BANPU

INTEGRATED ENERGY
# SOLUTIONS
DELIVERING SUSTAINABLE VALUES

BANPU PUBLIC COMPANY LIMITED

# FINANCIAL REPORT
# 2019

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

SAM | Sustainability Award
Gold Class 2020

MSCI
ESG RATINGS
A
CCC | B | BB | BBB | A | AA | AAA

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

The main priority of the Board of Directors is to supervise the Company's operations, making sure they are in line with good corporate governance policy and that the financial statements and financial information appearing in the Company's annual report are accurate, complete and adequate. Its duty is also to make sure that the financial statements are in line with Thai Financial Reporting Standards and that an appropriate accounting policy has been chosen and is being carefully pursued on a regular basis. In addition, the Board of Directors must also ensure that the Company has an effective internal control system to assure the credibility of its financial statements. The Board also ensures protection over potential conflicts of interest through systems which are place to prevent unusual transactions. Connected transactions which might lead to possible conflicts of interest are closely monitored to ensure they are genuine transactions and are reasonably carried out, based on the normal course of business and for the Company's maximum benefits, and that the Company is in compliance with relevant laws and regulations. The Audit Committee has already reported the result of its action to the Board of Directors and has also reported its opinions in the Audit Committee's Report as seen in the annual report.

The Board of Directors is of the opinion that the Company's internal control system has been prove to be satisfactory. The Board was able to obtain reasonable assurance on the credibility of the Company's financial statements as at 31 December 2019 which the Company's auditor has audited based on the generally-accepted accounting standards. The auditor is of the opinion that the financial statements present fairly the Company's financial position and the results of its operations in accordance with generally accepted accounting principles.

**Mr. Chanin Vongkusolkit**
Chairman of the Board of Directors

**Ms. Somruedee Chaimongkol**
Chief Executive Officer

# REPORT OF THE AUDIT COMMITTEE TO SHAREHOLDERS

## Dear Shareholders of Banpu Public Company Limited,

The Audit Committee of Banpu Public Company Limited consists of three independent directors, who are competent and have relevant experiences in Accounting, Finance, Business Management, and Economics, namely Mr. Teerana Bhongmakapat, as Chairman of the Audit Committee, Mr. Suthad Setboonsarng, and Mr. Pichai Dusdeekulchai, as committee members. While Ms. Wiyada Wiboonsirichai, Head of Global Internal Audit and Compliance, is the Secretary of the Audit Committee.

The Audit Committee performs its duty independently within the scope and responsibility entrusted by the Board of Directors and as stipulated in the Audit Committee Charter, which is annually reviewed to align with current situations and best practices. The Audit Committee is determined to oversee the Company's operations to ensure adherence to good corporate governance principles and legal compliance. The Committee also ensures that the Company has in place an efficient and effective risk management system, an appropriate and adequate internal control system, an effective internal audit to achieve the predefined goals and sustainable business growth.

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

## 1. Review of Financial Information

The Audit Committee reviewed Banpu's quarterly financial information, and the 2019 financial statements on key matters, including related party transactions, the transactions with a possible conflict of interest, and the appropriateness of accounting policies. The Audit Committee also reviewed key matters, significant changes in accounting, accounting estimates, the disclosure of notes to the financial statements, and the external auditor's observations from the review and audit of the financial statements. Sufficient explications from auditors and management were applied to assure that the financial statement reporting was prepared in accordance with applicable laws and Thai Financial Reporting Standards (TFRS), which is in accordance with International Financial Reporting Standards (IFRS). Based on the auditors' unqualified opinion, the Audit Committee agreed that the Company's financial statements are accurate, reliable, and in compliance with the applicable laws and the Generally Accepted Accounting Principles. Additionally, disclosure of the information is sufficient and timely for the benefit of investors and users of the financial statements.

## 2. Review of Internal Control and Internal Audit

The Audit Committee reviewed the internal control system by considering a report on internal audit results and their follow-up of Banpu Group on a quarterly basis. The internal audit covered strategy and business development, operation, resource utilization, safeguarding of assets, legal and regulatory compliance, anti-corruption, reliability of financial statements, and evaluation of the adequacy of the internal control based on the form designed by Thailand's Securities and Exchange Commission (SEC). The Audit Committee is confident that Banpu has adequate and appropriate internal control for strategic management and business operations. Apart from that, the Company has developed electronic systems and processes to improve efficiency and speed, prevent errors, and reduce the negligence of duties.

The Audit Committee supervised the operation of the Global Internal Audit and Compliance Unit by reviewing and approving the strategy and annual audit plan of the Global Internal Audit Department and Corporate Compliance Department that are aligned with the Company's business plan to become a leading integrated energy solutions company in Asia-Pacific. The Company is driving digital transformation and sustainable operation to satisfy the needs of customers, communities, and society. The Audit Committee oversaw the internal audit in providing recommendations on preventive controls focusing on embedding key control of overseas businesses expansion. The Global Internal Audit Department audited the management and operations of new businesses regarding financial management, digital and information technology operation, the cybersecurity protection system, and followed-up timely corrective actions of critical findings. Moreover, the Audit Committee placed importance on the improvement of internal audit in accordance with international standards and safeguarded the benefits of involved stakeholders.

In addition, in 2019, the Company deployed the GIA Digitalization technology to advance internal audit, focusing on harnessing in-depth data analytics to improve efficiency and effectiveness of critical risk management and internal audit in each business to step forward to be "Smart Audit" and create added value for businesses that have expanded investments abroad. The Company promotes all Banpu people to understand and place importance on sound and sufficient internal control. Moreover, the Company has an independent internal audit and risk-based audit approach covering businesses, units, and key processes in accordance with the levels of critical corporate risks.

## 3. Review of Compliance

The Audit Committee reviewed Banpu Group's compliance with laws and regulations relevant to its businesses. The Corporate Compliance Department is responsible for compliance auditing and monitoring of legal changes in the countries where the Company has invested. In 2019, the Company developed Compliance Risk Management (C-RiM) application to supervise compliance risk of the Company and its subsidiaries in each country via an online system. Laws In-Hand is an application developed for monitoring of latest legal and regulatory updates in all countries the Company has invested as those updates may pose significant impacts on the Company's businesses. Apart from that, Compliance Obligation List (COL) is used as a proactive mechanism to monitor legal and regulatory compliance. The application enables monitoring of draft laws being considered which may have impacts on the Company in order to prepare for the risk prior to their enforcement and report the results to the management and the Audit Committee on a regular basis. In addition, the Company reported risk management performance and internal audit results covering key compliance risks. The overall review results revealed that there were no significant compliance issues or problems found.

## 4. Good Corporate Governance

The Audit Committee reviewed compliance with the Code of Conduct as well as the efficiency and effectiveness of corporate governance executed by the Board members, management, and employees. In the opinion of the Audit Committee, the Board members and the management are a role model for corporate governance, supporting the implementation of anti-corruption policy and promoting every employee to strictly adhere to the Company's Corporate Governance Policy. The Audit Committee also reviewed related party transactions or the transactions that may cause conflicts of interests between Banpu, its subsidiaries, and other related parties, agreeing that those transactions were fair and reasonable and were carried out for the Group's benefit in accordance with the SEC's and the Stock Exchange of Thailand (SET)'s rules and regulations. To combat corruption, the Company has established whistleblower channels to receive complaints or grievances of corruption and unethical business practices and ensured that the complaint handling process is fair to all parties and that there is appropriate protection for whistleblowers and the alleged. In 2019, the Company reviewed and updated the "Corporate Fraud Management Policy" to improve efficiency in sustainable corporate governance.

## 5. Oversight of Risk Management

The Audit Committee reviewed the efficiency and effectiveness of the risk management process and closely monitored key risks that may impact the Company's business operations, measures to manage those risks at an acceptable level, as well as trends of the new businesses in which the Company has invested. The risks facing the Company may arise from changing business situations and scenarios, including strategic, operational, financial, compliance, information technology, and anti-corruption risks. The progress of risk management is quarterly reported to the Audit Committee to monitor the management of critical risks and mitigation approaches, and to acknowledge scenarios that may affect the businesses. The approach to risk management focuses on systematic management that timely responds to rapidly changing business situations and trends. In 2019, the Company developed the Compliance Risk Management (C-RiM) mobile application to enhance efficiency in the oversight of compliance risk relevant to business growth.

## 6. Appointment of Auditors and Audit Fees for 2020

The Audit Committee considered the selection of auditors based on Banpu's evaluation criteria, including their experience, knowledge, expertise, independence, timeliness, and reasonable audit fees compared with the audit work and the Company's business. The Committee also reviewed the auditors' qualifications to ensure that they meet the SET's requirements. The Audit Committee proposed the appointment of auditors to the Board of Directors for consideration and for a further proposal to shareholders for approval. The following individuals of PricewaterhouseCoopers ABAS Ltd. (PwC) were nominated:

| | | | |
|---|---|---|---|
| 1. | Ms. Rodjanart Banyatananusard, CPA, License | No. | 8435; and/or |
| 2. | Ms. Amornrat Permpoonwattanasuk, CPA, License | No. | 4599; and/or |
| 3. | Mr. Pongthavee Ratanakoses, CPA, License | No. | 7795; and/or |
| 4. | Mr. Vichien Khingmontri, CPA, License | No. | 3977; |

For the year 2020, the total audit fee for Banpu was proposed at THB 2,580,900. Some of Banpu's subsidiaries appointed auditors from other audit offices that suit their businesses, and the Board of Directors is responsible for the supervision of the timely preparation of financial statements.

In summary, in 2019, the Audit Committee performed its duties and responsibilities set forth in the Audit Committee Charter with accuracy, independence, and prudence for the equitable benefit of the stakeholders. The Audit Committee maintained its opinion that Banpu's financial report is accurate and reliable with sufficient disclosure of information. Banpu is committed to a sound corporate governance policy, has an appropriate risk management system, complies with applicable laws and regulations, has an adequate and effective internal control and internal audit, and is able to properly respond to all changes influenced by both internal and external factors.

20 February 2020
On behalf of the Audit Committee

**Mr. Teerana Bhongmakapat**
Chairman of the Audit Committee
Banpu Public Company Limited

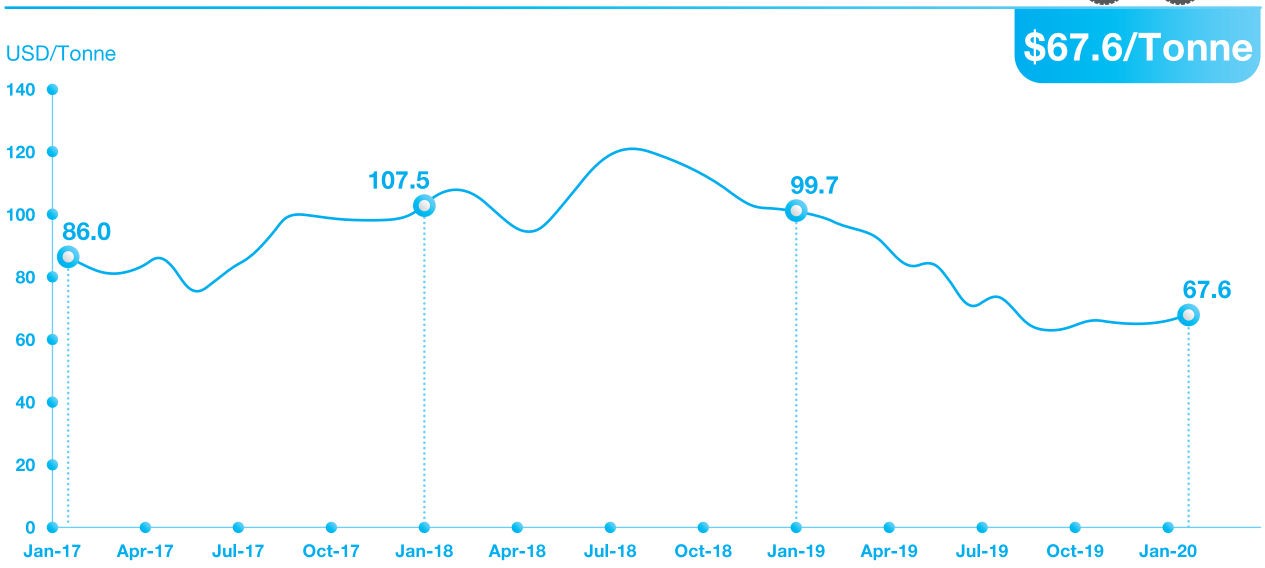
# MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group Performance For the Year Ended 31 December 2019

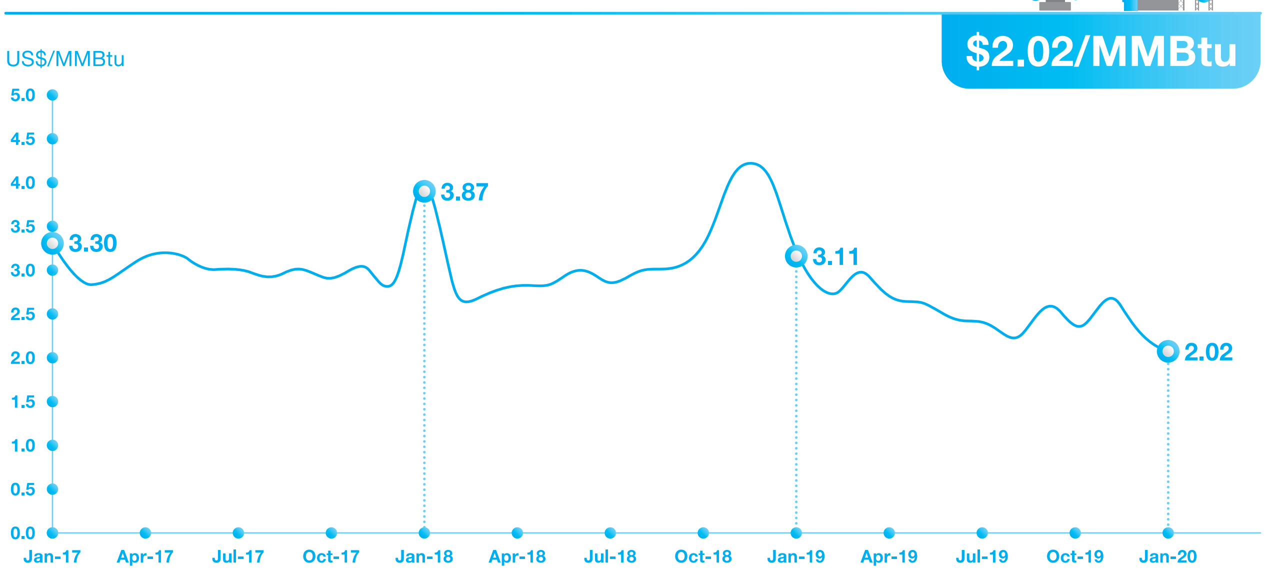
## 1. Energy Commodities Price Index

The market thermal coal price has gradually decrease starting from January 2019. The following presentations illustrate the coal price index.

Coal Price Index: The Newcastle Export Index (NEX) for January 2017 – 7 February 2020




Average Henry Hub Natural Gas Price for January 2017 – 31 January 2020



## 2. Management Discussion and Analysis

The business environment in 2019 reflects challenges arising from slowdown in global economy and unusually mild winter in northern hemisphere, impacting energy demand and commodities pricing during 4Q19.

Group EBITDA for 2019 was USD 695 million, 41% less than the previous year due mainly to lower coal and gas prices resulting in EBITDA from coal of USD 482 million (-46%) and EBITDA from gas of USD 68 million (-33%). Power business contributed EBITDA of USD 145 million (-20%).

The net profit excluding foreign exchange was USD 75 million. The continued appreciation of Thai Baht against US Dollar during the year has adversely impacted earnings. A foreign exchange loss of USD 95 million was realized in 2019, resulting in consolidated net loss of 20 million compared to the net profit of USD 206 million in the previous year.

In 4Q19 the group EBITDA was USD 131 million contributed by EBITDA from coal of USD 108 million, EBITDA from gas of USD 14 million and EBITDA from power of USD 9 million. Net loss was USD 28 million in this quarter before loss from foreign exchange.

In 4Q19 Indonesia coal achieved coal sale of 6.34 million tonnes, lower 5% QoQ as the country was approaching wet season. The Average Selling Price (ASP) was USD 60 per tonne, decreased 3% and cost of sale decreased 9% to USD 40.02 per tonne with diesel price unchanged at USD 0.67 per litre. This led to significant improvement in Gross Profit Margin (GPM) at 34% versus 28% in previous quarter.

Australia coal sale volume in 4Q19 was 2.92 million tonnes, higher 6% QoQ. The ASP remained firm at AUD 90.96 per tonne with cost of sale of AUD 78.49 per tonne. Gross profit margin was 13% compared to 27% in previous quarter.

China coal reported an equity income of USD 8 million with smooth coal production and firm domestic demand.

Gas business reported stable sale volume of 18 Billion Cubic Feet (Bcf). The mild weather in North America and high national inventory of gas weighed on gas prices during the period. Its ASP was USD 1.21 per million BTU (MMBtu) with GPM of 23%.

In power business, the Combined Heat and Power (CHP) plants in China contributed a net profit of USD 5.62 million. BLCP successfully fulfilled its electricity sale contract since October, allowing its plants to idle operation thus realized a net equity loss of USD 5 million. Hongsa reported an equity income of USD 7 million as power generation was disrupted by earthquake incident during November. All three units of Hongsa plants resumed its full operation in early January 2020.

The group continue progress on development and construction of projects in pipeline while continue expanding portfolio across strategic countries pursuing Greener & Smarter strategy. This year, with the amalgamation completion to create new flagship company “Banpu NEXT” we believe that it would expand the opportunity landscape in ramping up clean energy portfolio with advancement in Energy technology.

## 3. Group Performance Analysis

The analysis and explanation of Banpu Group performance for the year ended 31 December 2019 and 2018 as follows:

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

| Consolidated Financial Performance (Unit: Million USD) | 2019 | 2018 | Change | |
|---|---|---|---|---|
| | | | Amount | % |
| Sales and Service Income | 2,759 | 3,481 | (722) | -21% |
| Cost of Sales and Services | (2,051) | (2,253) | 202 | 9% |
| **Gross Profit** | **708** | **1,228** | **(520)** | **-42%** |
| Selling Expenses | (195) | (182) | (13) | -7% |
| Administrative Expenses | (252) | (237) | (15) | -6% |
| Indemnity Payment | - | (86) | 86 | 100% |
| Royalty Fee | (241) | (291) | 50 | 17% |
| Share of Profit from Joint Ventures and Associates | 206 | 264 | (58) | -22% |
| Other Income (Expenses) | 78 | (17) | 95 | 559% |
| Finance Cost | (187) | (175) | (12) | -7% |
| **Profit Before Income Taxes** | **117** | **504** | **(387)** | **-77%** |
| Income Taxes | (76) | (189) | 113 | 60% |
| **Profit for the Year** | **41** | **315** | **(274)** | **87%** |
| Owners of the Parent | (20) | 206 | (226) | 110% |
| Non-Controlling Interests | 61 | 109 | (48) | -44% |
| Earnings (Losses) Per Share (Unit: USD) | (0.004) | 0.040 | (0.044) | 110% |

In accordance with energy commodities price index that presented falling trends since the beginning of the year of thermal coal price, natural gas price and oil price; also a strength of THB currency against USD currency, the group performance reported net loss for 2019 at $20 million, decreased by $226 million compared to 2018. The group focused on cost management and efficient improvement of coal production to cope with gradually lower global market price. Details were described as follows:

### 3.1 Sales and Cost of sales

| (Unit: Million USD) | Revenue | | | Cost of Sales | | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | Inc. (Dec.) | 2019 | 2018 | Inc. (Dec.) |
| Coal Business | 2,381 | 3,020 | -21% | 1,753 | 1,917 | -9% |
| Natural Gas Business | 105 | 144 | -27% | 72 | 76 | -5% |
| Power & Steam Business | 183 | 196 | -7% | 149 | 155 | -4% |
| Others | 90 | 121 | -25% | 77 | 105 | -27% |
| **Total** | **2,759** | **3,481** | **-21%** | **2,051** | **2,253** | **-9%** |

#### Sales

Sales reported at $2,759 million (equivalent THB 85,718 million), decreased by $722 million compared to 2018. This was mainly a decrease of $639 million from coal businesses, a decrease of $39 million from natural gas business, and a decrease of $13 million from power and steam business. Details of revenue were described as follows:

1. Sales from coal business of $2,381 million or 86% of total revenue separated by source of coal as below:
   - From Indonesia coal mines of $1,671 million
   - From Australia coal mines of $694 million
   - From others of $16 million
2. Sales from natural gas business in USA of $105 million or 4% of total revenue.
3. Sales from Power and steam of $183 million or 7% of total revenue derived from Combined Heat and Power (CHP) plants, Solar power plants in China and Energy Trading business in Japan that started operation in 4Q19.
4. Others of $90 million represented 3% of total revenue. A decrease of $31 million was mainly from fuel trading business of a subsidiary in Indonesia.

#### 1. Coal Business

| Coal Business | | 2019 | 2019 | Inc. (Dec.) |
|---|---|---|---|---|
| Sales Volume | (Million Tonnes) | 36.18 | 38.03 | -5% |
| Average Selling Price | ($/Tonne) | 65.82 | 78.77 | -16% |
| Average Cost of Sales | ($/Tonne) | 48.15 | 50.25 | -4% |

Coal sales of $2,381 million, decreased by $639 million or 21% due to a decrease of sales volume and average selling price by $13.48 per tonne compared to prior year as following details:

| Indonesia Mines | | 2019 | 2018 | Inc. (Dec.) |
|---|---|---|---|---|
| Sales Volume | (Million Tonnes) | 25.41 | 24.02 | 6% |
| Average Selling Price | ($/Tonne) | 65.00 | 82.62 | -21% |
| Average Cost of Sales | ($/Tonne) | 44.53 | 47.98 | -7% |

## Coal Business in Indonesia

**Sales volume**

Coal sales volume was 25.41 million tonnes, increased by 1.39 million tonnes compared to 2018.

**Average selling price**

Average selling price per tonne was $65.00, decreased by $17.62 or 21% compared to 2018, in accordance with a fall of global coal market price.

**Average cost of sales**

Average cost of sales per tonne was $44.53, decreased by $3.45 or 7% compared to 2018. This was due to cost management that cope with a decrease of global coal market price, while maintain quality standards of coal, including quality development to meet customer demand and retain in the long term.

| Australia Mines | | 2019 | 2018 | Inc. (Dec.) |
|---|---|---|---|---|
| Sales Volume | (Million Tonnes) | 10.50 | 13.70 | -23% |
| Average Selling Price | ($/Tonne) | 93.81 | 105.33 | -11% |
| Average Cost of Sales | ($/Tonne) | 80.71 | 72.54 | 11% |

## Coal Business in Australia

**Sales volume**

Coal sales volume was 10.50 million tonnes, decreased by 3.20 million tonnes or 23% compared to 2018, was from a lower of production tonned caused by a difficulty geographical mining conditions.

**Average selling price**

Average selling price per tonne was A$93.81, decreased by A$11.52 or 11% compared to 2018 as the following:

| Australia Mines | Sales Volume (Unit: Million Tonnes) | | | Avg. Price/Tonne (A$/Tonne) | | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | Inc. (Dec.) | 2019 | 2018 | Inc. (Dec.) |
| Domestic | 5.98 | 8.53 | -30% | 79.43 | 81.72 | -3% |
| Export | 4.52 | 5.17 | -13% | 114.90 | 126.54 | -9% |
| **Total** | **10.50** | **13.70** | **-23%** | **93.81** | **105.33** | **-11%** |

### Average selling price of domestic and export sales

Average domestic selling price per tonne was A$ 79.43, decreased by A$2.29 due to a less portion of sales from high valued contracts as result of coal production volume was below the plan. Average export selling price per ton was A$114.90 that decrease from 2018 driven by a decline of global coal market price. Whereas, a depreciation of AUD currency against USD currency promoted higher revenue in AUD currency when converted from USD export sales, then a higher average selling price. Average exchange rate of AUD/USD was $0.6947 (2018: $0.7478).

### Average cost of sales

Average cost of sales per tonne was A$80.71, increased by A$8.17 from lower production volume compared to 2018. Coal production volume was 9.29 milion tonnes (2018: 11.70 million tonnes). This was due to coal production encountered the difficulty mining conditions and relocation of longwall equipment at Mandalong mine. As a result, in 2019 the average cost per tonne was high.

## 2. Natural Gas Business

| Natural Gas Business | | 2019 | 2018 | Inc. (Dec.) |
|---|---|---|---|---|
| Sales Volume | (Bcf) | 69.14 | 70.74 | -2% |
| Average Selling Price | ($/Mcf) | 1.38 | 1.87 | -26% |
| Average Cost of Sales | ($/Mcf) | 1.05 | 1.07 | -2% |

### Natural Gas Business in USA

Sales from natural gas business of 2019 reported at $105 million, decreased by $39 million or 27% as following details:

### Sales Volume

Natural gas sale volume was 69.14 billion cubic feet, decreased by 2% compared to 2018. The warmer weather and shorter winter period during the year caused a smaller growth rate of gas demand, impacted to postpone operation from new natural gas wells.

### Average Selling Price

Average selling price was $1.38 per thousand cubic feet, decreased by 26 % from 2018. This was an impact from over natural gas volume in US market from new projects operated from certain sources and from natural gas tied with associated gas. In addition, the selling price affected by the high stock reserves that almost reach the top level among last 5 years, whereas the growth of consumption cannot keep up with such supply.

### Average Cost of Sale

Average cost of sales was $1.05 per Mcf, decreased by 2% compared to 2018 from more efficiency of cost management to cope with a decrease of market price.

## 3. Power Business

Sales from Power and Steam of $183 million or 7% of total revenue was from sales from CHP plant and solar power plant in China. Details were described as follows:

| Power Business | | Combined Heat & Power Plants (CHP) | | | Solar Power Plants | | |
|---|---|---|---|---|---|---|---|
| | | 2019 | 2018 | Inc. (Dec.) | 2019 | 2018 | Inc. (Dec.) |
| Sales Volume | (GWh) | 1,495.75 | 1,491.09 | 0% | 213.88 | 185.72 | 15% |
| Steam Volume | (Million Tonnes) | 3.60 | 4.11 | -12% | N/A | N/A | N/A |
| Average Power Tariff | (RMB/kWh) | 0.36 | 0.37 | -3% | 0.83 | 0.81 | 2% |
| Average Steam Price | (RMB/Tonne) | 101.67 | 101.80 | 0% | N/A | N/A | N/A |

### Combined Heat and Power (CHP) Plants in China

Sales from power, steam, and others from 3 CHP plants in China $154 million, decreased by $20 million compared to the previous year.

### Sales Volume

Sales volume of 1,496 GWh, increased by 5 GWh from prior year, whereas steam sales of 4.57 tonne million, decreased by 0.48 tonne million. This was from a lower demand of electricity and steam from customer that caused a decrease of sales volume from Zouping power plant. Whereas, sales from Zhending and Luannan power plant was higher, compared to 2018.

### Average Selling Price

A decrease of average power tariff by RMB 0.01 per kWh caused by price adjustment in accordance with local government policy (HEBEI) since 1 September 2018.Whereas, steam price was increased by RMB1.10 per tonne from Luannan power plant compared to 2018.

### Cost of Sale

Cost of sales $135 million, decreased by $13 million was from a decrease of coal cost that was main fuel by RMB 40 per tonne. Average coal cost was RMB 599 per tonne (2018: RMB 639 per tonne).

## Solar Power Plants in China

Sales from solar power plants in China reported at $24 million an increase of $2 million from 2018.

### Sales Volume

An increase of solar power plant sales volume was from a new solar power plant (Jixin) operated during the period and from weather condition that support better production.

### Average Power Tariff

Average power tariff was RMB 0.83, that higher than 2018. This was from a decrease of value added tax from 16% to be 13% that was effective since 1 April 2019.

### Cost of Sales

An increase of cost of sales was align with higher sales volume from a new solar power plant (Jixin).

## Administrative Expense

Administrative expenses reported at $252 million, an increase of 15 million or 6% was mainly from professional fees and others from business expansion to Vietnam and USA.

## Royalty Fees

Royalty fees reported at $241 million, a decrease of $50 million or 17% was from a decrease of royalty fees from Indonesia mines of $37 million. Moreover, a decrease of royalty fees from Australia mines by $13 million caused by a decrease of coal sales price and volume compared to 2018.

| Profit (Loss) Sharing (Unit: Million USD) | 2019 | 2018 | Inc. (Dec.) |
|---|---|---|---|
| BLCP | 27 | 42 | -36% |
| Hongsa & Phufai Mining | 91 | 106 | -14% |
| Holding Company of Solar Power in Japan | (4) | (2) | 98% |
| Coal Business in China | 92 | 118 | -22% |
| **Total** | **206** | **264** | **-3%** |

## Share of Profit from Joint Ventures and Associates

Profit sharing from joint ventures and an associate reported $206 million, decreased by $58 million or 22% compared to 2018 with major details described as below:

1) Recognition of profit sharing from BLCP of $27 million, decreased by $15 million according to operating performance, including from a higher of interest expense and income tax under condition of BOI promotion certificate.

2) Recognition of profit sharing from Hongsa power and PhuFai mining in Laos of $91 million, decreased by $15 million from unplanned outage caused by the earthquake in November 2019 in order to inspect and repair damaged equipment.

3) Recognition of shares of profit from coal business in China of $92 million, decreased by $26 million from a decrease of selling price aligned with market price compared to the prior year.

## Other Income

Other income of $78 million comprised of :

1) Loss on foreign exchange rate of $95 million was mainly from unrealized loss on foreign exchange rate translation on THB currency borrowings, as result of an appreciation of THB currency against USD currency compared to 2018. Average exchange rate of USD/THB as of 31 December 2019 was 30.15 (31 December 2018: THB 32.45).

2) Net gain from financial derivatives of $33 million comprised of:

   - Realized gain from financial derivatives of $34 million was gain from coal swap contracts and fuel swap contracts total of $26 million, also gain from cross currency swap contracts of $5 million and natural gas swap and option contracts of $8 million. Whereas, realized loss from interest rate swap contracts of $3 million and foreign exchange rate forward contracts total of $2 million.

   - Unrealized gain on fair value of financial derivatives at the end of period of $0.16 million was mainly from natural gas swap and options contracts.

3) Management fee income and others of $140 million was mainly from:

   - Interest income of $13 million.

   - Government subsidy of $5 million from residential steam.

   - Sales of ashes, slag and scraps from mines, power plants and others of $18 million

   - Gain on sales of Mannering mine in Australia of $42 million.

   - Gain on acquisition of Springvale mine of $51million.

   - Reversal entry of reserves for acquiring natural gas resources (West Brom) of $11 million due to did not meet criterias agreed with counter party.

### Corporate Income Tax

Corporate income tax of $76 million, decreased by $113 million or 60% was mainly from:

1) A decrease of $40 million was from a decrease of operating profits compared to 2018.

2) A decrease of withholding tax of $2 million caused by a decrease of dividend income during the year.

3) A decrease of $71 million was from an additional recognition of net deferred income tax asset that was a time difference of recognition period between tax and accounting principles.

## 4. Statements of Consolidated Financial Position

Statements of Consolidated Financial Position as of 31 December 2019 in comparison with the Statements of Consolidated Financial Position as of 31 December 2018.

| Financial Position (Unit: Million USD) | 31 Dec 2019 | 31 Dec 2018 | Inc. (Dec.) | |
|---|---|---|---|---|
| | | | Amount | % |
| Assets | 8,542 | 8,454 | 88 | 1% |
| Liabilities | 5,542 | 5,279 | 263 | 5% |
| Equity | 3,000 | 3,175 | (175) | -6% |

4.1 Total assets of $8,542 million, an increase of $88 million compared to total assets as of 31 December 2018 with main details described as below:

| Financial Position (Unit: Million USD) | Assets | | Inc. (Dec.) | |
|---|---|---|---|---|
| | 31 Dec 2019 | 31 Dec 2018 | Amount | % |
| Cash and Cash Equivalent | 433 | 607 | (174) | -29% |
| Short-Term Investments | 110 | 8 | 102 | 1275% |
| Trade Accounts Receivable and Note Receivables, Net | 246 | 395 | (149) | -38% |
| Current Portion of Dividend Receivables from Related Parties | - | 10 | (10) | -100% |
| Other Current Assets | 573 | 375 | 198 | 53% |
| Total Current Assets | 1,362 | 1,394 | (33) | -2% |
| Dividend Receivables from Related Parties | 21 | 210 | (189) | -90% |
| Invesments in an Associate and Joint Ventures | 1,485 | 1,374 | 111 | 8% |
| Other Invesments, Net | 144 | 148 | (4) | -3% |
| Property, Plant and Equipment, Net | 1,950 | 1,859 | 91 | 5% |
| Deferred Exploration/Stripping Costs, Net | 920 | 869 | 51 | 6% |

| Financial Position (Unit: Million USD) | Assets | | Inc. (Dec.) | |
|---|---|---|---|---|
| | 31 Dec 2019 | 31 Dec 2018 | Amount | % |
| Mining Property Rights, Net | 1,665 | 1,711 | (46) | -3% |
| Goodwill | 524 | 524 | - | 0% |
| Other Non-Current Assets | 471 | 364 | 107 | 29% |
| Total Non-Current Assets | 7,180 | 7,059 | 121 | 2% |
| Total Asset | 8,542 | 8,454 | 88 | 1% |

- Cash and cash equivalents of $433 million, a decrease of $174 million (Refer to the explanation in No.5 Consolidated Statement of Cash Flows)

- Non-current portions of dividend receivable from related parties of $21 million, decreased by $199 million were dividend receivable from joint ventures who operates power business in Thailand and coal business in China. This was a net results of:
  1) A decrease from received dividend during the period of $413 million.
  2) An increase from additional declared dividend of $210 million.
  3) An increase from the effects of foreign exchange rate translation at the end of the period of $4 million.

- Investment in joint ventures and associates of $1,485 million, increased by $111 million or 8% was from:
  1) An increase from addition of investments in joint ventures and associates of $61 million comprised of:
     1.1. Electric vehicle (EV) development business in Japan of $20 million.
     1.2. An associate company in Singapore that was a reclassification of prepayment for development of solar power plant in Japan of $6 million to be investment.
     1.3. CHP power plant in China of $23 million.
     1.4. Electric Tuk Tuk projects in Thailand of $2 million.
     1.5. Virtual power plant and energy trading business of $10 million.
  2) An increase from recognition of profit sharing recognized by $190 million.
  3) A decrease from dividend received of $210 million.
  4) An increase from the effects of foreign exchange rate translation at end of period by $77 million.
  5) A decrease from adjustment effects of $7 million from new Thai Financial Reporting Standard No.15 "Revenue from contracts with customers" that was effective in 2019.

- Other investments of $144 million, decreased by $4 million.This was due to capital refund of $14 million as result of the adjusted debt to equity portion under conditions of project financing from Goudou Kaisha Woodlake (Kurokawa) project and from resale of $3 million from Goudou Kaisha University (Hiroshima) project because the counter party was unable to follow conditions under the agreement. Moreover, there was disposal of bonds from a subsidiary in Indonesia of $3 million. Whereas, there was addition of investments in solar power projects in Japan of $16 million and an increase from changes in fair value at the end of period of $2 million.

- Property plant and equipment of $1,950 million, an increase of $91 million derived from:
  1) An increase from additions of machine and equipment of coal business, natural gas business and power business total of $279 million.
  2) An increase from acquisition of solar power plant business in China of $19 million.
  3) An increase from addition of acquisition of investment in joint venture in Australia of $24 million.
  4) A decrease from depreciation charges for the period of $220 million.
  5) A decrease from the effects of foreign exchange rate translation at end of period and others of $11 million.

- Other non-current assets of $471 million, increased by $107 million. This was from an increase of deferred income tax assets of $45 million, prepaid tax of subsidiaries in Indonesia and restricted cash of $33 million and $12 million, respectively. There were an increase of accrued subsidy income from solar power plants in China of $19 million and other receivables from sales of non-current assets of $15 million. Whereas, there were a decrease from reclassification of prepayment for project development in Japan to be investment in a joint venture of $6 million, and a decrease of others of $11 million that mostly was a decrease of VAT, deposits and land used right.

4.2 Total liabilities of $5,542 million, increased by $263 million compared to total liabilities as of 31 December 2018 with movement details as described below:

| Financial Position (Unit: Million USD) | Liabilities | | Inc. (Dec.) | |
|---|---|---|---|---|
| | 31 Dec 2019 | 31 Dec 2018 | Amount | % |
| Short-Term Loans from Financial Institutions | 455 | 512 | (57) | -11% |
| Trade Account Payable | 60 | 116 | (56) | -48% |
| Current Portion of Long-Term Borrowings, Net | 363 | 370 | (7) | -2% |
| Current Portion of Debenture, Net | 176 | 88 | 88 | 100% |
| Accrued Overburden and Coal Transportation Costs | 74 | 143 | (69) | -48% |
| Financial Derivative Liabilities Due in One Year | 2 | 5 | (3) | -60% |
| Other Current Liabilities | 431 | 475 | (44) | -9% |
| Total Current Liabilities | 1,561 | 1,790 | (148) | -9% |
| Long-Term Loans from Other Company | 1,796 | 1,655 | 141 | 9% |
| Debentures, Net | 1,644 | 1,397 | 247 | 18% |
| Financial Derivative Liabilities, Net | 21 | 18 | 3 | 17% |
| Other Liabilities | 520 | 500 | 20 | 4% |
| Total Non-Current Liabilities | 3,981 | 3,570 | 411 | 12% |
| Total Liabilities | 5,542 | 5,279 | 263 | 5% |

- Short-term loans from financial institutions of $455 million, decreased by $57 million was from repayment of $1,131 million, net with additional loans of $1,058 million, realized loss on foreign exchange rate of $9 million and an increase from the effects of foreign exchange rate translation at the end of period of $7 million.
- Current portions of long- term loans of  $363 million, decreased by $7 million was due to a decrease from refinancing to be non-current portion of $225 million, also repayment of $112 million. While, there were an increase from reclassification from non-current portion of $284 million, additions of $45 million, and the effects of foreign exchange rate translation at the end of period of $1 million.
- Current portions of debenture of $176 million, increased by $88 million was from reclassification from non-current portion of $173 million and from the effects of foreign exchange rate translation at the end of period of $4 million, net with a decrease from redemption of $89 million.
- Accrued overburden and coal transportation expenses of $74 million, decreased by $69 million or 48% was mainly from mining operations of subsidiaries in Indonesia.
- Long- term loans of $1,796 million, increased by $141 million or 9% was a net results of:
  1) An increase from additional loan of $297 million.
  2) An increase from refinancing from current portion of $225 million.
  3) A decrease from reclassification to current portion of $283 million.
  4) A decrease from early repayment of $102 million.
  5) An increase from the effects of foreign exchange translation at the end of period of $4 million. Mainly was from AUD currency loan due to a depreciation of AUD currency against USD currency. Average exchange rate of AUD/USD as of 31 Dec 2019 was 0.6981 (31 Dec 2018: 0.7039).
- Debenture of $1,644 million, increased by $247 million or 18% was from debenture issuance of $314 million, net with reclassification to be current portion of $173 million and an increase from the effects of foreign exchange translation at the end of period of $106 million.
- Current portion and non-current portion of derivative liabilities reported at $2 million and $21 million, respectively, total of $23 million. This was changes in fair value of financial derivatives at the end of period. These consisted of cross currency swap contracts of $1 million, interest rate swap contracts of $22 million.

