

The Fund's Significant Matters and Future Direction in Management
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1. The Fund's significant matters in 2020

The Fund invests in the revenue transfer agreement (“RTA”) with KPP consisting of (a) the revenue under the power purchase agreement (“PPA”) with EGAT a power capacity not exceeding 22 MW and (b) the revenue under PPA with KBS a power capacity 3.5 MW. RTA has conditions of minimum electricity business performance in which case if the power plant fails to comply, KPP is obliged to pay the Fund equal to the difference in the calculation method specified in RTA.

In fiscal year 2020, the Fund has received approximately THB 200.05 million under RTA, which is due to KPP's operation to produce and sell electricity in accordance with the terms of RTA and the minimum electricity business performance.

Proceeds received under RTA (million THB)		Fiscal year		Increase (Decrease)	
		2020	2019	Amount	%
PPA 22 MW	Actual performance	163.30			
	Minimum performance	151.10			
	Difference	12.20			
PPA 3.5 MW	Actual performance	36.75			
	Minimum performance	36.17			
	Difference	0.58			
Sum	Actual performance	200.05			
	Minimum performance	187.27			
	Difference	12.78			

Proceeds received under RTA will be divided into 2 parts in accordance with the revenue recognition as follows:

Fiscal year	Proceeds received under RTA (million THB)		
	Amortisation of investments	Interest income	Sum
2020	105.04	95.01	200.05
2019			

2. Future direction in management

KPP's power plants have sufficient management of raw material and fuel sources to generate electricity in respect of the Fund's investment.

Bagasse and raw water are the main raw materials and fuels for power generation of KPP which varies according to the amount of sugarcane and sugar output each year. The amount of cane depends on the weather during the cultivation period. If there is little rain, it will result in a significant reduction of cane delivered to sugar mills. However, KPP's power plants have a stable and reliable source of raw materials and fuels as KPP has entered into a raw material and fuel distribution agreement with KBS with the duration of the agreement in line with the period of RTA which has a minimum amount of bagasse that KBS will supply and distribute. Including raw materials and other fuels that can replace bagasse (raw materials and other types of biomass fuels such as woodchips and sugarcane leaves) which are in accordance with the relevant licenses to KPP. In order to provide KPP with sufficient raw materials and fuel to generate electricity in respect of the Fund's investment and/or to provide the alternative raw materials and fuels in case the heat content of the bagasse is insufficient.

As of the closing date of 2021 cane crushing season (March 13, 2021), KPP has approximately 542,600 tons of bagasse and other fuels that can replace the bagasse which is sufficient to generate electricity in respect of the Fund's investment until the opening date of 2022 cane crushing season.

For the use of raw water in the electricity generation process in respect of the Fund's investment, requires approximately 600,000 cubic meters per year. The KPP power plant has a raw water well for storing rainwater and dam water which can reserve 232,000 cubic meters of water. As well as KPP has an agreement that allows pumping water from the dam for 41,666 cubic meters per month, equivalent to 500,000 cubic meters a year. When combined with the rainfall that KPP can hold throughout the year, KPP has sufficient raw water.