

**RATCH Group Public Company Limited**  
**and its subsidiaries**  
*(Formerly named “Ratchaburi Electricity Generating Holding  
Public Company Limited”)*

Financial statements for the year ended  
31 December 2019  
and  
Independent Auditor’s Report

## **Independent Auditor's Report**

**To the Shareholders of RATCH Group Public Company Limited (Formerly named "Ratchaburi Electricity Generating Holding Public Company Limited")**

### *Opinion*

I have audited the consolidated and separate financial statements of RATCH Group Public Company Limited (Formerly named "Ratchaburi Electricity Generating Holding Public Company Limited") and its subsidiaries (the "Group") and of RATCH Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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

### *Basis for Opinion*

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is 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 judgement, 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.

<b>Impairment testing of goodwill, right to power purchase agreements and property, plant and equipment particularly the power plants in Australia in the consolidated financial statements and investment in subsidiary in the separate financial statements</b>	
Refer to Notes 4, 13, 17 and 18 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>As at 31 December 2019, the Group holds significant amounts of goodwill, right to power purchase agreements and property, plant and equipment on the consolidated statement of financial position which contains a net book value of goodwill of Baht 170 million and net book value of right to power purchase agreements and property, plant and equipment of Baht 19,457 million together representing approximately 19% of total assets. There is a risk that the carrying values of the Group's goodwill, right to power purchase agreements and property, plant and equipment balances might exceed its recoverable amounts.</p> <p>The Company also has an investment in RH International Corporation Limited ("RHIC"), a subsidiary in Thailand, amounting to Baht 17,650 million which holds, via RH International (Singapore) Corporation Pte. Ltd., investments in the power plants in Australia. The recoverability of the investment in RHIC is a key audit matter because the investments in the power plants in Australia might be impaired.</p> <p>I focused on the estimated value in use of the cash generation units "CGUs" of the operation of the power plants in Australia because the determination of future cash flows and the recoverable amounts are highly judgemental and subject to material uncertainty.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>- assessing the Group's process for identifying indicators of impairment;</li> <li>- assessing the Group's response to the identified impairment indicators;</li> <li>- understanding process for estimating the impairment;</li> <li>- involving KPMG in Australia to assist in evaluating the appropriateness of discount rates applied, which included comparing the weight average cost of capital with sector averages for the relevant markets in which the Group operate and evaluating the appropriateness of the assumptions applied to key inputs such as contracted revenue, prices, operating costs, inflation rate and long-term growth rates, which included comparing these inputs with externally derived data. In addition, KPMG in Australia performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the CGUs;</li> <li>- assessing the appropriateness of discount rates applied;</li> <li>- involving KPMG in Singapore to evaluate the appropriateness of key assumptions applied in determining the recoverable amounts of the investments in the power generation in Australia, including the consistency of the assumptions with business plans and forecasts used for impairment testing as described in my response above; and</li> <li>- evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>
<b>Fair value assessment of net assets acquired from an acquisition of investment in subsidiary</b>	
Refer to Notes 4, 5 and 13 to the consolidated and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>On 1 October 2019, the Company acquired the ordinary shares and preferred shares of a local company to operate a SPP power plant in proportion of investment of 99.97% of issued and paid-up share capital. The Company appointed an independent appraiser to determine the fair value of net assets acquired from an acquisition of investment in subsidiary including the consideration transferred which completed as at the date of approval of these consolidated financial statements. The consideration transferred is lower</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>- reading the share sale and purchase agreement, evaluating the appropriateness of the identification of the net assets acquired at the date of acquisition;</li> <li>- evaluating significant assumptions underpinning the valuations reference to internal and external information used to determine the fair value of the business prepared by an independent appraiser appointed by management;</li> </ul>

<p>than the fair value of the identifiable net assets acquired of Baht 269.92 million. The Group recognised gain on bargain purchase in the statement of comprehensive income for the year ended 31 December 2019.</p> <p>Due to the materiality of the transactions and the significant judgement and complexities involved in determining the fair value. I considered this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>- involving KPMG valuation specialist to evaluate the financial parameters applied to the discount rate, identification of the intangible assets, valuation methodology used and calculation rationale; and</li> <li>- evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>
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### *Other Information*

Management is 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 those charged with governance and request that the correction be made.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

## *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements*

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

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional skepticism 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 management.
- Conclude on the appropriateness of management's 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 those charged with governance 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 those charged with governance 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 those charged with governance, 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.

(Vairoj Jindamaneepitak)  
Certified Public Accountant  
Registration No. 3565

KPMG Phoomchai Audit Ltd.  
Bangkok  
18 February 2020

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of financial position**

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
(in Baht)					
Current assets					
Cash and cash equivalents	7	4,917,163,131	11,695,247,224	1,780,104,131	4,856,977,013
Current investments	8	4,451,848,525	2,229,095,979	542,065,029	767,761,092
Derivative assets	34	-	10,617,674	-	-
Trade accounts receivable from related parties	6, 9	5,277,659,290	5,226,925,756	-	-
Trade accounts receivable from other parties	9	236,193,762	404,357,474	-	-
Other current receivables	10	299,430,687	153,382,198	34,640,738	45,572,410
Dividend receivables	6	600,000	64,091,160	600,000	64,091,160
Advances to and other current receivables from related parties	6, 10	90,392,540	51,983,947	88,231,434	60,266,766
Short-term loans to related parties	6	-	-	134,000,000	-
Current portion of finance lease receivable from related party	6	3,268,373,863	1,262,817,809	-	-
Spare parts and supplies	11	1,880,392,925	1,932,891,676	-	-
Other current assets		57,713,545	129,493,318	1,806,160	3,990,510
Total current assets		20,479,768,268	23,160,904,215	2,581,447,492	5,798,658,951
Non-current assets					
Available for sale investments	8, 34	1,942,551,686	2,538,933,764	-	-
Investments in associates	12	2,795,777,985	1,628,894,504	764,604,000	764,604,000
Investments in subsidiaries	5, 13	-	-	42,560,609,974	40,690,558,000
Investments in joint ventures	3, 12, 15	28,307,367,806	29,093,246,673	4,916,502,884	4,653,056,867
Investments in other companies	14	2,442,299,900	2,442,299,900	2,442,299,900	2,442,299,900
Other long-term investments	8	53,000,000	113,000,000	53,000,000	113,000,000
Derivative assets	34	266,637,280	226,403,391	-	-
Advance payments for investment	15	-	696,907,546	-	-
Other non-current receivables from related parties	6, 10	18,316,560	9,900,520	19,817,713	16,910,953
Long-term loans to related parties	6	540,897,665	42,493,968	1,807,709,571	1,266,966,208
Land for future development projects	16	398,490,216	318,567,570	305,389,850	305,389,850
Property, plant and equipment	17	24,107,887,896	19,772,596,299	538,511,103	551,934,400
Goodwill	18	170,315,099	228,711,902	-	-
Intangible assets	18	3,626,578,104	2,982,369,630	4,333,630	7,158,935
Finance lease receivable from related party	6	13,139,323,209	16,407,697,071	-	-
Deferred tax assets	30	38,896,697	202,231,833	38,896,697	32,421,563
Other non-current assets	19	1,901,318,127	1,386,743,167	4,486,638	4,456,998
Total non-current assets		79,749,658,230	78,090,997,738	53,456,161,960	50,848,757,674
Total assets		100,229,426,498	101,251,901,953	56,037,609,452	56,647,416,625

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of financial position**

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2019	2018	2019	2018
		(in Baht)			
<b>Current liabilities</b>					
Short-term loans from financial institution	20, 34	603,080,000	-	-	-
Derivative liabilities	34	140,193,769	15,428,225	-	-
Trade accounts payable		3,906,333,813	4,408,410,900	-	-
Other current payables	6, 21	1,707,754,528	1,452,200,529	286,540,211	364,304,995
Current portion of long-term loans					
from financial institutions	20, 34	1,091,191,923	939,376,887	-	-
Debentures due within one year	20, 34	-	3,471,390,265	-	-
Current portion of finance lease liabilities	20	741,415	843,133	-	-
Current tax payable		3,676,848	87,655,197	-	-
Other current liabilities		121,083,050	61,346,692	21,233,967	22,216,199
<b>Total current liabilities</b>		<b>7,574,055,346</b>	<b>10,436,651,828</b>	<b>307,774,178</b>	<b>386,521,194</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	20, 34	15,273,252,762	12,633,424,933	-	-
Debentures	20, 34	15,167,590,698	16,107,244,841	-	-
Derivative liabilities	34	748,411,942	358,117,345	-	-
Finance lease liabilities	20	414,886	1,099,700	-	-
Deferred tax liabilities	30	1,710,235,519	1,478,915,724	-	-
Non-current provisions for employee benefits	22	203,820,910	176,809,634	166,231,851	147,677,379
Other long-term provisions		135,121,715	123,621,104	-	-
Other non-current liabilities		2,600,000	-	-	-
<b>Total non-current liabilities</b>		<b>33,241,448,432</b>	<b>30,879,233,281</b>	<b>166,231,851</b>	<b>147,677,379</b>
<b>Total liabilities</b>		<b>40,815,503,778</b>	<b>41,315,885,109</b>	<b>474,006,029</b>	<b>534,198,573</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	23	14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Issued and paid-up share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Share premium on ordinary shares	23	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000
Difference arising from common					
control transaction		-	-	221,308,748	221,308,748
Retained earnings					
Appropriated					
Legal reserve	24	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Unappropriated	3	50,802,260,025	48,502,769,121	37,887,722,290	38,432,950,592
Other components of equity		(8,870,765,604)	(6,048,530,277)	(27,205,615)	(22,819,288)
<b>Equity attributable to owners of the parent</b>		<b>59,413,272,421</b>	<b>59,936,016,844</b>	<b>55,563,603,423</b>	<b>56,113,218,052</b>
Non-controlling interests		650,299	-	-	-
<b>Total equity</b>		<b>59,413,922,720</b>	<b>59,936,016,844</b>	<b>55,563,603,423</b>	<b>56,113,218,052</b>
<b>Total liabilities and equity</b>		<b>100,229,426,498</b>	<b>101,251,901,953</b>	<b>56,037,609,452</b>	<b>56,647,416,625</b>