4.3 Shareholders 'equity of $3,000 million, a decrease of $175 million was mainly due to;

| Financial Position (Unit: Million USD) | Equity | | Inc. (Dec.) | |
|---|---|---|---|---|
| | 31 Dec 2019 | 31 Dec 2018 | Amount | % |
| Equity Attributable to Owners of the Parent | 2,394 | 2,560 | (166) | -6% |
| Non-Controlling Interests | 606 | 615 | (9) | -1% |
| Total Equity | 3,000 | 3,175 | (175) | -6% |

- A decrease of $20 million from net loss for the year 2019.
- An increase of $77 million from non-controlling interests.
- An increase of $45 million from the effects of foreign exchange rate translation of subsidiaries' financial statements and others.
- A decrease of fair value reserves for available for sales investment and cash flows hedge reserves of $32 million.
- A decrease of $7 million from impact of new Thai Financial Reporting Standard No. 15 "Revenue from contracts with customers" that was effective in 2019.
- A decrease of $200 million from dividend payment.
- A decrease of $38 million from repurchase of treasury shares.

4.4 Net debt-to-equity ratio as of 31 December 2019 reported at 1.24 times (31 December 2018: 1.02 times).

## 5. Statement of Consolidated Cash Flow

Statement of consolidated cash flows for the year ended 31 December 2019 presented a decrease of net cash flow by $174 million (included the effect from unrealized gain on exchange rate translation of $17 million). The consolidated cash flows were divided into:

| Statement of Cash Flows (Unit: Million USD) | Amount |
|---|---|
| Cash Flows from Operating Activities | 124 |
| Cash Flows from Investing Activities | (348) |
| Cash Flows from Finaning Activities | 33 |
| **Net Decrease in Cash and Cash Equivalents** | **(191)** |
| Exchange Gains on Cash and Cash Equivalents | 17 |
| Cash and Cash Equivalents at the Beginning of Period | 607 |
| **Cash and Cash Equivalents at the End of Period** | **433** |

5.1 Net cash inflow from operating activities of $124 million; with major operating items as follows;

- Collections from coal sales of $2,033 million.
- Payments to contractors and suppliers of $1,416 million.
- Interest payments of $186 million.
- Payments of corporate income tax of $140 million.
- Royalty fee payments of $204 million.
- Others received of $37 million.

5.2 Net cash outflow from investing activities of $348 million; with major items as follows;

- Payments for machines, equipment and project in progress of $297 million.
- Payments for investment in electric vehicle (EV) development business and solar power business in Japan $75 million.
- Payments for deferred charge of mine exploration, mine development and overburden of $239 million.
- Payments for short-term investment of $155 million.
- Payments for short term loan to related company of $23 million.
- Dividend receipts from joint ventures of $414 million.
- Cash payments for placement of restricted deposits at banks of $79 million.
- Receipts from others of $106 million.

5.3 Net cash inflow from financing activities of $33 million; comprised of

- Receipts from short term and long - term loans from financial institutions and others of $1,707 million.
- Repayments of short term and long - term loans from financial institutions and others of $ 1,436 million.
- Dividend payment to shareholders of $200 million.
- Payments for treasury shares of $38 million.

## 6. Coal Reserves

The quantity of sales and remaining of coal reserves for the year ended 31 December 2019:

| Source (Unit: Million Tons) | Quantity of Coal Sales and Reserves | | |
|---|---|---|---|
| | Reserves as of 31 Dec 2018 | Sales Full Year 2019 | Reserves as of 31 Dec 2019 |
| **1. Indonesia** | | | |
| 1.1 Jorong | 11.80 | 1.55 | 10.25 |
| 1.2 Indominco | 59.50 | 12.66 | 46.84 |
| 1.3 Kitadin | 4.44 | 1.39 | 3.05 |
| 1.4 Trubaindo | 48.60 | 4.71 | 43.89 |
| 1.5 Bharinto | 152.20 | 2.86 | 149.34 |
| 1.6 NPR Project | 77.40 | - | 11.40 |
| **2. Australia** | 309.36 | 10.27 | 299.09 |
| **3. China** | | | |
| 3.1 Gaohe | 134.70 | 9.15 | 125.55 |
| 3.2 Hebi Zhongtai | 17.10 | 1.46 | 15.64 |
| **Total** | **815.10** | **44.05** | **771.05** |

## 7. Natural Gas Reserves

The quantity of sales and remaining of natural gas reserves for the year ended 31 December 2019:

| Item (Unit: Million Cubic Feet) | Quantity of Natural Gas Sales and Reserves | | |
|---|---|---|---|
| | Reserves as of 31 Dec 2018 | Sales Full Year 2019 | Reserves as of 31 Dec 2019 |
| Natural Gas | 1,254,173 | 69,144 | 1,185,029 |
| **Total** | **1,254,173** | **69,144** | **1,185,029** |

# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Banpu Public Company Limited

### My opinion

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

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

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

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

| Key Audit Matter | How My Audit Addressed the Key Audit Matter |
|---|---|
| **Impairment Assessments of Goodwill** | |
| Refer to Note 20 Goodwill, as at 31 December 2019, the Group has goodwill of US Dollar 524.12 million which represents 6% of the total consolidated assets. Goodwill arose from the acquisitions of mining and electricity generation businesses in other countries. Goodwill of US Dollar 466.93 million arose from the acquisition of coal mining business in Australia and the remaining US Dollar 57.19 million arose from the acquisitions of coal mining business in the Republic of Indonesia and Mongolia and electricity generating business in the People's Republic of China. No impairment charge was recognised by management against these balances in the 2019 financial year.<br><br>Management tests impairment of goodwill annually. The impairment test is performed at level of cash generating unit (CGU) and calculated its recoverable amount by applying the value-in-use model which involves the management's significant judgements in respect to the future operating results of business, projected cash flows and the discount rate to be applied to the projected cash flows. Key assumptions applied in the value-in-use model are trend of global coal prices, estimated reserves, production plan, cost profiles, growth rate and discount rate applied to the cash flow forecasts.<br><br>I focused on the valuation of goodwill arising from the acquisition of coal mining business in Australia due to the significant value and the fact that the determination of value-in-use depends on a number of assumptions. Those assumptions involve significant judgement made by the management in assessing the possibility of future business plans. | The audit procedures of this matter were performed by the component auditor in Australia. I understood and evaluated the work of the component auditor to obtain sufficient and appropriate audit evidences for the impairment testing of goodwill arising from the acquisition of coal mining business in Australia. I also satisfied myself as to the appropriateness of management's identification of the Group's CGUs and the continued satisfactory operation of the Group's controls over the impairment assessment process.<br><br>The component auditor carried out the following to review management's assessment of impairment testing of goodwill.<br><br>• Held discussions with the management to understand the basis for the assumptions used and assessed whether the impairment testing process and assumptions had been applied consistently across the Group.<br><br>• Challenged management's significant assumptions used in impairment testing for goodwill, specifically the global coal price, foreign exchange rate forecasts, production plan, operating costs and discount rate. The procedures included comparing the key assumptions to the external sources for trend of global coal price and foreign exchange rate forecasts and the approved business and mine plan.<br><br>• Assessed the reasonableness of business plan and mine plan by comparing the plans of 2019 with actual results. |

| Key Audit Matter | How My Audit Addressed the Key Audit Matter |
|---|---|
| **Impairment Assessments of Goodwill** | • Assessed the discount rate taking into account the independently obtained data from available public information of companies in the industry, to see whether the discount rate used by management was within an acceptable range.<br>• Tested sensitivity analysis over key assumptions in the model prepared by the management in order to assess factors to be sensitive to assumptions and potential impact of a range possible outcomes.<br>As a result of the procedures performed, the key assumptions used by the management in assessing the recoverable amount of goodwill are within the reasonable range and consistent with supporting evidence. |
| **Acquisition of the Remaining Interest in Springvale Coal Joint Venture**<br>As detailed in Note 36.4 Acquisition of the remaining interest in Springvale Coal Joint Venture (SPJV), during the year 2019, the Group acquired the remaining 50% interest in SPJV which was previously held by another co-venturer for a total consideration of US Dollar 0.68. The SPJV owns the Springvale and Angus Place Collieries. In addition, the co-venturer agreed to pay the Group a total of US Dollar 7.81 million to assume certain liabilities on behalf of the co-venturer as part of the acquisition. Therefore, the Group obtained control over the SPJV since then. This acquisition is a business combination achieved in stages in accordance with Thai Financial Reporting Standard 3 "Business Combination". This accounting standard required the management to measure the carrying value | The audit procedures of this matter were performed by a component auditor in Australia. I understood and evaluated the work performed by the component auditor to obtain sufficient and appropriate audit evidences.<br>The component auditor carried out the following procedures in order to obtain evidence for management's determination of the fair value of previously held interest before obtaining control over the SPJV and fair value of identifiable assets acquired and liabilities assumed:<br>• Obtained an understanding of the transaction by reading the sale and purchase agreements and all related documents.<br>• Challenged and assessed management's conclusions against the requirements of the relevant financial reporting standards, which included the determination |

| Key Audit Matter | How My Audit Addressed the Key Audit Matter |
|---|---|
| **Acquisition of the Remaining Interest in Springvale Coal Joint Venture** | |
| of previously held interest in the SPJV to fair value as at the date of obtaining control and recognised any gains or losses arising from fair value measurement in profit or loss. The management is required to determine fair value of net identifiable assets acquired.<br><br>The management determined that the fair value of previously held interest in the SPJV is US Dollar 124.89 million, which resulted in loss on a business combination achieved in stages of US Dollar 82.25 million and the fair value of the net identifiable assets acquired as of the date of obtaining control is US Dollar 124.89 million, which mainly comprised US Dollar 59.15 million relating to property, plant and equipment and US Dollar 50.22 million relating to deferred development expenditures. The fair value of the liabilities assumed is US Dollar 35.68 million. The valuation of net identifiable assets acquired was performed as a part of the purchase price allocation. This resulted in a bargain purchase of US Dollar 132.70 million.<br><br>I focused on the determination of fair value of previously held interest in SPJV, the loss on a business combination achieved in stages and the fair value of remaining interest acquired because the valuation methodology and assumptions used in the financial model involved significant assumptions and judgement made by management. | when control has transferred to the Group, assessing the appropriate accounting for the loss on remeasurement of the previously held interest and assessing the appropriate acquisition accounting.<br><br>• Assessed the fair value estimated on the previously held interest as at the date of obtaining control and the fair value of the remaining interest acquired by:<br>- Tested key assumptions applied in the valuation models that estimated fair value such as comparing cash flow forecasts with the approved mine plans and available public information.<br>- Assessed the discount rate adopted by the management, taking into account independently obtained data from available public information of companies in the industry.<br>- Considered the valuation methodology in the models with the requirements of the financial reporting standards.<br><br>• Tested the mathematical accuracy of the fair value models, loss on a business combination achieved in stages and bargain purchase.<br><br>As a result, I determined that the assessment of the acquisition of the remaining interest in SPJV was appropriately performed in accordance with the definition and requirement set out in Thai Financial Reporting Standard 3. The assumptions used to identify the fair values of previously held interest in SPJV and calculation of loss on a business combination achieved in stages and a bargain purchase were reasonable and in accordance with the accounting practices. |

## Other information

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

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

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

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

## Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

**Amornrat Pearmpoonvatanasuk**
Certified Public Accountant (Thailand) No. 4599
Bangkok
20 February 2020

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

**Consolidated financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 9 | 433,183 | 607,344 | 13,062,193 | 19,708,200 |
| Short-term investments | 10 | 110,302 | 7,887 | 3,326,047 | 255,933 |
| Trade accounts receivable and notes receivable, net | 11 | 245,899 | 394,731 | 7,414,844 | 12,808,938 |
| Amounts due from related parties | 34 | 168 | 205 | 5,061 | 6,667 |
| Current portion of dividend receivables from a related party | 34 | - | 10,170 | - | 330,000 |
| Advances to related parties | 34 | - | 3 | - | 88 |
| Inventories, net | 12 | 124,645 | 149,632 | 3,758,557 | 4,855,522 |
| Spare parts and machinery supplies, net | | 33,925 | 28,196 | 1,022,989 | 914,961 |
| Financial derivative assets due in one year | 13 | 17,886 | 6,599 | 539,330 | 214,125 |
| Short-term loans to related parties | 34 | 16,287 | 87 | 491,106 | 2,828 |
| Short-term loans to other companies | | 2,908 | 2,803 | 87,675 | 90,967 |
| Current portion of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net | 18 | 97,168 | 30,796 | 2,929,991 | 999,327 |
| Other current assets | 14 | 280,469 | 155,902 | 8,457,253 | 5,059,012 |
| **Total current assets** | | **1,362,840** | **1,394,355** | **41,095,046** | **45,246,568** |
| **Non-current assets** | | | | | |
| Dividend receivables from a related party | 34 | 21,186 | 209,642 | 638,831 | 6,802,860 |
| Long-term loans to related parties | 34 | 20,132 | 17,054 | 607,048 | 553,384 |
| Investments in joint ventures and associates | 15 | 1,484,759 | 1,374,119 | 44,771,432 | 44,589,871 |
| Other investments, net | | 143,674 | 148,487 | 4,332,359 | 4,818,371 |
| Investment property, net | | 1,573 | 1,873 | 47,442 | 60,774 |
| Property, plant and equipment, net | 16 | 1,949,862 | 1,859,390 | 58,796,141 | 60,336,838 |
| Deferred income tax assets, net | 17 | 158,084 | 113,499 | 4,766,872 | 3,683,006 |
| Financial derivative assets, net | 13 | 11,269 | 11,125 | 339,818 | 360,988 |
| Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net | 18 | 920,063 | 869,257 | 27,743,585 | 28,207,228 |
| Mining property rights, net | 19 | 1,664,768 | 1,710,766 | 50,199,410 | 55,514,011 |
| Goodwill | 20 | 524,120 | 524,120 | 15,804,325 | 17,007,600 |
| Other non-current assets | 21 | 280,112 | 219,906 | 8,446,499 | 7,135,896 |
| **Total non-current assets** | | **7,179,602** | **7,059,238** | **216,493,762** | **229,070,827** |
| **Total assets** | | **8,542,442** | **8,453,593** | **257,588,808** | **274,317,395** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

**Consolidated financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| **Liabilities and equity** | | | | | |
| **Current liabilities** | | | | | |
| Short-term loans from financial institutions | 22 | 454,861 | 511,873 | 13,715,865 | 16,610,171 |
| Trade accounts payable | | 59,632 | 115,797 | 1,798,142 | 3,757,579 |
| Accrued interest expenses | | 27,632 | 27,735 | 833,225 | 900,010 |
| Accrued royalty expenses | | 9,828 | 11,746 | 296,354 | 381,140 |
| Accrued overburden and coal transportation costs | | 74,178 | 143,001 | 2,236,756 | 4,640,351 |
| Accrued income taxes | | 13,187 | 16,909 | 397,645 | 548,691 |
| Accrued employee benefits | | 87,581 | 69,813 | 2,640,925 | 2,265,411 |
| Financial derivative liabilities due in one year | 13 | 2,237 | 4,587 | 67,462 | 148,853 |
| Current portion of long-term borrowings, net | 23 | 363,115 | 369,681 | 10,949,368 | 11,996,087 |
| Current portion of debentures, net | 24 | 175,725 | 87,818 | 5,298,803 | 2,849,677 |
| Current portion of deferred unfavourable contract liabilities, net | | 7,199 | - | 217,068 | - |
| Other current liabilities | 25 | 285,951 | 350,120 | 8,622,581 | 11,361,326 |
| **Total current liabilities** | | **1,561,126** | **1,709,080** | **47,074,194** | **55,459,296** |
| **Non-current liabilities** | | | | | |
| Long-term loans from other company | | - | 584 | - | 18,958 |
| Long-term borrowings, net | 23 | 1,796,453 | 1,654,831 | 54,170,244 | 53,698,935 |
| Debentures, net | 24 | 1,644,182 | 1,397,130 | 49,578,675 | 45,336,586 |
| Deferred income tax liabilities, net | 17 | 281,241 | 272,031 | 8,480,548 | 8,827,341 |
| Employee benefits obligation | | 57,692 | 45,272 | 1,739,637 | 1,469,074 |
| Deferred unfavourable contract liabilities, net | | 16,451 | 41,537 | 496,055 | 1,347,866 |
| Financial derivative liabilities, net | 13 | 20,827 | 18,443 | 628,008 | 598,466 |
| Other liabilities | | 163,846 | 140,157 | 4,940,600 | 4,548,063 |
| **Total non-current liabilities** | | **3,980,692** | **3,569,985** | **120,033,767** | **115,845,289** |
| **Total liabilities** | | **5,541,818** | **5,279,065** | **167,107,961** | **171,304,585** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

**Consolidated financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| **Liabilities and equity** (continued) | | | | | |
| **Equity** | | | | | |
| Share capital | | | | | |
| Registered share capital | | | | | |
| 5,161,925,515 ordinary shares at par of Baht 1 each (31 December 2018: 5,165,257,100 ordinary shares at par of Baht 1 each) | 26 | | | 5,161,925 | 5,165,257 |
| Issued and paid-up share capital | | | | | |
| 5,161,925,515 ordinary shares at paid-up of Baht 1 each | 26 | 149,961 | 149,961 | 5,161,925 | 5,161,925 |
| Premium on share capital | 26 | 443,624 | 443,624 | 15,372,438 | 15,372,438 |
| Share-based payment | | 1,562 | 1,343 | 52,248 | 45,416 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| - Legal reserve | 27 | 95,976 | 95,976 | 3,171,520 | 3,171,520 |
| - Other reserves | 28 | 149,089 | 83,399 | 4,725,119 | 2,708,429 |
| Unappropriated | | 1,734,526 | 1,942,779 | 57,895,051 | 64,294,454 |
| Less Treasury stocks | 26 | (38,138) | - | (1,157,140) | - |
| Other components of equity | 30 | (142,405) | (157,422) | (13,026,580) | (7,693,722) |
| Equity attributable to owners of the Parent | | 2,394,195 | 2,559,660 | 72,194,581 | 83,060,460 |
| Non-controlling interests | | 606,429 | 614,868 | 18,286,266 | 19,952,350 |
| **Total equity** | | **3,000,624** | **3,174,528** | **90,480,847** | **103,012,810** |
| **Total liabilities and equity** | | **8,542,442** | **8,453,593** | **257,588,808** | **274,317,395** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

**Separate financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 9 | 29,479 | 28,313 | 888,912 | 918,752 |
| Short-term investments | 10 | - | 3,082 | - | 100,000 |
| Trade accounts receivable | 11 | 12,778 | 19,020 | 385,301 | 617,205 |
| Amounts due from related parties | 34 | 380,547 | 376,826 | 11,475,008 | 12,227,937 |
| Current portion of dividend receivables from a related party | 34 | - | 11,639 | - | 377,681 |
| Advances to related parties | 34 | 272 | 442 | 8,208 | 14,327 |
| Inventories, net | 12 | 3,804 | 7,861 | 114,697 | 255,091 |
| Financial derivative assets due in one year | 13 | 12,095 | 3,775 | 364,709 | 122,488 |
| Other current assets | 14 | 5,614 | 3,756 | 169,326 | 121,950 |
| **Total current assets** | | **444,589** | **454,714** | **13,406,161** | **14,755,431** |
| **Non-current assets** | | | | | |
| Dividend receivables from a related party | 34 | - | 41,826 | - | 1,357,259 |
| Long-term loans to related parties | 34 | 2,129,886 | 2,551,384 | 64,224,592 | 82,791,909 |
| Investments in subsidiaries | 15 | 1,954,274 | 1,384,250 | 58,929,179 | 44,918,640 |
| Other investments | | 8,840 | 8,743 | 266,555 | 283,706 |
| Investment property, net | | 1,020 | 1,020 | 30,769 | 33,112 |
| Property, plant and equipment, net | 16 | 5,706 | 6,098 | 172,058 | 197,870 |
| Financial derivative assets, net | 13 | 11,269 | 10,601 | 339,818 | 344,001 |
| Deferred income tax assets, net | 17 | 48,150 | 23,978 | 1,451,912 | 778,066 |
| Other non-current assets | 21 | 82,851 | 3,143 | 2,498,288 | 102,005 |
| **Total non-current assets** | | **4,241,996** | **4,031,043** | **127,913,171** | **130,806,568** |
| **Total assets** | | **4,686,585** | **4,485,757** | **141,319,332** | **145,561,999** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

**Separate financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| **Liabilities and equity** | | | | | |
| **Current liabilities** | | | | | |
| Short-term loans from financial institutions | 22 | 409,305 | 466,554 | 12,342,176 | 15,139,599 |
| Trade accounts payable to subsidiaries | 34 | 2,803 | 3,937 | 84,529 | 127,769 |
| Advances from and amounts due to related parties | 34 | 1,201 | 2,074 | 36,205 | 67,303 |
| Short-term loan from a related party | 34 | 16,000 | - | 482,464 | - |
| Accrued interest expenses | | 26,037 | 25,584 | 785,122 | 830,193 |
| Financial derivative liabilities due in one year | 13 | 417 | 182 | 12,564 | 5,922 |
| Current portion of long-term borrowings, net | 23 | 223,282 | 235,992 | 6,732,855 | 7,657,887 |
| Current portion of debentures, net | 24 | 175,725 | 87,818 | 5,298,803 | 2,849,677 |
| Other current liabilities | 25 | 5,746 | 16,416 | 173,278 | 532,708 |
| **Total current liabilities** | | **860,516** | **838,557** | **25,947,996** | **27,211,058** |
| **Non-current liabilities** | | | | | |
| Long-term borrowings, net | 23 | 1,037,750 | 1,015,418 | 31,292,325 | 32,950,113 |
| Debentures, net | 24 | 1,644,182 | 1,397,130 | 49,578,675 | 45,336,586 |
| Employee benefits obligation | | 12,659 | 8,877 | 381,717 | 288,071 |
| Financial derivative liabilities, net | 13 | 19,371 | 17,352 | 584,112 | 563,065 |
| Other liabilities | | 93 | 110 | 2,792 | 3,578 |
| **Total non-current liabilities** | | **2,714,055** | **2,438,887** | **81,839,621** | **79,141,413** |
| **Total liabilities** | | **3,574,571** | **3,277,444** | **107,787,617** | **106,352,471** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

**Separate financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| **Liabilities and equity** (continued) | | | | | |
| **Equity** | | | | | |
| Share capital | | | | | |
| Registered share capital | | | | | |
| 5,161,925,515 ordinary shares at par of Baht 1 each (31 December 2018: 5,165,257,100 ordinary shares at par of Baht 1 each) | 26 | | | 5,161,925 | 5,165,257 |
| Issued and paid-up share capital | | | | | |
| 5,161,925,515 ordinary shares at paid-up of Baht 1 each | 26 | 149,961 | 149,961 | 5,161,925 | 5,161,925 |
| Premium on share capital | 26 | 443,624 | 443,624 | 15,372,438 | 15,372,438 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| - Legal reserve | 27 | 14,996 | 14,996 | 516,193 | 516,193 |
| - Other reserves | 28 | 38,138 | - | 1,157,140 | - |
| Unappropriated | | 503,016 | 578,115 | 15,927,341 | 18,215,843 |
| Less Treasury stocks | 26 | (38,138) | - | (1,157,140) | - |
| Other components of equity | 30 | 417 | 21,617 | (3,446,182) | (56,871) |
| **Total equity** | | **1,112,014** | **1,208,313** | **33,531,715** | **39,209,528** |
| **Total liabilities and equity** | | **4,686,585** | **4,485,757** | **141,319,332** | **145,561,999** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

**Consolidated financial statements**

| | Notes | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|---|
| | | **2019** | **2018** | **2019** | **2018** |
| Sales and service income | | 2,759,217 | 3,481,442 | 85,717,849 | 112,770,519 |
| Cost of sales and services | | (2,051,191) | (2,252,967) | (63,736,734) | (72,960,877) |
| **Gross profit** | | **708,026** | **1,228,475** | **21,981,115** | **39,809,642** |
| Dividend income from other investments | | 1,129 | 999 | 34,766 | 32,392 |
| Management fee and other income | | 126,192 | 55,246 | 3,900,819 | 1,772,783 |
| Interest income | | 12,736 | 8,322 | 394,996 | 269,762 |
| Selling expenses | | (194,732) | (181,614) | (6,031,198) | (5,879,677) |
| Administrative expenses | | (251,828) | (237,222) | (7,779,080) | (7,679,623) |
| Indemnity payment | | - | (86,049) | - | (2,714,079) |
| Royalty fee | | (240,626) | (290,940) | (7,474,298) | (9,429,609) |
| Net gains (losses) from financial derivatives | | 33,352 | (62,587) | 1,036,435 | (2,051,687) |
| Net losses on exchange rate | | (95,050) | (18,980) | (2,962,086) | (617,505) |
| Interest expenses | | (182,206) | (170,311) | (5,657,221) | (5,505,827) |
| Other finance costs | | (5,428) | (4,977) | (168,433) | (160,500) |
| Share of profit from joint ventures and associates | 15 | 205,845 | 263,662 | 6,443,993 | 8,499,974 |
| **Profit before income taxes** | | **117,410** | **504,024** | **3,719,808** | **16,346,046** |
| Income taxes | 17 | (76,015) | (189,141) | (2,368,151) | (6,109,965) |
| **Profit for the year** | | **41,395** | **314,883** | **1,351,657** | **10,236,081** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Other comprehensive income (expense), net of taxes:** | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| - Remeasurements of post-employment benefit obligations | (2,643) | 2,397 | (57,134) | 80,585 |
| - Share of other comprehensive expense from a joint venture and associates for using the equity method | (434) | (2) | (12,439) | - |
| - Translation differences | - | - | (3,446,182) | (343,809) |
| Total items that will not be reclassified to profit or loss, net of taxes | (3,077) | 2,395 | (3,515,755) | (263,224) |
| Items that will be reclassified subsequently to profit or loss | | | | |
| - Gains (losses) on remeasuring available-for-sale investments | 23 | (1,934) | 10,464 | (62,271) |
| - Losses on cash flow hedge reserve | (18,171) | (10,246) | (500,667) | (330,100) |
| - Share of other comprehensive income (expenses) from joint ventures and associates for using the equity method | 61,127 | (11,612) | (1,401,308) | (598,307) |
| - Translation differences | (11,098) | (125,432) | (875,710) | (4,339,700) |
| Total items that will be reclassified subsequently to profit or loss, net of taxes | 31,881 | (149,224) | (2,767,221) | (5,330,378) |
| **Other comprehensive income (expense) for the year, net of taxes** | **28,804** | **(146,829)** | **(6,282,976)** | **(5,593,602)** |
| **Total comprehensive income (expense) for the year** | **70,199** | **168,054** | **(4,931,319)** | **4,642,479** |
| **Attributable to:** | | | | |
| Owners of the Parent | (19,604) | 205,475 | (552,864) | 6,693,731 |
| Non-controlling interests | 60,999 | 109,408 | 1,904,521 | 3,542,350 |
| | 41,395 | 314,883 | 1,351,657 | 10,236,081 |
| **Total comprehensive income (expense) attributable to:** | | | | |
| Owners of the Parent | (6,705) | 61,168 | (5,933,614) | 1,344,866 |
| Non-controlling interests | 76,904 | 106,886 | 1,002,295 | 3,297,613 |
| | 70,199 | 168,054 | (4,931,319) | 4,642,479 |

| | | US Dollar | | Baht | |
|---|---|---|---|---|---|
| | Note | **2019** | **2018** | **2019** | **2018** |
| **Earnings (losses) per share** | | | | | |
| Basic earnings (losses) per share | 32 | (0.004) | 0.040 | (0.107) | 1.297 |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

**Separate financial statements**

| | Note | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|---|
| | | **2019** | **2018** | **2019** | **2018** |
| Sales | | 55,383 | 62,140 | 1,714,447 | 2,014,055 |
| Cost of sales | | (50,803) | (52,527) | (1,572,470) | (1,702,810) |
| **Gross profit** | | **4,580** | **9,613** | **141,977** | **311,245** |
| Dividend income from subsidiaries | | 159,917 | 145,775 | 4,994,942 | 4,724,903 |
| Dividend income from other investments | | 296 | 248 | 9,346 | 7,903 |
| Management fee and other income | | 33,190 | 42,227 | 1,030,717 | 1,368,291 |
| Interest income | | 113,437 | 103,468 | 3,524,186 | 3,344,880 |
| Selling expenses | | (2,351) | (2,551) | (73,097) | (82,466) |
| Administrative expenses | | (69,378) | (62,790) | (2,146,999) | (2,036,394) |
| Indemnity payment | | - | (28,620) | - | (902,711) |
| Net gains (losses) from financial derivatives | | 3,104 | (2,326) | 101,260 | (80,390) |
| Net losses on exchange rate | | (41,422) | (8,879) | (1,295,435) | (285,539) |
| Interest expenses | | (145,202) | (133,634) | (4,508,300) | (4,319,819) |
| Other financial costs | | (2,840) | (2,185) | (88,046) | (70,722) |
| **Profit before income taxes** | | **53,331** | **60,346** | **1,690,551** | **1,979,181** |
| Income taxes | 17 | 25,334 | (8,263) | 791,211 | (270,263) |
| **Profit for the year** | | **78,665** | **52,083** | **2,481,762** | **1,708,918** |
| **Other comprehensive income (expense), net of taxes:** | | | | | |
| Items that will not be reclassified to profit or loss | | | | | |
| - Remeasurements of post-employment benefit obligations | | (11) | (484) | - | (15,818) |
| - Translation differences | | - | - | (2,700,432) | (343,809) |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Total items that will not be reclassified to profit or loss, net of taxes | (11) | (484) | (2,700,432) | (359,627) |
| Items that will be reclassified subsequently to profit or loss | | | | |
| - Gains (losses) on remeasuring available-for-sale investments | 131 | (1,755) | (540) | (57,799) |
| - Gains (losses) on cash flow hedge reserve | (21,331) | 5,819 | (688,341) | 185,644 |
| Total items that will be reclassified subsequently to profit or loss, net of taxes | (21,200) | 4,064 | (688,881) | 127,845 |
| **Other comprehensive income (expense) for the year, net of taxes** | **(21,211)** | **3,580** | **(3,389,313)** | **(231,782)** |
| **Total comprehensive income (expense) for the year** | **57,454** | **55,663** | **(907,551)** | **1,477,136** |

| | | US Dollar | | Baht | |
|---|---|---|---|---|---|
| | Note | **2019** | **2018** | **2019** | **2018** |
| **Earnings per share** | | | | | |
| Basic earnings per share | 32 | 0.015 | 0.010 | 0.483 | 0.331 |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

**Consolidated financial statements**

US Dollar'000

| | Notes | Attributable to owners of the parent | | | | | | | | | | | | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Retained earnings | | | Other components of equity | | | | | | |
| | | | | | | | | | Other comprehensive income (expense) | | | | | | |
| | | Issued and paid-up share capital | Premium on share capital | Treasury stocks | Share-based payment | Legal reserve | Other reserves | Unappro-priated | Fair value reserve of available-for-sale investments | Cash flow hedge reserve | Translation differences | Surplus on dilution of investments in subsidiaries | Total other components of equity | | |
| **Opening balance** | | | | | | | | | | | | | | | |
| **as at 1 January 2019** | | 149,961 | 443,624 | - | 1,343 | 95,976 | 83,399 | 1,942,779 | (4,274) | (19,229) | (446,302) | 312,383 | (157,422) | 614,868 | 3,174,528 |
| Retrospective adjustments from changes in accounting policy | 3 | - | - | - | - | - | - | (5,226) | - | - | - | - | - | (1,425) | (6,651) |
| **Opening balance after adjustment** | | **149,961** | **443,624** | **-** | **1,343** | **95,976** | **83,399** | **1,937,553** | **(4,274)** | **(19,229)** | **(446,302)** | **312,383** | **(157,422)** | **613,443** | **3,167,877** |
| Treasury stocks | 26 | - | - | (38,138) | - | - | - | - | - | - | - | - | - | - | (38,138) |
| Treasury stocks reserve | 26 | - | - | - | - | - | 38,138 | (38,138) | - | - | - | - | - | - | - |
| Other reserves | 28 | - | - | - | - | - | 27,552 | (27,552) | - | - | - | - | - | - | - |
| Warrant issuance of a subsidiary | 29 | - | - | - | 219 | - | - | - | - | - | - | - | - | 41 | 260 |
| Dividend paid | 33 | - | - | - | - | - | - | (115,615) | - | - | - | - | - | - | (115,615) |
| Dividend paid of a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | - | (83,959) | (83,959) |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | - | (21,722) | 23 | (31,573) | 46,567 | - | 15,017 | 76,904 | 70,199 |
| **Closing balance** | | | | | | | | | | | | | | | |
| **as at 31 December 2019** | | **149,961** | **443,624** | **(38,138)** | **1,562** | **95,976** | **149,089** | **1,734,526** | **(4,251)** | **(50,802)** | **(399,735)** | **312,383** | **(142,405)** | **606,429** | **3,000,624** |
| **Opening balance** | | | | | | | | | | | | | | | |
| **as at 1 January 2018** | | **149,961** | **443,624** | - | **996** | **95,976** | **71,081** | **1,860,685** | **(2,340)** | **(13,378)** | **(308,360)** | **312,296** | **(11,782)** | **600,180** | **3,210,721** |
| Other reserves | 28 | - | - | - | - | - | 12,318 | (12,318) | - | - | - | - | - | - | - |
| Warrant issuance of a subsidiary | 29 | - | - | - | 347 | - | - | - | - | - | - | - | - | 57 | 404 |
| Changes in shareholding interests of subsidiaries | | - | - | - | - | - | - | - | - | - | - | 87 | 87 | 1,936 | 2,023 |
| Dividend paid | 33 | - | - | - | - | - | - | (112,483) | - | - | - | - | - | - | (112,483) |
| Dividend paid of a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | - | (94,191) | (94,191) |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | - | 206,895 | (1,934) | (5,851) | (137,942) | - | (145,727) | 106,886 | 168,054 |
| **Closing balance** | | | | | | | | | | | | | | | |
| **as at 31 December 2018** | | **149,961** | **443,624** | - | **1,343** | **95,976** | **83,399** | **1,942,779** | **(4,274)** | **(19,229)** | **(446,302)** | **312,383** | **(157,422)** | **614,868** | **3,174,528** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

## For the year ended 31 December 2019

**Consolidated financial statements**

Baht'000

| | | Attributable to owners of the parent | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Other components of equity | | | | | | |
| | | | | | | | | | Other comprehensive income (expense) | | | | | | |
| | | | | | | Retained earnings | | | | | | | | | |
| | Notes | Issued and paid-up share capital | Premium on share capital | Treasury stocks | Share-based payment | Legal reserve | Other reserves | Unappro-priated | Fair value reserve of available-for-sale investments | Cash flow hedge reserve | Translation differences | Surplus on dilution of investments in subsidiaries | Total other components of equity | Non-controlling interests | Total equity |
| **Opening balance** | | | | | | | | | | | | | | | |
| **as at 1 January 2019** | | **5,161,925** | **15,372,438** | **-** | **45,416** | **3,171,520** | **2,708,429** | **64,294,454** | **(138,670)** | **(623,968)** | **(18,272,358)** | **11,341,274** | **(7,693,722)** | **19,952,350** | **103,012,810** |
| Retrospective adjustments from | | | | | | | | | | | | | | | |
| changes in accounting policy | 3 | - | - | - | - | - | - | (168,834) | - | - | - | - | - | (46,050) | (214,884) |
| **Opening balance after adjustment** | | **5,161,925** | **15,372,438** | **-** | **45,416** | **3,171,520** | **2,708,429** | **64,125,620** | **(138,670)** | **(623,968)** | **(18,272,358)** | **11,341,274** | **(7,693,722)** | **19,906,300** | **102,797,926** |
| Treasury stocks | 26 | - | - | (1,157,140) | - | - | - | - | - | - | - | - | - | - | (1,157,140) |
| Treasury stocks reserve | 26 | - | - | - | - | - | 1,157,140 | (1,157,140) | - | - | - | - | - | - | - |
| Other reserves | 28 | - | - | - | - | - | 859,550 | (859,550) | - | - | - | - | - | - | - |
| Warrant issuance of a subsidiary | 29 | - | - | - | 6,832 | - | - | - | - | - | - | - | - | 767 | 7,599 |
| Dividend paid | 33 | - | - | - | - | - | - | (3,613,123) | - | - | - | - | - | - | (3,613,123) |
| Dividend paid of a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | - | (2,623,096) | (2,623,096) |
| Total comprehensive income | | | | | | | | | | | | | | | |
| (expense) for the year | | - | - | - | - | - | - | (600,756) | 10,464 | (907,875) | (4,435,447) | - | (5,332,858) | 1,002,295 | (4,931,319) |
| **Closing balance** | | | | | | | | | | | | | | | |
| **as at 31 December 2019** | | **5,161,925** | **15,372,438** | **(1,157,140)** | **52,248** | **3,171,520** | **4,725,119** | **57,895,051** | **(128,206)** | **(1,531,843)** | **(22,707,805)** | **11,341,274** | **(13,026,580)** | **18,286,266** | **90,480,847** |
| **Opening balance** | | | | | | | | | | | | | | | |
| **as at 1 January 2018** | | **5,161,925** | **15,372,438** | **-** | **34,224** | **3,171,520** | **2,317,509** | **61,556,945** | **(76,399)** | **(437,212)** | **(13,124,515)** | **11,338,447** | **(2,299,679)** | **19,614,386** | **104,929,268** |
| Other reserves | 28 | - | - | - | - | - | 390,920 | (390,920) | - | - | - | - | - | - | - |
| Warrant issuance of a subsidiary | 29 | - | - | - | 11,192 | - | - | - | - | - | - | - | - | 1,807 | 12,999 |
| Changes in shareholding | | | | | | | | | | | | | | | |
| interests of subsidiaries | | - | - | - | - | - | - | - | - | - | - | 2,827 | 2,827 | 63,111 | 65,938 |
| Dividend paid | 33 | - | - | - | - | - | - | (3,613,307) | - | - | - | - | - | - | (3,613,307) |
| Dividend paid of a subsidiary | | - | - | - | - | - | - | - | - | - | - | - | - | (3,024,567) | (3,024,567) |
| Total comprehensive income | | | | | | | | | | | | | | | |
| (expense) for the year | | - | - | - | - | - | - | 6,741,736 | (62,271) | (186,756) | (5,147,843) | - | (5,396,870) | 3,297,613 | 4,642,479 |
| **Closing balance** | | | | | | | | | | | | | | | |
| **as at 31 December 2018** | | **5,161,925** | **15,372,438** | **-** | **45,416** | **3,171,520** | **2,708,429** | **64,294,454** | **(138,670)** | **(623,968)** | **(18,272,358)** | **11,341,274** | **(7,693,722)** | **19,952,350** | **103,012,810** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

