |  | 908,941 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| Other non-current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| Investment in equity instruments | - |  | - |  | 3,206,979 |  | - |  | 3,206,979 |  | 2,959,679 |  | - |  | 247,300 |  | 3,206,979 | |
| Investment in debt instruments | - |  | - |  | - |  | 512,820 |  | 512,820 |  | - |  | 535,123 |  | - |  | 535,123 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| Derivatives assets | - |  | 3,350 |  | - |  | - |  | 3,350 |  | - |  | 3,350 |  | - |  | 3,350 | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| Debentures | - |  | - |  | - |  | (23,924,947) |  | (23,924,947) |  | - |  | (27,373,579) |  | - |  | (27,373,579) | |
| Interest rate swaps used for hedging | (758,040) |  | - |  | - |  | - |  | (758,040) |  | - |  | (758,040) |  | - |  | (758,040) | |
| Other derivatives liabilities | - |  | (229,343) |  | - |  | - |  | (229,343) |  | - |  | (229,343) |  | - |  | (229,343) | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |

|  | **Separate financial statement** | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | | | | | | | |  | **Fair value** | | | | | | |
| ***At 30 June 2021*** | Hedging instruments |  | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in debt instruments | - |  | 306,765 |  | - |  | 52,979 |  | 359,744 |  | - |  | 360,383 |  | - |  | 360,383 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other non-current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in equity instruments | - |  | - |  | 1,930,688 |  | - |  | 1,930,688 |  | 1,683,388 |  | - |  | 247,300 |  | 1,930,688 |
| Investment in debt instruments | - |  | - |  | - |  | 59,955 |  | 59,955 |  | - |  | 62,696 |  | - |  | 62,696 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debentures | - |  | - |  | - |  | (7,988,857) |  | (7,988,857) |  | - |  | (8,048,401) |  | - |  | (8,048,401) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | | | | | | | | | | |
|  | **Carrying amount** | | | | | | | | |  | **Fair value** | | | | | | |
| ***At 31 December 2020*** | Hedging instruments |  | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in debt instruments | - |  | 842,546 |  | - |  | 2,022,385 |  | 2,864,931 |  | - |  | 2,865,289 |  | - |  | 2,865,289 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other non-current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in equity instruments | - |  | - |  | 1,533,490 |  | - |  | 1,533,490 |  | 1,286,190 |  | - |  | 247,300 |  | 1,533,490 |
| Investment in debt instruments | - |  | - |  | - |  | 542,595 |  | 542,595 |  | - |  | 558,282 |  | - |  | 558,282 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivatives assets | - |  | 5,821 |  | - |  | - |  | 5,821 |  | - |  | 5,821 |  | - |  | 5,821 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debentures | - |  | - |  | - |  | (23,338,357) |  | (23,338,357) |  | - |  | (27,738,853) |  | - |  | (27,738,853) |
| Interest rate swaps used for hedging | (1,008,679) |  | - |  | - |  | - |  | (1,008,679) |  | - |  | (1,008,679) |  | - |  | (1,008,679) |
| Other derivatives liabilities | - |  | (268,852) |  | - |  | - |  | (268,852) |  | - |  | (268,852) |  | - |  | (268,852) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  | **Separate financial statement** | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | | | | | | | |  | **Fair value** | | | | | | |
| ***At 31 December 2020*** | Hedging instruments |  | Financial instruments measured at FVTPL |  | Financial instruments measured at FVOCI |  | Financial instruments measured at amortised cost |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in debt instruments | - |  | 305,056 |  | - |  | 22,987 |  | 328,043 |  | - |  | 328,402 |  | - |  | 328,402 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other non-current financial assets: |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Investment in equity instruments | - |  | - |  | 247,300 |  | - |  | 247,300 |  | - |  | - |  | 247,300 |  | 247,300 |
| Investment in debt instruments | - |  | - |  | - |  | 89,932 |  | 89,932 |  | - |  | 93,331 |  | - |  | 93,331 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debentures | - |  | - |  | - |  | (7,987,986) |  | (7,987,986) |  | - |  | (8,162,577) |  | - |  | (8,162,577) |

***Investment in equity instrument - share capital of Principal Capital Public Company Limited***

On 25 May 2021, the Company invested in existing and newly issued ordinary shares of Principal Capital Public Company Limited (“PRINC”), which is listed on the Stock Exchange of Thailand, in proportion of 10% of PRINC’s issued and paid-up shares, total of 380.86 million shares at Baht 4.09 per share in amounting to Baht 1,557.71 million to invest in a private hospital business. The fair value on initial recognition was Baht 1,713.86 million. The investment is classified as marketable equity securities measured at fair value to other comprehensive income.