The accompanying notes form an integral part of the financial statements.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of comprehensive income**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
Revenue from sales and rendering of services	6, 25	35,441,113,801	36,184,135,649	-	-
Revenue from finance lease contracts	6	2,923,233,480	3,335,813,806	-	-
Cost of sales and rendering of services	6, 28	(33,228,035,300)	(35,170,093,308)	-	-
<b>Gross profit</b>		<b>5,136,311,981</b>	<b>4,349,856,147</b>	<b>-</b>	<b>-</b>
Management service income	6	244,242,542	238,881,810	482,756,023	394,050,307
Interest income	6	205,522,111	213,402,024	133,507,132	162,273,431
Dividend income	6, 8, 12, 13, 14	100,881,446	186,781,647	3,341,958,711	3,505,809,648
Gain on bargain purchase	5	269,917,945	-	-	-
Other income	6	66,785,309	189,058,655	7,985,856	910,475
Administrative expenses	6, 26, 28	(1,595,991,960)	(1,593,990,357)	(934,216,744)	(1,057,836,703)
Net foreign exchange loss		(132,479,303)	(865,020,604)	(98,492,839)	(12,058,107)
Finance costs	6, 29	(1,430,219,388)	(1,014,887,795)	-	-
Share of profit of associates and joint ventures	3, 12	3,968,379,850	4,735,464,876	-	-
<b>Profit before income tax expense</b>		<b>6,833,350,533</b>	<b>6,439,546,403</b>	<b>2,933,498,139</b>	<b>2,993,149,051</b>
(Tax expense) income	30	(870,066,448)	(870,579,572)	1,273,559	(2,345,873)
<b>Profit for the year</b>		<b>5,963,284,085</b>	<b>5,568,966,831</b>	<b>2,934,771,698</b>	<b>2,990,803,178</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(1,246,564,722)	(193,945,285)	-	-
Losses on remeasuring available for sale investments		(520,435,779)	(645,982,541)	-	-
Cash flow hedges - effective portion of changes in fair value		(476,422,088)	(126,375,121)	-	-
Share of other comprehensive income (expense) of associates and joint ventures	12	(560,767,010)	146,746,318	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(2,804,189,599)</b>	<b>(819,556,629)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gains (losses) on remeasurements of defined benefit plans	22	(8,171,482)	1,748,023	(5,482,908)	-
Income tax relating to items that will not be reclassified to profit or loss	30	1,634,296	-	1,096,581	-
Share of other comprehensive income (expense) of associates and joint ventures	12	(11,508,542)	(1,018,225)	-	-
<b>Total items that will not be reclassified to profit or loss</b>		<b>(18,045,728)</b>	<b>729,798</b>	<b>(4,386,327)</b>	<b>-</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(2,822,235,327)</b>	<b>(818,826,831)</b>	<b>(4,386,327)</b>	<b>-</b>
<b>Total comprehensive income (expense) for the year</b>		<b>3,141,048,758</b>	<b>4,750,140,000</b>	<b>2,930,385,371</b>	<b>2,990,803,178</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		5,963,281,245	5,587,601,852	2,934,771,698	2,990,803,178
Non-controlling interests		2,840	(18,635,021)	-	-
<b>Profit for the year</b>		<b>5,963,284,085</b>	<b>5,568,966,831</b>	<b>2,934,771,698</b>	<b>2,990,803,178</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		3,141,045,918	4,722,186,347	2,930,385,371	2,990,803,178
Non-controlling interests		2,840	27,953,653	-	-
<b>Total comprehensive income (expense) for the year</b>		<b>3,141,048,758</b>	<b>4,750,140,000</b>	<b>2,930,385,371</b>	<b>2,990,803,178</b>
<b>Basic earnings per share</b>	3, 32	<b>4.11</b>	<b>3.85</b>	<b>2.02</b>	<b>2.06</b>

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
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**Statement of changes in equity**

		Consolidated financial statements												
		Retained earnings				Other components of equity								
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Available for sale investments	Cash flow hedges reserves	Share of other comprehensive income (expense) of associates and joint ventures	Gains (losses) on remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Note														
(in Baht)														
Year ended 31 December 2018														
Balance at 1 January 2018		14,500,000,000	1,531,778,000	1,450,000,000	46,892,413,182	(3,874,591,169)	(199,057,007)	(184,797,439)	(414,507,346)	(17,727,278)	(4,690,680,239)	59,683,510,943	(674,016,653)	59,009,494,290
Transactions with owners, recorded directly in equity														
Contributions by and distributions to owners of the parent														
Dividends to owners of the Company	33	-	-	-	(3,480,000,000)	-	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Changes in ownership interests in subsidiary														
Acquisition of non-controlling interests without a change in control		-	-	-	(497,245,913)	(492,434,533)	-	-	-	-	(492,434,533)	(989,680,446)	646,063,000	(343,617,446)
Total transactions with owners, recorded directly in equity		-	-	-	(3,977,245,913)	(492,434,533)	-	-	-	-	(492,434,533)	(4,469,680,446)	646,063,000	(3,823,617,446)
Comprehensive income for the year														
Profit or loss		-	-	-	5,587,601,852	-	-	-	-	-	-	5,587,601,852	(18,635,021)	5,568,966,831
Other comprehensive income (expense)		-	-	-	-	(231,864,141)	(645,982,541)	(135,044,939)	145,728,093	1,748,023	(865,415,505)	(865,415,505)	46,588,674	(818,826,831)
Total comprehensive income (expense) for the year		-	-	-	5,587,601,852	(231,864,141)	(645,982,541)	(135,044,939)	145,728,093	1,748,023	(865,415,505)	4,722,186,347	27,953,653	4,750,140,000
Balance at 31 December 2018														
		14,500,000,000	1,531,778,000	1,450,000,000	48,502,769,121	(4,598,889,843)	(845,039,548)	(319,842,378)	(268,779,253)	(15,979,255)	(6,048,530,277)	59,936,016,844	-	59,936,016,844

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
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**Statement of changes in equity**

Consolidated financial statements													
			Retained earnings		Other components of equity								
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Available for sale investments	Cash flow hedges reserves	Share of other comprehensive income (expense) of associates and joint ventures	Losses on remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Note							(in Baht)						
Year ended 31 December 2019													
Balance at 1 January 2019 - as reported	14,500,000,000	1,531,778,000	1,450,000,000	48,502,769,121	(4,598,889,843)	(845,039,548)	(319,842,378)	(268,779,253)	(15,979,255)	(6,048,530,277)	59,936,016,844	-	59,936,016,844
Impact of changes in accounting policies (net of tax)													
- TFRS 15	3	-	-	(183,790,341)	-	-	-	-	-	-	(183,790,341)	-	(183,790,341)
Balance at 1 January 2019		14,500,000,000	1,531,778,000	1,450,000,000	48,318,978,780	(4,598,889,843)	(845,039,548)	(319,842,378)	(268,779,253)	(15,979,255)	(6,048,530,277)	59,752,226,503	59,752,226,503
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners of the parent													
Dividends to owners of the Company	33	-	-	(3,480,000,000)	-	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Changes in ownership interests in subsidiaries													
Minority interests at acquisition date of subsidiary	5	-	-	-	-	-	-	-	-	-	-	647,459	647,459
Total transactions with owners, recorded directly in equity		-	-	(3,480,000,000)	-	-	-	-	-	-	(3,480,000,000)	647,459	(3,479,352,541)
Comprehensive income for the year													
Profit		-	-	5,963,281,245	-	-	-	-	-	-	5,963,281,245	2,840	5,963,284,085
Other comprehensive income (expense)		-	-	-	(1,246,564,722)	(520,435,779)	(476,422,088)	(572,275,552)	(6,537,186)	(2,822,235,327)	(2,822,235,327)	-	(2,822,235,327)
Total comprehensive income (expense) for the year		-	-	5,963,281,245	(1,246,564,722)	(520,435,779)	(476,422,088)	(572,275,552)	(6,537,186)	(2,822,235,327)	3,141,045,918	2,840	3,141,048,758
Balance at 31 December 2019		14,500,000,000	1,531,778,000	1,450,000,000	50,802,260,025	(5,845,454,565)	(1,365,475,327)	(796,264,466)	(841,054,805)	(22,516,441)	(8,870,765,604)	650,299	59,413,922,720

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of changes in equity**

		Separate financial statements					Other components	
					Retained earnings		of equity	
	Note	Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Legal reserve  (in Baht)	Unappropriated	Losses on remeasurements of defined benefit plans	Total equity
Year ended 31 December 2018								
Balance at 1 January 2018		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,922,147,414	(22,819,288)	56,602,414,874
Dividends to owners of the Company	33	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Comprehensive income for the year								
Profit		-	-	-	-	2,990,803,178	-	2,990,803,178
Other comprehensive income (expenses)		-	-	-	-	-	-	-
Total comprehensive income (expenses) for the year		-	-	-	-	2,990,803,178	-	2,990,803,178
Balance at 31 December 2018		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,432,950,592	(22,819,288)	56,113,218,052

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of changes in equity**

		Separate financial statements					Other components	
					Retained earnings		of equity	
	Note	Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Legal reserve  (in Baht)	Unappropriated	Losses on remeasurements of defined benefit plans	Total equity
Year ended 31 December 2019								
Balance at 1 January 2019		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,432,950,592	(22,819,288)	56,113,218,052
Dividends to owners of the Company	33	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Comprehensive income for the year								
Profit		-	-	-	-	2,934,771,698	-	2,934,771,698
Other comprehensive income (expenses)		-	-	-	-	-	(4,386,327)	(4,386,327)
Total comprehensive income (expenses) for the year		-	-	-	-	2,934,771,698	(4,386,327)	2,930,385,371
Balance at 31 December 2019		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	37,887,722,290	(27,205,615)	55,563,603,423