**Separate financial statements**

US Dollar'000

| | Notes | Issued and paid-up share capital | Premium on share capital | Treasury stocks | Retained earnings | | | Other components of equity | | | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Other comprehensive income (expense) | | | |
| | | | | | Legal reserve | Other reserve | Unappropriated | Fair value reserve of available-for-sale investments | Cash flow hedge reserve | Total other components of equity | |
| **Opening balance as at 1 January 2019** | | **149,961** | **443,624** | **-** | **14,996** | **-** | **578,115** | **1,955** | **19,662** | **21,617** | **1,208,313** |
| Treasury stocks | 26 | - | - | (38,138) | - | - | - | - | - | - | (38,138) |
| Treasury stocks reserve | 26 | - | - | - | - | 38,138 | (38,138) | - | - | - | - |
| Dividend paid | 33 | - | - | - | - | - | (115,615) | - | - | - | (115,615) |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | 78,654 | 131 | (21,331) | (21,200) | 57,454 |
| **Closing balance as at 31 December 2019** | | **149,961** | **443,624** | **(38,138)** | **14,996** | **38,138** | **503,016** | **2,086** | **(1,669)** | **417** | **1,112,014** |
| **Opening balance as at 1 January 2018** | | **149,961** | **443,624** | **-** | **14,996** | **-** | **638,999** | **3,710** | **13,843** | **17,553** | **1,265,133** |
| Dividend paid | 33 | - | - | - | - | - | (112,483) | - | - | - | (112,483) |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | 51,599 | (1,755) | 5,819 | 4,064 | 55,663 |
| **Closing balance as at 31 December 2018** | | **149,961** | **443,624** | **-** | **14,996** | **-** | **578,115** | **1,955** | **19,662** | **21,617** | **1,208,313** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

**Separate financial statements**

Baht'000

| | | | | | Retained earnings | | | Other components of equity | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Other comprehensive income (expense) | | | | |
| | Notes | Issued and paid-up share capital | Premium on share capital | Treasury stocks | Legal reserve | Other reserve | Unappropriated | Fair value reserve of available-for-sale investments | Cash flow hedge reserve | Translation differences | Total other components of equity | Total equity |
| **Opening balance as at 1 January 2019** | | **5,161,925** | **15,372,438** | **-** | **516,193** | **-** | **18,215,843** | **63,457** | **638,012** | **(758,340)** | **(56,871)** | **39,209,528** |
| Treasury stocks | 26 | - | - | (1,157,140) | - | - | - | - | - | - | - | (1,157,140) |
| Treasury stocks reserve | 26 | - | - | - | - | 1,157,140 | (1,157,140) | - | - | - | - | - |
| Dividend paid | 33 | - | - | - | - | - | (3,613,123) | - | - | - | - | (3,613,123) |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | 2,481,761 | (540) | (688,341) | (2,700,431) | (3,389,312) | (907,551) |
| **Closing balance as at 31 December 2019** | | **5,161,925** | **15,372,438** | **(1,157,140)** | **516,193** | **1,157,140** | **15,927,341** | **62,917** | **(50,329)** | **(3,458,771)** | **(3,446,183)** | **33,531,714** |
| **Opening balance as at 1 January 2018** | | **5,161,925** | **15,372,438** | **-** | **516,193** | **-** | **20,136,050** | **121,256** | **452,368** | **(414,531)** | **159,093** | **41,345,699** |
| Dividend paid | 33 | - | - | - | - | - | (3,613,307) | - | - | - | - | (3,613,307) |
| Total comprehensive income (expense) for the year | | - | - | - | - | - | 1,693,100 | (57,799) | 185,644 | (343,809) | (215,964) | 1,477,136 |
| **Closing balance as at 31 December 2018** | | **5,161,925** | **15,372,438** | **-** | **516,193** | **-** | **18,215,843** | **63,457** | **638,012** | **(758,340)** | **(56,871)** | **39,209,528** |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

**Consolidated financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| Cash flows from operating activities | | | | | |
| Profit for the year before income taxes | | 117,410 | 504,024 | 3,719,808 | 16,346,046 |
| Adjustment to reconcile profit before taxes to cash receipts from (payments in) operations | | | | | |
| - Depreciation and amortisation | | 346,582 | 326,334 | 10,760,539 | 10,544,080 |
| - Write-off property, plant and equipment | 16 | 1,129 | 1,863 | 35,097 | 60,156 |
| - Donation of investment property | | 318 | - | 9,873 | - |
| - Write-off other investment | | 94 | - | 2,918 | - |
| - Allowance for slow-moving of spare parts and machinery supplies | | (2,554) | 2,131 | (79,296) | 68,854 |
| - Allowance for net realisable value of inventory | | (4,042) | 4,042 | (125,494) | 130,600 |
| - Interest expenses | | 182,206 | 170,311 | 5,657,221 | 5,505,827 |
| - Other finance costs | | 5,428 | 4,977 | 168,433 | 160,500 |
| - Interest income | | (12,736) | (8,322) | (394,996) | (269,762) |
| - Share of profit from joint ventures and associates | 15 | (205,845) | (263,662) | (6,443,993) | (8,499,974) |
| - Loss from liquidation of a joint venture | | 3 | - | 93 | - |
| - Dividend income from other investments | | (1,129) | (999) | (34,766) | (32,392) |
| - Net gains on disposal of property, plant and equipment | | (84) | (2,828) | (2,608) | (91,376) |
| - Gains from disposal of asset held for sales | | (40,096) | - | (1,244,885) | - |
| - Net gain from acquisition of additional interest | 36.4 | (50,451) | - | (1,524,933) | - |
| - Share based payment expenses | | 260 | 404 | 8,072 | 12,999 |
| - Gains from business combination | | - | (30,672) | - | (962,360) |
| - Net unrealised (gains) losses from financial derivatives | | (33,352) | 62,587 | (1,036,435) | 2,051,687 |
| - Net unrealised (gains) losses on exchange rate | | 116,181 | (45,036) | 3,481,279 | (1,472,444) |
| Cash flow before changes in working capital | | 419,322 | 725,154 | 12,955,927 | 23,552,441 |
| Changes in working capital (net of effects from acquisition and disposal of subsidiaries) | | | | | |
| - Trade accounts receivable and notes receivable | | 168,063 | (84,282) | 5,217,953 | (2,723,210) |
| - Amounts due from related parties | | 149 | 398 | 4,626 | 12,860 |
| - Advances to related parties | | 3 | 314 | 93 | 10,146 |
| - Inventories | | 37,171 | (28,252) | 1,154,070 | (912,842) |
| - Spare parts and machinery supplies | | (2,889) | (1,200) | (89,697) | (38,773) |
| - Other current assets | | (39,878) | (1,772) | (1,238,116) | (57,255) |
| - Deferred overburden expenditures stripping costs | | 31,844 | (71,216) | 988,680 | (2,301,039) |
| - Other non-current assets | | 14,514 | 6,778 | 450,625 | 219,002 |
| - Trade accounts payable | | (73,467) | 2,152 | (2,280,974) | 69,533 |
| - Accrued overburden and coal transportation costs | | (68,823) | 39,800 | (2,136,789) | 1,285,966 |
| - Accrued royalty expenses | | (1,918) | (7,204) | (59,549) | (232,766) |
| - Employee benefits obligation | | 20,730 | 2,856 | 643,617 | 92,279 |
| - Other current liabilities | | (64,275) | 85,009 | (1,995,584) | 2,746,700 |
| - Other liabilities | | 9,182 | 1,605 | 285,079 | 51,859 |
| Cash generated from operating activities | | 449,728 | 670,140 | 13,899,961 | 21,774,901 |
| - Interest paid and financial charges paid | | (186,283) | (174,652) | (5,783,640) | (5,643,128) |
| - Income tax paid | | (139,711) | (135,029) | (4,337,691) | (4,362,882) |
| - Income tax refund | | 242 | 51,225 | 7,514 | 1,655,116 |
| Net cash receipts from operating activities | | 123,976 | 411,684 | 3,786,144 | 13,424,007 |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

**Consolidated financial statements**

| | Notes | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 |
|---|---|---|---|---|---|
| Cash flows from investing activities | | | | | |
| Cash receipts from short-term investments | | 54,011 | 18,460 | 1,676,912 | 596,456 |
| Cash payments for short-term investments | | (154,930) | (16,033) | (4,810,205) | (518,038) |
| Cash receipts from short-term loan to a related party | 34 | 6,383 | 749 | 198,182 | 24,200 |
| Cash payments for short-term loan to related parties | 34 | (22,535) | (825) | (699,669) | (26,670) |
| Cash receipts from long-term loan to a related party | 34 | 2,093 | 2,622 | 64,982 | 84,707 |
| Cash payments for long-term loan to a related party | 34 | (424) | (797) | (13,158) | (25,758) |
| Cash payments for short-term loan to other company | | (104) | (2,803) | (3,229) | (90,567) |
| Cash receipts from reduction of other investments | | 16,905 | - | 524,859 | - |
| Cash payments for purchase of other investments | | (15,581) | (32,801) | (483,753) | (1,059,823) |
| Cash payments for additional investments | | (59,847) | (176,887) | (1,858,098) | (5,913,459) |
| Cash payments for purchase of property, plant and equipment | | (297,491) | (273,176) | (9,236,382) | (8,826,508) |
| Cash receipts from disposal of property, plant and equipment | | 14,564 | 12,882 | 452,177 | 416,226 |
| Cash payments for deferred exploration and development expenditures | | (239,005) | (130,508) | (7,420,532) | (4,216,805) |
| Interest received | | 12,388 | 8,538 | 384,618 | 275,869 |
| Cash receipts from dividends from joint ventures | | 413,008 | 148,273 | 12,822,907 | 4,790,804 |
| Cash receipts from dividends from other investments | | 1,129 | 999 | 34,766 | 32,392 |
| Cash payments for placement of restricted deposits at banks | | (78,958) | (11,401) | (2,451,456) | (368,375) |
| Net cash payments in investing activities | | (348,394) | (452,708) | (10,817,079) | (14,825,349) |
| Cash flows from financing activities | | | | | |
| Cash receipts from short-term loans from financial institutions | 22 | 1,057,991 | 872,232 | 32,848,096 | 28,182,416 |
| Repayments of short-term loans from financial institutions | 22 | (1,130,829) | (775,225) | (35,109,527) | (25,048,057) |
| Cash payments for finance leases | | (3,944) | (9,930) | (122,452) | (320,845) |
| Cash repayment of short-term loans from a related party | 34 | - | (1,248) | - | (40,320) |
| Cash receipts from long-term loans from financial institutions | 23 | 335,306 | 497,644 | 10,410,444 | 16,079,238 |
| Repayments of long-term loans from financial institutions | 23 | (212,197) | (276,349) | (6,588,205) | (8,929,024) |
| Cash receipts from debentures | 24 | 313,983 | 50,000 | 9,748,406 | 1,615,535 |
| Repayments of debentures | 24 | (89,485) | (177,867) | (2,778,296) | (5,746,993) |
| Cash receipts from increase in share capital of a subsidiary from non-controlling interests | | - | 2,023 | - | 65,938 |
| Cash payments for treasury stocks | 26 | (38,138) | - | (1,157,140) | - |
| Dividend paid to shareholders | 33 | (115,615) | (112,483) | (3,613,123) | (3,613,307) |
| Dividend paid to non-controlling interests | | (83,959) | (94,191) | (2,623,096) | (3,024,567) |
| Net cash receipts from (payments in) financing activities | | 33,113 | (25,394) | 1,015,107 | (779,986) |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Net increase (decrease) in cash and cash equivalents | (191,305) | (66,418) | (6,015,828) | (2,181,328) |
| Exchange gains (losses) on cash and cash equivalents | 17,144 | (9,314) | (630,179) | (434,003) |
| Cash and cash equivalents at beginning of the year | 607,344 | 683,076 | 19,708,200 | 22,323,531 |
| Cash and cash equivalents at end of the year | 433,183 | 607,344 | 13,062,193 | 19,708,200 |
| **Non cash transactions** | | | | |
| Significant non-cash transactions as at 31 December are as follows: | | | | |
| Other payables and finance lease | | | | |
| from purchase of property, plant and equipment | 28,205 | 20,909 | 850,494 | 925,801 |
| Purchase consideration for business acquisition | | | | |
| - Other payables from business acquisition | 2,182 | 2,784 | 65,796 | 90,340 |
| Transfer of advance payment | | | | |
| for developing solar power plant projects | - | 9,149 | - | 295,601 |
| Increase in deferred exploration and development expenditures | | | | |
| by advance received | - | 6,486 | - | 210,469 |
| Other receivables from disposal of machinery and equipment | - | 2,053 | - | 66,587 |
| Other receivables from disposal of assets held for sale | 29,398 | - | 913,994 | - |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

**Separate financial statements**

| | Note | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|---|
| | | **2019** | **2018** | **2019** | **2018** |
| Cash flows from operating activities | | | | | |
| Profit for the year before income taxes | | 53,331 | 60,346 | 1,690,551 | 1,979,181 |
| Adjustment to reconcile profit before income taxes to cash receipts from (payments in) operations | | | | | |
| - Depreciation and amortisation | | 1,284 | 1,351 | 39,873 | 43,667 |
| - Write-off property, plant and equipment | 16 | - | 1 | - | 12 |
| - Interest expenses | | 145,202 | 133,634 | 4,508,300 | 4,319,819 |
| - Other finance costs | | 2,840 | 2,185 | 88,046 | 70,722 |
| - Interest income | | (113,437) | (103,468) | (3,524,186) | (3,344,880) |
| - Dividend income from subsidiaries | | (159,917) | (145,775) | (4,994,942) | (4,724,903) |
| - Dividend income from other investments | | (296) | (248) | (9,346) | (7,903) |
| - Gains on disposal of property, plant and equipment | | (232) | (2,565) | (7,204) | (82,881) |
| - Share-based payment expenses | | 70 | 139 | 2,172 | 4,496 |
| - Net unrealised (gains) losses from financial derivatives | | 237 | (6,389) | 7,344 | (206,445) |
| - Net unrealised losses on exchange rate | | 44,714 | 7,829 | 1,381,305 | 212,213 |
| Cash flow before changes in working capital | | (26,204) | (52,960) | (818,087) | (1,736,902) |
| Changes in working capital | | | | | |
| - Trade accounts receivable | | 6,242 | (2,392) | 193,815 | (77,275) |
| - Amounts due from related parties | | 4,702 | (99) | 145,975 | (3,183) |
| - Advances to related parties | | 169 | (259) | 5,256 | (8,364) |
| - Inventories | | 4,057 | (1,573) | 125,973 | (50,833) |
| - Other current assets | | (7,999) | (2,689) | (248,353) | (86,879) |
| - Other non-current assets | | (2,857) | 853 | (88,714) | 27,570 |
| - Trade accounts payable to a subsidiary | | (1,134) | 116 | (35,215) | 3,750 |
| - Advances from and amounts due to related parties | | (883) | 324 | (27,427) | 10,456 |
| - Employee benefits obligation | | 3,000 | 379 | 93,142 | 12,232 |
| - Other current liabilities | | (10,188) | 8,708 | (316,299) | 281,350 |
| - Other liabilities | | (17) | (80) | (549) | (2,576) |
| Cash generated from (used in) operating activities | | (31,112) | (49,672) | (970,483) | (1,630,654) |
| - Interest paid and finance costs paid | | (144,138) | (133,311) | (4,475,139) | (4,307,364) |
| Net cash payments in operating activities | | (175,250) | (182,983) | (5,445,622) | (5,938,018) |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

**Separate financial statements**

| | Notes | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|---|
| | | **2019** | **2018** | **2019** | **2018** |
| Cash flows from investing activities | | | | | |
| Cash receipt from short-term loan to a related party | 34 | 1,886 | 168,476 | 58,560 | 5,443,587 |
| Cash payments for short-term loan to a related party | 34 | (11,678) | (175,675) | (362,564) | (5,676,170) |
| Cash receipts from long-term loans to a related party | 34 | 520,585 | 11,312 | 16,162,929 | 365,509 |
| Cash payments for long-term loans to a related party | 34 | (41,393) | (116,463) | (1,285,154) | (3,763,003) |
| Cash payments for increase in investment in subsidiaries | 15.1 | (570,094) | - | (17,700,046) | - |
| Cash payments for investment | | (77,000) | - | (2,390,665) | - |
| Cash receipts from short-term investments | | 3,160 | - | 98,122 | - |
| Cash payments for purchase of property, plant and equipment | | (1,307) | (1,083) | (40,573) | (35,007) |
| Cash receipts from disposal of property, plant and equipment | | 2,366 | 709 | 73,452 | 22,909 |
| Interest received | | 111,681 | 44,374 | 3,467,440 | 1,433,763 |
| Cash receipts from dividends from subsidiaries | | 213,472 | 209,009 | 6,627,806 | 6,753,226 |
| Cash receipts from dividends from other investments | | 296 | 248 | 9,346 | 7,903 |
| Net cash receipts from (payments in) from investing activities | | 151,974 | 140,907 | 4,718,653 | 4,552,717 |
| Cash flows from financing activities | | | | | |
| Cash receipts from short-term loans from financial institutions | 22 | 843,206 | 700,102 | 26,179,513 | 22,620,798 |
| Repayments of short-term loans from financial institutions | 22 | (916,325) | (577,837) | (28,449,688) | (18,670,302) |
| Cash receipts from short-term loan from a related party | 34 | 16,000 | - | 496,762 | - |
| Repayments of short-term loan from a related party | 34 | - | (4,449) | - | (143,739) |
| Cash receipts from long-term loans from financial institutions | 23 | 141,000 | 289,000 | 4,377,712 | 9,337,792 |
| Repayments of long-term loans from financial institutions | 23 | (132,000) | (137,000) | (4,098,283) | (4,426,566) |
| Cash receipts from debentures | 24 | 313,983 | 50,000 | 9,748,406 | 1,615,535 |
| Repayments of debentures | 24 | (89,485) | (177,867) | (2,778,296) | (5,746,993) |
| Cash payments for treasury stocks | 26 | (38,138) | - | (1,157,140) | - |
| Dividend paid to shareholders | 33 | (115,615) | (112,483) | (3,613,123) | (3,613,307) |
| Net cash receipts from financing activities | | 22,626 | 29,466 | 705,863 | 973,218 |
| Net decrease in cash and cash equivalents | | (650) | (12,610) | (21,106) | (412,083) |
| Exchange gains (losses) on cash and cash equivalents | | 1,816 | 109 | (8,734) | (2,996) |
| Cash and cash equivalents at beginning of the year | | 28,313 | 40,814 | 918,752 | 1,333,831 |
| Cash and cash equivalents at end of the year | | 29,479 | 28,313 | 888,912 | 918,752 |
| **Non cash transactions** | | | | | |
| Significant non-cash transactions as at 31 December are as follows: | | | | | |
| Other payables for purchase of property, plant and equipment | 25 | 203 | 686 | 6,136 | 22,256 |

The notes to the consolidated and separate financial statements on pages 48 to 177 are an integral part of these financial statements.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

## 1 General information

Banpu Public Company Limited (the Company) is a public limited company incorporated and resident in Thailand. The address of the Company's registered office is 1550 Thanapoom Tower, 27th Floor, New Petchburi Road, Makkasan, Ratchathewi, Bangkok.

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

The Group is engaged in coal mining and power businesses.

The Group has operations in Thailand and overseas mainly in Indonesia, the People's Republic of China, Australia, Mongolia, and the United States of America.

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

## 2 Accounting policies

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

### 2.1 Basis of preparation

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

Management has determined that the US Dollar is the Company's functional currency and has presented the consolidated and separate financial statements in US Dollar, in accordance with TAS 21, The Effects of Changes in Foreign Exchange Rates. The Company is required to present its consolidated and separate financial statements in Thai Baht by converting the US Dollar to Thai Baht, using the basis as described in Note 2.4 (c) to comply with the regulations of the Stock Exchange of Thailand and the Department of Business Development.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 5.

An English version of the consolidated and separate financial statements has 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.

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

### 2.2.1 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2019.

Commencing from 1 January 2019, the Group adopted new Thai Financial Reporting Standards effective for the period beginning on or after 1 January 2019 and relevant to the Group. The adoption of these standards does not have a significant impact to the Group, except TFRS 15, Revenue from contracts with customers as described in Note 3.

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

a) Financial instruments

The new financial standards relate to financial instruments are:

| | |
|---|---|
| TAS 32 | Financial Instruments: Presentation |
| TFRS 7 | Financial Instruments: Disclosures |
| TFRS 9 | Financial Instruments |
| TFRIC 16 | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments |

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

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

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the statement of financial position 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.

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

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

### 2.3.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

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

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

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

A list of the Group's subsidiaries is shown in Note 15.6.

### 2.3.2 Transactions with non-controlling interests

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

### 2.3.3 Disposal of subsidiaries

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

### 2.3.4 Business combination under common control

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

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

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

### 2.3.5 Associates

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

A list of the Group's associates is shown in Note 15.6.

### 2.3.6 Joint arrangements

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

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

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

A list of the Group's principal joint arrangements is shown in Note 15.6.

**2.3.7 Accounting under the equity method**

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

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

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

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

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

#### 2.3.8 Separate financial statements

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

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

### 2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

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

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

To comply with the regulations of the Stock Exchange of Thailand and Department of Business Development, the Group has to present the financial statements in Thai Baht that are converted from the US Dollar financial statements by using the basis as described in Note 2.4 (c).

## 2.5 Cash and cash equivalents

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

## 2.6 Trade accounts receivable and notes receivable

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

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

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

## 2.7 Inventories, spare parts and machinery supplies

Inventories

Inventories consist of coal and fuel and are valued at the lower of cost or net realisable value. Cost is determined on a weighted average method. The cost of coal comprises direct labour, other direct costs and related production overhead. The cost of fuel comprises both the purchase price and costs directly attributable to the acquisition of fuel.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The Group recognises allowance for slow-moving of coal and fuel based on a specific case.

Spare parts and machinery supplies

Spare parts and machinery supplies are stated at cost less allowance for obsolescence, slow-moving and defective. Cost is determined on a weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of spare parts and machinery supplies, such as import duties and transportation charge, less all attributable discounts, allowances or rebates. Spare parts and machinery supplies are charged to production costs in the period in which they are used.

Allowance is made for obsolete, slow-moving and defective spare parts and machinery supplies on a specific case.

## 2.8 Accounting for derivative financial instruments and hedging activities

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

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

## 2.9 Other investments

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

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

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

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

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

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

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

### 2.10 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. The Group's investment property is land held for a currently undetermined future use.

Investment property is measured initially at its cost including related transaction costs. Subsequently, the investment property is carried at cost less accumulated impairment losses.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

### 2.11 Property, plant and equipment

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

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

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 as follows:

| | |
|---|---|
| Land improvement | 10 years |
| Buildings, construction and building improvement | depend on period of the mine or 5 to 30 years and 30 years for power plants |
| Machinery and equipment | 5 to 40 years |
| Furniture | 3 and 5 years |
| Office equipment and tools | 3 and 5 years |
| Motor vehicles | 4 and 5 years |
| Equipment under finance lease | 5 to 15 years |

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

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

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

Probable reserves represent reserves that are assessed by the Group at the time when there is an acquisition of business. Probable reserves will be classified as gas properties once they are proved reserves and amortised using the unit of production method.

Gas exploration and producing assets

Costs of properties comprise total acquisition costs of natural gas rights or the acquisition costs of the portion of properties, decommissioning costs as well as equipment and support equipment.

Exploratory drilling costs are capitalised and will be classified as natural gas of the projects if their exploratory wells have identified proved reserves that have been found to be commercially viable. However, if proved reserves are not identified or are not commercially viable, such drilling costs will be expensed in the profit or loss.

Exploration costs, comprising geological and geophysical costs as well as area reservation fees during the exploration stage, are charged to expenses in the profit or loss when incurred.

Development costs, whether relating to the successful or unsuccessful development of wells, are capitalised.

The capitalised acquisition costs of natural gas rights are amortised using the unit of production method based on proved reserves. Depreciation of exploratory wells, development costs and decommissioning costs, except unsuccessful projects, are calculated using the unit of production method based on proved reserves or proved developed reserves. The Group recognises changes in reserve estimates prospectively.

Proved reserves and proved developed reserves are calculated by the Group's engineers based on the information received from the joint operators.

Midstream assets

Costs of properties comprise purchase prices and other direct costs necessary to bring the asset to working condition suitable for its intended use. Depreciation is calculated on the straight-line method over their estimated useful life as follows:

| | |
|---|---|
| Compressor station and meter station | 25 years |
| Pipelines | 40 years |

## 2.12 Goodwill

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

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

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

## 2.13 Other non-current assets

### 2.13.1 Computer software

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

### 2.13.2 Mining property rights

Mining property rights represent the excess of the cost of an acquisition over the fair value of net assets, which in managements' view represents future economic benefits attributable to the mining rights held by subsidiaries. Mining property rights are amortised using the units of coal production.

### 2.13.3 Deferred unfavourable contract liabilities

Deferred unfavourable contract liabilities are recognised as identifiable liabilities of acquiree as part of the purchase price allocation at the acquisition date. The unfavourable contract liabilities incurred from an excess of the fair value of long-term coal sales contracts than sales values specified in such coal sales contracts. The deferred unfavourable contract liabilities are amortised based on delivered units of coal.

### 2.13.4 Deferred exploration and development expenditures

Exploration expenditures are capitalised on an area of interest basis. Such expenditures comprise net direct costs such as licence, geology and geophysics expenditures and do not include general overheads or administrative expenditures not directly attributable to a particular area of interest. Exploration expenditures are capitalised as deferred expenditures when the following conditions are met:

a) such costs are expected to be recouped through successful development and exploitation of the area of interest or, by its sales; and

b) exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence of economically recoverable reserves, and active operations in the area are continuing.

Recoupment of exploration expenditure carried forward is dependent upon successful development and commercial exploitation, or sale of the respective area. Each area of interest is reviewed at the end of period. Exploration expenditures in respect of an area of interest, which has been abandoned or for which a decision has been made by the Group against the commercial viability of the area of interest, are written-off in the period the decision is made to the profit or oss.

Development expenditures and incorporated costs in developing an area of interest prior to commencement of operations in the respective area, as long as they meet the criteria for deferral, are capitalised.

Deferred exploration and development expenditure is principally amortised using the units of coal production of each area of interest starting from the commencement of commercial operations.

### 2.13.5 Stripping costs/Overburden costs

The Group recognises the production stripping costs as assets if, and only if, all of the following are met:

a) It is probable that the future economic benefit associated with the stripping activity will flow to the entity;

b) The entity can identify the component of the ore body for which access has been improved; and

c) The costs relating to the stripping activity associated with that component can be measured reliably.

The deferred overburden expenditures/stripping costs shall be initially measured at cost and subsequently stated at cost less accumulated amortisation and impairment loss, if any. Amortisation is calculated using the units of production method.

#### 2.13.6 Rights to operate the power plants

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

#### 2.13.7 Rights in patents

The rights in patents arising from purchase of investments are amortised over the periods of estimated useful life of the assets.

### 2.14 Impairment of assets

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

### 2.15 Long-term leases

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

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

Leases - where the Group is the lessee

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

The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

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

Leases - where the Group is the lessor

Leases in which a significant portion of risks and rewards of ownership are retained by the lessee are classified as finance lease. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance lease income (interest income from finance leases) is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The recognition follows accounting policy in Note 2.22.

Leases in which a significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income is recognised on a straight-line basis over the lease term. The recognition follows accounting policy in Note 2.22.

## 2.16 Borrowings

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

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

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

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

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

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

## 2.17 Employee benefits

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

Defined contribution

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

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

Retirement benefits

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

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

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

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

Other employee benefits

Other employee benefits of the Indonesian subsidiaries, which consist of long service reward and long leave benefit, are recognised in the consolidated statement of financial position at the present value of the defined benefit obligation. The actuarial gains and losses and the past service costs are recognised immediately in the profit or loss.

Other employee benefits of the Australian subsidiaries, which consist of annual leave, sick leave and long service leave, are paid monthly in accordance with Coal Mining Industry (Long Service Leave Funding Corporation) and recognised as expenses in profit or loss.

### 2.18 Share-based payment

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

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

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

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

The grant by an entity of warrants over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, in separate financial statements undertakings, with a corresponding credit to equity.

### 2.19 Provisions

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

Provision for environmental rehabilitation is recognised by units of sale at the rate determined by the Group's geologist. The provisioning rate is based on the estimated cost for mine rehabilitation through to the end of the mine. The Group reviews and revises the rate to reflect the actual expenses incurred on a regular basis.

The Group records a provision for decommissioning costs whenever it is probable that there would be an obligation as a result of a past event and the amount of that obligation is reliably estimated by the Group's engineers and management's judgement. The Group recognises provision for decommissioning costs as part of oil and gas properties, using the discounted present value on the estimated eventual costs that relate to the removal of the production facilities and amortised based on the unit of production of the proved reserve or the proved developed reserve. The Group recognises an increase that reflects the passage of time from the unwinding discount in each period, as a finance cost in profit or loss. The provisions are based on the current situation such as regulations, technologies and prices. The actual results could differ from these estimates as future confirming events occur.

### 2.20 Current and deferred income taxes

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

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

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

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

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

## 2.21 Share capital

Ordinary shares with discretionary dividends are classified as equity.

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

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

## 2.22 Revenue recognition

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

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

*Revenue from coal sales*

The Group recognises revenue from coal sales at a certain point in time when the products is delivered to customers at the delivery point. The transfer of products takes place when the Group delivers products to its destination as specified according to the contracts. Revenue represents the revenue earned from the sale of Group's products with realisable value net of value-added tax, rebate and discounts.

*Sales of electricity and steam not under finance lease agreements*

The Group recognises revenue from sales of electricity and steam relating to Power Purchase Agreement and Steam Purchase Agreement at certain points in time when the control of products is transferred to the customer at the delivery point. Revenue represents the revenue earned from the sale of Group's products with realisable value net of value-added tax, rebate and discounts.

*Service income under finance lease agreements*

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

Service income under finance lease agreements related to the Power Purchase Agreements is recognised when the services have been rendered. Service income comprises income in relation to the availabilities of the power plants, other servicing income and fuel cost received from leases with respect to the leased assets. If the considerations exceed the services rendered, a contract liability is recognised. On the other hand, if the considerations less than the services rendered, a contract asset is recognised.

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

*Revenue from sales of natural gas*

Revenues from sales of natural gas are recorded upon transfer of title, according to the terms of related contracts and based on actual volumes sold.

Revenue from pipeline transportation are recognised when services are rendered based on quantities transported and measured according to the underlying contract.

*Revenue from freight income*

Freight income is recognised when the Group satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions, revenue is recognised as the services are provided.

*Revenue from rendering of services*

The Group recognised service contracts with a continuous service provision as revenue on a straight-line basis over the contract term, regardless of the payment pattern.

*Others*

Other revenues earned by the group are recognised on the following bases:

- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the group's right to receive payment is established.

### 2.23 Dividends

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

### 2.24 Segment reporting

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

## 3 Change in accounting policies

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

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

Effects from changes in accounting policy of the Group are as follows:

| Consolidated financial statements | | | | | | |
|---|---|---|---|---|---|---|
| | US Dollar'000 | | | Baht'000 | | |
| Statement of financial position | As at 31 December 2018 Previously reported | Adjustments | As at 1 January 2019 Restated | As at 31 December 2018 Previously reported | Adjustments | As at 1 January 2019 Restated |
| Investments in joint ventures and associates | 1,374,119 | (6,651) | 1,367,468 | 44,589,871 | (214,884) | 44,374,987 |
| Retained earnings - Unappropriated | 1,942,779 | (5,226) | 1,937,553 | 64,294,454 | (168,834) | 64,125,620 |
| Non-controlling interests | 614,868 | (1,425) | 613,443 | 19,952,350 | (46,050) | 19,906,300 |

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

**Consolidated financial statements**

| | US Dollar'000 | | | Baht'000 | | |
|---|---|---|---|---|---|---|
| | Balance as reported | Impacts from TFRS 15 | Balances under previous revenue standard | Balance as reported | Impacts from TFRS 15 | Balances under the previous revenue standard |
| **Statement of financial position as at 31 December 2019** | | | | | | |
| Investments in joint ventures and associates | 1,484,759 | 5,750 | 1,490,509 | 44,771,432 | 186,921 | 44,958,353 |
| Retained earnings - Unappropriated | 1,734,526 | 4,518 | 1,739,044 | 57,895,051 | 146,864 | 58,041,915 |
| Non-controlling interests | 606,429 | 1,232 | 607,661 | 18,286,266 | 40,057 | 18,326,323 |
| **Statement of comprehensive income for the year ended 31 December 2019** | | | | | | |
| Share of profit from joint ventures and associates | 205,845 | (901) | 204,944 | 6,443,993 | (27,963) | 6,416,030 |
| Profit for the year | 41,395 | (901) | 40,494 | 1,351,657 | (27,963) | 1,323,694 |
| Total comprehensive income (expense) for the year | 70,199 | (901) | 69,298 | (4,931,319) | (27,963) | (4,959,282) |
| **Attributable to:** | | | | | | |
| Owners of the parent | (19,604) | (708) | (20,312) | (552,864) | (21,970) | (574,834) |
| Non-controlling interests | 60,999 | (193) | 60,806 | 1,904,521 | (5,993) | 1,898,528 |
| Total comprehensive income (expense) attributable to: | | | | | | |
| Owners of the parent | (6,705) | (708) | (7,413) | (5,933,614) | (21,970) | (5,955,584) |
| Non-controlling interests | 76,904 | (193) | 76,711 | 1,002,295 | (5,993) | 996,302 |

**Consolidated financial statements**

| | US Dollar | | | Baht | | |
|---|---|---|---|---|---|---|
| | Balance as reported | Impacts from TFRS 15 | Balances under the previous revenue standard | Balance as reported | Impacts from TFRS 15 | Balances under the previous revenue standard |
| **Statement of comprehensive income for the year ended 31 December 2019** | | | | | | |
| **Earnings (loss) per share** | | | | | | |
| Basic earnings (loss) per share | (0.004) | - | (0.004) | (0.107) | (0.004) | (0.111) |

## 4 Financial risk management

### 4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, interest rates, coal price, oil price and natural gas price. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts, currency swaps contracts, interest rate swap contracts, coal swap contracts, fuel swap contracts and natural gas swap and options to hedge certain exposure.

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

### 4.2 Foreign exchange rate risk

The Group operates internationally and is exposed to foreign exchange rate risk arising from various currency exposures, primarily with respect to Thai Baht, Indonesian Rupiah, Australian Dollar and Chinese Yuan. The Group uses forward foreign exchange contracts and currency swaps contracts to hedge their exposure to foreign exchange rate risk in connection with their measurement currency.

### 4.3 Interest rate risk

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

### 4.4 Coal price fluctuation risk

The Group is exposed to coal price risk from substantial fluctuations in coal prices in the world market. The Group uses coal swap contracts to minimise its exposure to fluctuations in coal prices in its business operations and maintains on emphasis on a balance of overall coal price in the Group by entering into both short-term and long-term sales agreements.

### 4.5 Oil price fluctuation risk

The Group is exposed to oil price risk from substantial fluctuations in oil prices in the world market. The Group uses fuel swap contracts to minimise its exposure to fluctuation in oil prices in its business operations of the Group.

### 4.6 Natural gas price fluctuation risk

The Group is exposed to substantial fluctuations in the price of natural gas price on the world market. The Group uses natural gas swap and options to minimise its exposure to actual prices in its business operations of the Group.

### 4.7 Credit risk

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

### 4.8 Liquidity risk

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

## 5 Critical accounting estimates and assumptions and judgements

Estimates, assumption 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.

During 2019, the Group makes estimates and assumptions concerning the future. The results of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**Coal reserves**

The Group estimates coal reserves based on its best estimate of products that can be economically extracted from the relevant mining area. Estimates are supported by geological studies and drilling samples to determine the reserves.

**Estimated impairment of goodwill**

The Group annually tests for impairment of goodwill in accordance with the accounting policy stated in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets covering the lives of mine in each country and estimation of discount rate used in the calculation of impairment testing over goodwill as discussed in Note 20.

**Estimated recoverable amounts of prepaid taxes**

Prepaid taxes are recognised as assets in the financial statements. The Group considers the recoverable amounts of these prepaid taxes by assessing the evidence, including related taxation law and the conformity of the Group's tax management, tax objection, and tax appeals. However, recoverable amounts of prepaid taxes depend on the tax investigation and decision by the related tax bureau and/or tax court.

**Estimated allowance for doubtful accounts of a trade receivable**

Management makes the estimation on the allowance for doubtful accounts to estimate losses from each accounts receivable considering the collectability, aging and economic condition.

## 6 Capital risk management

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

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

# 7 Segment Information

**Consolidated financial statement**

US Dollar'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2019** | | | | | | | | | | | | | |
| **Quantity of coal sales** (unit : thousand tons) | 2,300 | 25,258 | 10,500 | 499 | - | - | - | - | - | - | 38,557 | (2,191) | 36,366 |
| Sales and service income | 157,691 | 1,725,394 | 702,636 | 17,969 | - | 178,424 | - | 4,685 | 104,475 | 1,600 | 2,892,874 | (133,657) | 2,759,217 |
| Cost of sales and services | (155,091) | (1,190,200) | (599,366) | (18,830) | - | (143,994) | - | (4,427) | (72,486) | (1,652) | (2,186,046) | 134,855 | (2,051,191) |
| **Gross profit** | 2,600 | 535,194 | 103,270 | (861) | - | 34,430 | - | 258 | 31,989 | (52) | 706,828 | 1,198 | 708,026 |
| **Gross profit margin (%)** | 2% | 31% | 15% | (5%) | - | 19% | - | 6% | 31% | (3%) | 24% | - | 26% |
| Share of profit (loss) from joint ventures and associates | - | - | 1,634 | 92,490 | 26,540 | (132) | 90,452 | 488 | - | (5,627) | 205,845 | - | 205,845 |
| Selling expenses | (10,485) | (104,707) | (78,205) | (420) | - | - | - | - | - | (915) | (194,732) | - | (194,732) |
| Administrative expenses | - | (28,375) | (18,624) | (2,850) | (9,623) | (19,573) | - | (6,060) | (26,790) | (69,387) | (181,282) | 40 | (181,242) |
| Royalty fee | - | (198,003) | (42,623) | - | - | - | - | - | - | - | (240,626) | - | (240,626) |
| Interest income | 119,901 | 6,214 | 655 | 19 | 14,966 | 4,769 | - | 11 | 15,999 | 92,249 | 254,783 | (242,047) | 12,736 |
| **Profit (loss) from operation before interest expenses and income taxes** | 112,016 | 210,323 | (33,893) | 88,378 | 31,883 | 19,494 | 90,452 | (5,303) | 21,198 | 16,268 | 550,816 | (240,809) | 310,007 |

* Revenue is allocated to the geographic areas where the sale originated and there is no customer who generates significant revenue in the Group.