As at 30 June 2021, Principal Capital Public Company Limited has published closing price at Baht 4.42 per share, the fair value of investment was Baht 1,683.39 million.

***Foreign currency forward contracts***

As at 30 June 2021, the Group entered into various foreign currency forward contracts with financial institutions to manage exposure of fluctuations in foreign currency risk relate to purchases. The Group had outstanding foreign currency forward contracts to buy US Dollars 0.78 million or equivalent to Baht 25.27 million. Such contracts will mature in September 2021 to December 2021. *(31 December 2020: Buy US Dollars 1.56 million with Baht 50.54 million).*

***Interest rate swap and cross currency swap contracts***

The Group entered into various interest rate swap and cross currency swap contracts with various financial institutions to manage exposure of fluctuations in interest rates and foreign currency risk on borrowings. The notional amounts of the outstanding interest rate swap and cross currency swap contracts as at 30 June 2021 comprises Baht currency totalling Baht 2,756.05 million, Japanese Yen currency totalling Japanese Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 469.10 million. All counterparties agreed to pay the interest and the principal amount in accordance with the terms and conditions specified in the contracts. *(31 December 2020: Baht currency totalling Baht 2,823.45 million, Japanese Yen currency totalling Japanese Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 490.24 million).*

1. **Commitments with non-related parties**

***Contractual Service Agreements***

On 29 December 2005, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Contractual Service Agreement for the Combined Cycle power plants with the consortium   
of General Electric International Operations Company Inc. and GE Energy Parts, Inc. The agreement   
is effective from the agreement date until the end of the operation of the gas turbine according to   
the Power Purchase Agreement in 2027 with a total value of existing agreement in US Dollars 428.60 million. Subsequently on 19 November 2019, all parties agreed to amend the conditions of the agreement effective from November 2019. The total value of the agreement is US Dollars 433.25 million. As at   
30 June 2021, the subsidiary had outstanding commitments amounting to US Dollars 86.49 million. *(31 December 2020: US Dollars 97.17 million)*.

In addition, in accordance with the agreement, the subsidiary is required to open a letter of credit amounting to US Dollars 6 million. As at 30 June 2021, the subsidiary had an outstanding unused letter of credit amounting to US Dollars 6 million. *(31 December 2020: US Dollars 6 million)*.

On 29 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, entered into   
a Contractual Service Agreement with a service provider for a period of 15 years from the date specified in the agreement. The total value of the agreement is US Dollars 28.42 million. As at 30 June 2021, the subsidiary had outstanding commitments amounting to US Dollars 16.85 million. *(31 December 2020: US Dollars 18.79 million)*.

***Letters of guarantee***

As at 30 June 2021, the Group and its subsidiaries had commitments from letters of guarantee issued by financial institutions for the Group and its subsidiaries to comply with certain conditions in agreements in the amount of Baht 1,057.09 million, US Dollars 10.41 million and Australian Dollars 4.72 million. *(31 December 2020: Baht 1,053.17 million, US Dollars 11.76 million and Australian Dollars 22.25 million).*

***Standby Letters of Credit***

As at 30 June 2021, the Group and its subsidiaries had commitments from Standby Letters of Credit issued by financial institutions for Debt Service Reserve Guarantees and equity contributions in joint ventures in the amount of Baht 1,600 million and US Dollars 24.50 million. *(31 December 2020: Baht 1,600 million, US Dollars 24.50 million and Australian Dollars 30.08 million)*

***Unused of credit facilities***

As at 30 June 2021, the Group and its subsidiaries had unused of credit facilities totalling Baht 5,913.57 million and US Dollars 1,100.84 million. *(31 December 2020: Baht 7,231.90 million, US Dollars 1,066.18 million, Australian Dollars 210.12 million and Euro 182 million)*

***Capital commitment***

As at 30 June 2021, RATCH-Australia Corporation Pty. Ltd. and its subsidiaries, an indirect subsidiary, had outstanding capital commitments under Engineering Procurement & Construction Contracts for Wind Farm and other service agreements amounting to Australian Dollars 1.46 million. *(31 December 2020: Australian Dollars 26.84 million)*

***Pledge of share certificate agreements***

The Company has pledged all share certificates of RATCH Cogeneration Company Limited, a direct subsidiary, as collateral for loans to the lender of the subsidiary.