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of cash flows**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		5,963,284,085	5,568,966,831	2,934,771,698	2,990,803,178
<b><i>Adjustments to reconcile profit to cash receipts (payments)</i></b>					
Tax expense (income)	30	870,066,448	870,579,572	(1,273,559)	2,345,873
Finance costs	29	1,430,219,388	1,014,887,795	-	-
Depreciation	17	1,273,309,552	904,965,662	22,257,004	28,242,446
Amortisation	18	254,606,473	279,051,893	2,915,305	2,715,168
Impairment losses on land for future development projects		-	20,580,000	-	-
Impairment losses on goodwill	18	42,312,620	-	-	-
Unrealised loss on exchange		124,215,577	714,640,152	84,472,015	8,214,647
(Gain) loss on fair value adjustment of debt securities held for trading		(4,135,616)	845,628	(4,118,766)	1,222,339
(Gain) loss on disposal of current investments		(358,060)	-	150,702	-
Fair value adjustment of finance lease receivable from related party		(96,693,665)	(100,209,572)	-	-
Share of profit of associates and joint ventures	12	(3,968,379,850)	(4,735,464,876)	-	-
Gain on dissolution of joint venture		(2,077,131)	-	(1,625,031)	-
Reversal of doubtful debts expenses	6	-	(55,939,976)	-	-
Loss on spare parts and supplies devaluation	11	50,403,209	50,236,177	-	-
(Reversal of) loss on fuel oil devaluation	11	(25,564,810)	25,510,148	-	-
Loss on write-off and disposal of equipments		368,059	3,378,350	5,901	2,439
Dividend income	6, 8, 12, 13, 14	(100,881,446)	(186,781,647)	(3,341,958,711)	(3,505,809,648)
Interest income		(205,522,111)	(213,402,024)	(133,507,132)	(162,273,431)
Gain on bargain purchase	5	(269,917,945)	-	-	-
Write-off withholding tax deducted at source and others		1,410,603	86,011,949	-	3,717,128
		<u>5,336,665,380</u>	<u>4,247,856,062</u>	<u>(437,910,574)</u>	<u>(630,819,861)</u>
<b><i>Changes in operating assets and liabilities</i></b>					
Trade accounts receivable from related parties		306,092,876	1,500,499,163	-	-
Trade accounts receivable from other parties		153,942,394	(302,554,494)	-	-
Other current receivables		55,988,912	(34,132,955)	431,162	(111,669)
Advances to and other current receivables from related parties		(39,272,855)	(467,589)	(27,720,567)	14,865,933
Finance lease receivable from related party		1,359,511,473	3,654,892,287	-	-
Spare parts and supplies		56,683,419	89,310,028	-	-
Other current assets and other non-current assets		(539,984,393)	(134,871,611)	2,003,510	7,749,340
Trade accounts payable		(621,946,123)	(771,252,737)	-	-
Other current payables		155,295,264	35,011,501	(76,440,545)	125,128,647
Other current liabilities and other non-current liabilities		58,301,182	(131,910,589)	(1,202,053)	1,195,443
Non-current provisions for employee benefits		21,824,943	3,320,930	13,071,564	5,384,680
Long-term provisions		21,099,367	24,776,893	-	-
Net cash generated from (used in) operating		<u>6,324,201,839</u>	<u>8,180,476,889</u>	<u>(527,767,503)</u>	<u>(476,607,487)</u>
Taxes paid		<u>(734,949,383)</u>	<u>(1,011,912,705)</u>	<u>(964,661)</u>	<u>(3,298,465)</u>
<b>Net cash from (used in) operating activities</b>		<b><u>5,589,252,456</u></b>	<b><u>7,168,564,184</u></b>	<b><u>(528,732,164)</u></b>	<b><u>(479,905,952)</u></b>

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Statement of cash flows**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
		(in Baht)			
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	5, 13	(1,977,100,386)	-	(1,998,400,000)	-
Payment for investments in subsidiary		-	-	(4,000,000)	-
Acquisition of non-controlling interest		-	(343,617,447)	-	-
Net cash inflow (outflow) in current investments		(2,162,292,177)	(1,202,965,746)	289,664,127	222,034,255
Proceeds from repayment of short-term loans to related party	6	-	-	100,000,000	10,510,000,000
Short-term loans to related party	6	-	-	(220,000,000)	(7,780,000,000)
Proceeds from repayment of long-term loans to related party	6	-	-	161,000,000	32,722,253
Long-term loans to related parties	6	(507,524,941)	-	(667,721,521)	-
Proceeds from dissolution of joint venture		2,077,131	-	2,077,131	-
Payment for investments in associates	12	(1,173,479,571)	-	-	-
Payment for investments in joint ventures	12	(582,612,704)	(3,071,288,172)	(263,898,117)	(372,718,931)
Payment for investments in other companies	14	-	(1,680,000,000)	-	(1,680,000,000)
Net cash inflow (outflow) in advance payments for investments	15	194,697,320	(69,988,190)	-	-
Net cash outflow in other long-term investments		-	(30,000,000)	-	(30,000,000)
Payment for acquisition of land for future development projects		(18,042,347)	-	-	-
Proceeds from sale of equipments		11,302	6,363,043	10,023	-
Payment for acquisition of plant and equipment		(2,441,871,548)	(5,383,365,509)	(10,784,631)	(3,930,050)
Payment for acquisition of intangible assets		(1,784,509)	(7,344,660)	(315,000)	(3,315,400)
Dividends received		3,716,587,334	2,568,129,010	3,405,449,871	3,511,118,488
Interest received		201,730,404	198,941,389	138,557,578	169,339,656
<b>Net cash from (used in) investing activities</b>		<b>(4,749,604,692)</b>	<b>(9,015,136,282)</b>	<b>931,639,461</b>	<b>4,575,250,271</b>
<b>Cash flows from financing activities</b>					
Proceeds from short-term loans from financial institutions		1,376,635,500	-	-	-
Repayment of short-term loans from financial institutions		(755,582,500)	-	-	-
Proceeds from long-term loans from financial institutions		1,200,880,439	11,854,067,364	-	-
Repayment of long-term loans from financial institutions		(965,541,724)	(2,449,689,806)	-	-
Repayment of long-term loans from related party		-	(950,432,881)	-	-
Proceeds from issue of debentures		-	9,375,570,283	-	-
Transaction costs from issue of debentures		-	(33,774,118)	-	-
Redemption payment of debentures		(3,407,832,300)	-	-	-
Payment to repurchase of debentures		-	(6,112,471,580)	-	-
Payment of unwinding derivatives		-	(3,058,600,602)	-	-
Payment by a lessee for reduction of the outstanding liabilities relating to a finance lease		(857,950)	(1,244,834)	-	-
Dividend paid to owners of the Company		(3,479,780,179)	(3,479,191,771)	(3,479,780,179)	(3,479,191,771)
Finance costs paid		(1,402,061,328)	(1,354,409,942)	-	-
<b>Net cash from (used in) financing activities</b>		<b>(7,434,140,042)</b>	<b>3,789,822,113</b>	<b>(3,479,780,179)</b>	<b>(3,479,191,771)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(6,594,492,278)	1,943,250,015	(3,076,872,882)	616,152,548
Effect of exchange rate changes on cash and cash equivalents		(183,591,815)	464,539,461	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(6,778,084,093)</b>	<b>2,407,789,476</b>	<b>(3,076,872,882)</b>	<b>616,152,548</b>
Cash and cash equivalents at 1 January		11,695,247,224	9,287,457,748	4,856,977,013	4,240,824,465
<b>Cash and cash equivalents at 31 December</b>		<b>4,917,163,131</b>	<b>11,695,247,224</b>	<b>1,780,104,131</b>	<b>4,856,977,013</b>

The accompanying notes form an integral part of the financial statements.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**Note    Contents**

1	General information
2	Basis of preparation of the financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Acquisitions of subsidiary
6	Related parties
7	Cash and cash equivalents
8	Other investments
9	Trade accounts receivable
10	Other receivables
11	Spare parts and supplies
12	Investments in associates and joint ventures
13	Investments in subsidiaries
14	Investments in other companies
15	Advance payments for investment
16	Land for future development projects
17	Property, plant and equipment
18	Goodwill and intangible assets
19	Other non-current assets
20	Interest-bearing liabilities
21	Other payables
22	Non-current provisions for employee benefits
23	Share capital
24	Reserves
25	Segment information and disaggregation of revenue
26	Administrative expenses
27	Employee benefit expenses
28	Expenses by nature
29	Finance costs
30	Income tax expense
31	Promotional privileges
32	Basic earnings per share
33	Dividends
34	Financial instruments
35	Commitments with non-related parties
36	Events after the reporting period
37	Thai Financial Reporting Standards (TFRS) not yet adopted



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 February 2020.

## **1 General information**

RATCH Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 2000. The Company’s registered office is at 72 Ngamwongwan Road, Bangkok, Muang Nonthaburi, Nonthaburi, Thailand.

The Company’s major shareholder during the financial year was Electricity Generating Authority of Thailand (“EGAT”) (45% shareholding), which was incorporated in Thailand.

At the annual general meeting of the shareholders of the Company held on 12 April 2019, the shareholders approved a change of the Company’s name from “Ratchaburi Electricity Generating Holding Public Company Limited” to “RATCH Group Public Company Limited”. The Company has registered the change of name with the Department of Business Development, the Ministry of Commerce on 17 April 2019.

The principal businesses of the Company are the investing in companies, whose objectives are to generate and sell electricity and related businesses. Details of the Company’s subsidiaries, associates and joint ventures as at 31 December 2019 and 2018 were as follows:

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Direct subsidiaries</i>				
Ratchaburi Electricity Generating Company Limited	Generating and selling electricity and investing in the power energy business	Thailand	99.99	99.99
Ratchaburi Energy Company Limited	Investing in the power energy business	Thailand	99.99	99.99
RH International Corporation Limited	Investing in the power energy business	Thailand	99.99	99.99
RATCH O&M Company Limited	Providing operation and maintenance services	Thailand	99.99	99.99
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	99.99	99.99
Hin Kong Power Holding Company Limited	Investing in the power energy business	Thailand	99.99	-

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Direct subsidiaries</i>				
RATCH Cogeneration Company Limited	Generating and selling electricity and cooling water	Thailand	99.97	-
RATCH-Lao Services Company Limited	Providing operation maintenance services and investing in the related business	Lao PDR	99.99	99.99
<i>Indirect subsidiaries</i>				
RH International (Mauritius) Corporation Limited	Investing in the power energy business internationally	Mauritius	100	100
RH International (Singapore) Corporation Pte. Ltd.	Investing in the power energy business internationally	Singapore	100	100
RATCH-Australia Corporation Pty. Ltd. and its subsidiaries	Developing and operating power plant and investing in the power energy business	Australia	100	100
RATCH China Power Company Limited	Investing in the power energy business internationally	Hong Kong	100	100
RE Solar 1 Company Limited	Generating and selling electricity	Thailand	99.99	99.99
CN Biomass Company Limited (In process of liquidation)	Generating and selling electricity	Thailand	99.99	99.99
PB Biomass Company Limited (In process of liquidation)	Generating and selling electricity	Thailand	99.99	99.99
LP Biomass Company Limited (In process of liquidation)	Generating and selling electricity	Thailand	99.99	99.99
Hin Kong Power Company Limited	Generating and selling electricity	Thailand	99.99	-
<i>Direct associates</i>				
First Korat Wind Company Limited	Generating and selling electricity	Thailand	20	20
K.R. TWO Company Limited	Generating and selling electricity	Thailand	20	20
<i>Indirect associates</i>				
Solar Power (Korat 3) Company Limited	Generating and selling electricity	Thailand	40	40

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<b>Indirect associates</b>				
Solar Power (Korat 4) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 7) Company Limited	Generating and selling electricity	Thailand	40	40
<b>Direct joint ventures</b>				
Chubu Ratchaburi Electric Services Company Limited	Providing operation and maintenance services	Thailand	50	50
SouthEast Asia Energy Limited	Investing in the power energy business	Thailand	33.33	33.33
Smart Infranet Company Limited	Investing in Underground Optic Fiber Network Project	Thailand	51	-
Things on Net Company Limited	Investing in installation and development of telecommunication networks	Thailand	35	-
Nam Ngum 3 Power Company Limited (Complete liquidation in 2019)	Generating and selling electricity	Lao PDR	-	25
Xe-Pian Xe-Namnoy Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<b>Indirect joint ventures</b>				
Ratchaburi Power Company Limited	Generating and selling electricity	Thailand	25	25
Nava Nakorn Electricity Generating Company Limited	Generating and selling electricity and steam	Thailand	40	40
Ratchaburi World Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	40	40
Berkprai Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	35	35
Solarta Company Limited	Generating and selling electricity	Thailand	49	49
Songkhla Biomass Company Limited	Generating and selling electricity	Thailand	40	40

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2019	2018
<i>Indirect joint ventures</i>				
Songkhla Biofuel Company Limited	Providing material of biofuel	Thailand	40	40
Hongsa Power Company Limited	Generating and selling electricity	Lao PDR	40	40
Phu Fai Mining Company Limited	Coal mining and trading	Lao PDR	37.50	37.50
Asia Water Co., Ltd.	Generating and selling water	Lao PDR	40	-
PT Medco Ratch Power Riau	Generating and selling electricity	Republic of Indonesia	49	49
Fareast Renewable Development Pte. Ltd.	Investing in the power energy business internationally	Singapore	50	50
<i>Subsidiary of a direct joint venture</i>				
Nam Ngum 2 Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<i>Subsidiary of an indirect joint venture</i>				
PT Bajradaya Sentranusa	Generating and selling electricity	Republic of Indonesia	26.61	26.61

## **2 Basis of preparation of the financial statements**

### ***(a) Statement of compliance***

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. There is no material impact on the Group’s financial statements except for initial applying TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which replaces TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS 11”) and related interpretations. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 37.