**Consolidated financial statement**

US Dollar'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2019** (continued) | | | | | | | | | | | | | |
| Profit from operation before interest expenses and income taxes | | | | | | | | | | | | | 310,007 |
| Net losses on exchange rate | | | | | | | | | | | | | (95,050) |
| Net gain from financial derivatives | | | | | | | | | | | | | 33,352 |
| Others | | | | | | | | | | | | | 51,307 |
| Interest expenses | | | | | | | | | | | | | (182,206) |
| Income taxes | | | | | | | | | | | | | (76,015) |
| Non-controlling interests | | | | | | | | | | | | | (60,999) |
| **Losses for the year - owners of the parent** | | | | | | | | | | | | | (19,604) |
| Total segmented assets | 26,047 | 902,728 | 3,157,511 | 579,638 | 84,074 | 465,809 | - | 7,419 | 656,323 | - | 5,879,549 | (10,432) | 5,869,117 |
| Total unallocated assets | | | | | | | | | | | | | 2,673,325 |
| Total assets | | | | | | | | | | | | | 8,542,442 |
| Timing of revenue recognition: | | | | | | | | | | | | | |
| - Point in time | 157,691 | 1,725,394 | 702,636 | 17,969 | - | 178,424 | - | 4,685 | 104,475 | 1,600 | 2,892,874 | (133,657) | 2,759,217 |
| - Over time | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 157,691 | 1,725,394 | 702,636 | 17,969 | - | 178,424 | - | 4,685 | 104,475 | 1,600 | 2,892,874 | (133,657) | 2,759,217 |

## Consolidated financial statement

US Dollar'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2018** | | | | | | | | | | | | | |
| **Quantity of coal sales** (unit : thousand tons) | 1,697 | 23,504 | 13,702 | 314 | - | - | - | - | - | - | 39,217 | (1,190) | 38,027 |
| Sales and service income | 158,946 | 2,015,134 | 1,039,260 | 21,617 | - | 196,182 | - | - | 143,734 | 1,238 | 3,576,111 | (94,669) | 3,481,442 |
| Cost of sales and services | (136,613) | (1,188,444) | (768,326) | (20,646) | - | (156,628) | - | - | (75,746) | (1,218) | (2,347,621) | 94,654 | (2,252,967) |
| **Gross profit** | 22,333 | 826,690 | 270,934 | 971 | - | 39,554 | - | - | 67,988 | 20 | 1,228,490 | (15) | 1,228,475 |
| **Gross profit margin (%)** | 14% | 41% | 26% | 4% | - | 20% | - | - | 47% | 2% | 34% | - | 35% |
| Share of profit (loss) from joint ventures and associates | - | - | 696 | 117,891 | 41,925 | (578) | 105,872 | 945 | - | (3,089) | 263,662 | - | 263,662 |
| Selling expenses | (7,928) | (104,129) | (68,713) | (868) | - | - | - | - | - | (828) | (182,466) | 852 | (181,614) |
| Administrative expenses | - | (28,340) | (15,282) | (5,031) | (7,086) | (19,354) | - | (3,706) | (20,399) | (62,334) | (161,532) | 1,658 | (159,874) |
| Indemnity payment | - | - | - | - | (28,809) | - | - | - | - | (57,240) | (86,049) | - | (86,049) |
| Royalty fee | - | (234,611) | (56,329) | - | - | - | - | - | - | - | (290,940) | - | (290,940) |
| Interest income | 108,872 | 4,850 | 800 | 36 | 7,745 | 3,725 | - | 1 | 20,721 | 77,030 | 223,780 | (215,458) | 8,322 |
| **Profit (loss) from operation before interest expenses and income taxes** | 123,277 | 464,460 | 132,106 | 112,999 | 13,775 | 23,347 | 105,872 | (2,760) | 68,310 | (46,441) | 994,945 | (212,963) | 781,982 |

* Revenue is allocated to the geographic areas where the sale originated and there is no customer who generates significant revenue in the Group.

**Consolidated financial statement**

US Dollar'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2018** (continued) | | | | | | | | | | | | | |
| Profit from operation before interest expenses and income taxes | | | | | | | | | | | | | 781,982 |
| Net losses on exchange rate | | | | | | | | | | | | | (18,980) |
| Net losses from financial derivatives | | | | | | | | | | | | | (62,587) |
| Others | | | | | | | | | | | | | (26,080) |
| Interest expenses | | | | | | | | | | | | | (170,311) |
| Income taxes | | | | | | | | | | | | | (189,141) |
| Non-controlling interests | | | | | | | | | | | | | (109,408) |
| **Profit for the year - owners of the parent** | | | | | | | | | | | | | 205,475 |
| Total segmented assets | 50,112 | 1,197,319 | 3,101,910 | 586,657 | 170,263 | 459,845 | 484,369 | 1,516 | 647,381 | - | 6,699,372 | (8,709) | 6,690,663 |
| Total unallocated assets | | | | | | | | | | | | | 1,762,930 |
| Total assets | | | | | | | | | | | | | 8,453,593 |

* Revenue reported in segment information for the year ended 31 December 2018 was disaggregated under Thai Accounting Standard 18, Revenue. Consequently, disaggregated revenue for the current and comparative period cannot be comparable. However, the comparative disaggregated revenue information is disclosed in Note 3.

**Consolidated financial statement**

Baht'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2019** | | | | | | | | | | | | | |
| **Quantity of coal sales (unit : thousand tons)** | 2,300 | 25,258 | 10,500 | 499 | - | - | - | - | - | - | 38,557 | (2,191) | 36,366 |
| Sales and service income | 4,895,605 | 53,607,370 | 21,807,053 | 578,166 | - | 5,543,525 | - | 141,851 | 3,252,614 | 48,500 | 89,874,684 | (4,156,835) | 85,717,849 |
| Cost of sales and services | (4,811,502) | (36,991,353) | (18,617,623) | (604,387) | - | (4,473,350) | - | (134,043) | (2,248,913) | (50,090) | (67,931,261) | 4,194,527 | (63,736,734) |
| **Gross profit** | 84,103 | 16,616,017 | 3,189,430 | (26,221) | - | 1,070,175 | - | 7,808 | 1,003,701 | (1,590) | 21,943,423 | 37,692 | 21,981,115 |
| **Gross profit margin (%)** | 2% | 31% | 15% | (5%) | - | 19% | - | 6% | 31% | (3%) | 24% | - | 26% |
| Share of profit (loss) from joint ventures and associates | - | - | 49,465 | 2,889,746 | 838,058 | (4,064) | 2,824,372 | 15,038 | - | (168,622) | 6,443,993 | - | 6,443,993 |
| Selling expenses | (324,329) | (3,241,601) | (2,422,983) | (14,174) | - | - | - | - | - | (28,111) | (6,031,198) | - | (6,031,198) |
| Administrative expenses | - | (880,346) | (578,362) | (88,688) | (300,409) | (606,008) | - | (187,695) | (830,246) | (2,146,777) | (5,618,531) | 1,222 | (5,617,309) |
| Royalty fee | - | (6,151,760) | (1,322,538) | - | - | - | - | - | - | - | (7,474,298) | - | (7,474,298) |
| Interest income | 3,725,264 | 193,798 | 20,053 | 597 | 463,942 | 147,520 | - | 352 | 498,514 | 2,865,330 | 7,915,370 | (7,520,374) | 394,996 |
| **Profit (loss) from operation before interest expenses and income taxes** | 3,485,038 | 6,536,108 | (1,064,935) | 2,761,260 | 1,001,591 | 607,623 | 2,824,372 | (164,497) | 671,969 | 520,230 | 17,178,759 | (7,481,460) | 9,697,299 |

* Revenue is allocated to the geographic areas where the sale originated and there is no customer who generates significant revenue to the Group.

**Consolidated financial statement**

Baht'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2019** (continued) | | | | | | | | | | | | | |
| Profit from operation before interest expenses and income taxes | | | | | | | | | | | | | 9,697,299 |
| Net losses on exchange rate | | | | | | | | | | | | | (2,962,086) |
| Net gain from financial derivatives | | | | | | | | | | | | | 1,036,435 |
| Others | | | | | | | | | | | | | 1,605,381 |
| Interest expenses | | | | | | | | | | | | | (5,657,221) |
| Income taxes | | | | | | | | | | | | | (2,368,151) |
| Non-controlling interests | | | | | | | | | | | | | (1,904,521) |
| **Losses for the year - owners of the parent** | | | | | | | | | | | | | (552,864) |
| Total segmented assets | 785,414 | 27,220,862 | 95,211,587 | 17,478,405 | 2,535,155 | 14,046,003 | - | 223,720 | 19,790,761 | - | 177,291,907 | (314,556) | 176,977,351 |
| Total unallocated assets | | | | | | | | | | | | | 80,611,457 |
| Total assets | | | | | | | | | | | | | 257,588,808 |
| Timing of revenue recognition: | | | | | | | | | | | | | |
| - Point in time | 4,895,605 | 53,607,370 | 21,807,053 | 578,166 | - | 5,543,525 | - | 141,851 | 3,252,614 | 48,500 | 89,874,684 | (4,156,835) | 85,717,849 |
| - Over time | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 4,895,605 | 53,607,370 | 21,807,053 | 578,166 | - | 5,543,525 | - | 141,851 | 3,252,614 | 48,500 | 89,874,684 | (4,156,835) | 85,717,849 |

**Consolidated financial statement**

Baht'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2018** | | | | | | | | | | | | | |
| **Quantity of coal sales** (unit : thousand tons) | 1,697 | 23,504 | 13,702 | 314 | - | - | - | - | - | - | 39,217 | (1,190) | 38,027 |
| Sales and service income | 5,142,666 | 65,349,235 | 33,607,227 | 703,682 | - | 6,322,461 | - | - | 4,657,798 | 40,615 | 115,823,684 | (3,053,165) | 112,770,519 |
| Cost of sales and services | (4,416,923) | (38,528,606) | (24,857,009) | (672,092) | - | (5,050,673) | - | - | (2,449,219) | (39,960) | (76,014,482) | 3,053,605 | (72,960,877) |
| **Gross profit** | 725,743 | 26,820,629 | 8,750,218 | 31,590 | - | 1,271,788 | - | - | 2,208,579 | 655 | 39,809,202 | 440 | 39,809,642 |
| **Gross profit margin (%)** | 14% | 41% | 26% | 4% | - | 20% | - | - | 47% | 2% | 34% | - | 35% |
| Share of profit (loss) from joint ventures and associates | - | - | 22,843 | 3,809,843 | 1,340,126 | (18,410) | 3,414,706 | 31,274 | - | (100,408) | 8,499,974 | - | 8,499,974 |
| Selling expenses | (256,732) | (3,382,851) | (2,212,830) | (28,390) | - | - | - | - | - | (26,818) | (5,907,621) | 27,944 | (5,879,677) |
| Administrative expenses | - | (917,748) | (492,970) | (162,366) | (229,245) | (626,446) | - | (120,546) | (653,902) | (2,022,104) | (5,225,327) | 53,396 | (5,171,931) |
| Indemnity payment | - | - | - | - | (908,656) | - | - | - | - | (1,805,423) | (2,714,079) | - | (2,714,079) |
| Royalty fee | - | (7,607,467) | (1,822,142) | - | - | - | - | - | - | - | (9,429,609) | - | (9,429,609) |
| Interest income | 3,519,552 | 157,310 | 26,163 | 1,167 | 250,256 | 120,238 | - | 42 | 669,801 | 2,490,766 | 7,235,295 | (6,965,533) | 269,762 |
| **Profit (loss) from operation before interest expenses and income taxes** | 3,988,563 | 15,069,873 | 4,271,282 | 3,651,844 | 452,481 | 747,170 | 3,414,706 | (89,230) | 2,224,478 | (1,463,332) | 32,267,835 | (6,883,753) | 25,384,082 |

* Revenue is allocated to the geographic areas where the sale originated and there is no customer who generates significant revenue to the Group.

**Consolidated financial statement**

Baht'000

| | Coal | | | | Power | | | | Natural gas | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Thailand | Republic of Indonesia | Australia | People's Republic of China and Mongolia | Thailand | People's Republic of China | Lao People's Democratic Republic | Japan | The United States of America | Head Office | Total | Eliminated entries | Total |
| **For the year ended 31 December 2018** (continued) | | | | | | | | | | | | | |
| Profit from operation before interest expenses and income taxes | | | | | | | | | | | | | 25,384,082 |
| Net losses on exchange rate | | | | | | | | | | | | | (617,505) |
| Net losses from financial derivatives | | | | | | | | | | | | | (2,051,687) |
| Others | | | | | | | | | | | | | (863,017) |
| Interest expenses | | | | | | | | | | | | | (5,505,827) |
| Income taxes | | | | | | | | | | | | | (6,109,965) |
| Non-controlling interests | | | | | | | | | | | | | (3,542,350) |
| **Profit for the year - owners of the parent** | | | | | | | | | | | | | 6,693,731 |
| Total segmented assets | 1,626,119 | 38,852,775 | 100,656,351 | 19,036,901 | 5,524,986 | 14,921,885 | 15,717,691 | 49,186 | 21,007,372 | - | 217,393,266 | (282,613) | 217,110,653 |
| Total unallocated assets | | | | | | | | | | | | | 57,206,742 |
| Total assets | | | | | | | | | | | | | 274,317,395 |

* Revenue reported in segment information for the year ended 31 December 2018 was disaggregated under Thai Accounting Standard 18, Revenue. Consequently, disaggregated revenue for the current and comparative period cannot be comparable. However, the comparative disaggregated revenue information is disclosed in Note 3.

## 8 Fair value estimation

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2019 and 31 December 2018

**Consolidated financial statements**

| | US Dollar'000 | | | | Baht'000 | | | |
|---|---|---|---|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Assets as at 31 December 2019** | | | | | | | | |
| Financial derivative assets recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 896 | - | 896 | - | 27,027 | - | 27,027 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 142 | - | 142 | - | 4,272 | - | 4,272 |
| - Foreign exchange rate forward | - | 510 | - | 510 | - | 15,380 | - | 15,380 |
| - Cross currency and interest rate swap | - | 23,222 | - | 23,222 | - | 700,255 | - | 700,255 |
| - Coal swap | - | 2,632 | - | 2,632 | - | 79,353 | - | 79,353 |
| - Fuel swap | - | 1,753 | - | 1,753 | - | 52,861 | - | 52,861 |
| Available-for-sale investments - Equity securities | 8,164 | - | - | 8,164 | 246,192 | - | - | 246,192 |
| Total assets | 8,164 | 29,155 | - | 37,319 | 246,192 | 879,148 | - | 1,125,340 |
| **Liabilities as at 31 December 2019** | | | | | | | | |
| Financial derivative liabilities recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 376 | - | 376 | - | 11,351 | - | 11,351 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 22,012 | - | 22,012 | - | 663,723 | - | 663,723 |
| - Cross currency and interest rate swap | - | 676 | - | 676 | - | 20,396 | - | 20,396 |
| Total liabilities | - | 23,064 | - | 23,064 | - | 695,470 | - | 695,470 |

**Consolidated financial statements**

| | US Dollar'000 | | | | Baht'000 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets as at 31 December 2018** | | | | | | | | |
| Financial derivative assets recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 524 | - | 524 | - | 16,987 | - | 16,987 |
| - Foreign exchange rate forward | - | 70 | - | 70 | - | 2,261 | - | 2,261 |
| - Natural gas swap and options | - | 2,387 | - | 2,387 | - | 77,441 | - | 77,441 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 2,660 | - | 2,660 | - | 86,320 | - | 86,320 |
| - Foreign exchange rate forward | - | 11,646 | - | 11,646 | - | 377,908 | - | 377,908 |
| - Coal swap | - | 437 | - | 437 | - | 14,196 | - | 14,196 |
| Available-for-sale investments - Equity securities | 8,282 | - | - | 8,282 | 268,739 | - | - | 268,739 |
| Total assets | 8,282 | 17,724 | - | 26,006 | 268,739 | 575,113 | - | 843,852 |
| **Liabilities as at 31 December 2018** | | | | | | | | |
| Financial derivative liabilities recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 182 | - | 182 | - | 5,922 | - | 5,922 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 6,435 | - | 6,435 | - | 208,825 | - | 208,825 |
| - Foreign exchange rate forward | - | 1,968 | - | 1,968 | - | 63,866 | - | 63,866 |
| - Cross currency and interest rate swap | - | 12,540 | - | 12,540 | - | 406,918 | - | 406,918 |
| - Fuel swap | - | 413 | - | 413 | - | 13,388 | - | 13,388 |
| - Coal swap | - | 1,492 | - | 1,492 | - | 48,400 | - | 48,400 |
| Total liabilities | - | 23,030 | - | 23,030 | - | 747,319 | - | 747,319 |

**Separate financial statements**

| | US Dollar'000 | | | | Baht'000 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets as at 31 December 2019** | | | | | | | | |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 142 | - | 142 | - | 4,272 | - | 4,272 |
| - Cross currency and interest rate swap | - | 23,222 | - | 23,222 | - | 700,255 | - | 700,255 |
| Available-for-sale investments - equity securities | 6,023 | - | - | 6,023 | 181,614 | - | - | 181,614 |
| Total assets | 6,023 | 23,364 | - | 29,387 | 181,614 | 704,527 | - | 886,141 |
| **Liabilities as at 31 December 2019** | | | | | | | | |
| Financial derivative liabilities recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 349 | - | 349 | - | 10,533 | - | 10,533 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 18,763 | - | 18,763 | - | 565,747 | - | 565,747 |
| - Cross currency and interest rate swap | - | 676 | - | 676 | - | 20,396 | - | 20,396 |
| Total liabilities | - | 19,788 | - | 19,788 | - | 596,676 | - | 596,676 |

**Separate financial statements**

| | US Dollar'000 | | | | Baht'000 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets as at 31 December 2018** | | | | | | | | |
| Financial derivative assets recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 70 | - | 70 | - | 2,261 | - | 2,261 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 2,660 | - | 2,660 | - | 86,320 | - | 86,320 |
| - Cross currency and interest rate swap | - | 11,646 | - | 11,646 | - | 377,908 | - | 377,908 |
| Available-for-sale investments - equity securities | 5,926 | - | - | 5,926 | 192,297 | - | - | 192,297 |
| Total assets | 5,926 | 14,376 | - | 20,302 | 192,297 | 466,489 | - | 658,786 |
| **Liabilities as at 31 December 2018** | | | | | | | | |
| Financial derivative liabilities recognised at fair value through profit or loss | | | | | | | | |
| - Foreign exchange rate forward | - | 182 | - | 182 | - | 5,922 | - | 5,922 |
| Derivatives used for hedging | | | | | | | | |
| - Interest rate swap | - | 4,812 | - | 4,812 | - | 156,147 | - | 156,147 |
| - Cross currency and interest rate swap | - | 12,540 | - | 12,540 | - | 406,918 | - | 406,918 |
| Total liabilities | - | 17,534 | - | 17,534 | - | 568,987 | - | 568,987 |

There were no transfers between Level 1, 2, and 3 during the year.

**(a) Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices on the statement of financial position date referring to the Stock Exchange of Thailand and Australian Securities Exchange. The quoted market price used for financial assets held by the Group is the closing price. These instruments are included in Level 1.

**(b) Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined by using forward exchange rates on the statement of financial position date, with the resulting value discounted back to present value.
- The fair value of coal and fuel swap is determined by using forward price on the statement of financial position date, with the resulting value discounted back to presen value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**(c) Financial instruments in level 3**

The Group has no financial instrument in level 3.

## 9 Cash and cash equivalents

As at 31 December, cash and cash equivalents consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Cash on hand | 315 | 555 | 9,504 | 18,009 |
| Deposits held at call with banks | 350,892 | 310,733 | 10,580,798 | 10,083,223 |
| Fixed deposits with banks | 81,976 | 296,056 | 2,471,891 | 9,606,968 |
| Total cash and cash equivalents | 433,183 | 607,344 | 13,062,193 | 19,708,200 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Cash on hand | 20 | 18 | 595 | 595 |
| Deposits held at call with banks | 29,459 | 28,295 | 888,317 | 918,157 |
| Total cash and cash equivalents | 29,479 | 28,313 | 888,912 | 918,752 |

As at 31 December 2019, the interest rates on deposits held at call with banks were 0.05% to 3.90% per annum (2018: 0.35% to 1.80% per annum).

As at 31 December 2019, the interest rates on fixed deposits with banks were 0.75% to 6.75% per annum (2018: 0.75% to 8.00% per annum). These fixed deposits have an original maturities of three months.

## 10 Short-term investments

*Consolidated financial statements*

As at 31 December 2019, the Group has investments in bonds which mature within one year of 235.44 million or equivalent to US Dollar 7.81 million which bore interest at the rates of 1.79% to 3.21% per annum and fixed deposits at financial institutions in Thailand and the People's Republic of China of Baht 3,000 million or equivalent to US Dollar 99.49 million and CNY 21 million or equivalent to US Dollar 3 million which bore interest at the rates of 1.25% to 2.80% per annum and maturities within 180 days and one year. (2018: investment in bond which mature within one year of Baht 100 million or equivalent to US Dollar 3.08 million and boring interest at the rate of 4.95% per annum and fixed deposits at financial institutions in the People's Republic of China of CNY 22 million or equivalent to US Dollar 4.81 million bearing interest at the rates between 2.80% to 3.30% per annum and maturities within one year).

*Separate financial statements*

As at 31 December 2018, the Company had investments in bonds which nature within one year of Baht 100 million or equivalent to US Dollar 3.08 million and bore interest at the rate of 4.95% per annum.

## 11 Trade accounts receivable and notes receivable, net

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

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Trade accounts receivable - third parties | 245,331 | 395,701 | 7,397,743 | 12,840,436 |
| Notes receivable | 2,061 | 523 | 62,134 | 16,963 |
| Total trade accounts receivable and notes receivable | 247,392 | 396,224 | 7,459,877 | 12,857,399 |
| Less Allowance for doubtful accounts | (1,493) | (1,493) | (45,033) | (48,461) |
| Trade accounts receivable and notes receivable, net | 245,899 | 394,731 | 7,414,844 | 12,808,938 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Trade accounts receivable - third parties | 12,778 | 19,020 | 385,301 | 617,205 |
| Total trade accounts receivable | 12,778 | 19,020 | 385,301 | 617,205 |

Trade accounts receivable and notes receivable are aged as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Trade accounts receivable and notes receivable under credit term | 193,168 | 314,289 | 5,824,794 | 10,198,611 |
| Trade accounts receivable due for payment | | | | |
| - Less than 3 months | 44,549 | 75,655 | 1,343,327 | 2,455,007 |
| - Over 3 months but less than 6 months | 1,504 | 4,387 | 45,373 | 142,353 |
| - Over 6 months but less than 12 months | 5,568 | 386 | 167,883 | 12,514 |
| - Over 12 months | 2,603 | 1,507 | 78,500 | 48,914 |
| Total trade accounts receivable and notes receivable | 247,392 | 396,224 | 7,459,877 | 12,857,399 |
| Less Allowance for doubtful accounts | (1,493) | (1,493) | (45,033) | (48,461) |
| Trade accounts receivable and notes receivable, net | 245,899 | 394,731 | 7,414,844 | 12,808,938 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Trade accounts receivable under credit term | 12,547 | 16,732 | 378,327 | 542,957 |
| Trade accounts receivable due for payment | | | | |
| - Less than 3 months | 231 | 2,288 | 6,974 | 74,248 |
| - Over 3 months but less than 6 months | - | - | - | - |
| - Over 6 months but less than 12 months | - | - | - | - |
| - Over 12 months | - | - | - | - |
| Total trade accounts receivable | 12,778 | 19,020 | 385,301 | 617,205 |

## 12 Inventories, net

As at 31 December, inventories consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Coal | 99,077 | 103,643 | 2,987,580 | 3,363,182 |
| Fuel | 5,946 | 24,860 | 179,287 | 806,708 |
| Others | 71 | 1 | 2,146 | 37 |
| Coal in transits | 23,620 | 29,238 | 712,232 | 948,771 |
| Total | 128,714 | 157,742 | 3,881,245 | 5,118,698 |
| Less Allowance for slow-moving of coal | (4,069) | (4,069) | (122,688) | (132,029) |
| Allowance for net realisable value of fuel | - | (4,041) | - | (131,147) |
| Inventories, net | 124,645 | 149,632 | 3,758,557 | 4,855,522 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Coal | 7,658 | 11,715 | 230,919 | 380,162 |
| Less Allowance for slow-moving of coal | (3,854) | (3,854) | (116,222) | (125,071) |
| Inventories, net | 3,804 | 7,861 | 114,697 | 255,091 |

## 13 Derivative financial instruments

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| **As at 31 December 2019** | | | | |
| Interest rate swap contracts | 142 | 22,012 | 4,272 | 663,723 |
| Foreign exchange rate forward contracts | 1,406 | 376 | 42,407 | 11,351 |
| Cross currency and interest rate swaps contracts | 23,222 | 676 | 700,255 | 20,396 |
| Coal swap contracts | 2,632 | - | 79,353 | - |
| Fuel swap contracts | 1,753 | - | 52,861 | - |
| Total derivative financial instruments | 29,155 | 23,064 | 879,148 | 695,470 |
| Less Non-current portion: | | | | |
| Interest rate swaps contracts | (128) | (20,151) | (3,859) | (607,612) |
| Cross currency and interest rate swaps contracts | (11,141) | (676) | (335,959) | (20,396) |
| Total non-current portion | (11,269) | (20,827) | (339,818) | (628,008) |
| Total current portion | 17,886 | 2,237 | 539,330 | 67,462 |
| **As at 31 December 2018** | | | | |
| Interest rate swap contracts | 3,184 | 6,435 | 103,307 | 208,825 |
| Foreign exchange rate forward contracts | 70 | 2,151 | 2,262 | 69,788 |
| Cross currency and interest rate swaps contracts | 11,646 | 12,540 | 377,908 | 406,918 |
| Coal swap contracts | 437 | 1,491 | 14,196 | 48,400 |
| Fuel swap contracts | - | 413 | - | 13,388 |
| Natural gas swap and options contracts | 2,387 | - | 77,440 | - |
| Total derivative financial instruments | 17,724 | 23,030 | 575,113 | 747,319 |
| Less Non-current portion: | | | | |
| Interest rate swaps contracts | (2,979) | (5,903) | (96,665) | (191,548) |
| Cross currency and interest rate swaps contracts | (8,146) | (12,540) | (264,323) | (406,918) |
| Total non-current portion | (11,125) | (18,443) | (360,988) | (598,466) |
| Total current portion | 6,599 | 4,587 | 214,125 | 148,853 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| **As at 31 December 2019** | | | | |
| Interest rate swap contracts | 142 | 18,763 | 4,272 | 565,747 |
| Foreign exchange rate forward contracts | - | 349 | - | 10,533 |
| Cross currency and interest rate swap contracts | 23,222 | 676 | 700,255 | 20,396 |
| Total derivative financial instruments | 23,364 | 19,788 | 704,527 | 596,676 |
| Less Non-current portion: | | | | |
| Interest rate swaps contracts | (128) | (18,695) | (3,859) | (563,716) |
| Cross currency and interest rate swaps contracts | (11,141) | (676) | (335,959) | (20,396) |
| Total non-current portion | (11,269) | (19,371) | (339,818) | (584,112) |
| Total current portion | 12,095 | 417 | 364,709 | 12,564 |
| **As at 31 December 2018** | | | | |
| Interest rate swap contracts | 2,660 | 4,812 | 86,320 | 156,146 |
| Foreign exchange rate forward contracts | 70 | 182 | 2,262 | 5,922 |
| Cross currency and interest rate swap contracts | 11,646 | 12,540 | 377,907 | 406,919 |
| Total derivative financial instruments | 14,376 | 17,534 | 466,489 | 568,987 |
| Less Non-current portion: | | | | |
| Interest rate swaps contracts | (2,455) | (4,812) | (79,678) | (156,146) |
| Cross currency and interest rate swaps contracts | (8,146) | (12,540) | (264,323) | (406,919) |
| Total non-current portion | (10,601) | (17,352) | (344,001) | (563,065) |
| Total current portion | 3,775 | 182 | 122,488 | 5,922 |

The fair value of derivative financial instruments is in Level 2 that are not traded in an active market. These valuation techniques are disclosed in Note 8.

The Group manages the risks by using the instruments as follows:

### Foreign exchange rate forward contracts

As at 31 December 2019, the Group had foreign exchange rate forward contracts amounting to US Dollar 51 million at the exchange rate of Australian Dollar 0.6756 to 0.7155 per US Dollar 1 and US Dollar 40 million at the exchange rates of Baht 30.0670 to 30.3880 per US Dollar 1 and US Dollar 79.30 million at exchange rates of Indonesian Rupiah 13,937 to 14,179 per US Dollar 1 (2018: US Dollar 158.00 million at the exchange rates of Australian Dollar 0.7020 to 0.7603 per US Dollar 1 and US Dollar 53.94 million at the exchange rates of Baht 32.2740 to 32.7140 per US Dollar 1).

### Cross currency and interest rate swap contracts

As at 31 December 2019, the Group had cross currency and interest rate swap contracts with the financial institutions to manage exposure of fluctuations in foreign currency exchange rates and interest rates for the debentures from Baht 12,869.42 million to be US Dollar 321.66 million at fixed interest rates, starting from 10 June 2011 to 2026 (2018: Baht 14,596.93 million to be US Dollar 461.49 million at fixed interest rates, starting from 10 June 2011 to 1 April 2026).

### Interest rate swap contracts

As at 31 December 2019, the Group had interest rate swap contracts with the financial institutions to manage exposure of fluctuations in interest rates for the borrowings of US Dollar 827 million, Australian Dollar 170 million and Thai baht 350 million (2018: of US Dollar 940 million and Australian Dollar 120 million) by converting floating interest rates to fixed interest rates, starting from 16 July 2013 to 26 June 2025.

### Coal swap contracts

As at 31 December 2019, the Group had coal swap contracts with no physical delivery of selling and buying side of 780,000 tons at the rates between US Dollar 72.45 to 76.00 per ton. (2018: 600,000 tons at the rates between US Dollar 88.00 to 108.25 per ton). Such contracts are due within one year.

### Fuel swap contracts

As at 31 December 2019, the Group had fuel swap contracts with no physical delivery of selling and buying side of 300,000 barrels at the rates between US Dollar 71.50 to 73.25 per barrel. (2018: 120,000 barrels at the rates between US Dollar 68.25 to 73.00 per barrel). Such contracts are due within one year.

## 14 Other current assets

As at 31 December, other current assets consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Prepaid expenses | 28,735 | 24,133 | 866,466 | 783,099 |
| Advance for prepayment | 28,851 | 32,095 | 869,985 | 1,041,479 |
| Value added tax receivables | 16,861 | 20,102 | 508,413 | 652,315 |
| Prepaid income tax | 4,941 | 3,946 | 148,986 | 128,032 |
| Restricted deposits at banks (Note 15.1 d) | 70,002 | 8,910 | 2,110,855 | 289,140 |
| Other receivables | 49,463 | 27,638 | 1,491,477 | 896,854 |
| Receivable from assets held for sale | 14,547 | - | 438,660 | - |
| Long service leave coal industry fund receivable in Australia | 47,370 | 38,189 | 1,428,388 | 1,239,228 |
| Others | 19,699 | 889 | 594,023 | 28,865 |
| Total other current assets | 280,469 | 155,902 | 8,457,253 | 5,059,012 |

As at 31 December 2019, receivable from assets held for sale amounting to Australian Dollar 20.83 million or equivalent to USD Dollar 14.55 million is receivable from sales of certain area of the Mannering, Myuna and Munmorah mining tenements in Australia to third party under Asset Sale Agreement entered in December 2018. The Group completely sold such assets on 17 January 2019.

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Prepaid expenses | 3,186 | 979 | 96,103 | 31,757 |
| Value added tax receivables | 1,534 | 237 | 46,248 | 7,704 |
| Prepaid income tax | 774 | 388 | 23,337 | 12,592 |
| Other receivables | 112 | 2,134 | 3,382 | 69,309 |
| Others | 8 | 18 | 256 | 588 |
| Total other current assets | 5,614 | 3,756 | 169,326 | 121,950 |

## 15 Investments in subsidiaries, associates and joint ventures

As at 31 December, investments in associates and joint ventures are as follows:

**Consolidated financial statements** (Equity method)

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Joint ventures** | | | | |
| BLCP Power Ltd. | 201,936 | 187,649 | 6,089,170 | 6,089,170 |
| BPPR Co., Ltd. | - | 17 | - | 555 |
| Hebi Zhong Tai Mining Co., Ltd. | 48,320 | 48,320 | 1,457,053 | 1,567,987 |
| Shanxi Gaohe Energy Co., Ltd. | 308,933 | 308,933 | 9,315,557 | 10,024,805 |
| Shanxi Luguang Power Co., Ltd. | 64,848 | 43,081 | 1,955,430 | 1,397,966 |
| Hongsa Power Company Limited | 434,189 | 403,470 | 13,092,534 | 13,092,534 |
| Phu Fai Mining Company Limited | 28 | 26 | 836 | 836 |
| Aura Land Development Pte. Ltd. | 3,094 | 2,875 | 93,290 | 93,290 |
| Aizu Energy Pte. Ltd. | 32,245 | 24,287 | 972,304 | 788,113 |
| Sunseap Group Pte. Ltd. | 88,293 | 88,293 | 2,662,382 | 2,865,085 |
| Hokkaido Solar Estate G.K. | 2,003 | 1,861 | 60,396 | 60,396 |
| Springvale Coal Sales Pty Limited | - | 289 | - | 9,380 |
| Digital Energy Solutions Corporation | 160 | 158 | 4,829 | 5,129 |
| PT. Nusantara Timur Unggul | 491 | 491 | 14,800 | 15,926 |
| **Associates** | | | | |
| Urban Mobility Tech Co., Ltd. | 3,051 | 770 | 92,000 | 25,000 |
| Durapower Holdings Pte. Ltd. | 34,174 | 34,174 | 1,030,493 | 1,108,951 |
| FOMM Corporation (Note 36.3) | 21,080 | - | 635,650 | - |
| Global Engineering Co., Ltd. | 10,468 | - | 315,665 | - |
| Port Kembla Coal Terminal Ltd. | 83 | 83 | 2,495 | 2,707 |
| Investments in joint ventures and associates - cost method | 1,253,396 | 1,144,777 | 37,794,884 | 37,147,830 |
| Add Cumulative equity account of investments in joint ventures and associates | 231,363 | 229,342 | 6,976,548 | 7,442,041 |
| Total investments in joint ventures and associates | 1,484,759 | 1,374,119 | 44,771,432 | 44,589,871 |

As at 31 December 2019, under the condition of loans for project finance of joint ventures, the Group pledged its investments in two joint ventures with a cost of US Dollar 370.82 million (2018: The Group pledged its investment in a subsidiary and three joint ventures with a cost of Baht 12,010.76 million and US Dollar 370.82 million), as collateral for loans from financial institutions of such joint ventures.

As at 31 December, investments in subsidiaries are as follows:

**Separate financial statements** (Cost Method)

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Subsidiaries** | | | | |
| Banpu Minerals Co., Ltd. | 102,434 | 102,434 | 3,088,805 | 3,323,973 |
| BP Overseas Development Co., Ltd. | 517,963 | 517,963 | 15,618,659 | 16,807,799 |
| Banpu Power Public Company Limited | 687,224 | 687,293 | 20,722,528 | 22,302,524 |
| Banpu Engineering Services Co., Ltd. | 7,787 | 7,787 | 234,823 | 252,702 |
| BOG Co., Ltd. | 569,753 | 43,679 | 17,180,343 | 1,417,370 |
| Banpu International Limited | 7,260 | 7,260 | 218,902 | 235,568 |
| Banpu Infinergy Co., Ltd. | 58,856 | 17,834 | 1,774,753 | 578,704 |
| Banpu Innovation & Ventures Co., Ltd. | 2,997 | - | 90,366 | - |
| Total investments in subsidiaries | 1,954,274 | 1,384,250 | 58,929,179 | 44,918,640 |

## 15.1 Changes in investments in subsidiaries, associates and joint ventures

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

**Consolidated financial statements** (Equity method)

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | 1,374,119 | 1,170,426 | 44,589,871 | 38,250,589 |
| Adjustment from changes in accounting policy (Note 3) | (6,651) | - | (214,884) | - |
| Opening balance after adjustment | 1,367,468 | 1,170,426 | 44,374,987 | 38,250,589 |
| Additional of investments | 61,097 | 77,824 | 1,896,908 | 2,514,536 |
| Decrease in investment | (3) | - | (98) | - |
| Dividend received from joint ventures | (210,341) | (126,179) | (6,530,598) | (4,076,921) |
| Add Share of profit from joint ventures and associates | 205,845 | 263,662 | 6,443,993 | 8,499,974 |

**Consolidated financial statements** (Equity method)

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Share of other comprehensive income | | | | |
| (expense) from joint ventures and associates | | | | |
| - Cash flow hedge reserve | (15,448) | 5,139 | (452,357) | 169,311 |
| - Remeasurement of post-employment | | | | |
| benefit obligations | (434) | (2) | (12,439) | - |
| - Translation differences | 76,575 | (16,751) | (948,964) | (767,618) |
| Closing balance | 1,484,759 | 1,374,119 | 44,771,432 | 44,589,871 |

Movements of investments in subsidiaries for the years ended 31 December are as follows:

**Separate financial statements** (Cost method)

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | 1,384,250 | 1,384,389 | 44,918,640 | 45,243,088 |
| Additional of investments | 570,094 | - | 17,700,046 | - |
| Share-based payment of a subsidiary | (70) | (139) | (2,172) | (4,496) |
| Translation differences | - | - | (3,687,335) | (319,952) |
| Closing balance | 1,954,274 | 1,384,250 | 58,929,179 | 44,918,640 |

### a) Additional investments

*Consolidated financial statements*

In 2019, the Group additionally invested in Aizu Energy Pte. Ltd. and Shanxi Luguang Power Co., Ltd., joint ventures, in the same proportion of shareholding at the consideration of JPY 660.67 million or equivalent to US Dollar 6.06 million and CNY 157.25 million or equivalent to US Dollar 22.40 million. The Group fully paid for this investment.

On 25 January 2019, the Group invested in newly issued shares of FOMM Corporation, which is a limited company registered in Japan, and engages Electric Vehicle (EV) business, at the consideration of US Dollar 20 million. The Group owns 21.45% of shareholding in such company. The Group fully paid for this investment, which is classified as an investment in an associate as described in Note 36.3

On 23 August 2019, the Group additionally invested the newly issued preference shares of Urban Mobility Tech Co., Ltd., an Associated, at the consideration of Baht 67 million or equivalent to US Dollar 2.19 million. As a result, the interest increased from 22.50% to 30.66% of the registered capital. The Group fully paid for this investment. The investment is considered as an associate due to the Group has representatives in the board who have voting rights in accordance with conditions in relevant contracts.

On 18 December 2019, Banpu Renewable Singapore Pte. Ltd., an indirect subsidiary of Banpu Power Public Company Limited, a subsidiary held by the Group in proportion of 78.57% of the shareholding, purchase investment in Global Engineering Co., Ltd. from third party, which is incorporated in Japan and its business objective is virtual power plant and power trading. The Group had 19.90% shareholding of registered share capital. The total amount of investment is JPY 1,143.96 million or equivalent to US Dollar 10.45 million. The Group paid the whole amount for such shares. The investment is considered as an associate due to the Group has representatives in the board who have voting rights in accordance with conditions in relevant contracts.

*Separate financial statements*

In 2019, the Company additionally invested in BOG Co., Ltd. and Banpu Infinergy Co., Ltd. which are subsidiaries of US Dollar 526.07 million and US Dollar 41.02 million in the same proportion of shareholding. Moreover, the Company has established Banpu Innovation & Ventures Co., Ltd., which is a limited company in Thailand. The Company owned 100% of shareholding in such subsidiary with registered share capital of US Dollar 3 million. The Company fully paid for such investments.

**b) Group restructuring for clean energy technology businesses**

At the Board of Directors' meeting on 31 October 2019, the Board approved the formation of a new company from the amalgamation between Banpu Infinergy Co., Ltd. (BPIN), a direct subsidiary, and Banpu Renewable Energy Co., Ltd. (BRE), an indirect subsidiary of the Company in which the Company holds a 78.57% stake through Banpu Power Public Company Limited (BPP). The amalgamation of these companies is intended to rationalise and group all clean energy technology businesses under the Group. The Company and BPP entered into an Amalgamation and Shareholders Agreement on 31 October 2019. Under this agreement, the shares of the new company shall be allocated based on the fair value of BPIN and BRE. As at 31 December 2019, the Company has been under the process of the amalgamation.