The Company has pledged all share certificates of First Korat Wind Company Limited and K.R. TWO Company Limited, direct associates, as collateral for loans to the lender of those associates.

The Group has pledged all share certificates of Xe-Pian Xe-Namnoy Power Company Limited, Nava Nakorn Electricity Generating Company Limited, Ratchaburi World Cogeneration Company Limited, Solarta Company Limited and Hongsa Power Company Limited, joint ventures, as collateral for loans to the lender of those joint ventures.

The Company has pledged all share certificates of SouthEast Asia Energy Limited, a direct joint venture, and the joint venture has pledged partial share certificates of Nam Ngum 2 Power Company Limited,   
a subsidiary of the joint venture, as collateral for loans to the lender of Nam Ngum 2 Power Company Limited.

Fareast Renewable Development Pte. Ltd., an indirect joint venture, has pledged partial share certificates of PT Bajradaya Sentranusa, a subsidiary of the joint venture, as collateral for loans to the lender of   
PT Bajradaya Sentranusa.

The Company has pledged all share certificates of Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, direct associates, as collateral for loans to the lender of those companies.

NEXIF RATCH ENERGY SINGAPORE PTE. LTD., a direct joint venture, has pledged all share certificates of Nexif Ratch Energy Rayong Company Limited, a subsidiary of the joint venture, as collateral for loans to the lender of Nexif Ratch Energy Rayong Company Limited.

***Significant litigation***

In 2014, a plaintiff filed a lawsuit against the Company based on the allegations that the Company had breached the joint development agreement for bidding of the Power Plant Project. The plaintiff demanded the Company to pay damage. The management of the Company is confident that all of the Company’s action have not been in accordance with the allegations of the plaintiff and has much more confidence in strong defences. Therefore, the Company did not recognise a contingent liability in respect of this case. On 25 October 2018, the Court of First Instance issued a judgement to dismiss the claim made by the plaintiff. Subsequently on 10 June 2020, the Court of Appeals issued a judgement to dismiss the claim made by the Plaintiff upheld the Court of First Instance.

In 2019, the Company was the defendant in a civil case where the plaintiff requested the Company to pay Baht 5,271.10 million for compensation. The plaintiff claimed that the Company infringement of their trade secrets by used and made the profitability from their trade secrets information without their consent. The action reportedly caused damage to the plaintiff and preventing them from receiving lost the right, income or benefits from their trade secrets information. Subsequently on 30 September 2020, the Central Intellectual Property and International Trade Court issued a judgement to dismiss the claim since the trade secrets information claimed by the plaintiff has ceased. Therefore, the Company did not recognise a contingent liability in respect of this case.

1. **Significant events**

***Capital increase and issuing and offering new ordinary shares in proportion to the shareholding of existing shareholders***

At the Board of Directors’ meeting of the Company held on 22 June 2021, the Board of Directors agreed to propose the shareholders at the Extraordinary Annual General Meeting of the Shareholders to consider and approve the increase of the registered capital of the Company from Baht 14,500.00 million to Baht 22,192.31 million by issuing new ordinary shares in the amount of 769.23 million shares at par value of Baht 10 each, totalling Baht 7,692.31 million for issuing and offering the shares in proportion to the shareholding of existing shareholders, exclude shareholders whose holding would subject the Company to obligations under the law of other jurisdictions and consider to approve the allocation of new ordinary shares. However, the completion of the transaction is subject to the approval of the Extraordinary Annual General Meeting.

***Signing of the Sale and Purchase Agreement in respect of Investment in Thermal Power Plant in the Republic of Indonesia***

On 22 June 2021, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary, has signed the sale and purchase agreement for sale of ordinary shares in a group of companies operating the coal-fired thermal power plants with total capacity of 2,045 megawatts and has an executed power purchase agreement with PT Perusahaan Listrik Negara (“PLN”), which is Indonesia’s state electricity company, with a remaining term of 21 years and expect to complete the investment by March 2022. However, the completion of the transaction is subject to the approval of the Extraordinary Annual General Meeting.