*(b) Functional and presentation currency*

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

*(c) Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

*(i) Judgements*

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

12	Equity-accounted investees: whether the Group has significant influence over an investee.
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*(ii) Assumptions and estimation uncertainties*

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

5	Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
9	Measurement of allowance for doubtful debts of trade accounts receivable;
18	Impairment test of goodwill: key assumptions underlying recoverable amounts;
22	Measurement of defined benefit obligations: key actuarial assumptions; and
30	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

### **3 Changes in accounting policies**

From 1 January 2019, the Group has adopted TFRS 15 using the cumulative effect method, taking into account the effect of initially applying this standard only to contracts that were not completed before 1 January 2019 as an adjustment to the retained earnings at 1 January 2019. Therefore, the Group has not restated the information presented for 2018, as previously reported under TAS 18 and related interpretations. The disclosure requirements of TFRS 15 have not generally been applied to comparative information.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and after deduction of any trade discounts. Judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Under TAS 18, the Group recognised revenue from sale of goods when the significant risks and rewards of ownership of the goods were transferred to the buyer, and recognised revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue was recognised if there was continuing management involvement with the goods or there were significant uncertainties regarding recovery of the consideration due.

*Revenue from sales of electricity*

Revenue from sales of electricity comprises of revenue from energy payment and revenue from availability payment in terms of operating costs.

Revenue from availability payment in terms of operating costs is a revenue that reflects the fixed operation and maintenance expenses (“Fixed O&M”), maintenance parts expenses and administrative expenses. The availability payment rate is fixed at an amount per Kilowatt based on the availability hours of each year throughout the period of the Power Purchase Agreement. Each Power Purchase Agreement of the Group has different terms and conditions for receiving the revenue from availability payment in terms of operating costs.

Under TAS 18, the subsidiaries recognise revenue from availability payment in terms of operating costs by varying the Contracted Available Hours (“CAH”) in a year and the Base Availability Credit (“BAC”) but the joint ventures recognise revenue from availability payment in terms of operating costs in a year as specified in the agreements. Under TFRS 15, the Group will recognise such revenue by varying the Contracted Available Hours (CAH) in a year and the Base Availability Credit (BAC).

Based on their assessment, management concluded that the revenue recognition under TFRS 15 of the Company and the subsidiaries under TFRS 15 is not different from the current practice. The revenue recognition under TFRS 15 of the joint venture in Lao PDR is different from the revenue recognition under TAS 18, which has an impact on the investments in joint ventures, as accounted for using the equity method, is as follows:

<i>At 1 January 2019</i>	<b>Consolidated financial statements (in thousand Baht)</b>
Retained earnings	<b><u>(183,790)</u></b>

The following tables summarise the impact of adopting TFRS 15 on the financial statements:

Consolidated financial statements				
<i>Statement of financial position at 31 December 2019</i>	<i>Note</i>	Amounts as reported	Adjustments <i>(in thousand Baht)</i>	Amounts without adoption of TFRS 15
<i>Assets</i>				
Investments in joint ventures	12	28,307,368	(17,820)	28,289,548

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<i>Statement of financial position at 31 December 2019</i>	<b>Consolidated financial statements</b>		
	Amounts as reported	Adjustments (in thousand Baht)	Amounts without adoption of TFRS 15
<b>Equity</b>			
Unappropriated retained earnings	<b>50,802,260</b>	<b>(17,820)</b>	<b>50,784,440</b>
<b>Statement of comprehensive income for the year ended 31 December 2019</b>			
Share of profit of associates and joint ventures	<b>3,968,380</b>	<b>(17,820)</b>	<b>3,950,560</b>
<b>Profit for the year</b>	<b>5,963,284</b>	<b>(17,820)</b>	<b>5,945,464</b>
<b>Total comprehensive income (expense) for the year</b>	<b>3,141,049</b>	<b>(17,820)</b>	<b>3,123,229</b>
<b>Basic earnings per share (in Baht)</b>	<b>4.11</b>	<b>(0.01)</b>	<b>4.10</b>

There is no material impacts on the consolidated and separate statements of cash flows for the year ended 31 December 2019 from the adoption of TFRS 15.

TFRS 15 did not have any material impact on the Group’s accounting policies with respect to other revenue streams.

#### **4 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

##### **(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

*Acquisitions from entities under common control*

Business combinations under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

*Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Interests in equity-accounted investees*

The Group’s interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- available for sale equity investments (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss); and
- qualifying cash flow hedges to the extent the hedge is effective.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operation are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

**(c) *Derivatives***

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 4 (d)).

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(d) Hedging**

*Cash flow hedges*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

*Discontinuing hedge accounting*

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument existing in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in profit or loss immediately.

*Hedge of interest rates*

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans.

**(e) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and saving accounts and highly liquid short-term investments.

**(f) Trade and other accounts receivable**

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(g) Spare parts and supplies**

Spare parts and supplies are measured at the lower of cost and net realisable value.

Spare parts comprise fuel oil and supplies which are used for specific equipment in the power plant.

Cost is calculated using the moving average cost principle, and comprises all costs of purchase and other costs incurred in bringing the spare parts and supplies to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

The allowance for obsolescence of spare parts is calculated from the balances of spare parts at the end of year on a straight-line basis to write-down the spare parts over the remaining useful lives of power plants.

**(h) Investments**

*Investments in associates, subsidiaries and joint ventures*

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

*Investments in other debt and equity securities*

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held to maturity investments. Held to maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available for sale investments. Available for sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available for sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held for trading and available for sale is determined as the quoted bid price at the reporting date.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(i) *Property, plant and equipment***

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

*Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives are as follows:

Buildings and other constructions	20 - 40	years
Building improvements	5	years
Power plants, substation and transmission systems	4 - 45	years
Operating and maintenance equipment	5	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(j) *Intangible assets***

*Goodwill*

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

*Other intangible assets*

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

The estimated useful lives for the current period are as follows:

Software licences	3 - 10	years
Licenses on project development	25	years
Right to power purchase agreements	20 - 25	years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(k) Project development expenditure**

Project development expenditure is recognised in profit or loss as incurred. Project development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to use or sell the asset. The expenditure capitalised includes borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated impairment losses. Capitalised development expenditure will be amortised when it is available for use in the manner intended.

**(l) Impairment**

The carrying amounts of the Group’s assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets’ recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available for sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of held to maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available for sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset’s value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available for sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(m) *Interest-bearing liabilities***

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(n) *Trade and other accounts payable***

Trade and other accounts payable are stated at cost.

**(o) *Employee benefits***

*Defined contribution plan*

Defined contribution plan is post-employment benefit plan which the Group contributes a fixed amount to another entity (“Provident Fund”) and has no legal or constructive obligation to pay the additional contributions. Obligations for contributions to defined contribution plan are expensed in profit or loss as the related service is provided by the employee.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(p) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**(q) Measurement of fair values**

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group’s Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**(r) Revenue**

Information about the Group’s accounting policies relating to revenue from sales of electricity is disclosed in note 3.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts.

*Revenue from rendering of services*

Revenue from rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

*Revenue from finance lease contracts*

Revenue from finance lease contracts is recognised in profit or loss by using the effective interest rate method over the period of the power purchase agreements.

*Other income*

Other income is recognised in profit or loss as it accrues.

**(s) Rental income**

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(t) Investment income**

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

**(u) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(v) Financing fees**

Financing fees are recognised initially at cost and presented as deferred financing fees and amortised on the effective interest rate method over the period of the long-term loan agreements and capitalised as cost of an asset during the construction period. After construction completed, amortisation are recognised in profit or loss. Deferred financing fees are part of borrowing costs and are presented deduction from long-term loans.

**(w) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(x) Other expenses**

Other expenses are recognised in profit or loss as it accrues.

**(y) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(z) Basic earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

**(aa) Related party**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

**(bb) Segment reporting**

Segment results that are reported to the Group’s CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**5 Acquisition of subsidiary**

On 1 October 2019, the Company acquired the ordinary shares and preferred shares of Navanakorn Electric Company Limited, in proportion of investment of 99.97% of issued and paid-up share capital by paying for shares to the existing shareholders, amounting to Baht 1,866.05 million and entered into a loan agreement with such company, in an aggregate amount not exceeding Baht 197.35 million with bear interest at the rate of 4.50% per annum. Principle and interest will be due as stipulated in the agreement. On that day, such company had drawdown loan from the Company amounting to Baht 132.35 million.

After such transactions are completed, the shareholder structure of such company comprises the Company 99.97% and minority interest 0.03%.

Navanakorn Electric Company Limited’s power plant is a gas-fired SPP cogeneration power plant with power generating capacity of 110 Megawatts and steam generating capacity of 10 Tons per hour. It is located in the south of Navanakorn Industrial Promotion Zone, Pathum Thani Province. The power plant has been commercially operating since 31 October 2013 and has a power purchase agreement with EGAT for a period of 25 years ending in 2038, and also has power purchase agreements and cooling water service agreement with local companies. Management believes that the investment in such subsidiary will enable the Group expands the investment opportunity in line with the Group’s strategy with the goal to generate sustainable growth of the Group.