**c) Dividend income from joint ventures**

Dividend income from joint ventures during the years ended 31 December are as follows:

| | Million US Dollar | |
|---|---|---|
| | **2019** | **2018** |
| BLCP Power Ltd. | 63.12 | 32.72 |
| Hongsa Power Company Limited | 70.52 | 30.13 |
| Phu Fai Mining Company Limited | 7.07 | 10.91 |
| Shanxi Gaohe Energy Company Limited | 67.48 | 48.86 |
| Hebi Zhong Tai Mining Co., Ltd. | 1.69 | 1.90 |
| Aizu Energy Pte. Ltd | 0.46 | - |
| Hokkaido Solar Estate G.K. | - | 1.66 |
| Total dividend income from joint ventures | 210.34 | 126.18 |

Regarding the dividend income from Hongsa Power Company Limited, Banpu Power Public Company Limited, a subsidiary, has provided the Standby Letters of Credit, issued by commercial banks under the subsidiary's name amounting to Baht 1,600 million or equivalent to US Dollar 53.06 and US Dollar 22 million as a guarantee for lenders of Hongsa Power Company Limited (2018: amounting to Baht 1,120 million or equivalent to US dollar 34.51 million and US Dollar 22 million).

**d) Significant restrictions**

As at 31 December 2019, the Group has restricted cash of a subsidiary in the United State of America amounting to US Dollar 70 million, to invest in natural gas, which is presented as other current assets (Note 35.4 g) and restricted cash used in mine closure activities of subsidiaries in Indonesia amounting to US Dollar 24.94 million, which is represented as other non-current assets.

As at 31 December 2018, the Group has restricted deposits at banks amounting to CNY 11.01 million or equivalent to US Dollar 1.60 million which represented deposits held at banks as reserve for serving bank acceptance bills provided by the banks for a subsidiary in the People's Republic of China. The Group classified these restricted deposits at banks as short-term investments and restricted deposits at banks of subsidiaries in Indonesia for used in mine closure activities of subsidiaries amounting to US Dollar 13.42 million, which is presented as non-current assets and capital injection commitment amounting to US Dollar 8.91 million, which is presented as other current assets.

## 15.2 Material subsidiaries

As at 31 December, the Group had the following significant subsidiaries:

| | | | Proportion of ordinary shares held by the Group (%) | | Proportion of ordinary shares held by non-controlling interests (%) | |
|---|---|---|---|---|---|---|
| **Name of company** | **Country** | **Business** | **2019** | **2018** | **2019** | **2018** |
| PT. Indo Tambangraya Megah Tbk. and its subsidiaries | Republic of Indonesia | Investment in coal mining | 67.13 | 67.13 | 32.87 | 32.87 |
| Banpu Australia Co., Pty Ltd. and its subsidiaries | Australia | Investment in coal mining | 100.00 | 100.00 | - | - |
| Banpu Power Public Company Limited and its subsidiaries | Thailand | Investment in coal mining | 78.57 | 78.57 | 21.43 | 21.43 |

List of subsidiaries of the Group is disclosed in Note 15.6.

### 15.3 Non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

**Summarised statement of financial position**

US Dollar'000

| As at 31 December | PT Indo Tambangraya Megah Tbk. | | Banpu Power Public Company Limited | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Current assets | 472,517 | 766,484 | 295,102 | 130,312 |
| Current liabilities | (233,290) | (389,898) | (127,459) | (147,645) |
| Total current net assets | 239,227 | 376,586 | 167,643 | (17,333) |
| Non-current assets | 736,522 | 676,243 | 1,439,620 | 1,527,571 |
| Non-current liabilities | (91,284) | (83,045) | (170,739) | (172,387) |
| Total non-current net assets | 645,238 | 593,198 | 1,268,881 | 1,355,184 |
| Net assets | 884,465 | 969,784 | 1,436,524 | 1,337,851 |
| Accumulated non-controlling interest | 280,988 | 310,871 | 326,990 | 305,393 |

Baht'000

| As at 31 December | PT Indo Tambangraya Megah Tbk. | | Banpu Power Public Company Limited | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Current assets | 14,248,282 | 24,872,238 | 8,898,505 | 4,228,621 |
| Current liabilities | (7,034,616) | (12,652,109) | (3,843,388) | (4,791,064) |
| Total current net assets | 7,213,666 | 12,220,129 | 5,055,117 | (562,443) |
| Non-current assets | 22,209,093 | 21,943,962 | 43,410,294 | 49,569,366 |
| Non-current liabilities | (2,752,585) | (2,694,796) | (5,148,454) | (5,593,929) |
| Total non-current net assets | 19,456,508 | 19,249,166 | 38,261,840 | 43,975,437 |
| Net assets | 26,670,174 | 31,469,295 | 43,316,957 | 43,412,994 |
| Accumulated non-controlling interest | 8,472,921 | 10,087,705 | 9,860,069 | 9,909,937 |

Summarised statement of comprehensive income

US Dollar'000

| For the years ended 31 December | PT Indo Tambangraya Megah Tbk. 2019 | PT Indo Tambangraya Megah Tbk. 2018 | Banpu Power Public Company Limited 2019 | Banpu Power Public Company Limited 2018 |
|---|---|---|---|---|
| Revenue | 1,725,394 | 2,015,134 | 183,171 | 195,669 |
| Profit before income tax | 185,908 | 367,363 | 103,291 | 128,279 |
| Income tax expense | (59,406) | (108,607) | (6,573) | (9,060) |
| Post-tax profit from continuing operations | 126,502 | 258,756 | 96,718 | 119,219 |
| Other comprehensive income (expense) | 1,825 | 1,993 | (70,061) | (21,689) |
| Total comprehensive income | 128,327 | 260,749 | 26,657 | 97,530 |
| Total comprehensive income allocated to non-controlling interests | 40,396 | 83,685 | 35,237 | 23,573 |
| Dividend paid to non-controlling interests | 70,363 | 81,980 | 13,596 | 12,211 |

Baht'000

| For the years ended 31 December | PT Indo Tambangraya Megah Tbk. 2019 | PT Indo Tambangraya Megah Tbk. 2018 | Banpu Power Public Company Limited 2019 | Banpu Power Public Company Limited 2018 |
|---|---|---|---|---|
| Revenue | 53,569,348 | 65,110,391 | 5,687,010 | 6,322,203 |
| Profit before income tax | 5,771,995 | 11,869,738 | 3,206,924 | 4,144,797 |
| Income tax expense | (1,844,414) | (3,509,156) | (204,083) | (292,729) |
| Post-tax profit from continuing operations | 3,927,581 | 8,360,582 | 3,002,841 | 3,852,068 |
| Other comprehensive income (expense) | 56,675 | 64,403 | (2,175,236) | (700,784) |
| Total comprehensive income | 3,984,256 | 8,424,985 | 827,605 | 3,151,284 |
| Total comprehensive income allocated to non-controlling interests | 1,254,194 | 2,703,930 | 1,094,017 | 761,660 |
| Dividend paid to non-controlling interests | 2,200,138 | 2,628,552 | 424,984 | 392,264 |

## Summarised statement of cash flows

US Dollar'00

| For the years ended 31 December | PT Indo Tambangraya Megah Tbk. 2019 | PT Indo Tambangraya Megah Tbk. 2018 | Banpu Power Public Company Limited 2019 | Banpu Power Public Company Limited 2018 |
|---|---|---|---|---|
| Cash flow from operating activities | | | | |
| Cash generated from (used in) operations | 200,743 | 464,152 | (5,109) | (11,058) |
| Interest paid | - | - | (8,955) | (6,239) |
| Income tax paid | (111,287) | (109,257) | (6,214) | (7,735) |
| Net cash generated from (used in) operating activities | 89,456 | 354,895 | (20,278) | (25,032) |
| Net cash generated from (used in) investing activities | (95,924) | (108,631) | 169,389 | 11,982 |
| Net cash generated from (used in) financing activities | (203,420) | (249,373) | (84,689) | 23,844 |
| Net increase (decrease) in cash and cash equivalents | (209,888) | (3,109) | 64,422 | 10,794 |
| Cash and cash equivalents at beginning of the year | 368,216 | 374,230 | 44,468 | 34,552 |
| Exchange gains (losses) on cash and cash equivalents | 881 | (2,905) | 1,965 | (878) |
| Cash and cash equivalents at ending of the year | 159,209 | 368,216 | 110,855 | 44,468 |

Baht'000

| For the years ended 31 December | PT Indo Tambangraya Megah Tbk. 2019 | PT Indo Tambangraya Megah Tbk. 2018 | Banpu Power Public Company Limited 2019 | Banpu Power Public Company Limited 2018 |
|---|---|---|---|---|
| Cash flow from operating activities | | | | |
| Cash generated from (used in) operations | 6,232,588 | 14,997,076 | (158,626) | (357,288) |
| Interest paid | - | - | (278,045) | (201,573) |
| Income tax paid | (3,455,194) | (3,530,170) | (192,913) | (249,920) |
| Net cash generated from (used in) operating activities | 2,777,394 | 11,466,906 | (629,584) | (808,781) |
| Net cash generated from (used in) investing activities | (2,978,210) | (3,509,944) | 5,259,115 | 387,142 |
| Net cash generated from (used in) financing activities | (6,315,703) | (8,057,416) | (2,629,394) | 770,432 |
| Net increase (decrease) in cash and cash equivalents | (6,516,519) | (100,454) | 2,000,137 | 348,793 |
| Cash and cash equivalents at beginning of the year | 11,948,536 | 12,230,173 | 1,442,979 | 1,129,197 |
| Exchange losses on cash and cash equivalents | (631,229) | (181,183) | (100,406) | (35,011) |
| Cash and cash equivalents at ending of the year | 4,800,788 | 11,948,536 | 3,342,710 | 1,442,979 |

### 15.4 Investments in associates

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method.

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | US Dollar'000 | | Baht'000 | |
| | 2019 | 2018 | 2019 | 2018 |
| Aggregate carrying amount of individually immaterial associates | 67,582 | 35,207 | 2,037,870 | 1,142,472 |
| Aggregate amounts of the reporting entity's share of: | | | | |
| Profit (loss) from continuing activities | (1,916) | 701 | (56,016) | 23,005 |
| Other comprehensive income (expense) | 1,652 | - | (67,322) | - |
| Total comprehensive income (expense) | (264) | 701 | (123,338) | 23,005 |

### 15.5 Investments in joint ventures

Below are the joint ventures that are material to the Group. These joint ventures have share capital consisting solely of ordinary shares, which are held directly by the Group, which has voting rights in proportion to the ordinary shares.

| | | | | Percent of ownership interest | |
|---|---|---|---|---|---|
| | | | | 2019 | 2018 |
| Name of company | Country | Business | Measurement method | % | % |
| BLCP Power Ltd. | Thailand | Power production and trading | Equity | 50.00 | 50.00 |
| Hongsa Power Company Limited | Lao People's Democratic Republic | Power concession | Equity | 40.00* | 40.00* |
| Shanxi Gaohe Energy Co., Ltd. | People's Republic of China | Coal mining and trading | Equity | 45.00* | 45.00* |

* Shareholder agreements of the Group's joint ventures determine the management structure including strategic financial decisions and operations which required unanimous votes from all shareholders or their representatives. The Group has classified these as investments in joint ventures.

**Commitments and contingent liabilities in respect of joint ventures**

Significant commitments in the ownership proportion of the Group's joint ventures:

| | Consolidated financial statements | | | |
|---|---|---|---|---|
| | Million US Dollar | | Million Baht | |
| | 2019 | 2018 | 2019 | 2018 |
| Letter of Guarantee | 2 | 2 | 68 | 68 |
| Significant contracts | 505 | 540 | 15,232 | 17,521 |
| Total | 507 | 542 | 15,300 | 17,589 |

Commitments relating to its joint ventures to the Group are disclosed in Note 35.1.

**Summarised financial information for joint ventures**

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in the accounting policies of the Group and its joint ventures.

**Summarised statement of financial position**

US Dollar'000

| | BLCP Power Limited | | Hongsa Power Company Limited | | Shanxi Gaohe Energy Co., Ltd. | |
|---|---|---|---|---|---|---|
| **As at 31 December** | **2019** | **2018** | **2019** | **2018** | **2019** | **2018** |
| **Current assets** | | | | | | |
| Cash and cash equivalents | 154,714 | 1,840 | 178,607 | 270,757 | 28,090 | 38,438 |
| Deposits at financial institutions used as collateral | - | 181,850 | 63,495 | 65,969 | 4,317 | 21,163 |
| Current portion of lease accounts receivable, net | 16,742 | 61,325 | 146,299 | 147,123 | - | 6,110 |
| Other current assets | 155,134 | 150,665 | 158,083 | 166,017 | 136,616 | 195,554 |
| Total current assets | 326,590 | 395,680 | 546,484 | 649,866 | 169,023 | 261,265 |
| **Non-current assets** | | | | | | |
| Lease accounts receivable | 269,651 | 275,747 | 2,463,880 | 2,473,798 | - | - |
| Property, plant and equipment, net | 87,503 | 94,887 | 131,656 | 106,048 | 648,299 | 664,433 |
| Mining property rights, net | - | - | - | - | 765,181 | 790,834 |
| Other assets | 174,721 | 140,331 | 405,454 | 331,226 | 56,338 | 38,506 |
| Total non-current assets | 531,875 | 510,965 | 3,000,990 | 2,911,072 | 1,469,818 | 1,493,773 |
| **Current liabilities** | | | | | | |
| Current portion of long-term borrowings, net | 50,901 | 39,129 | 201,895 | 172,429 | 28,669 | 29,141 |
| Other current liabilities | 92,190 | 513,786 | 67,999 | 91,616 | 451,058 | 644,029 |
| Total current liabilities | 143,091 | 552,915 | 269,894 | 264,045 | 479,727 | 673,170 |

US Dollar'000

| As at 31 December | BLCP Power Limited 2019 | BLCP Power Limited 2018 | Hongsa Power Company Limited 2019 | Hongsa Power Company Limited 2018 | Shanxi Gaohe Energy Co., Ltd. 2019 | Shanxi Gaohe Energy Co., Ltd. 2018 |
|---|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | | |
| Long-term borrowings, net | 432,106 | 26,705 | 2,062,776 | 2,154,782 | 14,334 | 43,856 |
| Other liabilities | 31,444 | 29,275 | 36,104 | 28,399 | 79,169 | 6,309 |
| Total non-current liabilities | 463,550 | 55,980 | 2,098,880 | 2,183,181 | 93,503 | 50,165 |
| **Net assets** | 251,824 | 297,750 | 1,178,700 | 1,113,712 | 1,065,611 | 1,031,703 |

Baht'000

| As at 31 December | BLCP Power Limited 2019 | BLCP Power Limited 2018 | Hongsa Power Company Limited 2019 | Hongsa Power Company Limited 2018 | Shanxi Gaohe Energy Co., Ltd. 2019 | Shanxi Gaohe Energy Co., Ltd. 2018 |
|---|---|---|---|---|---|---|
| **Current assets** | | | | | | |
| Cash and cash equivalents | 4,665,239 | 59,700 | 5,385,721 | 8,786,011 | 847,014 | 1,247,296 |
| Deposits at financial institutions used as collateral | - | 5,900,983 | 1,914,635 | 2,140,697 | 130,165 | 686,726 |
| Current portion of lease accounts receivable, net | 504,837 | 1,989,997 | 4,411,497 | 4,774,104 | - | 198,276 |
| Other current assets | 4,677,933 | 4,889,061 | 4,766,840 | 5,387,227 | 4,119,530 | 6,345,696 |
| Total current assets | 9,848,009 | 12,839,741 | 16,478,693 | 21,088,039 | 5,096,709 | 8,477,994 |
| **Non-current assets** | | | | | | |
| Lease accounts receivable | 8,131,068 | 8,947,944 | 74,295,833 | 80,274,261 | - | - |
| Property, plant and equipment, net | 2,638,579 | 3,079,062 | 3,969,953 | 3,441,239 | 19,548,817 | 21,560,727 |
| Mining property rights, net | - | - | - | - | 23,073,230 | 25,662,360 |
| Other assets | 5,268,478 | 4,553,712 | 12,226,061 | 10,748,209 | 1,698,829 | 1,249,505 |
| Total non-current assets | 16,038,125 | 16,580,718 | 90,491,847 | 94,463,709 | 44,320,876 | 48,472,592 |
| **Current liabilities** | | | | | | |
| Current portion of long-term borrowings, net | 1,534,865 | 1,269,731 | 6,087,954 | 5,595,274 | 864,482 | 945,617 |

Baht'000

| As at 31 December | BLCP Power Limited | | Hongsa Power Company Limited | | Shanxi Gaohe Energy Co., Ltd. | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Other current liabilities | 2,779,897 | 16,672,258 | 2,050,448 | 2,972,939 | 13,601,195 | 20,898,608 |
| Total current liabilities | 4,314,762 | 17,941,989 | 8,138,402 | 8,568,213 | 14,465,677 | 21,844,225 |
| **Non-current liabilities** | | | | | | |
| Long-term borrowings, net | 13,029,718 | 866,561 | 62,200,945 | 69,922,261 | 432,241 | 1,423,105 |
| Other liabilities | 948,172 | 949,959 | 1,088,688 | 921,527 | 2,387,251 | 204,714 |
| Total non-current liabilities | 13,977,890 | 1,816,520 | 63,289,633 | 70,843,788 | 2,819,492 | 1,627,819 |
| **Net assets** | 7,593,482 | 9,661,950 | 35,542,505 | 36,139,747 | 32,132,416 | 33,478,542 |

## Summarised statement of comprehensive income

US Dollar'000

| For the years ended 31 December | BLCP Power Limited | | Hongsa Power Company Limited | | Shanxi Gaohe Energy Co., Ltd. | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Sales and service income | 451,163 | 447,739 | 645,966 | 681,349 | 795,213 | 899,068 |
| Cost of sales and services | (383,754) | (347,178) | (258,604) | (251,548) | (369,053) | (373,097) |
| Depreciation and amortisation | (1,043) | (3,582) | (2,256) | (2,088) | (148,399) | (164,131) |
| Interest income | 1,725 | 1,756 | 4,744 | 4,254 | 990 | 1,397 |
| Interest expense | (12,967) | (5,491) | (153,249) | (162,361) | (7,089) | (14,565) |
| Income taxes | (6,249) | (6,902) | - | - | (75,489) | (95,025) |
| **Profit for the year** | 53,080 | 83,850 | 210,085 | 242,002 | 196,173 | 253,647 |
| Other comprehensive income (expense) for the year | 28,575 | 2,654 | 46,844 | 17,129 | (12,312) | (35,512) |
| **Total comprehensive income for the year** | 81,655 | 86,504 | 256,929 | 259,131 | 183,861 | 218,135 |
| **Dividend receivables from related parties** | 125,656 | 65,397 | 177,720 | 74,798 | 149,953 | 108,571 |

Baht'000

| For the years ended 31 December | BLCP Power Limited 2019 | BLCP Power Limited 2018 | Hongsa Power Company Limited 2019 | Hongsa Power Company Limited 2018 | Shanxi Gaohe Energy Co., Ltd. 2019 | Shanxi Gaohe Energy Co., Ltd. 2018 |
|---|---|---|---|---|---|---|
| Sales and service income | 14,007,536 | 14,466,747 | 20,055,696 | 22,014,862 | 24,689,450 | 29,049,923 |
| Cost of sales and services | (11,914,633) | (11,217,552) | (8,029,026) | (8,127,704) | (11,458,202) | (12,055,017) |
| Depreciation and amortisation | (32,372) | (115,729) | (70,031) | (67,472) | (4,607,391) | (5,303,203) |
| Interest income | 53,549 | 56,748 | 147,279 | 137,455 | 30,724 | 45,152 |
| Interest expense | (402,591) | (177,409) | (4,758,023) | (5,245,992) | (220,103) | (470,610) |
| Income taxes | (194,014) | (223,008) | - | - | (2,343,762) | (3,070,332) |
| **Profit for the year** | 1,676,116 | 2,680,253 | 6,557,205 | 7,797,541 | 6,090,716 | 8,195,513 |
| Other comprehensive income (expense) for the year | 321,588 | 40,719 | (1,170,051) | 423,278 | (2,781,148) | (1,345,316) |
| **Total comprehensive income for the year** | 1,997,704 | 2,720,972 | 5,387,154 | 8,220,819 | 3,309,568 | 6,850,197 |
| **Dividend receivables from related parties** | 4,003,986 | 2,100,000 | 5,524,920 | 2,454,000 | 4,655,694 | 3,508,008 |

**Reconciliation of the summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures.

US Dollar'000

| | BLCP Power Limited 2019 | BLCP Power Limited 2018 | Hongsa Power Company Limited 2019 | Hongsa Power Company Limited 2018 | Shanxi Gaohe Energy Co., Ltd. 2019 | Shanxi Gaohe Energy Co., Ltd. 2018 |
|---|---|---|---|---|---|---|
| Net assets as at 1 January | 297,750 | 276,643 | 1,113,712 | 929,379 | 1,031,703 | 922,139 |
| Impact from change in accounting policies | (1,925) | - | (14,221) | - | - | - |
| Profit for the year | 53,080 | 83,850 | 210,085 | 242,002 | 196,173 | 253,647 |
| Other comprehensive income (expense) | 28,575 | 2,654 | 46,844 | 17,129 | (12,312) | (35,512) |
| Dividend paid | (125,656) | (65,397) | (177,720) | (74,798) | (149,953) | (108,571) |
| Net assets as at 31 December | 251,824 | 297,750 | 1,178,700 | 1,113,712 | 1,065,611 | 1,031,703 |
| Ownership percentage in joint ventures by the Group | 50% | 50% | 40% | 40% | 45% | 45% |
| Interests in joint ventures | 125,912 | 148,875 | 471,480 | 445,485 | 479,525 | 464,266 |
| Impacts of change in functional currency of joint ventures | - | - | 63,258 | 32,540 | - | - |
| Carrying value as at 31 December | 125,912 | 148,875 | 534,738 | 478,025 | 479,525 | 464,266 |

Baht'000

| | BLCP Power Limited | | Hongsa Power Company Limited | | Shanxi Gaohe Energy Co., Ltd. | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Net assets as at 1 January | 9,661,950 | 9,040,978 | 36,139,747 | 30,372,928 | 33,478,542 | 30,136,353 |
| Impact from change in accounting policies | (62,186) | - | (459,476) | - | - | - |
| Profit for the year | 1,676,116 | 2,680,253 | 6,557,205 | 7,797,541 | 6,090,716 | 8,195,513 |
| Other comprehensive income (expense) | 321,588 | 40,719 | (1,170,051) | 423,278 | (2,781,148) | (1,345,316) |
| Dividend paid | (4,003,986) | (2,100,000) | (5,524,920) | (2,454,000) | (4,655,694) | (3,508,008) |
| Net assets as at 31 December | 7,593,482 | 9,661,950 | 35,542,505 | 36,139,747 | 32,132,416 | 33,478,542 |
| Ownership percentage in joint ventures by the Group | 50% | 50% | 40% | 40% | 45% | 45% |
| Interests in joint ventures | 3,796,741 | 4,830,975 | 14,217,002 | 14,455,899 | 14,459,587 | 15,065,344 |
| Impacts of change in functional currency of joint ventures | - | - | 1,907,495 | 1,055,912 | - | - |
| Carrying value as at 31 December | 3,796,741 | 4,830,975 | 16,124,497 | 15,511,811 | 14,459,587 | 15,065,344 |

### Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Aggregate carrying amount of individually immaterial joint ventures | 277,002 | 247,745 | 8,352,737 | 8,039,270 |
| Aggregate amounts of the reporting entity's share of: | | | | |
| Profit from continuing activities | 8,909 | 10,094 | 298,247 | 329,845 |
| Other comprehensive income (expense | (31,702) | (36,353) | (1,695,190) | (1,238,498) |
| Total comprehensive income (expense) | (22,793) | (26,259) | (1,396,943) | (908,653) |

## 15.6 List of subsidiaries and associates and joint arrangements

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| **Direct shareholding** | | | | |
| Banpu Minerals Co., Ltd. | Thailand | Coal trading and investment in coal mining | 100.00 | 100.00 |
| BP Overseas Development Co., Ltd. | Mauritius Islands | Investment in coal mining and trading | 100.00 | 100.00 |
| Banpu Power Public Company Limited | Thailand | Investment in power | 78.57 | 78.57 |
| Banpu Engineering Services Co., Ltd. | Thailand | Investment in renewable energy | 100.00 | 100.00 |
| BOG Co., Ltd. | Thailand | Investment in power | 100.00 | 100.00 |
| Banpu International Limited | Thailand | Coal trading and project feasibility study | 100.00 | 100.00 |
| Banpu Infinergy Co., Ltd. | Thailand | Investment in renewable energy business, to generate and sell electricity from solar rooftop system and sell solar rooftop system | 100.00 | 100.00 |
| Banpu Innovation & Ventures Co., Ltd. | Thailand | Research and development | 100.00 | - |
| **Indirect shareholding** | | | | |
| **Banpu Minerals Co., Ltd.** | | | | |
| and its subsidiaries and a joint venture are as follows: | | | | |
| Subsidiaries | | | | |
| 1) Chiang Muan Mining Co., Ltd. | Thailand | Coal mining and trading | 100.00 | 100.00 |
| 2) Banpu Coal Sales Co., Ltd. | Thailand | Coal trading | 100.00 | 100.00 |
| 3) Banpu Coal Investment Company Limited | Mauritius Islands | Investment in coal mining | 100.00 | 100.00 |
| - Banpu Minerals (Singapore) Pte. Ltd | Singapore | Investment in coal mining | 50.00[(2)] | 50.00[(2)] |
| 4) Banpu Minerals (Singapore) Pte. Ltd. and subsidiaries | Singapore | Investment in coal mining | 50.00[(2)] | 50.00[(2)] |
| - PT. Indo Tambangraya Megah Tbk (ITM) and subsidiaries | Republic of Indonesia | Investment in coal mining | 67.13 | 67.13 |
| Subsidiaries | | | | |
| - PT. Indominco Mandiri (IMM) | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| - PT. Kitadin (KTD) | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| - PT. Trubaindo Coal Mining (TCM) | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| - PT. Bharinto Ekatama (BEK) | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| - PT. Jorong Barutama Greston (JBG) | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| - PT. Tambang Raya Usaha Tama | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| - PT. ITM Energi Utama | Republic of Indonesia | Investment in power | 99.99 | 99.99 |
| - PT. Energi Batubara Perkasa | Republic of Indonesia | Coal Trading | 100.00 | 100.00 |
| - PT. Nusa Persada Resources | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| - PT. ITM Banpu Power | Republic of Indonesia | Investment in power | 70.00[4] | 70.00[4] |
| - PT. ITM Batubara Utama | Republic of Indonesia | Investment in coal mining | 100.00 | 100.00 |
| - PT. Tepian Indah Sukses | Republic of Indonesia | Coal mining and trading | 100.00 | 70.00 |
| - PT. ITM Indonesia and a subsidiary and a joint venture | Republic of Indonesia | Coal mining and trading | 100.00 | 100.00 |
| Subsidiary | | | | |
| - PT. Gas Emas | Republic of Indonesia | Fuel trading | 75.00 | 75.00 |
| Joint arrangement - Joint venture | | | | |
| PT. Nusantara Timur Unggul | Republic of Indonesia | Logistic service | 33.34[1] | 33.34[1] |
| - BMS Coal Sales Pte. Ltd. | Singapore | Coal trading and provide service in mining | 100.00 | 100.00 |
| - Banpu (Shanghai) Trading Ltd. | People's Republic of China | Coal trading | 100.00 | 100.00 |
| - Banpu (Beijing) Energy Trading Ltd. | People's Republic of China | Coal trading | 100.00 | - |
| - Hunnu Coal Pty Ltd. and subsidiaries | Australia | Investment in coal mining and trading | 100.00 | 100.00 |
| - Hunnu Resources LLC and subsidiaries | Mongolia | Coal trading | 100.00 | 100.00 |
| - Munkh Sumber Uul LLC | Mongolia | Coal mining and trading | 100.00 | 100.00 |
| - Golden Gobi Mining LLC | Mongolia | Coal mining and trading | 100.00 | 100.00 |
| - Great East Minerals LLC | Mongolia | Coal mining and trading | - | 99.99 |
| - Bilegt Khairkhan Uul LLC | Mongolia | Coal mining and trading | 100.00 | 100.00 |
| - Hunnu Power LLC | Mongolia | Coal trading | 100.00 | 100.00 |
| - Munkhnoyon Suvraga LLC | Mongolia | Business consult in coal mining and trading | 100.00 | 100.00 |
| - Hunnu Investments Pte. Ltd. and a subsidiary | Singapore | Coal trading | 100.00 | 100.00 |
| - Hunnu Altai LLC and subsidiaries | Mongolia | Coal mining and trading | 100.00 | 100.00 |
| - Hunnu Global Altai LLC | Mongolia | Coal mining and trading | 80.00 | 80.00 |
| - Hunnu Altai Minerals LLC | Mongolia | Coal mining and trading | 100.00 | 100.00 |

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| Joint arrangement – Joint Venture | | | | |
| - Hebi Zhong Tai Mining Co., Ltd. | People's Republic of China | Coal mining and trading | 40.00[(1)] | 40.00[(1)] |
| **BP Overseas Development Co., Ltd.** | | | | |
| Subsidiaries are as follows: | | | | |
| Subsidiaries | | | | |
| - Asian American Coal Inc. and subsidiaries and a joint venture | British Virgin Islands | Investment in coal mining | 100.00 | 100.00 |
| 1) AACI SAADEC (BVI) Holdings Limited | British Virgin Islands | Investment in coal mining | 100.00 | 100.00 |
| 2) Banpu Singapore Pte. Ltd. and subsidiaries | Singapore | Coal trading | 100.00 | 100.00 |
| - Banpu Australia Co. Pty Ltd. and subsidiaries | Australia | Investment in coal mining | 100.00 | 100.00 |
| - AFE Investments Pty Ltd. | Australia | Investment in coal mining | 100.00 | 100.00 |
| - Banpu Australia Resources Pty. Ltd. | Australia | Investment in coal mining | 100.00 | 100.00 |
| - Centennial Energy Pty. Ltd. | Australia | Investment in renewable energy | 100.00 | - |
| - Centennial Coal Co., Ltd. and subsidiaries and an associate and joint ventures | Australia | Investment in coal mining and trading | 100.00 | 100.00 |
| Subsidiaries | | | | |
| - Centennial Inglenook Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Coal Services and Marketing Pty Ltd. | Australia | Sales and marketing | 100.00 | 100.00 |
| - Centennial Northern Coal Services Pty Ltd. | Australia | Mining Services | 100.00 | 100.00 |
| - Centennial Airly Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Berrima Coal Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Angus Place Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Coal Infrastructure Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Fassifern Pty Ltd. and subsidiaries | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Powercoal Pty Ltd. and subsidiaries | Australia | Investment in coal mining and trading | 100.00 | 100.00 |
| - Elcom Collieries Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Huntley Colliery Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Mandalong Pastoral Management Pty Ltd. | Australia | Investment in coal mining and trading | 100.00 | 100.00 |
| - Collieries Superannuation Pty Ltd. | Australia | Manage provident fund | 100.00 | 100.00 |
| - Powercoal Superannuation Pty Ltd. | Australia | Manage provident fund | 100.00 | 100.00 |
| - Centennial Northern Mining Services Pty Ltd. | Australia | Coal service provider | 100.00 | 100.00 |

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| - Centennial Mandalong Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Mannering Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Munmorah Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Myuna Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Springvale Holdings Pty Ltd. and subsidiaries and a joint venture | Australia | Coal mining and trading | 100.00 | 100.00 |
| Subsidiaries | | | | |
| - Centennial Springvale Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Boulder Mining Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Springvale Coal Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Springvale Coal Sales Pty Ltd. | Australia | Coal trading | 100.00 | - |
| Joint arrangement – Joint Venture | | | | |
| - Springvale Coal Sales Pty Ltd. | Australia | Coal trading | - | 50.00 |
| - Centennial Newstan Pty. Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Charbon Coal Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Coalex Pty Ltd. and subsidiaries | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Clarence Coal Investments Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Clarence Coal Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Clarence Colliery Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Hartley Valley Coal Company Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Centennial Clarence Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Ivanhoe Coal Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| - Powercoal Employee Entitlements Company Pty Ltd. | Australia | Manage provident fund | 100.00 | 100.00 |
| - Centennial Drilling Services Pty Ltd. | Australia | Coal mining and trading | 100.00 | 100.00 |
| Associate | | | | |
| - Port Kembla Coal Terminal Ltd. | Australia | Port service | 16.66 | 16.66 |
| Joint arrangement - Joint operations | | | | |
| - Charbon Joint Venture | Australia | Coal mining and trading | 95.00 | 95.00 |
| - Clarence Joint Venture | Australia | Coal mining and trading | 85.00 | 85.00 |
| - Springvale Joint Venture | Australia | Coal mining and trading | 100.00 | 50.00 |
| - Angus Place Joint Venture | Australia | Coal mining and trading | 100.00 | 50.00 |
| Joint arrangement - Joint venture | | | | |
| - Shanxi Gaohe Energy Co., Ltd. | People's Republic of China | Coal mining and trading | 45.00[1] | 45.00[1] |

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| **Banpu Power Public Company Limited** | | | | |
| Subsidiaries and joint ventures and an associate are as follows; | | | | |
| Subsidiaries | | | | |
| 1) Banpu Coal Power Limited and a subsidiary and a joint venture are as follows; | Thailand | Investment in power | 100.00 | 100.00 |
| Subsidiary | | | | |
| - Power Vietnam Co., Ltd. | Thailand | Investment in power | 100.00 | - |
| Joint arrangement - Joint venture | | | | |
| - BLCP Power Limited | Thailand | Power production and trading | 50.00(1) | 50.00(1) |
| 2) Banpu Renewable Energy Co., Ltd. and subsidiaries and a joint venture are as follows; | Thailand | Investment in renewable energy | 100.00 | 100.00 |
| Subsidiaries | | | | |
| 1) Banpu Renewable Singapore Pte. Ltd. and subsidiary and a joint venture and an associate are as follows; | Singapore | Investment in renewable energy | 100.00 | 100.00 |
| Subsidiary | | | | |
| - Banpu Power Trading GK | Japan | Power and purchase and trading | 100.00 | 100.00 |
| Joint arrangement – Joint venture | | | | |
| - Digital Energy Solutions Corporation | Japan | Power and purchase and trading | 49.00(1) | 35.00(1) |
| An associate | | | | |
| - Global Engineering Co., Ltd. | Japan | Virtual power plant and power trading | 19.90 | - |
| 2) Akira Energy Limited and subsidiaries | Hong Kong | Investment in power | - | 100.00 |
| - Akira Energy (South) Limited | Hong Kong | Investment in power | - | 100.00 |
| 3) BPP Renewable Investment (China) Co., Ltd. and subsidiaries | People's Republic of China | Investment in renewable energy | 100.00 | 100.00 |
| - Anqiu Huineng Renewable Energy Co.,Ltd. | People's Republic of China | Solar power generation | 100.00 | 100.00 |
| - Weifang Tian'en Jinshan Comprehensive Energy Co., Ltd. | People's Republic of China | Solar power generation | 100.00 | 100.00 |
| - Dongping County Haoyuan Solar Power Generation Co., Ltd. | People's Republic of China | Solar power generation | 100.00 | 100.00 |
| - Anqiu County Hui'en PV Technology Co., Ltd. | People's Republic of China | Solar power generation | 100.00 | 100.00 |
| - Jiaxing Deyuan Energy-Saving Technology Co., Ltd. | People's Republic of China | Solar power generation | 100.00 | 100.00 |

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| - Feicheng Xingyu Solar Power PV Technology Co., Ltd. | People's Republic of China | Solar power generation | 100.00 | 100.00 |
| - Jiangsu Jixin Electric Power Co., Ltd. | People's Republic of China | Solar power generation | 100.00 | - |
| 4) BRE Singapore Pte.Ltd. and subsidiaries | Singapore | Investment in renewable energy | 100.00 | 100.00 |
| - BPP Vinh Chau Wind Power Limited Liability Company | The Socialist Republic of Vietnam | Investment in renewable energy | 100.00 | 100.00 |
| 5) Banpu Japan K.K. | Japan | Investment in renewable energy | 100.00 | - |
| Joint arrangement – Joint venture | | | | |
| - Aizu Energy Pte. Ltd. | Singapore | Investment in renewable energy | 75.00(1) | 75.00(1) |
| 3) Banpu Power International Limited and subsidiaries and joint venture are as follows; | Mauritius Islands | Investment in power | 100.00 | 100.00 |
| Subsidiaries | | | | |
| - Banpu Power Investment Co., Ltd. and subsidiaries and a joint venture are as follows | Singapore | Investment in power | 100.00 | 100.00 |
| Subsidiaries | | | | |
| 1) Shijiazhuang Chengfeng Cogen Co., Ltd. | People's Republic of China | Power and steam production and trading | 100.00 | 100.00 |
| 2) Zouping Peak Pte. Ltd. and a subsidiary | Singapore | Investment in power | 100.00 | 100.00 |
| - Zouping Peak CHP Co., Ltd. | People's Republic of China | Power and steam production and trading | 70.00 | 70.00 |
| 3) Banpu Investment (China) Ltd. and subsidiaries | People's Republic of China | Investment in power | 100.00 | 100.00 |
| - Tangshan Banpu Heat & Power Co., Ltd. | People's Republic of China | Power and steam production and trading | 12.08(3) | 12.08(3) |
| - Banpu Power Trading (Shandong) Co., Ltd. | People's Republic of China | Power and purchase and trading | 100.00 | 100.00 |
| - Banpu Power Trading (Hebei) Co., Ltd. | People's Republic of China | Power and purchase and trading | 100.00 | 100.00 |
| 4) Pan-Western Energy Corporation LLC and a subsidiary | Cayman Islands | Investment in power | 100.00 | 100.00 |
| - Tangshan Banpu Heat & Power Co., Ltd. | People's Republic of China | Power and steam production and trading | 87.92(3) | 87.92(3) |
| Joint arrangement - Joint venture | | | | |
| - Shanxi Lu Guang Power Co., Ltd. | People's Republic of China | Power and steam production and trading | 30.00(1) | 30.00(1) |

| Name of company | Country | Business | Percentage of direct shareholding 2019 % | Percentage of direct shareholding 2018 % |
|---|---|---|---|---|
| 4) Banpu Power (Japan) Co., Ltd. | Thailand | Investment in renewable energy | 100.00 | 100.00 |
| Joint arrangement - Joint ventures | | | | |
| - Hongsa Power Company Limited | Lao People's Democratic Republic | Power concession | 40.00(1) | 40.00(1) |
| - Phu Fai Mining Company Limited | Lao People's Democratic Republic | Mining concession | 37.50(1) | 37.50(1) |
| An associate | | | | |
| - PT. ITM Banpu Power | Republic of Indonesia | Investment in power | 30.00(4) | 30.00(4) |
| **BOG Co., Ltd.** | | | | |
| A subsidiary is as follows; | | | | |
| 1) Banpu North America Corporation and a structured entity | United State of America | Natural gas business | 100.00 | 100.00 |
| - BKV Oil and Gas Capital Partners, L.P. and subsidiaries and joint operations are as follows; | United State of America | Natural gas business | 100.00(5) | 100.00(5) |
| Subsidiaries | | | | |
| - BKV Chaffee Corners, LLC | United State of America | Natural gas business | 100.00 | 100.00 |
| - BKV Chelsea, LLC | United State of America | Natural gas business | 100.00 | 100.00 |
| - BKV Operating, LLC | United State of America | Natural gas business | 100.00 | 100.00 |
| - BKV Barnett, LLC | United State of America | Natural gas business | 100.00 | 100.00 |
| Joint arrangement - Joint venture | | | | |
| - Chaffee project | United State of America | Natural gas business | 29.40* | 29.40* |
| - Chelsea project | United State of America | Natural gas business | 12.80* | 12.80* |
| - Radler project | United State of America | Natural gas business | 13.00* | 13.00* |
| - Zurich project | United State of America | Natural gas business | 12.06* | 12.06* |
| - Cardiff project | United State of America | Natural gas business | 80.00* | 80.00* |
| - West Brom project | United State of America | Natural gas business | 88.00* | 88.00* |

* Average ownership interest

| | | | Percentage of direct shareholding | |
|---|---|---|---|---|
| | | | 2019 | 2018 |
| Name of company | Country | Business | % | % |
| **Banpu Engineering Services Co., Ltd.** | | | | |
| Subsidiaries are as follows: | | | | |
| 1) Biofuels Development Holding Co., Ltd. | Thailand | Investment in renewable energy | 100.00 | 100.00 |
| 2) Banpu Energy Services (Thailand) Co., Ltd. and a subsidiary and joint ventures | Thailand | Investment in renewable energy | 100.00 | 100.00 |
| A subsidiary | | | | |
| - Banpu Energy Services Japan Co., Ltd. | Japan | Investment in power | - | 100.00 |
| Joint arrangement - Joint ventures | | | | |
| - Aura Land Development Pte. Ltd. | Singapore | Investment in renewable energy | 75.00[(1)] | 75.00[(1)] |
| - BPPR Co., Ltd. | Thailand | Investment in advisory for power business | 75.00[(1)] | 75.00[(1)] |
| - Hokkaido Solar Estate G.K. | Japan | Investment property | 60.00[(1)] | 60.00[(1)] |
| **Banpu Infinergy Co., Ltd.** | | | | |
| A subsidiary and associates are as follows; | | | | |
| A subsidiary | | | | |
| - BPIN Investment Co., Ltd. and its joint venture and its associate | Mauritius Islands | Investment in renewable energy | 100.00 | 100.00 |
| An associate | | | | |
| - Durapower Holdings Pte. Ltd. | Singapore | Energy storage system | 47.68 | 47.68 |
| Joint arrangement - Joint venture | | | | |
| - Sunseap Group Pte. Ltd. and its subsidiaries | Singapore | Investment in renewable energy | 38.46[(1), (6)] | 38.46[(1), (6)] |
| Associates | | | | |
| - Urban Mobility Tech Co., Ltd. | Thailand | Electric vehicle business | 30.66[(7)] | 22.50[(7)] |
| - FOMM Corporation | Japan | Electric vehicle business | 21.45 | - |
| **Banpu Innovation & Ventures Co., Ltd.** | | | | |
| A subsidiary is as follows; | | | | |
| - Banpu Innovation & Ventures (Singapore) Pte. Ltd. and subsidiary | Singapore | Research and development | 100.00 | - |
| - Banpu Innovation & Ventures LLC | United States of America | Research and development | 100.00 | - |

**Percentage of shareholding by the Group**

(1) Shareholder agreements of the Group's joint ventures have determined the management structure including strategic financial decisions and operations which required unanimous votes/consents from all shareholders or their representatives. The Group has classified these as investments in joint ventures.