***Signing of Sustainable Loan Agreement***

On 30 June 2021, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary (as the Borrower) and the Company (as the Guarantor) have executed US Dollars 150 million Sustainable Loan Agreement with International Finance Corporation Bank (“IFC”) to fund and/or refinance the capital expenditures incurred or to be incurred to support renewable power projects or other green infrastructure projects or projects in other non-infrastructure sectors in Thailand, Socialist Republic of Vietnam, Republic of Indonesia and Lao PDR.

1. **Events after the reporting period**

***Increase in share capital of RATCH-Lao Services Company Limited (“RL”)***

At the extraordinary meeting of the shareholders of RATCH-Lao Services Company Limited, a direct subsidiary, held on 20 May 2021, the shareholders approved to increase the authorised share capital from Kip 20,000 million *(comprising 2.50 million ordinary shares at par value of Kip 8,000 per share)* to Kip 144,875 million *(comprising 15.25 million ordinary shares at par value of Kip 9,500 per share)*. The purpose of such capital increase is to invest in overseas projects. The subsidiary called for additional existing share capital 2.50 million shares from par value of Kip 8,000 to par value of Kip 9,500 and issuance of new ordinary shares totalling 12.75 million shares at par value of Kip 9,500 per share. Subsequently on 1 July 2021, the Company paid for increase in share capital in proportion of 67% totalling Baht 259 million.

***Signing of capital increase Share Purchase Agreement to Invest in private hospital in Lao PDR***

On 30 July 2021, RATCH-Lao Services Company Limited, a direct subsidiary, has signed a capital increase share purchase agreement of Bangkok Chain International (Lao) Company Limited (“BCIL”) at 9.91% totalling Bath 190 million. The purpose of transaction is to invest in Kasemrad International Hospital in Vientiane, Lao PDR. After the purchase of such capital increase shares was completed, BCIL shareholders would comprise Bangkok Chain Hospital Public Company Limited (“BCH”) at 68.47%, RATCH-Lao Services Company Limited at 9.91% and minority shareholders in Lao PDR and Thailand at 21.62%. It is expected to start the commercial service on 19 August 2021.

***Increase in share capital of NEXIF RATCH ENERGY SINGAPORE PTE. LTD. (“NRES”)***

At the extraordinary meeting of the shareholders of NEXIF RATCH ENERGY SINGAPORE PTE. LTD., a direct joint venture, held on 24 June 2021, the shareholders approved to increase the authorised share capital from US Dollars 34.61 million *(comprising 34.61 million ordinary shares at par value of US Dollars 1 per share)* to US Dollars 34.67 million *(comprising 34.67 million ordinary shares at par value of US Dollars 1 per share)* by issuance of new ordinary shares totalling 64,000 shares at par value of US Dollars 1 per share. Subsequently on 21 July 2021, the Company paid for increase in share capital totalling US Dollars 31,360 or equivalent to Baht 1 million, in proportion of investment of 49%.

***Increase in share capital of Hin Kong Power Holding Company Limited (“HKH”)***

At the extraordinary meeting of the shareholders of Hin Kong Power Holding Company Limited,   
a direct joint venture, held on 3 August 2021, the shareholders approved to increase the authorised share capital from Baht 2,852 million *(comprising 282.5 million ordinary shares at par value of Baht 10 per share)* to Baht 3,652 million *(comprising 365.2 million ordinary shares at par value of Baht 10 per share)* by issuance of new ordinary shares totalling 80 million shares at par value of Baht 10 per share and paid for increase in share capital at Baht 2.5 per share. Subsequently on 11 August 2021, the Company paid for increase in share capital totalling Baht 102 million, in proportion of investment of 51%.

***Call for paid up share capital of Northern Bangkok Monorail Company Limited (“NBM”) and Eastern Bangkok Monorail Company Limited (“EBM”)***

On 13 August 2021, the Company paid for the final paid up for the increase in share capital to Northern Bangkok Monorail Company Limited (“NBM”) and Eastern Bangkok Monorail Company Limited (“EBM”) totalling Baht 260 million and Baht 240 million, respectively, in proportion of investment of 10%.