On 25 October 2019, the shareholders of the subsidiary approved a change of such company’s name from “Navanakorn Electric Company Limited” to “RATCH Cogeneration Company Limited”. The subsidiary has registered the change of name with the Department of Business Development, the Ministry of Commerce on 4 November 2019.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Identifiable assets acquired and liabilities assumed*

	<b>Book value</b>	<b>Fair value adjustment (in thousand Baht)</b>	<b>Fair value</b>
Cash and cash equivalents	21,300	-	21,300
Trade accounts receivable and other receivables	376,761	-	376,761
Inventories	54,291	-	54,291
Other current assets and other non-current assets	181,996	-	181,996
Property, plant and equipment	4,847,647	(242,355)	4,605,292
Intangible assets	81	1,115,835	1,115,916
Bank overdrafts and short-term loans	(299,536)	-	(299,536)
Trade accounts payables and other payables	(242,765)	-	(242,765)
Other current liabilities and other non-current liabilities	(32,883)	-	(32,883)
Long-term loans from financial institutions	(3,311,029)	-	(3,311,029)
Derivative liabilities	-	(44,333)	(44,333)
Deferred tax liabilities	-	(156,045)	(156,045)
<b>Total identifiable net assets</b>	<b>1,595,863</b>	<b>673,102</b>	<b>2,268,965</b>
<i>Less Non-controlling interests (0.03 %)</i>			(647)
<b>Total identifiable net assets received (99.97%)</b>			<b>2,268,318</b>
Gain on bargain purchase			(269,918)
<b>Purchase consideration transferred</b>			<b>1,998,400</b>
Net cash acquired with the subsidiary			21,300
Cash paid			(1,998,400)
<b>Net cash outflows</b>			<b>(1,977,100)</b>

An independent appraiser has been appointed to determine the fair value of the business and the report of the appraiser is completed as at the date of approval of these consolidated financial statements.

*Transaction costs in connection with a business combination*

The Group incurred transaction costs in connection with a business combination of Baht 17.95 million comprise legal fees, other professional and consulting fees are recognised in administrative expenses in the consolidated and separate statements of comprehensive income.

The assets, liabilities and operating results since acquisition date of the subsidiary have been included in the consolidated financial statements for the year ended 31 December 2019. The subsidiary contributed revenue from sales and rendering of services of Baht 495.38 million and profit for the period of Baht 9.47 million to the Group’s operating results. If the acquisition had occurred since 1 January 2019, management expected that revenue from sales and rendering of services would have been increased by Baht 2,073.77 million and profit for the year would have been decreased by Baht 6.95 million.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**6 Related parties**

Relationships with subsidiaries, associates and joint ventures, other related parties that the Group had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Electricity Generating Authority of Thailand	Thailand	Major shareholder, some common directors
Ratchaburi Electricity Generating Company Limited	Thailand	Direct subsidiary, 99.99% shareholding, some common directors
Ratchaburi Energy Company Limited	Thailand	Direct subsidiary, 99.99% shareholding, some common directors
RH International Corporation Limited	Thailand	Direct subsidiary, 99.99% shareholding
RATCH O&M Company Limited	Thailand	Direct subsidiary, 99.99% shareholding
Ratchaburi Alliances Company Limited	Thailand	Direct subsidiary, 99.99% shareholding
Hin Kong Power Holding Company Limited	Thailand	Direct subsidiary, 99.99% shareholding, some common directors
RATCH Cogeneration Company Limited	Thailand	Direct subsidiary, 99.97% shareholding
RATCH-Lao Services Company Limited	Lao PDR	Direct subsidiary, 99.99% shareholding
RH International (Mauritius) Corporation Limited	Mauritius	Indirect subsidiary, 100% shareholding by a direct subsidiary
RH International (Singapore) Corporation Pte. Ltd.	Singapore	Indirect subsidiary, 100% shareholding by an indirect subsidiary
RATCH-Australia Corporation Pty. Ltd.	Australia	Indirect subsidiary, 100% shareholding by an indirect subsidiary, some common directors
RATCH China Power Limited	Hong Kong	Indirect subsidiary, 100% shareholding by an indirect subsidiary
RE Solar 1 Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
CN Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
PB Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
LP Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
Hin Kong Power Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary, some common directors
First Korat Wind Company Limited	Thailand	Direct associate, 20% shareholding
K.R. TWO Company Limited	Thailand	Direct associate, 20% shareholding
Solar Power (Korat 3) Company Limited	Thailand	Indirect associate, 40% shareholding by a direct subsidiary
Solar Power (Korat 4) Company Limited	Thailand	Indirect associate, 40% shareholding by a direct subsidiary
Solar Power (Korat 7) Company Limited	Thailand	Indirect associate, 40% shareholding by a direct subsidiary
Chubu Ratchaburi Electric Services Company Limited	Thailand	Direct joint venture, 50% shareholding
SouthEast Asia Energy Limited	Thailand	Direct joint venture, 33.33% shareholding
Things on Net Company Limited	Thailand	Direct joint venture, 35% shareholding
Nam Ngum 3 Power Company Limited	Lao PDR	Direct joint venture, 25% shareholding
Xe-Pian Xe-Namnoy Power Company Limited	Lao PDR	Direct joint venture, 25% shareholding
Ratchaburi Power Company Limited	Thailand	Indirect joint venture, 25% shareholding by a direct subsidiary,
Nava Nakorn Electricity Generating Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Ratchaburi World Cogeneration Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Berkprai Cogeneration Company Limited	Thailand	Indirect joint venture, 35% shareholding by a direct subsidiary
Solarta Company Limited	Thailand	Indirect joint venture, 49% shareholding by a direct subsidiary
Songkhla Biomass Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Songkhla Biofuel Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Hongsa Power Company Limited	Lao PDR	Indirect joint venture, 40% shareholding by an indirect subsidiary, some common directors
Phu Fai Mining Company Limited	Lao PDR	Indirect joint venture, 37.50% shareholding by an indirect subsidiary, some common directors
Asia Water Co., Ltd.	Lao PDR	Indirect joint venture, 40% shareholding by a direct subsidiary
PT Medco Ratch Power Riau	Republic of Indonesia	Indirect joint venture, 49% shareholding by an indirect subsidiary, some common directors
Fareast Renewable Development Pte. Ltd.	Singapore	Indirect joint venture, 50% shareholding by an indirect subsidiary, some common directors
Nam Ngum 2 Power Company Limited	Lao PDR	Subsidiary of a direct joint venture, 75% shareholding by a direct joint venture
PT Bajradaya Sentranusa	Republic of Indonesia	Subsidiary of an indirect joint venture, 53.21% shareholding by an indirect joint venture
Key management personnel	Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions are explained further below:

**Transactions**

Revenue from sales of electricity  
Operation and maintenance service income  
Revenue from finance lease contracts  
Management service income  
Purchase of goods/ raw materials  
Operation and maintenance service fee  
Interest income  
Other income  
Rental income  
Interest expense

**Pricing policies**

Contractually agreed price  
Contractually agreed price  
Contractually agreed price  
Contractually agreed price  
Contractually agreed price  
Contractually agreed price  
Contractually agreed rate  
Contractually agreed price  
Contractually agreed price  
Contractually agreed rate



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Significant transactions for the years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Revenue from sales of electricity	32,350,467	33,951,586	-	-
Operation and maintenance service income	53,193	50,900	-	-
Revenue from finance lease contracts	2,923,233	3,335,814	-	-
Purchase of electricity	160,023	171,836	-	-
Operation and maintenance service fee	1,249,128	1,184,010	-	-
Management service of fuel	2,155	2,137	-	-
Other service fee	1,328	3,902	19	2,617
<b>Subsidiaries</b>				
Management service income	-	-	238,762	155,168
Interest income	-	-	44,128	76,573
Dividend income	-	-	3,068,049	3,193,828
<b>Associates</b>				
Management service income	2,232	2,188	2,232	2,188
Dividend income	-	-	44,993	95,683
<b>Joint ventures</b>				
Operation and maintenance service income	517	-	-	-
Management service income	241,862	236,371	241,613	236,371
Interest income	8,416	2,599	8,416	2,599
Dividend income	-	-	228,023	216,298
Rental income	12,067	12,067	-	-
Other income	29,938	34,247	-	-
<b>Other related parties</b>				
Dividend income	894	-	894	-
Interest expense	-	23,716	-	-
<b>Key management personnel compensation</b>				
Short-term employee benefits	152,843	159,877	77,214	82,004
Post-employment benefits	6,757	7,937	2,430	3,004
Other long-term benefits	5,428	1,509	5,187	331
<b>Total key management personnel compensation</b>	<b>165,028</b>	<b>169,323</b>	<b>84,831</b>	<b>85,339</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Balances as at 31 December with related parties were as follows:

<i>Trade accounts receivable from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Electricity Generating Authority of Thailand	5,277,450	5,226,926	-	-
<b>Indirect joint venture</b>				
Asia Water Co., Ltd.	209	-	-	-
	5,277,659	5,226,926	-	-
Less allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>5,277,659</b>	<b>5,226,926</b>	<b>-</b>	<b>-</b>
Reversal of doubtful debts expense for the year	-	(55,940)	-	-
<b>Dividend receivables</b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Direct associate</b>				
K.R. TWO Company Limited	<b>600</b>	<b>64,091</b>	<b>600</b>	<b>64,091</b>
<b>Advances to and other current receivables from related parties</b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Electricity Generating Authority of Thailand	1,434	1,618	-	-
<b>Direct subsidiaries</b>				
Ratchaburi Electricity Generating Company Limited	-	-	9,435	9,019
Ratchaburi Energy Company Limited	-	-	57	54
RH International Corporation Limited	-	-	1,017	984
RATCH O&M Company Limited	-	-	64	64
Ratchaburi Alliances Company Limited	-	-	161	161
Hin Kong Power Holding Company Limited	-	-	104	-
RATCH Cogeneration Company Limited	-	-	2,020	-
<b>Indirect subsidiaries</b>				
RH International (Mauritius) Corporation Limited	-	-	112	121
RH International (Singapore) Corporation Pte. Ltd.	-	-	25,876	28,788
RATCH-Australia Corporation Pty. Ltd.	-	-	9,950	417
RATCH China Power Limited	-	-	112	121
RE Solar 1 Company Limited	-	-	64	64
CN Biomass Company Limited	-	-	64	64
PB Biomass Company Limited	-	-	64	64

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<i>Advances to and other current receivables from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Indirect subsidiaries</b>				
LP Biomass Company Limited	-	-	64	64
Hin Kong Power Company Limited	-	-	12,369	-
<b>Direct associates</b>				
First Korat Wind Company Limited	99	98	99	98
K.R. TWO Company Limited	99	98	99	98
<b>Direct joint ventures</b>				
Chubu Ratchaburi Electric Services Company Limited	928	920	928	920
Xe-Pian Xe-Namnoy Power Company Limited	13,246	10,986	13,246	10,986
<b>Indirect joint ventures</b>				
Ratchaburi Power Company Limited	9,378	12,403	-	-
Nava Nakorn Electricity Generating Company Limited	1,094	1,038	1,094	1,038
Berkprai Cogeneration Company Limited	1,091	1,029	1,091	1,029
Solarta Company Limited	1,773	1,696	1,773	1,696
Songkhla Biomass Company Limited	-	192	-	192
Hongsa Power Company Limited	-	4,225	-	4,225
Asia Water Co., Ltd.	91	-	-	-
PT Medco Ratch Power Riau	61,160	17,681	8,368	-
<b>Total</b>	<b>90,393</b>	<b>51,984</b>	<b>88,231</b>	<b>60,267</b>