(2) The Group owns 100% shareholding in Banpu Minerals (Singapore) Pte. Ltd., which is held by Banpu Mineral Co., Ltd. and Banpu Coal Investment Company Limited in the proportion of 50% each

(3) The Group owns 100% shareholding in Tangshan Banpu Heat & Power Co., Ltd. of which 12.08% shareholding held by Banpu Investment (China) Ltd. and 87.92% shareholding held by Pan-Western Energy Corporatio LLC.

(4) PT. ITM Banpu Power is owned by Banpu Power Public Company Limited and PT. Indo Tambangraya Megah Tbk. in the proportion of 30% and 70%.

(5) BKV Oil and Gas Capital Partners, L.P. is a structured entity incorporated as a fund which is held by Banpu North America Corporation to invest in natural gas business in the United States of America totalling US Dollar 598 million.

**Preference shares held by the Group**

(6) The Group holds an investment in Sunseap Group Pte. Ltd. by non-cumulative convertible preference shares in the proportion of 38.46 of total registered shares.

(7) The Group holds investments in Urban Mobility Tech Co., Ltd. by newly issued preference shares which are entitled to dividends and voting rights equal to the number of ordinary shares in the proportion of 30.66 of total registered shares (2018: 22.50% of total registered shares).

## 16 Property, plant and equipment, net

**Consolidated financial statements**

US Dollar'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment and gas exploration and producing assets and pipelines | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2018** | | | | | | | | | |
| Cost | 55,303 | 161,221 | 295,975 | 2,676,314 | 23,555 | 26,941 | 7,520 | 55,618 | 3,302,447 |
| Less Accumulated depreciation | - | (108,802) | (179,396) | (1,189,081) | (18,664) | (22,902) | (4,869) | - | (1,523,714) |
| Net book amount | 55,303 | 52,419 | 116,579 | 1,487,233 | 4,891 | 4,039 | 2,651 | 55,618 | 1,778,733 |
| **Year ended 31 December 2018** | | | | | | | | | |
| Opening net book amount | 55,303 | 52,419 | 116,579 | 1,487,233 | 4,891 | 4,039 | 2,651 | 55,618 | 1,778,733 |
| Additions | 1,841 | - | 1,178 | 187,265 | 2,058 | 1,732 | 372 | 69,697 | 264,143 |
| Increase from business acquisition | - | - | - | 141,884 | - | 2 | 30 | 200 | 142,116 |
| Disposals - Net book value | (1,432) | - | (15) | (10,421) | (6) | - | (161) | (72) | (12,107) |
| Reclassification | (1,658) | 14,222 | 10,728 | 34,519 | 240 | 294 | 133 | (61,681) | (3,203) |
| Write-off | - | - | (17) | (334) | (45) | (45) | (57) | (1,365) | (1,863) |
| Translation differences | (5,100) | (1,015) | (3,905) | (84,350) | (76) | (92) | (64) | (2,034) | (96,636) |
| Depreciation charge | - | (9,065) | (13,046) | (185,547) | (1,472) | (1,817) | (846) | - | (211,793) |
| Closing net book amount | 48,954 | 56,561 | 111,502 | 1,570,249 | 5,590 | 4,113 | 2,058 | 60,363 | 1,859,390 |
| **As at 31 December 2018** | | | | | | | | | |
| Cost | 48,954 | 174,154 | 300,951 | 2,790,336 | 24,791 | 27,136 | 7,127 | 60,363 | 3,433,812 |
| Less Accumulated depreciation | - | (117,593) | (189,449) | (1,220,087) | (19,201) | (23,023) | (5,069) | - | (1,574,422) |
| Net book amount | 48,954 | 56,561 | 111,502 | 1,570,249 | 5,590 | 4,113 | 2,058 | 60,363 | 1,859,390 |

**Consolidated financial statements**

US Dollar'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment and gas exploration and producing assets and pipelines | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2019** | | | | | | | | | |
| Opening net book amount | 48,954 | 56,561 | 111,502 | 1,570,249 | 5,590 | 4,113 | 2,058 | 60,363 | 1,859,390 |
| Additions | 111 | 42 | 1,797 | 234,006 | 1,938 | 2,065 | 425 | 57,725 | 298,109 |
| Increase from business acquisition | 179 | - | 659 | 32,793 | 11 | - | 20 | 22 | 33,684 |
| Disposals - Net book value | (692) | - | - | (13,713) | (7) | - | (67) | - | (14,479) |
| Reclassification | - | 10,123 | 13,690 | 39,520 | 5,957 | 683 | 59 | (65,762) | 4,270 |
| Write-off | - | - | (48) | (543) | (48) | (10) | - | (480) | (1,129) |
| Translation differences | (384) | (378) | (1,320) | (7,729) | 31 | (10) | 4 | (16) | (9,802) |
| Depreciation charge | - | (11,070) | (12,447) | (192,242) | (1,972) | (1,720) | (730) | - | (220,181) |
| Closing net book amount | 48,168 | 55,278 | 113,833 | 1,662,341 | 11,500 | 5,121 | 1,769 | 51,852 | 1,949,862 |
| **As at 31 December 2019** | | | | | | | | | |
| Cost | 48,168 | 183,807 | 313,960 | 3,038,801 | 31,390 | 29,291 | 7,222 | 51,852 | 3,704,491 |
| Less Accumulated depreciation | - | (128,529) | (200,127) | (1,376,460) | (19,890) | (24,170) | (5,453) | - | (1,754,629) |
| Net book amount | 48,168 | 55,278 | 113,833 | 1,662,341 | 11,500 | 5,121 | 1,769 | 51,852 | 1,949,862 |

**Consolidated financial statements**

Baht'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment and gas exploration and producing assets and pipelines | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2018** | | | | | | | | | |
| Cost | 1,807,343 | 5,268,837 | 9,672,738 | 87,464,351 | 769,811 | 880,449 | 245,773 | 1,817,646 | 107,926,948 |
| Less Accumulated depreciation | - | (3,555,753) | (5,862,816) | (38,860,233) | (609,951) | (748,465) | (159,129) | - | (49,796,347) |
| Net book amount | 1,807,343 | 1,713,084 | 3,809,922 | 48,604,118 | 159,860 | 131,984 | 86,644 | 1,817,646 | 58,130,601 |
| **Year ended 31 December 2018** | | | | | | | | | |
| Opening net book amount | 1,807,343 | 1,713,084 | 3,809,922 | 48,604,118 | 159,860 | 131,984 | 86,644 | 1,817,646 | 58,130,601 |
| Additions | 59,475 | - | 38,054 | 6,050,648 | 66,484 | 55,967 | 12,033 | 2,251,908 | 8,534,569 |
| Increase from business acquisition | - | - | - | 4,462,660 | - | 94 | 970 | 6,597 | 4,470,321 |
| Disposals - Net book value | (46,270) | - | (483) | (336,695) | (191) | - | (5,197) | (2,333) | (391,169) |
| Reclassification | (53,561) | 459,518 | 346,633 | 1,115,319 | 7,767 | 9,484 | 4,298 | (1,992,937) | (103,479) |
| Write-off | - | - | (547) | (10,805) | (1,443) | (1,451) | (1,841) | (44,069) | (60,156) |
| Translation differences | (178,437) | (44,332) | (153,816) | (2,935,828) | (3,503) | (3,898) | (2,796) | (78,046) | (3,400,656) |
| Depreciation charge | - | (292,891) | (421,532) | (5,995,153) | (47,570) | (58,705) | (27,342) | - | (6,843,193) |
| Closing net book amount | 1,588,550 | 1,835,379 | 3,618,231 | 50,954,264 | 181,404 | 133,475 | 66,769 | 1,958,766 | 60,336,838 |
| **As at 31 December 2018** | | | | | | | | | |
| Cost | 1,588,550 | 5,651,263 | 9,765,785 | 90,545,859 | 804,455 | 880,556 | 231,270 | 1,958,766 | 111,426,504 |
| Less Accumulated depreciation | - | (3,815,884) | (6,147,554) | (39,591,595) | (623,051) | (747,081) | (164,501) | - | (51,089,666) |
| Net book amount | 1,588,550 | 1,835,379 | 3,618,231 | 50,954,264 | 181,404 | 133,475 | 66,769 | 1,958,766 | 60,336,838 |

**Consolidated financial statements**

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| | Land | Land improvement | Building and infrastructures | Machinery and equipment and gas exploration and producing assets and pipelines | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2019** | | | | | | | | | |
| Opening net book amount | 1,588,550 | 1,835,379 | 3,618,231 | 50,954,264 | 181,404 | 133,475 | 66,769 | 1,958,766 | 60,336,838 |
| Additions | 3,449 | 1,305 | 55,801 | 7,265,332 | 60,170 | 64,108 | 13,187 | 1,792,213 | 9,255,565 |
| Increase from business acquisition | 5,411 | - | 20,354 | 1,003,684 | 331 | - | 611 | 694 | 1,031,085 |
| Disposals - Net book value | (21,495) | - | (13) | (425,743) | (228) | - | (2,071) | - | (449,550) |
| Reclassification | - | 314,308 | 425,042 | 1,226,988 | 184,942 | 21,212 | 1,830 | (2,041,746) | 132,576 |
| Write-off | - | - | (1,487) | (16,895) | (1,498) | (322) | - | (14,895) | (35,097) |
| Translation differences | (123,455) | (140,448) | (298,974) | (3,912,672) | (17,158) | (10,659) | (4,349) | (131,467) | (4,639,182) |
| Depreciation charge | - | (343,686) | (386,441) | (5,968,660) | (61,230) | (53,417) | (22,660) | - | (6,836,094) |
| Closing net book amount | 1,452,460 | 1,666,858 | 3,432,513 | 50,126,298 | 346,733 | 154,397 | 53,317 | 1,563,565 | 58,796,141 |
| **As at 31 December 2019** | | | | | | | | | |
| Cost | 1,452,460 | 5,542,509 | 9,467,163 | 91,632,018 | 946,537 | 883,255 | 217,775 | 1,563,565 | 111,705,282 |
| Less Accumulated depreciation | - | (3,875,651) | (6,034,650) | (41,505,720) | (599,804) | (728,858) | (164,458) | - | (52,909,141) |
| Net book amount | 1,452,460 | 1,666,858 | 3,432,513 | 50,126,298 | 346,733 | 154,397 | 53,317 | 1,563,565 | 58,796,141 |

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US Dollar'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2018** | | | | | | | | | |
| Cost | 2,028 | 2,638 | 3,859 | 41,747 | 4,605 | 406 | 1,339 | 180 | 56,802 |
| Less Accumulated depreciation | - | (2,524) | (2,574) | (41,562) | (3,519) | (381) | (606) | - | (51,166) |
| Net book amount | 2,028 | 114 | 1,285 | 185 | 1,086 | 25 | 733 | 180 | 5,636 |
| **Year ended 31 December 2018** | | | | | | | | | |
| Opening net book amount | 2,028 | 114 | 1,285 | 185 | 1,086 | 25 | 733 | 180 | 5,636 |
| Additions | - | - | 778 | 6 | 822 | 10 | - | 74 | 1,690 |
| Disposals - Net book value | - | - | (15) | - | (4) | - | (104) | (72) | (195) |
| Write-off | - | - | - | - | (1) | - | - | - | (1) |
| Depreciation charge | - | (31) | (235) | (75) | (470) | (8) | (213) | - | (1,032) |
| Closing net book amount | 2,028 | 83 | 1,813 | 116 | 1,433 | 27 | 416 | 182 | 6,098 |
| **As at 31 December 2018** | | | | | | | | | |
| Cost | 2,028 | 2,638 | 4,592 | 21,191 | 5,399 | 348 | 1,016 | 182 | 37,394 |
| Less Accumulated depreciation | - | (2,555) | (2,779) | (21,075) | (3,966) | (321) | (600) | - | (31,296) |
| Net book amount | 2,028 | 83 | 1,813 | 116 | 1,433 | 27 | 416 | 182 | 6,098 |

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US Dollar'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2019** | | | | | | | | | |
| Opening net book amount | 2,028 | 83 | 1,813 | 116 | 1,433 | 27 | 416 | 182 | 6,098 |
| Additions | - | 42 | 33 | - | 629 | 12 | - | 108 | 824 |
| Disposals - Net book value | - | - | - | (10) | (5) | - | (67) | - | (82) |
| Depreciation charge | - | (33) | (246) | (62) | (612) | (8) | (173) | - | (1,134) |
| Closing net book amount | 2,028 | 92 | 1,600 | 44 | 1,445 | 31 | 176 | 290 | 5,706 |
| **As at 31 December 2019** | | | | | | | | | |
| Cost | 2,028 | 2,680 | 3,781 | 13,203 | 5,771 | 283 | 849 | 290 | 28,885 |
| Less Accumulated depreciation | - | (2,588) | (2,181) | (13,159) | (4,326) | (252) | (673) | - | (23,179) |
| Net book amount | 2,028 | 92 | 1,600 | 44 | 1,445 | 31 | 176 | 290 | 5,706 |

**Separate financial statements**

Baht'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **As at 1 January 2018** | | | | | | | | | |
| Cost | 66,278 | 86,219 | 126,123 | 1,364,320 | 150,503 | 13,274 | 43,749 | 5,899 | 1,856,365 |
| Less Accumulated depreciation | - | (82,512) | (84,131) | (1,358,285) | (115,032) | (12,423) | (19,753) | - | (1,672,136) |
| Net book amount | 66,278 | 3,707 | 41,992 | 6,035 | 35,471 | 851 | 23,996 | 5,899 | 184,229 |
| **Year ended 31 December 2018** | | | | | | | | | |
| Opening net book amount | 66,278 | 3,707 | 41,992 | 6,035 | 35,471 | 851 | 23,996 | 5,899 | 184,229 |
| Additions | - | - | 25,148 | 202 | 26,569 | 309 | - | 2,392 | 54,620 |
| Disposals - Net book value | - | - | (483) | - | (137) | - | (3,376) | (2,333) | (6,329) |
| Write-off | - | - | - | - | (12) | - | - | - | (12) |
| Translation differences | (469) | (30) | (224) | (52) | (203) | (6) | (214) | (41) | (1,239) |
| Depreciation charge | - | (985) | (7,601) | (2,470) | (15,178) | (266) | (6,899) | - | (33,399) |
| Closing net book amount | 65,809 | 2,692 | 58,832 | 3,715 | 46,510 | 888 | 13,507 | 5,917 | 197,870 |
| **As at 31 December 2018** | | | | | | | | | |
| Cost | 65,809 | 85,609 | 149,003 | 687,630 | 175,197 | 11,295 | 32,972 | 5,917 | 1,213,432 |
| Less Accumulated depreciation | - | (82,917) | (90,171) | (683,915) | (128,687) | (10,407) | (19,465) | - | (1,015,562) |
| Net book amount | 65,809 | 2,692 | 58,832 | 3,715 | 46,510 | 888 | 13,507 | 5,917 | 197,870 |

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Baht'000

| | Land | Land improvement | Building and infrastructures | Machinery and equipment | Furniture and office equipment | Tools | Motor vehicles | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2019** | | | | | | | | | |
| Opening net book amount | 65,809 | 2,692 | 58,832 | 3,715 | 46,510 | 888 | 13,507 | 5,917 | 197,870 |
| Additions | - | 1,306 | 1,023 | - | 19,536 | 364 | - | 3,368 | 25,597 |
| Disposals - Net book value | - | - | (13) | (310) | (144) | - | (2,071) | - | (2,538) |
| Translation differences | (4,656) | (200) | (3,972) | (198) | (3,301) | (66) | (741) | (516) | (13,650) |
| Depreciation charge | - | (1,012) | (7,633) | (1,937) | (19,016) | (247) | (5,376) | - | (35,221) |
| Closing net book amount | 61,153 | 2,786 | 48,237 | 1,270 | 43,585 | 939 | 5,319 | 8,769 | 172,058 |
| **As at 31 December 2019** | | | | | | | | | |
| Cost | 61,153 | 80,820 | 114,008 | 398,117 | 174,011 | 8,544 | 25,586 | 8,769 | 871,008 |
| Less Accumulated depreciation | - | (78,034) | (65,771) | (396,847) | (130,426) | (7,605) | (20,267) | - | (698,950) |
| Net book amount | 61,153 | 2,786 | 48,237 | 1,270 | 43,585 | 939 | 5,319 | 8,769 | 172,058 |

Leased assets included above, where the Group is a lessee under finance lease, are presented below:

| Consolidated financial statements | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Cost of assets under finance lease | 10,872 | 10,911 | 327,839 | 354,048 |
| Less Accumulated depreciation | (4,679) | (4,993) | (141,089) | (162,012) |
| Net book amount | 6,193 | 5,918 | 186,750 | 192,036 |

As at 31 December 2019, assets with net book value of CNY 289.02 million or equivalent to US Dollar 41.36 million were mortgaged and pledged as collateral for long-term loans from financial institutions of a subsidiary in the People's Republic of China (2018: CNY 301.35 million or equivalent to US Dollar 43.87 million).

As at 31 December 2019 and 2018, the Group has capital commitments which are shown in Note 35.1.

## 17 Deferred income taxes and Income tax

Corporate income tax for the years ended 31 December 2019 and 2018 are calculated based on the net profit (tax base) which excludes the interests in joint ventures and associates. The rates are as follows:

| | 2019 | 2018 |
|---|---|---|
| Thailand | 20% | 20% |
| Australia | 30% | 30% |
| Republic of Indonesia | 25% | 25% |
| Japan | 23.2% | 23.2% |
| Singapore | 17% | 17% |
| Republic of Mauritius | 15% | 15% |
| People's Republic of China | 0% to 25% | 0% to 25% |
| Mongolia | 10% to 25% | 10% to 25% |
| The United States of America | 21% | 21% |
| The Socialist Republic of Vietnam | 20% | 20% |
| Hong Kong Special Administrative Region of the People's Republic of China | - | 6.5% |
| Macau Special Administrative Region of the People's Republic of China | - | 0% to 12% |

## 17.1 Deferred income tax assets and deferred income tax liabilities

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

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Deferred tax assets:** | | | | |
| Deferred tax asset to be recovered within 12 months | 2,269 | 952 | 68,415 | 30,874 |
| Deferred tax asset to be recovered after more than 12 months | 155,815 | 112,547 | 4,698,457 | 3,652,132 |
| | 158,084 | 113,499 | 4,766,872 | 3,683,006 |
| **Deferred tax liabilities:** | | | | |
| Deferred tax liability to be settled within 12 months | - | - | - | - |
| Deferred tax liability to be settled after more than 12 months | (281,241) | (272,031) | (8,480,548) | (8,827,341) |
| | (281,241) | (272,031) | (8,480,548) | (8,827,341) |
| Deferred income taxes, net | (123,157) | (158,532) | (3,713,676) | (5,144,335) |

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| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **Deferred tax assets:** | | | | |
| Deferred tax asset to be recovered within 12 months | 70 | 23 | 2,107 | 732 |
| Deferred tax asset to be recovered after more than 12 months | 48,080 | 23,955 | 1,449,805 | 777,334 |
| Total | 48,150 | 23,978 | 1,451,912 | 778,066 |

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group did not recognised deferred income tax assets amounting to US Dollar 96.29 million from tax losses of US Dollar 481.44 million that could be carried forward against future taxable income, these tax losses will be expired in 2024 (2018: deferred income tax asset amounting to US Dollar 73.19 million from tax losses of US Dollar 365.93 million that could be carried forward against future taxable income, these tax losses will be expired in 2023).

17.1.2 The movement of deferred tax assets and deferred tax liabilities is as follows:

**Consolidated financial statements**

US Dollar'000

| | At 1 January 2019 | Charged (credited) to profit or loss | Charged (credited) to other compre-hensive income or expense | Increase (decrease) from business combination | Translation differences | At 31 December 2019 |
|---|---|---|---|---|---|---|
| **Deferred tax assets:** | | | | | | |
| Employee benefit obligation | 11,457 | 2,073 | 834 | - | 71 | 14,435 |
| Loss carried forward | 203,627 | 48,064 | - | - | (1,442) | 250,249 |
| Financial derivative | 18,145 | (149) | (2,591) | - | - | 15,405 |
| Depreciation and amortisation | 44,631 | 2,111 | - | - | (211) | 46,531 |
| Investments in joint ventures | 23,297 | - | - | - | - | 23,297 |
| Provision for mine rehabilitation | 9,453 | (2,083) | - | - | - | 7,370 |
| Provision for decommissioning | 898 | 87 | - | - | - | 985 |
| Allowance for slow moving of spare part | 3,180 | (1,202) | - | - | - | 1,978 |
| Other reserves | 34,111 | 3,162 | - | - | (265) | 37,008 |
| Others | 63,357 | 9,262 | 92 | - | 362 | 73,073 |
| Total | 412,156 | 61,325 | (1,665) | - | (1,485) | 470,331 |
| **Deferred tax liabilities:** | | | | | | |
| Investments in joint ventures | (19,929) | (7,207) | - | - | 6,748 | (20,388) |
| Mining property rights | (395,669) | 1,527 | - | - | (943) | (395,085) |
| Financial derivative | (193) | - | 193 | - | - | - |
| Depreciation and amortisation | (168,592) | (51,112) | - | - | 988 | (218,716) |
| Fair value uplift from the acquisition of power plant in the People's Republic of China | (2,733) | - | - | (118) | 25 | (2,826) |
| Amortisation of fair value of building and equip ment from the acquisition of power plants | 1,093 | 109 | - | - | - | 1,202 |
| Connection fee | (1,267) | 566 | - | - | 15 | (686) |
| Tax effect of currency translation on tax base | 21,215 | 26,207 | - | - | - | 47,422 |
| Others | (4,613) | 164 | - | - | 38 | (4,411) |
| Total | (570,688) | (29,746) | 193 | (118) | 6,871 | (593,488) |
| Net | (158,532) | 31,579 | (1,472) | (118) | 5,386 | (123,157) |

Consolidated financial statements

US Dollar'000

| | At 1 January 2018 | Charged (credited) to profit or loss | Charged (credited) to other compre-hensive income or expense | Increase (decrease) from business combination | Translation differences | At 31 December 2018 |
|---|---|---|---|---|---|---|
| **Deferred tax assets:** | | | | | | |
| Employee benefit obligation | 11,836 | 464 | (605) | - | (238) | 11,457 |
| Loss carried forward | 263,515 | (36,913) | - | - | (22,975) | 203,627 |
| Financial derivative | 13,029 | 71 | 5,045 | - | - | 18,145 |
| Depreciation and amortisation | 39,125 | 6,349 | - | - | (843) | 44,631 |
| Investments in joint ventures | 23,486 | - | - | - | (189) | 23,297 |
| Provision for mine rehabilitation | 6,506 | 2,947 | - | - | - | 9,453 |
| Provision for decommissioning | 898 | - | - | - | - | 898 |
| Allowance for slow moving of spare part | 2,136 | 1,044 | - | - | - | 3,180 |
| Other reserves | 39,362 | (1,323) | - | - | (3,928) | 34,111 |
| Others | 53,193 | 4,402 | 636 | - | 5,126 | 63,357 |
| Total | 453,086 | (22,959) | 5,076 | - | (23,047) | 412,156 |
| **Deferred tax liabilities:** | | | | | | |
| Investments in joint ventures | (17,658) | (7,158) | - | - | 4,887 | (19,929) |
| Mining property rights | (385,236) | 1,722 | - | - | (12,155) | (395,669) |
| Financial derivative | (151) | - | (42) | - | - | (193) |
| Depreciation and amortisation | (167,295) | (15,607) | - | - | 14,310 | (168,592) |
| Fair value uplift from the acquisition of power plant in the People's Republic of China | (2,763) | - | - | (47) | 77 | (2,733) |
| Amortisation of fair value of building and equip ment from the acquisition of power plants | 1,012 | 80 | - | - | 1 | 1,093 |
| Connection fee | (2,595) | 1,231 | - | - | 97 | (1,267) |
| Tax effect of currency translation on tax base | 18,386 | 2,830 | - | - | (1) | 21,215 |
| Others | (5,567) | 314 | - | - | 640 | (4,613) |
| Total | (561,867) | (16,588) | (42) | (47) | 7,856 | (570,688) |
| Net | (108,781) | (39,547) | 5,034 | (47) | (15,191) | (158,532) |

**Consolidated financial statements**

| | At 1 January 2019 | Charged (credited) to profit or loss | Charged (credited) to other compre-hensive income or expense | Increase (decrease) from business combination | Translation differences | At 31 December 2019 |
|---|---|---|---|---|---|---|
| | | | | | | Baht'000 |
| **Deferred tax assets:** | | | | | | |
| Employee benefit obligation | 371,768 | 63,657 | 25,615 | - | (25,777) | 435,263 |
| Loss carried forward | 6,607,666 | 1,476,052 | - | - | (537,701) | 7,546,017 |
| Financial derivative | 588,803 | (4,583) | (79,565) | - | (40,134) | 464,521 |
| Depreciation and amortisation | 1,448,257 | 64,820 | - | - | (109,995) | 1,403,082 |
| Investments in joint ventures | 755,994 | - | - | - | (53,487) | 702,507 |
| Provision for mine rehabilitation | 306,755 | (63,967) | - | - | (20,544) | 222,244 |
| Provision for decommissioning | 29,140 | 2,685 | - | - | (2,110) | 29,715 |
| Allowance for slow moving of spare part | 103,193 | (36,914) | - | - | (6,632) | 59,647 |
| Other reserves | 1,106,895 | 97,117 | - | - | (88,079) | 1,115,933 |
| Others | 2,055,896 | 284,452 | 2,832 | - | (139,760) | 2,203,420 |
| Total | 13,374,367 | 1,883,319 | (51,118) | - | (1,024,219) | 14,182,349 |
| **Deferred tax liabilities:** | | | | | | |
| Investments in joint ventures | (646,677) | (221,326) | - | - | 253,237 | (614,766) |
| Mining property rights | (12,839,360) | 46,897 | - | - | 879,109 | (11,913,354) |
| Financial derivative | (6,253) | - | 5,917 | - | 336 | - |
| Depreciation and amortisation | (5,470,762) | (1,569,654) | - | - | 445,254 | (6,595,162) |
| Fair value uplift from the acquisition of power plant in the People's Republic of China | (88,683) | - | - | (3,639) | 7,093 | (85,229) |
| Amortisation of fair value of building and equipment from the acquisition of power plants | 35,462 | 3,346 | - | - | (2,565) | 36,243 |
| Connection fee | (41,127) | 17,377 | - | - | 3,074 | (20,676) |
| Tax effect of currency translation on tax base | 688,430 | 804,822 | - | - | (63,283) | 1,429,969 |
| Others | (149,732) | 5,014 | - | - | 11,668 | (133,050) |
| Total | (18,518,702) | (913,524) | 5,917 | (3,639) | 1,533,923 | (17,896,025) |
| Net | (5,144,335) | 969,795 | (45,201) | (3,639) | 509,704 | (3,713,676) |

**Consolidated financial statements**

| | At 1 January 2018 | Charged (credited) to profit or loss | Charged (credited) to other compre-hensive income or expense | Increase (decrease) from business combination | Translation differences | At 31 December 2018 |
|---|---|---|---|---|---|---|
| | | | | | | Baht'000 |
| **Deferred tax assets:** | | | | | | |
| Employee benefit obligation | 386,833 | 14,978 | (19,542) | - | (10,501) | 371,768 |
| Loss carried forward | 8,611,891 | (1,192,695) | - | - | (811,530) | 6,607,666 |
| Financial derivative | 425,780 | 2,303 | 163,021 | - | (2,301) | 588,803 |
| Depreciation and amortisation | 1,278,636 | 205,137 | - | - | (35,516) | 1,448,257 |
| Investments in joint ventures | 767,524 | - | - | - | (11,530) | 755,994 |
| Provision for mine rehabilitation | 212,616 | 95,232 | - | - | (1,093) | 306,755 |
| Provision for decommissioning | 29,348 | - | - | - | (208) | 29,140 |
| Allowance for slow moving of spare part | 69,801 | 33,740 | - | - | (348) | 103,193 |
| Other reserves | 1,286,411 | (42,740) | - | - | (136,776) | 1,106,895 |
| Others | 1,738,373 | 142,261 | 20,537 | - | 154,725 | 2,055,896 |
| Total | 14,807,213 | (741,784) | 164,016 | - | (855,078) | 13,374,367 |
| **Deferred tax liabilities:** | | | | | | |
| Investments in joint ventures | (577,015) | (231,287) | - | - | 161,625 | (646,677) |
| Mining property rights | (12,589,878) | 55,645 | - | - | (305,127) | (12,839,360) |
| Financial derivative | (2,379) | - | (1,363) | - | (2,511) | (6,253) |
| Depreciation and amortisation | (5,467,234) | (504,288) | - | - | 500,760 | (5,470,762) |
| Fair value uplift from the acquisition of power plant in the People's Republic of China | (92,809) | - | - | (1,531) | 5,657 | (88,683) |
| Amortisation of fair value of building and equip-ment from the acquisition of power plants | 33,068 | 2,593 | - | - | (199) | 35,462 |
| Connection fee | (84,819) | 39,773 | - | - | 3,919 | (41,127) |
| Tax effect of currency translation on tax base | 600,857 | 91,429 | - | - | (3,856) | 688,430 |
| Others | (182,056) | 19,642 | - | - | 12,682 | (149,732) |
| Total | (18,362,265) | (526,493) | (1,363) | (1,531) | 372,950 | (18,518,702) |
| Net | (3,555,052) | (1,268,277) | 162,653 | (1,531) | (482,128) | (5,144,335) |

**Separate financial statements**

| | At 1 January 2019 | Charged (credited) to profit or loss | Charged (credited) to other comprehensive income or expense | At 31 December 2019 |
|---|---|---|---|---|
| | | | | US Dollar'000 |
| **Deferred tax assets:** | | | | |
| Employee benefit obligation | 1,775 | 754 | 3 | 2,532 |
| Loss carried forward | - | - | - | - |
| Financial derivative | 633 | (149) | (1,199) | (715) |
| Tax effect of currency translation on tax base | 20,825 | 24,915 | - | 45,740 |
| Others | 745 | (186) | 34 | 593 |
| Total | 23,978 | 25,334 | (1,162) | 48,150 |
| **Deferred tax liability:** | | | | |
| Tax effect of currency translation on tax base | - | - | - | - |
| Total | - | - | - | - |
| Net | 23,978 | 25,334 | (1,162) | 48,150 |

**Separate financial statements**

| | At 1 January 2018 | Charged (credited) to profit or loss | Charged (credited) to other comprehensive income or expense | At 31 December 2018 |
|---|---|---|---|---|
| | | | | US Dollar'000 |
| **Deferred tax assets:** | | | | |
| Employee benefit obligation | 1,568 | 86 | 121 | 1,775 |
| Loss carried forward | 8,818 | (8,818) | - | - |
| Financial derivative | 3,787 | (1,330) | (1,824) | 633 |
| Tax effect of currency translation on tax base | 18,800 | 2,025 | - | 20,825 |
| Others | 526 | (226) | 445 | 745 |
| Total | 33,499 | (8,263) | (1,258) | 23,978 |
| **Deferred tax liability:** | | | | |
| Tax effect of currency translation on tax base | - | - | - | - |
| Total | - | - | - | - |
| Net | 33,499 | (8,263) | (1,258) | 23,978 |

**Separate financial statement**

| | At 1 January 2019 | Charged (credited) to profit or loss | Charged (credited) to other comprehensive income or expense | Translation adjustment | At 31 December 2019 |
|---|---|---|---|---|---|
| | | | | | Baht'000 |
| **Deferred tax assets:** | | | | | |
| Employee benefit obligation | 57,614 | 23,423 | - | (4,694) | 76,343 |
| Loss carried forward | - | - | - | - | - |
| Financial derivative | 20,499 | (4,780) | (17,992) | (19,298) | (21,571) |
| Tax effect of currency translation on tax base | 675,796 | 778,359 | - | (74,879) | 1,379,276 |
| Others | 24,157 | (5,791) | 2,137 | (2,639) | 17,864 |
| Total | 778,066 | 791,211 | (15,855) | (101,510) | 1,451,912 |
| **Deferred tax liability:** | | | | | |
| Tax effect of currency translation on tax base | - | - | - | - | - |
| Total | - | - | - | - | - |
| Net | 778,066 | 791,211 | (15,855) | (101,510) | 1,451,912 |

**Separate financial statement**

| | At 1 January 2018 | Charged (credited) to profit or loss | Charged (credited) to other comprehensive income or expense | Translation adjustment | At 31 December 2018 |
|---|---|---|---|---|---|
| | | | | | Baht'000 |
| **Deferred tax assets:** | | | | | |
| Employee benefit obligation | 51,248 | 2,804 | 3,954 | (392) | 57,614 |
| Loss carried forward | 288,183 | (289,344) | - | 1,161 | - |
| Financial derivative | 123,748 | (42,746) | (57,800) | (2,703) | 20,499 |
| Tax effect of currency translation on tax base | 614,444 | 66,301 | - | (4,949) | 675,796 |
| Others | 17,153 | (7,278) | 14,651 | (369) | 24,157 |
| Total | 1,094,776 | (270,263) | (39,195) | (7,252) | 778,066 |

**Separate financial statement**

| | Baht'000 | | | | |
|---|---|---|---|---|---|
| | At 1 January 2018 | Charged (credited) to profit or loss | Charged (credited) to other comprehensive income or expense | Translation adjustment | At 31 December 2018 |
| **Deferred tax liability:** | | | | | |
| Tax effect of currency translation on tax base | - | - | - | - | - |
| Total | - | - | - | - | - |
| Net | 1,094,776 | (270,263) | (39,195) | (7,252) | 778,066 |

## 17.2 Income taxes

### 17.2.1 Income taxes for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Current tax: | | | | |
| Current tax on profit for the year | 90,995 | 131,429 | 2,818,395 | 4,259,475 |
| Withholding tax for dividends | 16,599 | 18,165 | 519,551 | 582,213 |
| Total current taxes | 107,594 | 149,594 | 3,337,946 | 4,841,688 |
| Deferred tax: | | | | |
| Origination and reversal of temporary differences | (31,579) | 39,547 | (969,795) | 1,268,277 |
| Total deferred tax | (31,579) | 39,547 | (969,795) | 1,268,277 |
| Total tax expenses | 76,015 | 189,141 | 2,368,151 | 6,109,965 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Current tax: | | | | |
| Current tax on profit for the year | - | - | - | - |
| Total current tax | - | - | - | - |
| Deferred tax: | | | | |
| Origination and reversal of temporary differences | (25,334) | 8,263 | (791,211) | 270,263 |
| Total deferred tax | (25,334) | 8,263 | (791,211) | 270,263 |
| Total tax expenses | (25,334) | 8,263 | (791,211) | 270,263 |

**17.2.2 The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows:**

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Profit before tax | 117,410 | 504,024 | 3,719,808 | 16,346,046 |
| Tax calculated at a tax rate of 20% | 23,482 | 100,805 | 743,962 | 3,269,209 |
| Tax effect of: | | | | |
| Income not subject to tax | (20,668) | (28,781) | (641,676) | (929,918) |
| Expenses not deductible for tax purpose | 5,645 | 11,663 | 175,258 | 376,835 |
| Tax losses for which no deferred income tax asset was recognised | 55,950 | 33,965 | 1,737,108 | 1,097,421 |
| Write-off deferred tax asset | - | 17,404 | - | 562,337 |
| Utilisation of previously unrecognised tax losses | (1,882) | (346) | (58,438) | (11,181) |
| Deferred income tax assets (liabilities) from exchange rate translation | (25,377) | 405 | (787,889) | 13,073 |
| Effect from difference of tax rate from the privilege of International Headquarter | (1,202) | 324 | (37,329) | 10,465 |
| Tax assessment | 5,518 | 13,386 | 171,324 | 432,511 |
| Withholding tax for dividends | 16,599 | 18,165 | 515,365 | 586,929 |
| Tax effect from different tax rates of foreign entities | 6,678 | 16,882 | 207,351 | 545,456 |
| Others | 11,272 | 5,269 | 343,115 | 156,828 |
| Tax expense | 76,015 | 189,141 | 2,368,151 | 6,109,965 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Profit before tax | 53,331 | 60,346 | 1,690,551 | 1,979,181 |
| Tax calculated at a tax rate of 20% | 10,666 | 12,069 | 338,110 | 395,836 |
| Tax effect of: | | | | |
| Income not subject to tax | (32,042) | (29,205) | (994,842) | (943,619) |
| Expenses not deductible for tax purpose | (427) | 838 | (13,246) | 27,049 |
| Write-off deferred tax assets | - | 8,818 | - | 284,919 |
| Recognition of previously unrecognised tax losses | 22,234 | 18,760 | 690,307 | 606,158 |
| Deferred income tax assets (liabilities) from exchange rate translation | (24,064) | 234 | (747,115) | 7,571 |
| Effect from difference of tax rate from the privilege of International Headquarter | (1,701) | (3,251) | (52,823) | (105,055) |
| Others | - | - | (11,602) | (2,596) |
| Income taxes | (25,334) | 8,263 | (791,211) | 270,263 |

On 30 June 2015, the Revenue Department approved the Company as an International Headquarters (IHQ) for management, technical, and supportive services. The Company will receive tax privileges for 15 accounting periods, effective from 1 July 2015 to 31 December 2029. Tax privileges are as follows:

1. Corporate income tax exemption on net profit from providing services and royalties from its overseas affiliates.
2. Corporate income tax rate reduction from 20% to 10% on net profit from providing services and royalties from its Thai affiliates. However, the Company made a request to cancel this privilege on 11 February 2016.
3. Personal income tax rate reduction for expatriate employees of the IHQ to 15% of their income.