**Movement of long-term**

<i>loans to</i>	<b>Interest rate</b>	<b>Consolidated financial statements</b>				
		At 31 December (% per annum)	At 1 January	Increase Decrease (in thousand Baht)	Exchange rate adjustment	At 31 December
<b>2019</b>						
<b>Direct joint venture</b>						
Xe-Pain Xe-Namnoy Power Company Limited	5.94	<b>42,494</b>	<b>507,525</b>	<b>-</b>	<b>(9,121)</b>	<b>540,898</b>
<b>2018</b>						
<b>Direct joint venture</b>						
Xe-Pain Xe-Namnoy Power Company Limited	6.58	<b>42,813</b>	<b>-</b>	<b>-</b>	<b>(319)</b>	<b>42,494</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**Movement of short-term loans to**

<i>term loans to</i>	Interest rate		Separate financial statements				
	At 31 December <i>(% per annum)</i>	At 1 January	Increase	Decrease	Reclassify	Exchange rate adjustment	At 31 December
				<i>(in thousand Baht)</i>			
<b>2019</b>							
<b>Direct subsidiaries</b>							
Ratchaburi Energy Company Limited	4.50	-	-	-	14,000	-	14,000
RATCH Cogeneration Company Limited	1.75	-	200,000	(100,000)	-	-	100,000
<b>Indirect subsidiary</b>							
Hin Kong Power Company Limited	4.50	-	20,000	-	-	-	20,000
<b>Total</b>		-	<b>220,000</b>	<b>(100,000)</b>	<b>14,000</b>	-	<b>134,000</b>

**2018**

**Direct subsidiary**

Ratchaburi Electricity Generating Company Limited	-	2,730,000	7,780,000	(10,510,000)	-	-	-
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**Movement of long-term loans to**

loans to	Interest rate		Separate financial statements				Exchange rate adjustment	At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease	Reclassify (in thousand Baht)			
2019								
Direct subsidiaries								
Ratchaburi Energy Company Limited	4.50	175,000	-	(161,000)	(14,000)	-	-	
RATCH								
Cogeneration Company Limited	4.50	-	132,348	-	-	-	132,348	
RATCH-Lao Services Company Limited	3.65 and 4.50	1,049,472	160,197	-	-	(75,205)	1,134,464	
Direct joint venture								
Xe-Pain Xe-Namnoy Power Company Limited	5.94	42,494	507,525	-	-	(9,121)	540,898	
Total		1,266,966	800,070	(161,000)	(14,000)	(84,326)	1,807,710	

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**Movement of long-term  
loans to**

loans to	Interest rate		Separate financial statements				Exchange rate adjustment	At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand Baht)	Reclassify			
2018								
Direct subsidiaries								
Ratchaburi Energy Company Limited	4.00	203,000	-	(28,000)	-	-	175,000	
RATCH-Lao Services Company Limited	3.65	1,062,077	-	(4,722)	-	(7,883)	1,049,472	
Direct joint venture								
Xe-Pain Xe-Namnoy Power Company Limited	6.58	42,813	-	-	-	(319)	42,494	
Total		1,307,890	-	(32,722)	-	(8,202)	1,266,966	

**Finance lease receivable from  
related party**

Consolidated financial statements		Separate financial statements	
2019	2018	2019	2018
(in thousand Baht)			

**Major shareholder**

Electricity Generating Authority  
of Thailand

<b>16,407,697</b>	<b>17,670,515</b>	<b>-</b>	<b>-</b>
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**Consolidated financial statements**

	Portion due within one year		Portion due after one year		Total	
	2019	2018	2019	2018	2019	2018
(in thousand Baht)						
Receivables under finance lease contracts	5,642,526	3,952,243	19,503,531	25,146,057	25,146,057	29,098,300
Less unearned interest income	(2,374,152)	(2,689,425)	(6,364,208)	(8,738,360)	(8,738,360)	(11,427,785)
	<b>3,268,374</b>	<b>1,262,818</b>	<b>13,139,323</b>	<b>16,407,697</b>	<b>16,407,697</b>	<b>17,670,515</b>
Less allowance for doubtful accounts	-	-	-	-	-	-
<b>Receivable under finance lease contracts-net</b>	<b>3,268,374</b>	<b>1,262,818</b>	<b>13,139,323</b>	<b>16,407,697</b>	<b>16,407,697</b>	<b>17,670,515</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

The gross receivable and interest under finance lease contracts as at 31 December were as follows:

	<b>Consolidated financial statements</b>			
	Receivable and interest under finance lease contracts 2019	Receivable under finance lease contracts -net (in thousand Baht) 2018	Receivable and interest under finance lease contracts 2018	Receivable under finance lease contracts -net 2018
Portion due within one year	5,642,526	3,268,374	3,952,243	1,262,818
Portion due after one year but within five years	14,048,511	8,666,661	17,254,194	10,363,312
Portion due after five years	5,455,020	4,472,662	7,891,863	6,044,385
	<b>25,146,057</b>	<b>16,407,697</b>	<b>29,098,300</b>	<b>17,670,515</b>
<i>Less unearned interest income</i>	<i>(8,738,360)</i>		<i>(11,427,785)</i>	
<b>Receivable under finance lease contracts-net</b>	<b>16,407,697</b>		<b>17,670,515</b>	
<b><i>Other non-current receivables from related parties</i></b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Direct subsidiaries</b>				
Ratchaburi Energy Company Limited	-	-	-	3,605
RATCH Cogeneration Company Limited	-	-	1,501	-
RATCH-Lao Services Company Limited	-	-	-	3,405
<b>Direct joint venture</b>				
Xe-Pian Xe-Namnoy Power Company Limited	18,317	9,901	18,317	9,901
<b>Total</b>	<b>18,317</b>	<b>9,901</b>	<b>19,818</b>	<b>16,911</b>
<b><i>Other current payables to related parties</i></b>				
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Electricity Generating Authority of Thailand	52,996	40,958	-	703
<b>Direct subsidiaries</b>				
Ratchaburi Electricity Generating Company Limited	-	-	-	310
RATCH-Lao Services Company Limited	-	-	4,227	-
<b>Indirect subsidiary</b>				
RATCH-Australia Corporation Pty. Ltd.	-	-	3,338	2,508

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<i>Other current payables to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Indirect joint ventures</b>				
Ratchaburi Power Company Limited	14,038	15,187	12,529	13,679
Fareast Renewable Development Pte. Ltd.	64	-	-	-
<b>Total</b>	<b>67,098</b>	<b>56,145</b>	<b>20,094</b>	<b>17,200</b>

***Significant agreements with related parties***

***Short-term loans to related parties***

As at 31 December 2019, the Company had outstanding balance of loans to Ratchaburi Energy Company Limited, a direct subsidiary, amounting to Baht 14 million which bear interest at the rate of 4.50 per annum and will be due at call.

As at 31 December 2019, the Company had outstanding balance of loans to RATCH Cogeneration Company Limited, a direct subsidiary, amounting to Baht 100 million which bear interest at the rate of 1.75 per annum and will be due within one year.

As at 31 December 2019, the Company had outstanding balance of loans to Hin Kong Power Company Limited, an indirect subsidiary, amounting to Baht 20 million which bear interest at the rate of 4.50 per annum and will be due at call.

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

As at 31 December 2019, the Company had outstanding balance of loans to RATCH-Lao Services Company Limited, a direct subsidiary, under the existing loan agreement, amounting to U.S. Dollars 32.60 million or equivalent to Baht 974.27 million which bear interest at the rate of 3.65 per annum. Principle and interest will be due as stipulated in the agreement. The Company has no intention to recall the loans from the subsidiary within one year. Therefore, the Company classified the balance of the loans as long-term loans.

On 15 March 2019, the Company entered into a new loan agreement with RATCH-Lao Services Company Limited, a direct subsidiary, in an aggregate amount not exceeding Baht 1,287 million which bear interest at the rate of 4.50 per annum. Principle and interest will be due as stipulated in the agreement. As at 31 December 2019, the Company had outstanding balance of new loan to the subsidiary, amounting to Baht 160.20 million. The Company has no intention to recall the loans from the subsidiary within one year. Therefore, the Company classified the balance of the loan as long-term loan.

As at 31 December 2019, the Company had outstanding balance of loans to RATCH Cogeneration Company Limited, a direct subsidiary, amounting to Baht 132.35 million which bear interest at the rate of 4.50 per annum. Principle and interest will be due as stipulated in the agreement. The Company has no intention to recall the loans from the subsidiary within one year. Therefore, the Company classified the balance of the loan as long-term loan.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

As at 31 December 2019, the Company had outstanding balance of loans to Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, amounting to U.S. Dollars 1.32 million or equivalent to Baht 39.45 million which bear interest at the rate of 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. The loan agreement determined the repayment term of principal and interest within 27 years commencing from the joint venture made the first drawdown of loans from financial institutions on 5 February 2014.

On 24 July 2019, the Company entered into a Shareholders’ Loan Agreement with Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, for a maximum amount of U.S. Dollars 16.78 million for the purpose of covering additional expenditure of the Xe-Pian Xe-Namnoy Hydroelectric Power Project. The interest rate is 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. Principle and interest will be due as stipulated in the agreement. As at 31 December 2019, the Company had outstanding balance of loans to the joint venture, amounting to U.S. Dollars 16.78 million or equivalent to Baht 501.45 million.

***Power Purchase Agreements***

On 9 October 2000, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Power Purchase Agreement with EGAT for a period of 25 years, whereby such subsidiary will deliver net electricity generation from Thermal power plants unit 1 and 2 and Combined Cycle power plants block 1, 2 and 3 to EGAT under the conditions of the Power Purchase Agreement. Such subsidiary will receive revenue from EGAT, which are comprised of energy payment (EP) and availability payment (AP). An energy payment (EP) covers production costs which are comprised of fuel costs and variable costs of operation and maintenance. Such costs will be adjusted in accordance with fuel price, Energy Efficiency Ratio and Consumer Price Index. An availability payment (AP) covers the repayment of principal and interest of loans, return on shareholders’ equity, fixed operation and maintenance expenses, maintenance parts expenses and administrative expenses. Such costs will be adjusted to cover the changes of interest rates, Consumer Price Index and exchange rates.

On 1 August 2014, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, obtained the transfer of right in a Power Purchase Agreement with EGAT from a subsidiary which was dissolved in year 2014. Such agreement dated on 22 May 1997 and has a period of 20 years commencing from the commercial operation date of such dissolved subsidiary.

On 12 July 2019, Hin Kong Power Company Limited, an indirect subsidiary, entered into a Power Purchase Agreement for Hin Kong Power Project located in Ratchaburi province with EGAT. The agreement is effective from the execution date until the 25-year from the commercial operation date. The project is a combined-cycle power plant project with total contracted capacity of 1,400 Megawatts which is scheduled for commercial operation in 2024 and 2025.

On 3 December 2009, RATCH Cogeneration Company Limited, a direct subsidiary, entered into a Power Purchase Agreement for RATCH Cogeneration Power Project located in Pathum Thani province with EGAT. The agreement is effective from the execution date until the 25-year from the commercial operation date. The project is a combined-cycle power plant project with total contracted capacity of 110 Megawatts which started its commercial operation in 2013.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Operation and Maintenance Agreement***

On 7 January 2009, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into an Operation and Maintenance Agreement with EGAT. The agreement is effective from 1 January 2009 until the termination dates of the Power Purchase Agreement for Thermal power plants and Combined Cycle power plants. EGAT will operate and provide routine maintenance services including major overhaul to such subsidiary. The initial value of the agreement is approximately Baht 16,608.16 million, which will be adjusted by the annual Consumer Price Index.

***Fuel Management Service Agreement***

On 1 July 2012, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Fuel Management Service Agreement with EGAT, whereby EGAT will coordinate the supply and delivery of fuel oil, according to the demand of such subsidiary and align with EGAT's power dispatching plan. The agreement is effective from 1 July 2012 until 30 June 2013. The service fee is stipulated in the agreement. The agreement is automatically extended for a period of 1 year unless written notice.

***Land Lease Agreement and Common Facility Agreement***

On 7 June 2004 and 21 October 2005, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Land Lease Agreement for an area of 145 rai with Ratchaburi Power Company Limited, an indirect joint venture. The land is located in the Ratchaburi Power Plant area. The rental period is 25 years and 3 months commencing from the commercial operation date of Ratchaburi Power Company Limited.

On 25 November 2005, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Common Facility Agreement with Ratchaburi Power Company Limited, an indirect joint venture, whereby such subsidiary will provide certain facilities, services, right to use and access rights to utilities relating to construction and operation to Ratchaburi Power Company Limited as stipulated in the agreement. This agreement is effective from the signing date in the agreement until the termination date of the Land Lease Agreement dated on 7 June 2004.

***Management Service Agreement***

On 27 February 2004, the Company entered into a Management Service Agreement with Ratchaburi Power Company Limited, an indirect joint venture, whereby the Company will receive management service fee amounting to U.S. Dollars 2.50 million per annum for a period of 25 years and 3 months commencing from the commercial operation date of the Power Plant Unit 1 of Ratchaburi Power Company Limited. The total value of the agreement is U.S. Dollars 63.12 million.

***Operation and Maintenance Service Agreement***

On 10 September 2013, RATCH-Lao Services Company Limited, a direct subsidiary, entered into a Personnel Providing Service for Operation and Maintenance Agreement with EGAT, whereby such subsidiary will recruit and provide qualified personnel according to the number and qualifications specified in the agreement for operation and maintenance of Hongsa Thermal Power Plant located in Lao PDR. Subsequently on 22 November 2017, RATCH-Lao Services Company Limited entered into new Operation and Maintenance Service Agreement of Hongsa Thermal Power Plant with EGAT. The agreement is effective from 1 December 2017 to 31 October 2020. The total value of the agreement is Baht 135 million.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Construction Supervision Contractor Service Agreement***

On 28 November 2013, the Company entered into a Construction Supervision Contractor Service Agreement with Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, for a period of 64 months from the start date. Subsequently, the Company had extended the agreement to perform additional service from the ended of existing agreement to 31 May 2020 with additional service fee U.S. Dollars 2.28 million.

***Agreement in relation to investment in Chubu Ratchaburi Electric Services Company Limited***

On 29 September 2005, the Company and Chubu Electric Power (Thailand) Company Limited entered into a Shareholders Agreement to set up Chubu Ratchaburi Electric Services Company Limited, a direct joint venture. Under the terms of the shareholders agreement, if Chubu Ratchaburi Electric Services Company Limited requires additional funding exceeding its authorised share capital, the Company agreed to provide financial support in the form of shareholders’ loans or the provision of shareholders guarantees in proportion of investment of 50%. The agreement does not specify the amount of financial support. As at 31 December 2019, the Company has not provided any loans or guarantees under the agreement.

***Sponsor Support Agreement with Northern Bangkok Monorail Company and Eastern Bangkok Monorail Company Limited***

On 9 October 2017, the Company entered into a Sponsor Support Agreement with Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, investments in other companies. The Company agreed to provide financial support in the form of shareholders’ loans or the provision of shareholders guarantee in proportion of investment of 10%. The agreement does not specify the amount of financial support. As at 31 December 2019, the Company has not provided any loans or guarantees under the agreement.

***Obligations related to Share Purchase Agreement***

The Company has obligations under a Share Purchase Agreement related to the purchase of ordinary shares in two associates. Under the terms of the agreement, other shareholder has additional rights to the Company’s dividend entitlements from those associates.

**7 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	4,698	341	30	30
Cash at banks - current accounts	2,367,752	2,991,887	1,067	750
Cash at banks - savings accounts	934,713	1,266,441	289,007	456,197
Highly liquid short-term investments	1,610,000	7,436,578	1,490,000	4,400,000
<b>Cash and cash equivalents in the statement of financial position and the statement of cash flows</b>	<b><u>4,917,163</u></b>	<b><u>11,695,247</u></b>	<b><u>1,780,104</u></b>	<b><u>4,856,977</u></b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**8 Other investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Current investments</i></b>				
Short-term deposits at financial institutions	3,888,740	1,425,000	-	-
Debt securities held for trading	503,109	500,202	482,065	467,761
Other debt securities held to maturity	60,000	303,894	60,000	300,000
<b>Total</b>	<b><u>4,451,849</u></b>	<b><u>2,229,096</u></b>	<b><u>542,065</u></b>	<b><u>767,761</u></b>
<b><i>Other long-term investments</i></b>				
Equity securities available for sale	1,942,552	2,538,934	-	-
Other debt securities held to maturity	53,000	113,000	53,000	113,000
<b>Total</b>	<b><u>1,995,552</u></b>	<b><u>2,651,934</u></b>	<b><u>53,000</u></b>	<b><u>113,000</u></b>

	<b>Consolidated financial statements</b>				
<b><i>Marketable equity and debt securities</i></b>	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
	<i>(in thousand Baht)</i>				
<b>2019</b>					
<b><i>Current investments</i></b>					
Debt securities held for trading	<u>500,202</u>	<u>617,092</u>	<u>(618,321)</u>	<u>4,136</u>	<u>503,109</u>
<b><i>Other long-term investments</i></b>					
Equity securities available for sale	<u>2,538,934</u>	<u>-</u>	<u>-</u>	<u>(596,382)</u>	<u>1,942,552</u>
<b>2018</b>					
<b><i>Current investments</i></b>					
Debt securities held for trading	<u>493,082</u>	<u>284,219</u>	<u>(276,253)</u>	<u>(846)</u>	<u>500,202</u>
<b><i>Other long-term investments</i></b>					
Equity securities available for sale	<u>3,195,527</u>	<u>-</u>	<u>-</u>	<u>(656,593)</u>	<u>2,538,934</u>
	<b>Separate financial statements</b>				
<b><i>Marketable debt securities</i></b>	At 1 January	Purchase	Disposal	Fair value adjustment	At 31 December
	<i>(in thousand Baht)</i>				
<b>2019</b>					
<b><i>Current investments</i></b>					
Debt securities held for trading	<u>467,761</u>	<u>617,091</u>	<u>(606,906)</u>	<u>4,119</u>	<u>482,065</u>
<b>2018</b>					
<b><i>Current investments</i></b>					
Debt securities held for trading	<u>461,018</u>	<u>284,219</u>	<u>(276,253)</u>	<u>(1,223)</u>	<u>467,761</u>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

As at 31 December 2019, held to maturity investments in consolidated and separate financial statements have annual interest rates of 3.00% to 3.05% (2018: 0.5% to 5.2%) and mature in 1 to 3 years.

***Dividend income from equity securities available for sale***

During the year 2019, the Group had received dividend income in the proportion of investment in equity securities available for sale amounting to Baht 99.99 million (2018: Baht 186.78 million).

**9 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Related party</b> (Note 6)				
Within credit terms	5,277,659	5,226,926	-	-
Less allowance for doubtful accounts	-	-	-	-
	<b>5,277,659</b>	<b>5,226,926</b>	<b>-</b>	<b>-</b>
<b>Other parties</b>				
Within credit terms	235,491	273,604	-	-
Overdue:				
Less than 3 months	424	73,799	-	-
3 - 6 months	279	56,954	-	-
	<b>236,194</b>	<b>404,357</b>	<b>-</b>	<b>-</b>
Less allowance for doubtful accounts	-	-	-	-
	<b>236,194</b>	<b>404,357</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>5,513,853</b>	<b>5,631,283</b>	<b>-</b>	<b>-</b>

The normal credit term granted by the Group is not exceeding 1 month.

**10 Other receivables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Note	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Related parties</b>	<b>6</b>	<b>108,710</b>	<b>61,885</b>	<b>108,049</b>	<b>77,178</b>
<b>Other parties</b>					
Prepaid expenses		118,034	69,491	10,620	11,774
Revenue Department receivable		151,019	18,720	16,416	18,628
Others		30,378	65,171	7,605	15,170
		<b>299,431</b>	<b>153,382</b>	<b>34,641</b>	<b>45,572</b>
<b>Total</b>		<b>408,141</b>	<b>215,267</b>	<b>142,690</b>	<b>122,750</b>
Less allowance for doubtful accounts		-	-	-	-
<b>Net</b>		<b>408,141</b>	<b>215,267</b>	<b>142,690</b>	<b>122,750</b>
Current		389,824	205,366	122,872	105,839
Non-current		18,317	9,901	19,818	16,911
<b>Total</b>		<b>408,141</b>	<b>215,267</b>	<b>142,690</b>	<b>122,750</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**11 Spare parts and supplies**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Fuel oil	1,187,057	1,197,775	-	-
Spare parts and supplies	1,653,033	1,683,131	-	-
Spare parts and supplies in transit	16,505	3,350	-	-
<b>Total</b>	<b>2,856,595</b>	<b>2,884,256</b>	<b>-</b>	<b>-</b>
Less allowance for obsolescence of spare parts and suppliers	(976,202)	(925,799)	-	-
allowance for decline in value of fuel oil	-	(25,565)	-	-
<b>Net</b>	<b>1,880,393</b>	<b>1,932,892</b>	<b>-</b>	<b>-</b>
Spare parts and supplies recognised in ‘cost of sales’:				
- Cost	118,153	118,089	-	-
- Write-down to net realisable value	50,403	75,746	-	-
- Reversal of write-down	(25,565)	-	-	-
<b>Net</b>	<b>142,991</b>	<b>193,835</b>	<b>-</b>	<b>-</b>