In 2019, the Revenue Department cancelled the tax privileges related to IHQ which was effective on 1 June 2019. The tax privileges related to IHQ ended on 31 May 2019.

## 18 Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net

Deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net as at 31 December consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Current portion: | | | | |
| - Deferred longwall development costs | 97,168 | 30,796 | 2,929,991 | 999,327 |
| | 97,168 | 30,796 | 2,929,991 | 999,327 |
| Non-current portion: | | | | |
| - Deferred exploration and development expenditures | 777,571 | 707,539 | 23,446,893 | 22,959,502 |
| - Deferred stripping costs | 142,492 | 161,718 | 4,296,692 | 5,247,726 |
| | 920,063 | 869,257 | 27,743,585 | 28,207,228 |
| Total deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net | 1,017,231 | 900,053 | 30,673,576 | 29,206,555 |

Movement of deferred exploration and development expenditures and deferred overburden expenditures/stripping costs, net for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **As at 1 January** | | | | |
| Cost | 4,650,423 | 3,905,856 | 150,905,307 | 127,646,935 |
| Less Accumulated amortisation | (3,748,871) | (3,080,060) | (121,650,094) | (100,659,146) |
| Allowance for impairment | (1,499) | (1,499) | (48,658) | (49,004) |
| Net book amount | 900,053 | 824,297 | 29,206,555 | 26,938,785 |
| **For the years ended 31 December** | | | | |
| Opening net book amount | 900,053 | 824,297 | 29,206,555 | 26,938,785 |
| Additions | 893,845 | 829,846 | 27,751,732 | 26,812,960 |
| Amortisation | (770,190) | (695,475) | (23,912,552) | (22,471,316) |
| Translation differences | (6,477) | (58,615) | (2,372,159) | (2,073,874) |
| Net book amount | 1,017,231 | 900,053 | 30,673,576 | 29,206,555 |

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **As at 31 December** | | | | |
| Cost | 5,345,529 | 4,650,423 | 161,189,067 | 150,905,307 |
| Less Accumulated amortisation | (4,328,298) | (3,748,871) | (130,515,491) | (121,650,094) |
| Allowance for impairment | - | (1,499) | - | (48,658) |
| Net book amount | 1,017,231 | 900,053 | 30,673,576 | 29,206,555 |

The majority of additions and amortisation represents overburden expenditures. The Group presents the amortisation incurred during the year under cost of sales in the consolidated statements of comprehensive income.

## 19 Mining property rights, net

Movements of mining property rights for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening net book amount | 1,710,766 | 1,767,883 | 55,514,011 | 57,776,009 |
| Amortisation | (45,998) | (57,117) | (1,428,128) | (1,845,493) |
| Translation differences | - | - | (3,886,473) | (416,505) |
| Closing net book amount | 1,664,768 | 1,710,766 | 50,199,410 | 55,514,011 |

## 20 Goodwill

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| **As at 1 January** | | | | |
| Cost | 524,120 | 524,267 | 17,007,600 | 17,133,737 |
| Less Allowance for impairment | - | (147) | - | (5,013) |
| Net book amount | 524,120 | 524,120 | 17,007,600 | 17,128,724 |
| **For the years ended 31 December** | | | | |
| Opening net book amount | 524,120 | 524,120 | 17,007,600 | 17,128,724 |
| Decrease from disposal of subsidiary | - | (147) | - | (4,750) |
| Reversal of impairment charge | - | 147 | - | 4,750 |
| Translation differences | - | - | (1,203,275) | (121,124) |
| Closing net book amount | 524,120 | 524,120 | 15,804,325 | 17,007,600 |
| **As at 31 December** | | | | |
| Cost | 524,120 | 524,120 | 15,804,325 | 17,007,600 |
| Less Allowance for impairment | - | - | - | - |
| Net book amount | 524,120 | 524,120 | 15,804,325 | 17,007,600 |

Goodwill is not considered as taxable expenses for the Group.

Goodwill allocation for each material cash generation unit (CGU) is presented as:

**Consolidated financial statements**

| | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | **Indonesia** | **Australia** | **Mongolia** | **Indonesia** | **Australia** | **Mongolia** |
| Goodwill allocation | | | | | | |
| - US Dollar'000 | 17,418 | 466,928 | 38,506 | 17,418 | 466,928 | 38,506 |
| - Baht'000 | 525,216 | 14,079,753 | 1,161,113 | 565,204 | 15,151,727 | 1,249,515 |

### Impairment tests for goodwill

Goodwill arising from the acquisition of a group of mining businesses in each country is tested annually for impairment by comparing the carrying amount to the recoverable amount for each cash-generating unit, which is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering the mine lives in each country. Cash inflow from revenues is based on the estimated coal production quantities of each mine and estimated selling prices and cash outflow using the inflation rate for the five-year period and using the constant inflation rate for periods beyond five years. The discount rates used are WACC for mines in each country as detailed below:

**Consolidated financial statements**

| | 2019 | | | 2018 | | |
|---|---|---|---|---|---|---|
| | Indonesia | Australia | Mongolia | Indonesia | Australia | Mongolia |
| Inflation rate used in the projections of cash outflow | 4.00% | 2.50% | 3.40% to 6.00% | 4.20% | 2.20% to 2.40% | 3.40% |
| Discount rate | 8.54% | 8.60% | 11.63% | 10.21% | 9.15% | 13.35% |

If the discount rate used in the calculation of goodwill arising from acquisition of mining in Indonesia and Mongolia increase by 0.5% per annum, there is no impairment of goodwill recorded in the consolidated financial statements for the year ended 31 December 2019. If the discount rate used in the calculation of goodwill arising from acquisition of mining in Australia increase by 0.28% per annum, the recoverable amount will be equal to the carrying amount.

## 21 Other non-current assets

Other non-current assets consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Advances to a joint venture | - | 5,601 | - | 181,736 |
| Value added tax receivable | 23,508 | 28,319 | 708,869 | 918,942 |
| Prepaid income tax | 75,817 | 43,267 | 2,286,197 | 1,404,001 |
| Deposits | 10,837 | 17,259 | 326,774 | 560,060 |
| Restricted deposits at banks (Note 15.1 d) | 24,936 | 13,425 | 751,923 | 435,626 |

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Accrued income | 51,348 | 32,705 | 1,548,352 | 1,061,274 |
| Rights to operate the power plants, net | 6,627 | 6,558 | 199,845 | 212,815 |
| Land used right, net | 9,676 | 10,783 | 291,766 | 349,902 |
| Others | 77,363 | 61,989 | 2,332,773 | 2,011,540 |
| Total other non-current assets | 280,112 | 219,906 | 8,446,499 | 7,135,896 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Advance to subsidiary (Note 34) | 77,000 | - | 2,321,858 | - |
| Prepaid income tax | 316 | 140 | 9,521 | 4,556 |
| Deposits | 263 | 247 | 7,919 | 8,009 |
| Others | 5,272 | 2,756 | 158,990 | 89,440 |
| Total other non-current assets | 82,851 | 3,143 | 2,498,288 | 102,005 |

## 22 Short-term loans from financial institutions

Movements of short-term loans from financial institutions for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Opening balance | 511,873 | 419,100 | 16,610,171 | 13,696,553 |
| Cash flows: | | | | |
| Additions | 1,057,991 | 872,232 | 32,848,096 | 28,182,416 |
| Repayments of loans | (1,130,829) | (775,225) | (35,109,527) | (25,048,057) |
| (Gains) losses on exchange rate | 15,869 | (3,243) | 492,710 | (104,280) |
| Translation differences | (43) | (991) | (1,125,585) | (116,461) |
| Closing net book amount | 454,861 | 511,873 | 13,715,865 | 16,610,171 |

As at 31 December 2019, short-term loans from financial institutions are unsecured liabilities, which were dominated in CNY of 205.49 million or equivalent to US Dollar 29.42 million, Thai Baht of 8,000 million or equivalent to US Dollar 265.31 million, Indonesian Rupiah of 42,912.32 million or equivalent to US Dollar 4.29 million, Australian dollar of 7.93 million or equivalent to US Dollar 5.54 million, and US Dollar 150.30 million (31 December 2018: CNY loan of 243.58 million or equivalent to US Dollar 35.45 million, Thai Baht of 7,120 million or equivalent to US Dollar 219.42, and US Dollar of 257 million). These loans bore interest at the rates of 1.37% to 5.22% per annum (31 December 2018: 1.71% to 5.67%). The repayments are due within one year.

The fair value of short-term loans equal their carrying amount, as short-term borrowings had a short period of maturity.

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | 466,554 | 348,000 | 15,139,599 | 11,372,953 |
| Cash flows: | | | | |
| Additions | 843,206 | 700,102 | 26,179,513 | 22,620,798 |
| Repayments of loans | (916,325) | (577,837) | (28,449,688) | (18,670,302) |
| Other non-cash movements: | | | | |
| (Gains) losses on exchange rate | 15,870 | (3,711) | 492,710 | (119,500) |
| Translation differences | - | - | (1,019,958) | (64,350) |
| Closing net book amount | 409,305 | 466,554 | 12,342,176 | 15,139,599 |

As at 31 December 2019, short-term loans from financial institutions are unsecured liabilities, which were dominated in US Dollar of 144 million and Thai baht loans of 8,000 million or equivalent to US Dollar 265.31 million (31 December 2018: US Dollar of 257 million, Thai Baht loan of 6,800 million or equivalent to and US Dollar of 209.55 million) Such loans bore interest at the rates of 1.78 % to 2.65% per annum (2018: 1.71% to 3.72%). The repayments are due within one year.

The fair value of short-term loans equal their carrying amount, as short-term borrowings had a short period of maturity.

## 23 Long-term borrowings, net

As at 31 December, long-term borrowings consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **201** | **2019** | **201** |
| Current portion | | | | |
| Long-term loans from financial institutions, net | 359,699 | 369,057 | 10,846,351 | 11,975,824 |
| Finance lease liabilities, net | 3,416 | 624 | 103,017 | 20,263 |
| Total current portion, net | 363,115 | 369,681 | 10,949,368 | 11,996,087 |
| Non-current portion | | | | |
| Long-term loans from financial institutions, net | 1,570,227 | 1,427,814 | 47,348,656 | 46,332,295 |
| Private placement notes, net | 224,060 | 224,180 | 6,756,273 | 7,274,564 |
| Finance lease liabilities, net | 2,166 | 2,837 | 65,315 | 92,076 |
| Total non-current portion, net | 1,796,453 | 1,654,831 | 54,170,244 | 53,698,935 |
| Total long-term borrowings, net | 2,159,568 | 2,024,512 | 65,119,612 | 65,695,022 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Long-term loans from financial institutions | | | | |
| - Current portion, net | 223,282 | 235,992 | 6,732,855 | 7,657,887 |
| - Non-current portion, net | 1,037,750 | 1,015,418 | 31,292,325 | 32,950,113 |
| Total long-term borrowings, net | 1,261,032 | 1,251,410 | 38,025,180 | 40,608,000 |

### Long-term loans from financial institutions

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Long-term US Dollar loans | 1,386,000 | 1,357,000 | 41,793,444 | 44,034,379 |
| Long-term foreign currency loans | 551,391 | 448,414 | 16,626,646 | 14,550,947 |
| Total | 1,937,391 | 1,805,414 | 58,420,090 | 58,585,326 |
| Less Deferred financing service fee | (7,465) | (8,543) | (225,083) | (277,207) |
| | 1,929,926 | 1,796,871 | 58,195,007 | 58,308,119 |
| Less Current portion of long-term loans from financial institutions | (359,699) | (369,057) | (10,846,351) | (11,975,824) |
| Long-term loans from financial institutions, net | 1,570,227 | 1,427,814 | 47,348,656 | 46,332,295 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Long-term US Dollar loans | 1,266,000 | 1,257,000 | 38,174,964 | 40,789,399 |
| Less Deferred financing service fee | (4,968) | (5,590) | (149,784) | (181,399) |
| | 1,261,032 | 1,251,410 | 38,025,180 | 40,608,000 |
| Less Current portion of long-term loans from financial institutions | (223,282) | (235,992) | (6,732,855) | (7,657,887) |
| Long-term loans from financial institutions, net | 1,037,750 | 1,015,418 | 31,292,325 | 32,950,113 |

Movements in long-term loans from financial institutions of the Group for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening net balance | 1,796,871 | 1,605,098 | 58,308,119 | 52,456,051 |
| Cash flows: | | | | |
| Additions | 335,306 | 497,644 | 10,410,444 | 16,079,238 |
| Repayment of loans | (212,197) | (276,349) | (6,588,205) | (8,929,024) |
| Financing service fees | (1,834) | (2,551) | (56,927) | (82,414) |

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Other non-cash movements: | | | | |
| Amortisation of deferred financing service fees | 3,188 | 2,660 | 98,971 | 85,952 |
| Gains on exchange rate | - | (945) | - | (30,527) |
| Translation differences | 8,592 | (28,686) | (3,977,395) | (1,271,157) |
| Closing net balance | 1,929,926 | 1,796,871 | 58,195,007 | 58,308,119 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening net balance | 1,251,410 | 1,100,055 | 40,608,000 | 35,950,784 |
| Cash flows: | | | | |
| Additions | 141,000 | 289,000 | 4,377,712 | 9,337,792 |
| Repayment of loans | (132,000) | (137,000) | (4,098,283) | (4,426,566) |
| Financing service fees | (1,316) | (2,137) | (40,847) | (69,033) |
| Other non-cash movements: | | | | |
| Amortisation of deferred financing service fees | 1,938 | 1,492 | 60,184 | 48,192 |
| Translation differences | - | - | (2,881,586) | (233,169) |
| Closing net balance | 1,261,032 | 1,251,410 | 38,025,180 | 40,608,000 |

As at 31 December, long-term loans of subsidiaries were unsecured loans from banks, except long-term loans of a subsidiary in the assets were secured liabilities. The long-term loans are secured over assets as described in Note 16. Details of loans are shown as follow:

| | Million US Dollar (Original currency) | | | |
|---|---|---|---|---|
| No. | 2019 | 2018 | Interest rate | Due of loan payment |
| 1 | 120.00 | 100.00 | BBA LIBOR plus applicable fixed margin | Repayment on 31 May 2024. |
| | 120.00 | 100.00 | | |

| | Million Australian Dollar (Original currency) | | | |
|---|---|---|---|---|
| No. | 2019 | 2018 | Interest rate | Due of loan payment |
| 1 | 330.00 | 330.00 | BBSY plus applicable fixed margin | Repayment on 18 December 2022. |
| 2 | 170.00 | 20.00 | BBSY plus applicable fixed margin | Revolving loan maturity in 2020 |
| | 500.00 | 350.00 | | |

As at 31 December, long-term loans of subsidiaries were unsecured loans from banks. Details of loans are shown as follow:

| | Million Australian Dollar (Original currency) | | | |
|---|---|---|---|---|
| No. | 2019 | 2018 | Interest rate | Due of loan payment |
| 1 | 46.94 | 53.73 | BBA LIBOR plus applicable fixed margin | Repayment every 3 months commencing 21 February 2018 to expiry of agreement on 21 August 2020. |
| 2 | 18.80 | 43.87 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 11 June 2018 to expiry of agreement on 9 June 2020. |
| 3 | 2.33 | 5.43 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 11 June 2018 to expiry of agreement on 9 June 2020. |
| 4 | 0.86 | 2.01 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 11 June 2018 to expiry of agreement on 9 June 2020. |
| 5 | 197.35 | 203.30 | BBA LIBOR plus applicable fixed margin | Repayment every 3 months commencing 11 April 2018 to expiry of agreement on 11 January 2027. |
| 6 | 98.66 | - | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 30 May 2020 to expiry of agreement on 30 May 2022. |
| 7 | 29.39 | - | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 30 November 2020 to expiry of agreement on 23 May 2022. |
| | 394.33 | 308.34 | | |

| | Million Baht (Original currency) | | | |
|---|---|---|---|---|
| No. | 2019 | 2018 | Interest rate | Due of loan payment |
| 1 | 1,400.00 | 2,100.00 | THB FIX plus applicable fixed margin | Repayment every 6 months commencing 27 June 2019 to expiry of agreement on 27 December 2021. |
| 2 | 1,500.00 | 1,500.00 | THB FIX plus applicable fixed margin | Repayment every 6 months commencing 21 August 2022 to expiry of agreement on 21 August 2025. |
| 3 | 1,500.00 | 1,500.00 | THB FIX plus applicable fixed margin | Repayment every 6 months commencing 20 December 2022 to expiry of agreement on 21 December 2025. |
| | 4,400.00 | 5,100.00 | | |

As at 31 December, long-term loans of the Company were unsecured loans denominated in US Dollar as details below:

| | Million US Dollar (Original currency) | | | |
|---|---|---|---|---|
| No. | 2019 | 2018 | Interest rate | Due of loan payment |
| 1 | - | 23.00 | Fixed interest rate | Repayment every 6 months commencing 12 November 2015 to expiry of agreement on 12 November 2019 |
| 2 | 60.00 | 80.00 | BBA LIBOR plus applicable fixed margin | Repayment annually commencing 27 June 2018 to expiry of agreement on 25 June 2022. |
| 3 | 100.00 | 100.00 | BBA LIBOR plus applicable fixed margin | Repayment of principal as agreement expires on 25 December 2022. |
| 4 | 90.00 | 90.00 | BBA LIBOR plus applicable fixed margin | Repayment of principal as agreement expires on 29 March 2024. |
| 5 | 70.00 | 75.00 | BBA LIBOR plus applicable fixed margin | Repayment of principal as agreement expires on 16 September 2023. |
| 6 | 20.00 | 40.00 | BBA LIBOR plus applicable fixed margin | Repayment annually commencing 27 April 2016 to expiry of agreement on 26 April 2020. |
| 7 | 15.00 | 15.00 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 6 February 2021 to expiry of agreement on 5 February 2025. |
| 8 | 85.00 | 85.00 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 6 February 2021 to expiry of agreement on 5 February 2025. |
| 9 | 60.00 | 60.00 | BBA LIBOR plus applicable fixed margin | Repayment of principal as agreement expires on 22 December 2021. |
| 10 | 160.00 | 160.00 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 22 March 2020 to expiry of agreement on 23 March 2022. |
| 11 | 240.00 | 240.00 | BBA LIBOR plus applicable fixed margin | Repayment of principal as agreement expires on 22 December 2021. |

| | Million US Dollar (Original currency) | | | |
|---|---|---|---|---|
| **No.** | **2019** | **2018** | **Interest rate** | **Due of loan payment** |
| 12 | 50.00 | 50.00 | BBA LIBOR plus applicable fixed margin | Repayment annually commencing 26 June 2021 to expiry of agreement on 26 June 2025. |
| 13 | 100.00 | 75.00 | BBA LIBOR plus applicable fixed margin | Repayment of principle as agreement expires on 11 April 2024. |
| 14 | 44.00 | 100.00 | BBA LIBOR plus applicable fixed margin | Revolving loan maturity in 2022. |
| 15 | 72.00 | 34.00 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 10 September 2019 to expiry of agreement on 10 September 2025. |
| 16 | 100.00 | 30.00 | BBA LIBOR plus applicable fixed margin | Repayment every 6 months commencing 18 June 2020 to expiry of agreement on 18 December 2025. |
| | 1,266.00 | 1,257.00 | | |

As at 31 December, the effective interest rates are as follows:

| | Consolidated financial statements | | Separated financial statements | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| | **%** | **%** | **%** | **%** |
| Loans from financial institutions | 2.21 - 6.125 | 2.87 - 5.74 | 3.49 - 4.85 | 3.67 - 5.71 |
| Finance lease | 4.57 | 6.49 | - | - |

Interest rate risk on long-term loans of the Group is as follows:

| Consolidated financial statements | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| - at fixed rates | - | 23,000 | - | 746,345 |
| - at floating rates | 1,937,391 | 1,782,414 | 58,420,090 | 57,838,981 |
| Total loans | 1,937,391 | 1,805,414 | 58,420,090 | 58,585,326 |

### Separate financial statements

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| - at fixed rates | - | 23,000 | - | 746,345 |
| - at floating rates | 1,266,000 | 1,234,000 | 38,174,964 | 40,043,054 |
| Total loans | 1,266,000 | 1,257,000 | 38,174,964 | 40,789,399 |

The fair value of long-term borrowings equal their carrying amount, as the impact of discounting is not significant. The fair value is based on discounted cash flows using a discount rate based on the current lending rate as at the reporting date and are within level 2 of the fair value hierarchy.

Maturities of long-term loans from financial institutions are as follows:

### Consolidated financial statements

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Within 1 year | 360,544 | 369,648 | 10,871,832 | 11,994,998 |
| Later than 1 year but not later than 5 years | 1,311,358 | 1,229,316 | 39,542,694 | 39,891,051 |
| Later than 5 years | 265,489 | 206,450 | 8,005,564 | 6,699,277 |
| Total loans | 1,937,391 | 1,805,414 | 58,420,090 | 58,585,326 |

### Separate financial statements

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Within 1 year | 224,000 | 236,400 | 6,754,496 | 7,671,133 |
| Later than 1 year but not later than 5 years | 876,000 | 906,600 | 26,414,903 | 29,418,989 |
| Later than 5 years | 166,000 | 114,000 | 5,005,565 | 3,699,277 |
| Total loans | 1,266,000 | 1,257,000 | 38,174,964 | 40,789,399 |

The Group is required to comply with certain criteria and conditions; for example, maintaining debt to equity ratio.

### Private Placement Notes

As at 31 December 2019 and 2018, Private Placement Notes amounting to US Dollar 225 million which are unsecured liabilities comprise senior debt notes to the institutional investor in the United States of America with a range of maturities of 10 to 15 years. The notes have the weighted average effective interest rate of 4.55% per annum.

The fair value of current Private Placement Notes equals their carrying amount, as the impact of discount is not significant. The fair values are based on discounted cash flows using the weighted average interest rate of 4.39% per annum. This fair value estimation is in level 2.

### Finance lease liabilities

Minimum lease payments under finance lease liabilities are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Not later than 1 year | 3,416 | 624 | 103,017 | 20,263 |
| Later than 1 year but not later than 5 years | 2,166 | 2,837 | 65,315 | 92,076 |
| Present value of finance lease liabilities | 5,582 | 3,461 | 168,332 | 112,339 |
| Finance lease liabilities: | | | | |
| - Current portion | 3,416 | 624 | 103,017 | 20,263 |
| - Non-current portion | 2,166 | 2,837 | 65,315 | 92,076 |
| Total finance lease liabilities | 5,582 | 3,461 | 168,332 | 112,339 |

## 24 Debentures, net

| Consolidated and separate financial statements | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| US Dollar debentures | 200,000 | 200,000 | 6,030,800 | 6,489,960 |
| Thai Baht debentures | 1,621,675 | 1,286,603 | 48,900,000 | 41,750,000 |
| Total | 1,821,675 | 1,486,603 | 54,930,800 | 48,239,960 |
| Less Deferred financing service fee | (1,768) | (1,655) | (53,322) | (53,697) |
| | 1,819,907 | 1,484,948 | 54,877,478 | 48,186,263 |
| Less Current portion of debentures | (175,725) | (87,818) | (5,298,803) | (2,849,677) |
| Debentures, net | 1,644,182 | 1,397,130 | 49,578,675 | 45,336,586 |

Movements of debentures for the years ended 31 December are as follows:

| Consolidated and separate financial statements | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Opening net balance | 1,484,948 | 1,593,894 | 48,186,263 | 52,089,875 |
| Cash flows: | | | | |
| Additions | 313,983 | 50,000 | 9,748,406 | 1,615,535 |
| Repayment of debentures | (89,485) | (177,867) | (2,778,296) | (5,746,993) |
| Financing service fee | (454) | (67) | (14,095) | (2,170) |
| Other non-cash movements: | | | | |
| Amortisation of deferred financing fee | 340 | 317 | 10,570 | 10,257 |
| Net losses on exchange rate | 110,575 | 18,671 | 3,433,093 | 603,262 |
| Translation differences | - | - | (3,708,463) | (383,503) |
| Closing net balance | 1,819,907 | 1,484,948 | 54,877,478 | 48,186,263 |

### Issued debentures

In May 2019, the Company issued Thai Baht, specifying name, senior and unsecured debentures totalling Baht 10,000 million or equivalent to US Dollar 313.98 million. Such debentures have fixed interest rate at 4.00% per annum paid every 6 months. The maturity date is at 10 years.

Debentures are unsecured liabilities. However, the Group is required to comply with certain procedures and conditions; for example, maintaining debt to equity ratio.

The interest rates on the debentures of the Group are as follows:

| Consolidated and separate financial statements | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| - at fixed rates | 1,821,675 | 1,486,603 | 54,930,800 | 48,239,960 |
| - at floating rates | - | - | - | - |
| Total debentures | 1,821,675 | 1,486,603 | 54,930,800 | 48,239,960 |

The weighted average effective interest rate of debentures of the Group after recognising the effect from interest rate swap contracts is 4.42% per annum (2018: 4.53% per annum).

Book value and fair value of debentures are as follow:

| Consolidated and separate financial statements | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Book value | 1,821,675 | 1,486,603 | 54,930,800 | 48,239,960 |
| Fair value | 1,941,127 | 1,556,849 | 58,532,733 | 50,519,434 |

Fair value estimation of debentures is in level 2. The fair values are based on discounted cash flows carrying interest rates of debentures published in Thai Bond Market Association.

Maturities of debentures are as follows:

**Consolidated and separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Within 1 year | 175,764 | 87,828 | 5,300,000 | 2,850,000 |
| Later than 1 year but not later than 5 years | 697,191 | 667,723 | 21,023,100 | 21,667,470 |
| Later than 5 years | 948,720 | 731,052 | 28,607,700 | 23,722,490 |
| Total debentures | 1,821,675 | 1,486,603 | 54,930,800 | 48,239,960 |

## 25 Other current liabilities

As at 31 December, other current liabilities consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Accrued expenses | 239,689 | 294,239 | 7,227,566 | 9,548,005 |
| Value added tax payable | 5,886 | 8,984 | 177,500 | 291,526 |
| Withholding tax payable | 7,463 | 6,227 | 225,025 | 202,076 |
| Other payables for purchase of property, plant and equipment | 28,205 | 28,530 | 850,497 | 925,801 |
| Accrued expense for purchase of investment | 2,182 | 11,684 | 65,793 | 379,150 |
| Others | 2,526 | 456 | 76,200 | 14,768 |
| Total other current liabilities | 285,951 | 350,120 | 8,622,581 | 11,361,326 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Accrued expenses | 4,512 | 14,596 | 136,046 | 473,646 |
| Value added tax payable | 193 | 410 | 5,828 | 13,308 |
| Withholding tax payable | 838 | 724 | 25,269 | 23,498 |
| Other payables for purchase of property, plant and equipment | 203 | 686 | 6,135 | 22,256 |
| Total other current liabilities | 5,746 | 16,416 | 173,278 | 532,708 |

## 26 Share capital and premium on share capital

| | Number of registered shares | Issued and paid-up share capital | | Share premium | Treasury shares | Total |
|---|---|---|---|---|---|---|
| | | Number of shares | Ordinary shares | | | |
| | Share | Share | US Dollar'000 | US Dollar'000 | US Dollar'000 | US Dollar'000 |
| As at 31 December 2018 | 5,165,257,100 | 5,161,925,515 | 149,961 | 443,624 | - | 593,585 |
| As at 1 January 2019 | 5,165,257,100 | 5,161,925,515 | 149,961 | 443,624 | - | 593,585 |
| Less Decreased in registered share capital | (3,331,585) | - | - | - | - | - |
| Treasury shares | - | - | - | - | (38,138) | (38,138) |
| As at 31 December 2019 | 5,161,925,515 | 5,161,925,515 | 149,961 | 443,624 | (38,138) | 555,447 |

| | Number of registered shares | Issued and paid-up share capital | | Share premium | Treasury shares | Total |
|---|---|---|---|---|---|---|
| | | Number of shares | Ordinary shares | | | |
| | Share | Share | Baht'000 | Baht'000 | Baht'000 | Baht'000 |
| As at 31 December 2018 | 5,165,257,100 | 5,161,925,515 | 5,161,925 | 15,372,438 | - | 20,534,363 |
| As at 1 January 2019 | 5,165,257,100 | 5,161,925,515 | 5,161,925 | 15,372,438 | - | 20,534,363 |
| Less Decreased in registered share capital | (3,331,585) | - | - | - | - | - |
| Treasury shares | - | - | - | - | (1,157,140) | (1,157,140) |
| As at 31 December 2019 | 5,161,925,515 | 5,161,925,515 | 5,161,925 | 15,372,438 | (1,157,140) | 19,377,223 |

At the Annual General Shareholders' meeting of the Company on 3 April 2019, the shareholders approved the reduction of the Company's registered share capital from Baht 5,165,257,100 to Baht 5,161,925,515 by cancelling 3,331,585 authorised but unissued shares of the Company at par value of 1 Baht per share. The Company registered such reduction of the Company's registered share capital with the Ministry of Commerce on 11 April 2019.

During the year ended 31 December 2019, the Company repurchased the ordinary share in accordance to the share repurchase project from the main board of Stock Exchange of Thailand of Baht 1,157.14 million or equivalent to US Dollar 38.14 million for the ordinary share of 87.34 million shares. The payment for treasury shares presented as reduction in equity. The Company has set up reserve for this treasury shares in the same amount of payment. The Company has determined the maximum amount of treasury shares of Baht 5,000 million for approximately 385 million shares within 10 March 2020. After the completion date of repurchase treasury shares, the Company will resell this treasury shares which shall not be lower than 85% of the average closing price of the last 5 trading dates. If the company cannot resell the treasury shares within the share resale period, the Company will write off such registered share capital. As at 31 December 2019, the Company has not decreased the registered share capital.

## 27 Legal reserve

Under the Public Company Act, the Company is required to set aside a statutory reserve of at least 5% of its net profit after accumulated deficit is brought forward (if any) until the reserve reaches not less than 10% of the registered capital. The legal reserve is non-distributable. As at 31 December 2019 and 2018, the legal reserve was fully recognised at 10% of registered capital.

## 28 Other reserves

Other reserves of the Group comprised reserves for treasury stocks (Note 26) and reserves resulting from holding a joint venture in the People's Republic of China. These reserves are in accordance with the regulation of a government unit in the People's Republic of China with the objective of future development, safety and transformation.

## 29 Share-based payment

In 2016, Banpu Power Public Company Limited (BPP), a subsidiary, issued rights to purchase of ordinary shares of BPP to the directors and employees of Banpu Group (BPP-W) (excluding directors, management and employees of the Banpu Power Group). In 2017, BPP issued rights to purchase of ordinary shares of BPP to the directors and employees of Banpu Power Group (BPP-ESOP) based on their position, duty, and responsibility towards BPP and its subsidiaries. The Group has no legal or constructive obligation to repurchase or settle such rights in cash. The terms and conditions of the rights to purchase ordinary shares are summarised as follows:

| Descriptions | Detail | | |
|---|---|---|---|
| Number of issued and offered shares | Not exceeding 58,800,000 shares. 49,300,000 shares (as at 31 December 2019) to be allocated and not exceeding 9,500,000 shares, which BPP's ad-hoc Compensation Committee will consider and allocate as appropriate. | | |
| Term of the plan | Not exceeding 5 years from the date of approval by BPP shareholders' meeting. The offering will be completed by 19 October 2021. | | |
| | Exercise price (Baht per share) | Exercise period | Number of exercised shares |
| Exercise price, period and conditions | 23.10 | The date of issue and offering ordinary shares - 19 October 2021 | 10% of the total allocated shares |
| | 25.20 | From 19 October 2017 to 19 October 2021 | 15% of the total allocated shares |
| | 27.30 | From 19 October 2018 to 19 October 2021 | 20% of the total allocated shares |
| | 29.40 | From 19 October 2019 to 19 October 2021 | 25% of the total allocated shares |
| | 31.50 | From 19 October 2020 to 19 October 2021 | 30% of the total allocated shares |
| Subscription dates | ESOP can be exercised 4 times a year on the last business day of March, June, September and December from the first exercise date, except for the last exercise date, which is 19 October 2021. | | |

The Group recognised and presented the rights to purchase ordinary shares for the selected directors and employees of Banpu Group under BPP-W and the right to purchase ordinary shares for the directors and employees of Banpu Power Group under BPP-ESOP totalling Baht 7.60 million or equivalent to US Dollar 0.26 million in the consolidated statement of changes in equity for the year ended 31 December 2019 (2018: Baht 13 million or equivalent to US Dollar 0.4 million).

The number of the rights to purchase ordinary shares and the related weighted average exercise prices are as follows:

**Consolidated financial statements**

| | 2019 | | 2018 | |
|---|---|---|---|---|
| | Weighted average exercise price Baht per share | Number of warrants | Weighted average exercise price Baht per share | Number of warrants |
| At 1 January | 28.92 | 42,670,300 | 28.90 | 41,910,300 |
| Granted during the period | 29.09 | 1,300,000 | 29.09 | 900,000 |
| Exercised during the period | - | - | 23.10 | (140,000) |
| At 31 December | 28.92 | 43,970,300 | 28.92 | 42,670,300 |

For the rights to purchase ordinary shares for the selected directors and employees of Banpu Group under BPP-W, the weighted average fair value of granted the rights to purchase determined using the Black-Scholes valuation model was Baht 0.19 per unit. The significant inputs into the model were a weighted average share price of Baht 21.00 at the grant date, exercise price was Baht 23.10 to Baht 31.50, volatility of 20%, dividend yield of 4.60%, an expected life of 5 years, and an annual risk-free interest rate of 1.78%.

For share-based payment to the directors and employees of Banpu Power Group under BPP-ESOP, the weighted average fair value of granted the rights to purchase determined using the Black-Scholes valuation model was Baht 2.11 per unit. The significant inputs into the model were a weighted average share price of Baht 25.75 at the grant date, exercise price was Baht 23.10 to Baht 31.50, volatility of 20%, dividend yield of 4.60%, an expected life of 5 years, and an annual risk-free interest rate of 2.13%.

## 30 Other components of equity

Movements of other components of equity for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | | | | Baht'000 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Surplus on changes of percentage shareholding in subsidiaries | Fair value reserve of availble-for-sale investments | Cash flow hedge | Translation differences | Total | Surplus on changes of percentage shareholding in subsidiaries | Fair value reserve of availble-for-sale investments | Cash flow hedge | Translation differences | Total |
| Opening balance as at 1 January 2019, net of taxes | 312,383 | (4,274) | (19,229) | (446,302) | (157,422) | 11,341,274 | (138,670) | (623,968) | (18,272,358) | (7,693,722) |
| Changes in fair value | - | (58) | - | - | (58) | - | (1,623) | - | - | (1,623) |
| Share of other comprehensive income | - | - | (29,608) | 46,567 | 16,959 | - | - | (922,013) | - | (922,013) |
| Tax charge (credit) to other comprehensive income | | 81 | (1,965) | - | (1,884) | - | 2,479 | (82,025) | - | (79,546) |
| Translation differences | - | - | - | - | - | - | 9,608 | 96,163 | (4,435,447) | (4,329,676) |
| Closing balance as at 31 December 2019, net of taxes | 312,383 | (4,251) | (50,802) | (399,735) | (142,405) | 11,341,274 | (128,206) | (1,531,843) | (22,707,805) | (13,026,580) |
| Opening balance as at 1 January 2018, net of taxes | 312,296 | (2,340) | (13,378) | (308,360) | (11,782) | 11,338,447 | (76,399) | (437,212) | (13,124,515) | (2,299,679) |
| Changes portion in investment in subsidiaries | 87 | - | - | - | 87 | 2,827 | - | - | - | 2,827 |
| Changes in fair value | - | (2,457) | - | - | (2,457) | - | (78,253) | - | - | (78,253) |
| Share of other comprehensive income | - | - | (21,265) | (137,942) | (159,207) | - | - | (692,236) | - | (692,236) |
| Tax charge (credit) to other comprehensive income | - | 523 | 15,414 | - | 15,937 | - | 16,670 | 505,466 | - | 522,136 |
| Translation differences | - | - | - | - | - | - | (688) | 14 | (5,147,843) | (5,148,517) |
| Closing balance as at 31 December 2018, net of taxes | 312,383 | (4,274) | (19,229) | (446,302) | (157,422) | 11,341,274 | (138,670) | (623,968) | (18,272,358) | (7,693,722) |

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| | US Dollar'000 | | | Baht'000 | | | |
|---|---|---|---|---|---|---|---|
| | Fair value reserve of availble-for-sale investments | Cash flow hedge | Total | Fair value reserve of availble-for-sale investments | Cash flow hedge | Translation differences | Total |
| Opening balance as at 1 January 2019, net of taxes | 1,955 | 19,662 | 21,617 | 63,457 | 638,012 | (758,340) | (56,871) |
| Changes in fair value | 97 | (20,133) | (20,036) | 3,202 | (642,928) | - | (639,726) |
| Tax charge (credit) to other comprehensive income | 34 | (1,198) | (1,164) | 1,032 | (34,791) | - | (33,759) |
| Translation differences | - | - | - | (4,774) | (10,622) | (2,700,431) | (2,715,827) |
| Closing balance as at 31 December 2019, net of taxes | 2,086 | (1,669) | 417 | 62,917 | (50,329) | (3,458,771) | (3,446,183) |
| Opening balance as at 1 January 2018, net of taxes | 3,710 | 13,843 | 17,553 | 121,256 | 452,368 | (414,531) | 159,093 |
| Changes in fair value | (2,200) | 7,644 | 5,444 | (69,680) | 233,063 | - | 163,383 |
| Tax charge (credit) to other comprehensive income | 445 | (1,825) | (1,380) | 14,099 | (56,769) | - | (42,670) |
| Translation differences | - | - | - | (2,218) | 9,350 | (343,809) | (336,677) |
| Closing balance as at 31 December 2018, net of taxes | 1,955 | 19,662 | 21,617 | 63,457 | 638,012 | (758,340) | (56,871) |

## 31 Expenses by nature

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Staff costs | 346,718 | 325,369 | 10,764,774 | 10,512,871 |
| Depreciation and amortisation | 992,589 | 909,007 | 30,817,517 | 29,370,617 |
| Write-off of assets | 1,129 | 1,863 | 35,097 | 60,193 |
| Operating leases | 38,426 | 41,980 | 1,193,024 | 1,356,402 |
| (Reverse) provision of net realisable value of inventory | (4,042) | 4,042 | (125,480) | 130,600 |
| (Reverse) allowance for slow-moving of spare parts and machinery supplies | (2,554) | 2,131 | (79,296) | 68,854 |

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| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Staff costs | 30,635 | 27,067 | 951,149 | 874,563 |
| Depreciation and amortisation | 1,284 | 1,351 | 39,873 | 43,667 |
| Write-off of assets | - | 1 | - | 12 |
| Operating leases | 1,545 | 1,332 | 47,964 | 43,042 |
| Management expense to related parties | 6,517 | 6,733 | 202,351 | 217,532 |

## 32 Earnings (losses) per share

### Basic earnings (losses) per share

Basic earnings (losses) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares outstanding, excluding treasury shares during the year.

Basic earnings (losses) per share for the years ended 31 December are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| **US Dollar** | | | | |
| Net profit (loss) attributable to ordinary | | | | |
| shareholders of the Parent (US Dollar'000) | (19,604) | 205,475 | 78,665 | 52,083 |
| Weighted average ordinary shares outstanding, | | | | |
| excluding treasury shares (Thousand shares) | 5,143,047 | 5,161,926 | 5,143,047 | 5,161,926 |
| Basic earnings (losses) per share (US Dollar) | (0.004) | 0.040 | 0.015 | 0.010 |
| **Baht** | | | | |
| Net profit (loss) attributable to ordinary | | | | |
| shareholders of the Parent (Baht'000) | (552,864) | 6,693,731 | 2,481,762 | 1,708,918 |
| Weighted average ordinary shares outstanding, | | | | |
| excluding treasury shares (Thousand shares) | 5,143,047 | 5,161,926 | 5,143,047 | 5,161,926 |
| Basic earnings (losses) per share (Baht) | (0.107) | 1.297 | 0.483 | 0.331 |

## 33 Dividend paid

At the Annual General Shareholders' meeting of on 3 April 2019, the shareholders approved a payment of final dividend 2018 of Baht 0.35 per share for 5,161,925,515 shares, totalling of Baht 1,806.67 million or equivalent to US Dollar 56.95 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling Baht 0.02 million or equivalent to US Dollar 683. Such dividends were paid to the shareholders on 30 April 2019.

At the Board of Directors' meeting on 29 August 2019, the Board approved a payment of interim dividend for 2019 of Baht 0.35 per share for 5,161,925,515 shares, totalling Baht 1,806.67 million or equivalent to US Dollar 58.67 million.

The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling Baht 0.20 million or equivalent to US Dollar 6,443. Such dividends were paid to the shareholders on 27 September 2019.

At the Annual General Shareholders' meeting on 3 April 2018, the shareholders approved a payment of final dividends for 2017 of Baht 0.35 per share for 5,161,925,515 shares, totalling Baht 1,806.67 million or equivalent to US Dollar 57.79 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling Baht 0.02 million or equivalent to US Dollar 655. This dividend was paid to the shareholders on 30 April 2018.

At the Board of Directors' meeting on 30 August 2018, the Board approved a payment of interim dividends for 2018 of Baht 0.35 per share for 5,161,925,515 shares, totalling Baht 1,806.67 million or equivalent to US Dollar 54.69 million. The Thailand Securities Depository Company Limited notified the Company that certain shareholders were not entitled to receive dividend totalling Baht 0.02 million or equivalent to US Dollar 614. This dividend was paid to the shareholders on 28 September 2018.

## 34 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The pricing policies for transactions between subsidiaries, joint ventures and related parties are:

- Coal sales and purchase within the Group are generally set based on international indices as benchmarks adjusted for coal specifications and the location of deliveries.
- Management income represents service fee charged between the Group and joint ventures for rendering the management services in the normal course of business. The fees are based on the service provided in accordance with the conditions in the agreement.
- Marketing Service Agreement to overseas subsidiaries for rendering the marketing consultant and management in transportation. The fees are based on a certain percentage of gross revenue of coal exports which is comparable to other companies.
- The prices of other sales and services charged between the Company and subsidiaries approximate to those charged to third parties.
- For loans to joint ventures and an associate and interest income, the Group charges interest by considering the ave age cost of borrowing and market interest rate.
- Advance to/from related parties represent the advance payment for related parties which will be reimbursed within the normal credit term.

Significant transactions carried out with related parties are as follows:

## 34.1 Transactions during the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Interest income from joint ventures | 580 | 5 | 17,843 | 158 |
| Management income from joint ventures | 999 | 2,053 | 31,038 | 66,082 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Purchases of goods from subsidiaries | 4,265 | 235 | 131,574 | 7,425 |
| Cost of service from subsidiaries | 36,439 | 38,259 | 1,127,053 | 1,236,374 |
| Dividend from subsidiaries | 159,917 | 145,775 | 4,994,942 | 4,724,903 |
| Interest income from subsidiaries | 112,852 | 103,031 | 3,505,944 | 3,330,818 |
| Interest expense to subsidiaries | 10 | 11 | 303 | 353 |
| Management income from subsidiaries | 32,652 | 39,244 | 1,014,168 | 1,270,796 |
| Management expense to subsidiaries | 6,517 | 6,733 | 202,453 | 217,651 |

## 34.2 Amount due from and dividend receivables from related parties as at 31 December comprised:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Interest receivable - joint ventures | 126 | 14 | 3,812 | 475 |
| Other receivables - joint ventures | 42 | 191 | 1,249 | 6,192 |
| Total amounts due from related parties | 168 | 205 | 5,061 | 6,667 |
| Dividends receivable from a joint venture | | | | |
| - Current portion | - | 10,170 | - | 330,000 |
| - Non-current portion | 21,186 | 209,642 | 638,831 | 6,802,860 |
| Total dividends receivable from a joint venture | 21,186 | 219,812 | 638,831 | 7,132,860 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Interest receivables - subsidiaries | 375,622 | 367,200 | 11,326,513 | 11,915,569 |
| Other receivables - subsidiaries | 4,925 | 9,626 | 148,495 | 312,368 |
| Total amounts due from related parties | 380,547 | 376,826 | 11,475,008 | 12,227,937 |
| Dividends receivable from a subsidiary | | | | |
| - Current portion | - | 11,639 | - | 377,681 |
| - Non-current portion | - | 41,826 | - | 1,357,259 |
| Total dividends receivable from a subsidiary | - | 53,465 | - | 1,734,940 |

## 34.3 Advances to and loans to related parties as at 31 December consist of:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Advances to joint ventures | | | | |
| - Current | - | 3 | - | 88 |
| - Non-current* | - | 5,601 | - | 181,736 |
| Total advances to related parties | - | 5,604 | - | 181,824 |
| Short-term loans to joint ventures | 16,287 | 87 | 491,106 | 2,828 |
| Long-term loans to | | | | |
| - An associate | 20,117 | 16,971 | 606,598 | 550,706 |
| - Joint venture | 15 | 83 | 450 | 2,678 |
| Total long-term loans to related parties | 20,132 | 17,054 | 607,048 | 553,384 |

* Advance to joint ventures (Non-current) are advance payment for developing solar power plants projects in Japan, which presented under other non-current assets.

Movements of short-term loans to related parties for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | 87 | 7 | 2,828 | 225 |
| Transfer to long-term loans | (7) | - | (225) | - |
| Addition | 22,535 | 825 | 699,669 | 26,670 |
| Repayment | (6,383) | (749) | (198,182) | (24,200) |
| Gains (losses) on exchange rate | (139) | 4 | (4,305) | 133 |
| Translation differences | 194 | - | (8,679) | - |
| Closing balance | 16,287 | 87 | 491,106 | 2,828 |

As at 31 December 2019, short-term loans to three joint ventures represents JPY loan of JPY 360.79 million or equivalent to US Dollar 3.26 million, Thai Baht loan of Baht 100 million or equivalent to US Dollar 3.32 million and US Dollar loan of 9.71 million. These loans bear interest at rate of 5.00% to 7.23% per annum (2018: Thai Baht loan of 0.23 million or equivalent to US Dollar 0.01 million, JPY loan of 9 million or equivalent to US Dollar 0.08 million. These loans bear interest at rate of 2.64% to 4.23% per annum). The maturity date is within 1 year.

Movements of long-term loans to related parties for the years ended 31 December are as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | 17,054 | 18,412 | 553,384 | 601,731 |
| Transfer investment | 7 | - | 225 | - |
| Addition | 424 | 797 | 13,158 | 25,758 |
| Repayment | (2,093) | (2,622) | (64,982) | (84,707) |
| Offset with access fee | 4,864 | 2,272 | 151,018 | 73,403 |
| Gains (losses) on exchange rate | 4 | (1) | 137 | (19) |
| Translation differences | (128) | (1,804) | (45,892) | (62,782) |
| Closing balance | 20,132 | 17,054 | 607,048 | 553,384 |

As at 31 December 2019, long-term loan to an overseas associate and a joint venture represents an interest free Australian Dollar loan of 28.82 million or equivalent to US Dollar 20.12 million and US Dollar loan of 0.01 million (2018: interest free Australian Dollar loan of 24.11 million or equivalent to US Dollar 16.97 million and US Dollar loan of 0.08 million). These loans bear interest rate of 0% to 4.17% per annum (2018: bearing interest rate at the rate of 0% to 4.17% per annum).

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Advances to subsidiaries | | | | |
| - Current portion | 272 | 442 | 8,208 | 14,327 |
| - Non-current portion | 77,000 | - | 2,321,858 | - |
| Total advances to related parties | 77,272 | 442 | 2,330,066 | 14,327 |
| Long-term loans to subsidiaries | 2,129,886 | 2,551,384 | 64,224,592 | 82,791,909 |

As at 31 December 2019, the Company has an advance to a subsidiary in the United States of America of US Dollar 77 million. This advance is classified as other non-current asset and its objective is for investing in natural gas business.

Movements of short-term loans to subsidiaries for the years ended 31 December are as follows:

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | - | - | - | - |
| Addition | 11,678 | 175,675 | 362,564 | 5,676,170 |
| Repayment | (1,886) | (168,476) | (58,560) | (5,443,587) |
| Transfer to long-term loans to related party | (9,792) | (9,408) | (304,004) | (303,972) |
| Translation differences | - | 2,209 | - | 71,389 |
| Closing balance | - | - | - | - |

Movements of long-term loans to related parties for the years ended 31 December are as follows:

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | 2,551,384 | 2,372,966 | 82,791,909 | 77,550,679 |
| Addition | 41,393 | 116,463 | 1,285,154 | 3,763,003 |
| Convert from dividend receivable from a subsidiary to long-term loan to a related party | - | 62,979 | - | 2,034,886 |
| Repayment | (520,585) | (11,312) | (16,162,929) | (365,509) |
| Transfer from short-term loans to a related party | 9,792 | 9,408 | 304,004 | 303,972 |
| Gains on exchange rate | 47,902 | 880 | 1,487,272 | 28,453 |
| Translation differences | - | - | (5,480,818) | (523,575) |
| Closing balance | 2,129,886 | 2,551,384 | 64,224,592 | 82,791,909 |

As at 31 December 2019, long-term loans to subsidiaries represent a US Dollar loan of 1,456.69 million and Thai Baht loan of 20,299.47 million or equivalent to US Dollar 673.19 million (2018: US Dollar loan of 2,391.73 million and Thai Baht loan of 5,180.68 million or equivalent to US Dollar 159.65 million) bearing interest at rates of 4.25% to 4.50% per annum (2018: 4.25% to 4.84% per annum).

The fair value of loans to related parties are based on discounted cash flows using a discount rate based on current lending rate as at the reporting date and are within level 2 of the fair value hierarchy.

The fair value of short-term loans to subsidiaries equal their carrying amount, as short-term loans to subsidiaries had a short period of maturity. The fair value of long-term loans to subsidiaries are based on discounted cash flows using a discount rate based upon the current lending rate.

### 34.4 Trade accounts payable, advances from and loan from related parties as at 31 December consist of:

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Trade accounts payable to a subsidiary | 2,803 | 3,937 | 84,529 | 127,769 |
| Other payables - a subsidiary | 1,148 | 2,038 | 34,619 | 66,125 |
| Accrued interest expenses - a subsidiary | 10 | - | 302 | - |
| Advances from subsidiaries | 43 | 36 | 1,284 | 1,178 |
| Total advances from and amounts due to related parties | 1,201 | 2,074 | 36,205 | 67,303 |
| Short-term loan from a subsidiary | 16,000 | - | 482,464 | - |

Movements of short-term loan from a subsidiary for the years ended 31 December are as follows:

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Opening balance | - | 4,284 | - | 140,000 |
| Addition | 16,000 | - | 496,762 | - |
| Repayment | - | (4,449) | - | (143,739) |
| Losses on exchange rate | - | 165 | - | 5,325 |
| Translation differences | - | - | (14,298) | (1,586) |
| Closing balance | 16,000 | - | 482,464 | - |

As at 31 December 2019, short-term loan from a domestic subsidiary represents US Dollar loan of 16 million bearing interest of 4.50% per annum. The repayment is at call.

The fair value of a short-term loan from a subsidiary equals their carrying amount as short-term loan from a subsidiary had a short period of maturity.

### 34.5 Key management compensation is presented as follows:

**Consolidated financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Salaries and short-term employee benefits | 3,412 | 3,780 | 105,583 | 122,673 |
| Post-employment benefits | 108 | 86 | 3,353 | 2,768 |
| Long-term employee benefits | - | - | - | - |
| Share-based payment | 95 | 142 | 2,938 | 4,573 |
| | 3,615 | 4,008 | 111,874 | 130,014 |

**Separate financial statements**

| | US Dollar'000 | | Baht'000 | |
|---|---|---|---|---|
| | **2019** | **2018** | **2019** | **2018** |
| Salaries and short-term employee benefits | 3,080 | 3,368 | 95,320 | 109,301 |
| Post-employment benefits | 88 | 75 | 2,721 | 2,440 |
| Long-term employee benefits | - | - | - | - |
| Share-based payment | 16 | 32 | 491 | 1,024 |
| | 3,184 | 3,475 | 98,532 | 112,765 |

## 35 Commitment, significant contracts and contingent liabilities

As at 31 December, the Group had the following obligations with banks:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2019 Million (Original currency) | 2018 Million (Original currency) | 2019 Million (Original currency) | 2018 Million (Original currency) |
| Letters of Guarantee | | | | |
| - US Dollar | 24.25 | 3.35 | - | - |
| - Thai Baht | 1,648.40 | 1,407.05 | 47.58 | 46.64 |
| - Indonesian Rupiah | 300,881.14 | 246,059.93 | - | - |
| - Australian Dollar | 219.86 | 218.17 | - | - |
| - Japanese Yen | - | 390.00 | - | - |
| Letters of Credit | | | | |
| - US Dollar | 10.64 | 22.84 | 2.80 | 3.94 |
| - Indonesian Rupiah | 8,043.70 | - | - | - |

The obligations of joint ventures with banks are disclosed in Note 15.5

### 35.1 Capital commitments

As at 31 December, the Group had capital commitments that were not recognised in the consolidated financial statements as follows:

| Consolidated financial statements | | | | |
|---|---|---|---|---|
| | US Dollar'000 | | Baht'000 | |
| | 2019 | 2018 | 2019 | 2018 |
| Property, plant and equipment | 60,982 | 72,747 | 1,838,857 | 2,360,610 |
| Investments in joint ventures | 1,728 | 33,568 | 52,104 | 1,089,270 |
| Investments in joint operations | 770,000 | - | 23,218,580 | - |
| Investments in subsidiaries | 3,879 | 17,806 | 116,978 | 577,812 |
| Other investments | 30,263 | 55,534 | 912,557 | 1,802,064 |
| | 866,852 | 179,655 | 26,139,076 | 5,829,756 |

### 35.2 Coal Supply Agreement commitments

As at 31 December 2019, a group of Indonesian subsidiaries had coal supply commitments in accordance with the Coal Supply Agreement for 16.20 million tonnes (2018: 16.20 million tonnes) at the market price. The coal will be delivered within 2022.

### 35.3 Operating lease commitments

The Group has entered into office rental and equipment and service contracts. The future aggregate minimum lease payments under non-cancellable operating leases as at 31 December 2019 are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | US Dollar'000 | Baht'000 | US Dollar'000 | Baht'000 |
| Not later than 1 year | 11,094 | 334,521 | 1,537 | 46,343 |
| Later than 1 year but not later than 5 years | 11,079 | 334,068 | 536 | 16,160 |
| Later than 5 years | 15,191 | 458,067 | - | - |
| | 37,364 | 1,126,656 | 2,073 | 62,503 |

### 35.4 Significant contracts

a) A subsidiary in Thailand has entered into a contract to remove coal ash from the area under the silo at two power plants. The subsidiary is responsible for any damage incurred from the service. Payment is determined in accordance with the removed quantity. The contract duration is 2 years from the date of operation on 1 January 2019.

b) Indonesian subsidiaries have entered into the mining services contracts with other companies in Indonesia. Each agreement governs the price rate and other factors. Contract values are dependent on volumes of overburden moved and coal mined. These contracts will expire between December 2019 and June 2022.

c) Four Indonesian subsidiaries have entered into a shared contract with the Government of Indonesia for 13.50% of the coal produced with the Government.

d) An Indonesian subsidiary, holding the mining rights, has an obligation to pay an exploitation fee ranging from 3% to 7% of sales, net of selling expenses.

e) Under a Coal Agreement, an Indonesian subsidiary is obligated to pay the Government a Dead-rent fee during the terms of the agreement. Dead-rent is calculated by reference to the number of hectares in the Coal Agreement, in accordance with the rates stipulated in the Coal Agreement. Land and building tax payable for the pre-production period is equal to the amount of Dead-rent. During the production period, the subsidiary is required to pay land and building tax equal to the Dead-rent plus 0.15% of gross revenue from the mining operations.

f) Four Indonesian subsidiaries that have production activities in a protected forest area but not related to forestry activities will have the obligation to pay a forestry fee ranging from Indonesian Rupiah 1.6 to 4.0 million per hectare.

g) On 17 December 2019, BKV Barnett, LLC (indirect subsidiary) has drawn up a Purchase and Sale Agreement (PSA) with Devon Energy Production Company, L.P. for managing the shale gas business in the United States of America. with a total investment of US Dollar 770 million to acquire a gas operation in the Barnett shale in the United States of America (Barcelona project). Such subsidiary deposit US Dollar 70 million in escrow account for this investment according to PSA, this amount is presented as other current assets in the consolidated statement of financial position. As at 31 December 2019, the Group has not share operation over such project.

### 35.5 Significant litigation

a) In 2007, a group of individuals and corporate entities (Plaintiffs), who were ex-developers of a coal mine and a power plant in Lao PDR (Hongsa Project), filed a civil lawsuit against the Company, Banpu International Limited, and Banpu Power Public Company Limited (a subsidiary holding equity in Hongsa Power Company Limited which holds coal mine and power concessions awarded by the Government of Lao PDR (GOL)) and three members of management as defendants, based on the allegations that the Defendants had deceptively entered into a joint development agreement with the Plaintiffs for the purpose of gaining access to the information of the Hongsa Project, and had, in bad faith, misinformed the GOL to terminate their Hongsa Project concessions in order that the Banpu Group could directly enter into a concession contract with the GOL. The Plaintiffs demanded the Defendants pay damages of Baht 2,000 million for the value of the Hongsa Project information, another Baht 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, and Baht 59,500 million for the lost profits due to the GOL having terminated the Hongsa Project concessions, totalling Baht 63,500 million plus interest.

On 20 September 2012, the Civil Court issued a judgement that the Defendants did not breach the joint development agreement; the Plaintiffs breached the joint development agreement; the Defendants committed a wrongful act by using the Plaintiffs' information of the Hongsa Project (for the development of a 600-MW power plant) to currently develop the 1,800-MW power plant, and adjudicated that the Company and Banpu Power Public Company Limited pay to the Plaintiffs the damages of Baht 2,000 million for the value of the information, another Baht 2,000 million for the investment costs to the studies and expenditures in the Hongsa Project, totalling Baht 4,000 million plus 7.5% interest per annum from the date of plaint until full payment, and for loss of profits of Baht 860 million per year for years 2015 - 2027 and Baht 1,380 million per year for years 2028 - 2039, payable at each year end, totalling Baht 27,740 million. The grand total of damages is Baht 31,740 million. The plaints involving Banpu International Limited and the management were dismissed.

On 9 September 2014, the Civil Court announced the judgement of the Appeal Court whereby the Plaintiff's complaint was dismissed. The grounds for dismissal were that the Defendants, the Company and Banpu Power Public Company Limited (a subsidiary), had always acted in good faith before and after the Joint Development Agreement was entered into, and that the Defendants did not commit a wrongful act against the Plaintiffs. The Appeal Court also found that it was the Plaintiffs that breached the Joint Development Agreement, and that the Defendants had no obligation to return to the Plaintiff the documents in which the information relating to the Plaintiff's Hongsa Project contains. The Plaintiff has filed with the Supreme Court a petition against the judgement of the Appeal Court, and the Defendants submitted the Plaintiff's petition for the final judgement of the Supreme Court on 17 February 2015.

In January 2018, a summon was issued by the Civil Court to hear the Supreme Court judgement on 6 March 2018. The Supreme Court judgement was read as summarised below:

1. In respect of the claim that the Defendants deceived the Plaintiffs in entering into the Preliminary Agreement and the Joint Development Agreement with an intention to acquire the project infor mation of the Plaintiffs, the Court considered that the Plaintiffs had approached the Defendants to develop the Project and the Defendants acted in good faith in entering into the Agreements with its true intention to develop the Hongsa Project, but not to deceptively acquire the information as alleged.
2. In respect of the claim that the Defendants terminated a contract with a contractor to delay the Hongsa Project to result in the Lao Government terminating the concession agreements with the Plaintiffs, the Court considered that the Defendants terminated the contractor in good faith for the benefit of the Hongsa Project.
3. In respect of the claim that the Defendants induced the Lao Government to terminate the conces sion agreements with the Plaintiffs, the Court considered that the Defendants was in good faith and did not do so. The termination of the concession agreements by the Lao Government was resulting from the acts of the Plaintiffs since the Lao Government was concerned that the Hongsa Project would not be succeeded in the hands of the Plaintiffs as they were seen incapable, which would be detrimental to the benefit of Laos and its people.
4. In respect of the claim that the Defendants used the project information of the Plaintiffs, the Court considered that the Defendants (i.e. the Company, Banpu Power Public Company Limited and Banpu International Limited) utilised the project information of the Plaintiffs as base for developing a new 1,800 MW power project without the Plaintiffs' consent, and therefore ordered the Defend ants to jointly pay the Plaintiffs the sum of Baht 1,500 million plus interest at the rate of 7.50% per annum calculated from 3 July 2007.

Subsequently, the Company jointly with Banpu Power Public Company Limited and Banpu International Limited paid the damages plus interest to the Plaintiffs in full on 9 March 2018. The Company bore one third of the damages, amounting to Baht 900.68 million and the Group recognised Baht 2,702.05 million in the consolidated statement of comprehensive income for the year ended 31 December 2018.

b) A civil lawsuit against a subsidiary in Mongolia

On 19 October 2015, a subsidiary received a notice from the Primary Civil Court that a group of individuals and corporate entities (Plaintiffs) submitted a claim that repeated the claim previously filed, claiming that the Plaintiffs had the right to own 60% of the shares of another subsidiary, and such previous claim was dismissed by the Decision of the Primary Civil Court, the Appeal Court and the Supreme Court on the ground that the claim of the Plaintiffs was unclear.

On 17 November 2015, however, the Primary Civil Court allowed the Plaintiffs to amend the claim and the Plaintiff amended the claim to the Primary Civil Court. On 7 January 2016, such subsidiary submitted an explanation and a counter claim against the Plaintiffs asking for compensation. The Primary Civil Court made a judgement on 22 March 2016 in favour of the Plaintiffs, ordering the subsidiary to pay US Dollar 1 million to the Plaintiffs and dismiss a counter claim of the subsidiary against the Plaintiffs. The subsidiary submitted an appeal to the Appeal Court and the Supreme Court respectively On 20 October 2016, the Supreme Court ordered to return the case to the Primary Civil Court with the reason that the subsidiary is not the party of the agreement under the claim of the Plaintiffs.

On 6 March 2017, the Primary Civil Court hearing was recommenced, but finally, the Court made on 19 February 2019 an order to dismiss the case, reasoning that the case shall not be settled through civil court and its jurisdiction shall be the Arbitration Court. The Plaintiffs failed to submit an appeal within the statutory period, but on 4 March 2019, submitted an application to request for extending the deadline for appeal. On 20 March 2019, the Court considered and rejected the application of the Plaintiffs, resulting in the case being final.

c) Tax audit of Indonesian subsidiaries

*Prepaid income taxes*

As at 31 December 2019 and 31 December 2018, the details of significant prepaid income taxes of Indonesian subsidiaries resulting from tax investigation by Directorate General of Tax (DGT) are as follows:

| Fiscal year | Company | Descriptions | US Dollar'000 | | Baht'000 | | Status as at the date of the financial statements |
|---|---|---|---|---|---|---|---|
| | | | 2019 | 2018 | 2019 | 2018 | |
| 2009 | ITM | Underpayment of corporate income tax and withholding tax 26 of US Dollar 13 million | 13,031 | 16,366 | 392,937 | 531,073 | Corporate income tax: ITM appealed to the tax court on 16 May 2016.<br>Withholding tax 26: On 19 September 2018, the Supreme Court result was in favor of ITM and ITM received such tax refund in 2019. |
| 2011 | TCM | Underpayment of withholding tax 23 of Indonesian Rupiah 36.4 billion (equivalent to US Dollar 2.6 million). | - | - | - | - | TCM submitted Contra Memory to the Supreme Court in May 2017. |
| 2012 | ITM | Underpayment of corporate income tax of US Dollar 14.3 million. | - | - | - | - | The Supreme Court result was in favour of ITM in September 2019. |
| 2012 | TCM | Overpayment of corporate income tax of US Dollar 5.5 million. | 2,877 | 2,877 | 86,753 | 93,358 | TCM submitted a Judicial Review to the Supreme Court in April 2017. |

| Fiscal year | Company | Descriptions | US Dollar'000 | | Baht'000 | | Status as at the date of the financial statements |
|---|---|---|---|---|---|---|---|
| | | | **2019** | **2018** | **2019** | **2018** | |
| 2012 | TCM | Underpayment of withholding tax 23/26 and value added tax of Indonesian Rupiah 81.8 billion (equivalent to US Dollar 5.9 million). | - | - | - | - | The Supreme Court result was partially in favour of DGT in April 2018 regarding VAT and withholding tax 23/26. TCM submitted Contra Memory to the Supreme Court for withholding tax 23/26 in June 2019. |
| 2012 | KTD | Over payment of corporate income tax of US Dollar 6.2 million | 6,181 | 6,350 | 186,382 | 206,056 | KTD submitted appeal letter to tax court in October 2018. |
| 2013 | IMM | Underpayment of withholding tax 23/26 of Indonesian Rupiah 33.8 billion (equivalent to US Dollar 2.4 million). | 2,432 | 2,667 | 73,335 | 86,544 | IMM submitted a Judicial Review to the Supreme Court in March 2017. |
| 2013 | KTD, TCM | Overpayment of corporate income tax of US Dollar 3.7 million. | 2,261 | 3,682 | 68,178 | 119,480 | KTD: The Supreme Court result was unfavourable to KTD in October 2019 relating to corporate income tax of US Dollar 1.42 million. TCM: The Supreme Court result was in favour of TCM in May 2019. At reporting date, TCM has not yet received such tax refund. |

| Fiscal year | Company | Descriptions | US Dollar'000 | | Baht'000 | | Status as at the date of the financial statements |
|---|---|---|---|---|---|---|---|
| | | | 2019 | 2018 | 2019 | 2018 | |
| 2013 | TCM, JBG, KTD | Underpayment of withholding tax 23/26, domestic VAT and offshore VAT of Indonesian Rupiah 79.8 billion (equivalent to US Dollar 5.7 million). | 2,804 | 3,686 | 84,552 | 119,610 | KTD<br>The Supreme Court result was in favour of KTD related to offshore VAT in May – September 2019.<br>The Supreme Court result was unfavourable to KTD regarding withholding tax 26 related to marketing fee in October 2019.<br>The Supreme Court result was partially in favour of KTD for withholding tax 26 related to demurrage in December 2019 and January 2020.<br>KTD submitted Judicial Review to the Supreme Court withholding tax 23 in October 2019.<br>TCM<br>The Supreme Court result was partially in favour of TCM regarding withholding tax 23 in August - September 2019.<br>The Supreme Court result was partially in favour of TCM regarding withholding tax 26 related to demurrage and marketing fee in September 2019.<br>The Supreme Court result was in favour and partially favour of TCM regarding offshore VAT and domestic VAT in August - September 2019.<br>JBG<br>DGT submitted Judicial Review to the Supreme Court in January 2020.<br>JBG submitted Contra Memory to the Supreme Court related to offshore VAT in December 2019. |

| Fiscal year | Company | Descriptions | US Dollar'000 2019 | US Dollar'000 2018 | Baht'000 2019 | Baht'000 2018 | Status as at the date of the financial statements |
|---|---|---|---|---|---|---|---|
| 2015 | IMM | Overpayment of corporate income tax of US Dollar 3.1 million and underpayment of other taxes (withholding tax 23/26, domestic VAT and offshore VAT) in total amount of Indonesian Rupiah 94.3 billion or equivalent to US Dollar 6.5 million. | 9,375 | 9,124 | 282,694 | 296,072 | In August - October 2018, IMM submitted tax appeal letter to tax court regarding withholding tax 26, withholding tax 23, offshore VAT, domestic VAT and corporate income tax from |
| 2016 | IMM | Underpayment of withholding tax 26 of Indonesian Rupiah 27.7 billion (equivalent to US Dollar 2.0 million). | 1,995 | - | 60,157 | - | IMM submitted objection to DGT in March 2019. |
| | | Total | 40,956 | 44,752 | 1,234,988 | 1,452,193 | |

Additionally, as at 31 December 2019, various taxes of four Indonesian subsidiaries for fiscal years 2016 - 2018 are still in the process of audit by the DGT. The Group's management believes that the tax audit result, objection, appeal, lawsuit and reconsideration results will not have a material impact on the consolidated financial statements.

d) Significant case of Indonesian subsidiaries

Four Indonesian subsidiaries were sued in 3 material cases with 1 case claiming for compensation for land in mining concession area amounting to Indonesian Rupiah 1,095 billion or equivalent to US Dollar 76.89 million and 1 arbitration case claiming for damages from breach of contract amounting to US Dollar 5.98 million and 1 case claiming for royalty fee from the production of coal amounting to US Dollar 100 million.

- The claim for land compensation of Indonesian Rupiah 1,095 billion or equivalent to US Dollar 76.89 million was lodged against a subsidiary company as the 2nd defendant with the District Court in August 2018. On 24 January 2019, the court issued a verdict in favor of TCM, but the Plaintiff did not appeal within the time limit, resulting in the Court verdict being final and binding.
- The arbitration case of US Dollar 5.98 million was initiated by a vessel company against 2 subsidiaries for compensation of underperformance of agreed shipment tonnages and wrongful termination of Contract of Affreightment. The case was filed with the Singapore Chamber of Maritime Arbitration and a panel of tribunal was appointed. The tribunal had set up a preliminary schedule for hearings in June 2018, but it granted a time extension for submitting witness statements to end of June 2018. However, the claimant requested and was granted to amend its statement of claim, and the tribunal rescheduled the submission of the witness statements to be within 3 August 2018; and afterwards the claimant submitted other motions to the Tribunal while the subsidiaries objected, resulting in the shift of the hearings. The Tribunal scheduled the hearings in June 2019. During

the second quarter, the claimant and the subsidiaries had discussion and agreed to settle the case amicably. Then on 16 May 2019, both the claimant and the subsidiaries entered into a settlement agreement by which the subsidiaries agreed to pay US Dollar 3.25 million to end the arbitral case. The payment was duly made in May and June 2019, bringing the case to the end.

- The claim for royalty fee from the production of coal amounting to US Dollar 100 million was submitted against 2 subsidiaries as the 1st and the 2nd Defendants together with another person with the District Court in October 2019. The Plaintiffs alleged that they were the rightful shareholders of the 1st Defendant, who had promised to pay them a royalty fee of US Dollar 1 per each ton of coal produced, totalling US Dollar 100 million. As at 31 December 2019, the case has been in the process of the District Court, and the hearing was commenced in January 2020. The Group's management believes that the subsidiaries have strong evidences to defend and are in a strong position in lawsuits and that these issues will not have a material adverse impact on the consolidated financial statements.

## 36 Business combination and acquisition of indirect investments

Significant acquisitions for the year ended 31 December 2018

### 36.1 Investment in clean energy

On 14 June 2018, BPINI additionally acquired newly issued preference shares of Sunseap Group Pte. Ltd. (Sunseap) at the consideration of Singapore Dollar 33.00 million or equivalent to US Dollar 24.76 million. As a result, the Group owns 40.74% of shareholding in such joint venture. There is no change in agreement between Sunseap's shareholders.

The Group measured the fair value of the identifiable assets acquired and completed purchase price allocation. The determination of fair value does not significant impact to the consolidated financial statements for the period ended 31 December 2018. Details of investment are as follows:

| | US Dollar'000 | Baht'000 |
|---|---|---|
| Portion of fair value of net assets acquired | 9,284 | 307,927 |
| Right in long-term power purchase agreements (Presented in investment in a joint venture) | 9,287 | 308,024 |
| Goodwill (Presented in investment in a joint venture) | 6,189 | 205,267 |
| Purchase considerations | 24,760 | 821,218 |

Right in long term power purchase agreement will be amortised by straight-line method based on each agreement's remaining contract period.

According to management structure defined by the Shareholders' agreement, finance strategy and operation decision will be taken or resolved with the consent from each parties. Therefore, Sunseap is a joint venture of the Group.

### 36.2 Investment in energy storage system business

On 7 March 2018, BPIN Investment Company Limited (BPINI), a subsidiary of the Group, acquired issued shares of Durapower Holdings Pte. Ltd., a limited company in the Republic of Singapore, at the consideration of Singapore Dollar 45.10 million or equivalent to US Dollar 34.17 million. As a result, the Group has 44.84% of shareholding. The investment is considered as an associate. The Group fully paid for such investment.

The Group completely measured the fair value of the identifiable assets acquired and completed purchase price allocation. The determination of fair value does not have significant impact to the consolidated financial statements for the year ended 31 December 2018. Details of investment are as follows:

| | US Dollar'000 | Baht'000 |
|---|---|---|
| Portion of estimated fair value of net assets acquired | 11,905 | 373,190 |
| Right in patents (Presented in investment in an associate) | 12,436 | 389,814 |
| Goodwill (Presented in investment in an associate) | 9,833 | 308,235 |
| Purchase considerations | 34,174 | 1,071,239 |

Patents will be amortised by straight-line method based on patents' remaining period.

Significant acquisitions for the year ended 31 December 2019

### 36.3 Investment in Electric Vehicle (EV) business

On 25 January 2019, the Group invested in new issued shares of FOMM Corporation, which is a limited company in Japan, and engages Electric Vehicle (EV) business, at the consideration of US Dollar 20 million. The Group owns 21.45% of shareholding in such company. The investment is considered as an associate. The Group fully paid for such investment.

Details of the consideration paid and the Group's portion of estimated net assets purchased and recognised at the acquisition date are as follows:

| | US Dollar'000 | Baht'000 |
|---|---|---|
| Portion of carrying value of net assets acquired | 7,532 | 244,422 |
| Right in patents (Presented in investment in an associate) | 12,468 | 404,574 |
| Purchase considerations | 20,000 | 648,996 |

Patents will be amortised by straight-line method based on useful life considering estimation including product life cycle.

### 36.4 Acquisition of the remaining interests in Springvale Joint Venture

During the year 2019, the Group, through its wholly owned subsidiary, entered into an agreement to acquire the remaining 50% interest in Springvale Coal Joint Venture (SPJV) and associated mining assets of Springvale and Angus Place Collieries from another co-venturer for a total consideration of Australian Dollar 1 or equivalent to US Dollar 0.68. In addition, the co-venturer agreed to pay the Group a total of Australian Dollar 11.55 million or equivalent to US Dollar 7.81 million to assume certain liabilities on behalf of the co-venturer as part of the acquisition. Therefore, the Group obtained control over SPJV since then. This acquisition is a business combination achieved in stages.

Summary of the fair values and the bargain purchase are detailed in the below:

| | US Dollar'000 | Baht'000 |
|---|---|---|
| Portion of fair value of net assets acquired | 124,894 | 3,775,089 |
| consideration received | 7,809 | 236,046 |
| Bargain purchase | 132,703 | 4,011,135 |
| Fair value of interest held before the date on which the Group obtained control | 124,894 | 3,775,089 |
| Net book value of interest held before the date on which the Group obtained control | (207,146) | (6,261,291) |
| Remeasure of previously held interest (loss on a business combination achieved in stages) | (82,252) | (2,559,817) |
| Net gain from acquisition of the remaining interest | 50,451 | 1,524,933 |

The Group remeasured its previously held interest in the Joint Venture at the acquisition date to fair value. A resulting loss on a business combination achieved in stages of US Dollar 82.25 million was recognised. On the acquisition date the Group recognised a bargain purchase of US Dollar 132.70 million. As a result, net gains on acquisition of US Dollar 50.45 million was recognised in Management fee and other income in the statement of comprehensive income for the year ended 31 December 2019.

The fair value of identifiable assets and liabilities assumed and purchase consideration recognised as a result of the acquisition are as follows:

| | US Dollar'000 | Baht'000 |
|---|---|---|
| Cash | 431 | 13,024 |
| Trade and other receivables | 3,602 | 108,869 |
| Inventories | 6,068 | 183,401 |
| Other assets | 41,103 | 1,242,395 |
| Property, plant and equipment | 59,152 | 1,787,954 |
| Deferred development expenditures | 50,224 | 1,518,104 |
| Trade and other payables | (17,140) | (518,074) |
| Other liabilities | (18,546) | (560,584) |
| **Net asset acquired** | **124,894** | **3,775,089** |
| **Purchase consideration** | | |
| Net cash acquired | 431 | 13,024 |
| Net cash received | 7,809 | 236,046 |
| **Net consideration received** | **8,240** | **249,070** |

## 37 Events after the reporting period

**37.1** On 2 January 2020, the Company established a new subsidiary in Vietnam named Banpu Vietnam Limited Liability Company. Its registered share capital is VND 23 million which is a wholly owned by the Company. The objective of such subsidiary is to provide services to support coal and power business in Vietnam.

**37.2** On 14 February 2020, BPIN Investment Company Limited, a subsidiary of the Group, exercised warrants into ordinary shares and preference shares of Sunseap Group Pte. Ltd., a joint venture, a limited company in the Republic of Singapore, totalling SGD 105 million from a third party. As a result, the Group has 48.63% of shareholding in Sunseap.

INTEGRATED ENERGY

SOLUTIONS

DELIVERING SUSTAINABLE VALUES

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