**12 Investments in associates and joint ventures**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	30,722,141	25,315,902	5,417,661	5,044,942
Impact of changes in accounting policies (net of tax) - TFRS 15	(183,790)	-	-	-
Share of profits of associates and joint ventures	3,968,380	4,735,465	-	-
Share of other comprehensive income (expense) of associates and joint ventures	(572,276)	145,728	-	-
Addition investments in associate and joint ventures	2,193,353	3,071,288	263,898	372,719
Write-off investment in joint venture	-	-	(452)	-
Dividend income	(3,551,381)	(2,372,274)	-	-
Exchange rate adjustment	(1,473,281)	(167,297)	-	-
Others	-	(6,671)	-	-
<b>At 31 December</b>	<b>31,103,146</b>	<b>30,722,141</b>	<b>5,681,107</b>	<b>5,417,661</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Investments in associates and joint ventures as at 31 December 2019 and 2018, and dividend income for the years then ended were as follows:

	Consolidated financial statements								Dividend income	
	Ownership interest		Paid-up capital		Cost		Equity		for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in thousand Baht)							
<b>Direct associates</b>										
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	419,067	415,025	25,395	57,141
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	377,850	373,245	19,598	38,542
					<b>764,604</b>	<b>764,604</b>	<b>796,917</b>	<b>788,270</b>	<b>44,993</b>	<b>95,683</b>
<b>Indirect associates</b>										
Solar Power (Korat 3) Company Limited	40	40	188,750	188,750	75,500	75,500	155,031	138,242	17,818	14,043
Solar Power (Korat 4) Company Limited	40	40	199,250	199,250	79,700	79,700	163,755	145,667	13,469	9,405
Solar Power (Korat 7) Company Limited	40	40	188,750	188,750	75,500	75,500	153,023	137,044	17,516	14,344
Perth Power Partnership (Kwinana)	30	30	2,311,167	2,311,167	618,531	618,531	383,709	419,671	37,183	55,673
Yandin WF Holdings Pty Ltd	70	-	1,676,400	-	1,173,480	-	1,143,343	-	-	-
					<b>2,022,711</b>	<b>849,231</b>	<b>1,998,861</b>	<b>840,624</b>	<b>85,986</b>	<b>93,465</b>
<b>Total</b>					<b>2,787,315</b>	<b>1,613,835</b>	<b>2,795,778</b>	<b>1,628,894</b>	<b>130,979</b>	<b>189,148</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Consolidated financial statements										
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in thousand Baht)							
<b>Direct joint ventures</b>										
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	80,319	71,384	10,000	22,500
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	2,797,018	2,832,873	218,023	193,798
Smart Infranet Company Limited	51	-	1,000	-	510	-	413	-	-	-
Things on Net Company Limited	35	-	133,000	-	180,018	-	177,753	-	-	-
Nam Ngum 3 Power Company Limited *	-	25	-	1,808	-	452	-	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	10,094,900	9,761,419	<u>2,523,725</u>	<u>2,440,355</u>	<u>1,922,041</u>	<u>2,268,588</u>	<u>-</u>	<u>-</u>
					<u>4,916,503</u>	<u>4,653,057</u>	<u>4,977,544</u>	<u>5,172,845</u>	<u>228,023</u>	<u>216,298</u>
<b>Indirect joint ventures</b>										
Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	3,458,792	3,670,968	295,000	225,000
Nava Nakorn Electricity Generating Company Limited	40	40	1,550,000	1,550,000	620,000	620,000	642,791	735,578	160,000	144,000
Ratchaburi World Cogeneration Company Limited	40	40	2,500,000	2,500,000	1,000,000	1,000,000	1,254,493	1,283,102	185,000	200,000
Berkprai Cogeneration Company Limited	35	35	1,331,000	1,331,000	465,850	465,850	495,899	433,236	-	-
Solarta Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	1,475,656	1,314,475	36,652	37,730
Songkhla Biomass Company Limited	40	40	246,000	246,000	98,400	98,400	160,248	149,162	28,000	20,000
Songkhla Biofuel Company Limited	40	40	1,000	1,000	400	400	335	342	-	-
Hongsa Power Company Limited	40	40	32,324,715	32,324,715	12,929,886	12,929,886	12,175,183	13,517,057	2,209,968	981,600

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Consolidated financial statements										
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in thousand Baht)							
<b>Indirect joint ventures</b>										
Phu Fai Mining Company Limited	37.50	37.50	1,679	1,679	630	630	162,670	109,864	222,999	358,498
Asia Water Co., Ltd.	40	-	365,243	-	179,113	-	179,493	-	-	-
PT Medco Ratch Power Riau	49	49	1,204,996	7,762	590,448	3,803	798,656	50,901	-	-
Fareast Renewable Development Pte. Ltd.	50	50	2,849,190	2,849,190	2,688,569	2,688,569	2,525,608	2,655,717	54,760	-
					<b>20,950,506</b>	<b>20,184,748</b>	<b>23,329,824</b>	<b>23,920,402</b>	<b>3,192,379</b>	<b>1,966,828</b>
<b>Total</b>					<b>25,867,009</b>	<b>24,837,805</b>	<b>28,307,368</b>	<b>29,093,247</b>	<b>3,420,402</b>	<b>2,183,126</b>



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Separate financial statements												
	Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)						(in thousand Baht)					
<b>Associates</b>												
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	-	-	399,204	399,204	25,395	57,141
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	-	-	365,400	365,400	19,598	38,542
<b>Total</b>					<b>764,604</b>	<b>764,604</b>	<b>-</b>	<b>-</b>	<b>764,604</b>	<b>764,604</b>	<b>44,993</b>	<b>95,683</b>
<b>Joint ventures</b>												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	10,000	22,500
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	-	-	2,202,250	2,202,250	218,023	193,798
Smart Infranet Company Limited	51	-	1,000	-	510	-	-	-	510	-	-	-
Things on Net Company Limited	35	-	133,000	-	180,018	-	-	-	180,018	-	-	-
Nam Ngum 3 Power Company Limited *	-	25	-	1,808	-	452	-	-	-	452	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	10,094,900	9,761,419	2,523,725	2,440,355	-	-	2,523,725	2,440,355	-	-
<b>Total</b>					<b>4,916,503</b>	<b>4,653,057</b>	<b>-</b>	<b>-</b>	<b>4,916,503</b>	<b>4,653,057</b>	<b>228,023</b>	<b>216,298</b>

All associates and joint ventures were incorporated in Thailand and overseas (see note 1).

None of the Company’s associates and joint ventures are publicly listed and consequently do not have published price quotations.

\* The joint venture completed the liquidation process in 2019.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Investment in Asia Water Co., Ltd.***

On 19 December 2018, RATCH-Lao Services Company Limited, a direct subsidiary, entered into a Sales and Purchase Agreement with a local company in Lao PDR to acquire a 40% equity interest of the registered shares in Asia Water Co., Ltd., incorporated in Lao PDR, for U.S. Dollars 5.80 million in order to operate the Sandin Water Supply Project in Lao PDR. The share payment is divided into 2 installments. Subsequently on 3 January 2019, the subsidiary made advance payment 10% of share payment for 1<sup>st</sup> installment amounting to U.S. Dollars 0.58 million or equivalent to Baht 18.92 million and made payment 90% of share payment for the last installment in September 2019 amounting to U.S. Dollars 5.22 million or equivalent to Baht 160.19 million. As a result, Asia Water Co., Ltd. is a joint venture of the Group.

***Investment in Smart Infranet Company Limited***

On 27 June 2019, the Company and ALT Telecom Public Company Limited have registered a company namely “Smart Infranet Company Limited” in order to operate Underground Optic Fiber Network Project. Its registered capital is Baht 1 million (*comprising 100,000 ordinary shares at par value of Baht 10 per share*). The Company paid for paid-up share capital of Baht 10 per share, amounting to Baht 0.51 million, in proportion of investment of 51%.

***Investment in Yandin Wind Farm***

On 26 July 2019, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, entered into a Sales and Purchase Agreement of shares and units trust in the 214 Megawatts Yandin Wind Farm in Australia. The subsidiary has purchased ordinary shares in Yandin WF Holdings Pty Ltd and investment units in Yandin WF Holdings Unit Trust, in proportion of investment of 70% from the companies in Australia, amounting to Australian Dollar 53.31 million. The project is scheduled for commercial operation in September 2020 with a 15 years Power Purchase Agreement with a company in Australia. Subsequently on 10 October 2019, the subsidiary paid for paid-up share capital, in proportion of investment of 70%, amounting to Australian Dollars 56.31 million or equivalent to Baht 1,173.48 million.

***Investment in Things on Net Company Limited***

On 19 November 2019, the Company has purchased the existing ordinary shares and the additional ordinary shares of Things on Net Company Limited in proportion of investment of 35% of issued and paid-up share capital from the existing shareholder amounting to Baht 180.02 million in order to participate in the investment of installation and development of telecommunication and related business to provide Internet of things services which expected to start commercial operation in 2020.

***Investment in Fareast Renewable Development Pte. Ltd.***

On 6 December 2018, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary, has purchased the existing ordinary shares and the additional ordinary shares of Fareast Renewable Development Pte. Ltd. (“FRD”), incorporated in Singapore, from Fareast Green Energy Pte. Ltd., the existing shareholder, in order to participate in the operation of Asahan-1 Hydroelectric Power Plant (“Asahan-1”) in the Republic of Indonesia, which operated by PT Bajradaya Sentranusa (“BDSN”) in proportion of investment of 50% of issued and paid-up share capital, for a consideration of U.S. Dollars 81.92 million or equivalent to Baht 2,688.57 million. As a result, FRD is a joint venture of the Group.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

After the transactions are completed, the shareholder structure of FRD comprises the Group 50% and Fareast Green Energy Pte. Ltd. 50%. The shareholder structure of BDSN comprises FRD 53.21% (the Group held an indirect investment through RHIS and FRD at approximately 26.61%) and minority interest 46.79%.

As at 31 December 2019, the Group had completed the fair value assessment of the acquired business and had adjusted the acquisition accountings which reflect from new information obtained as follows:

*Identifiable assets acquired and liabilities assumed*

	<b>Fair value before adjusted</b>	<b>Adjustments (in thousand Baht)</b>	<b>Fair value after adjusted</b>
Cash and cash equivalents	966,272	(526)	965,746
Derivative assets	148,336	(21,544)	126,792
Trade and other receivables	435,994	(238)	435,756
Property, plant and equipment	1,738	-	1,738
Finance lease receivable	18,558,212	(10,122)	18,548,090
Loans	(6,584,524)	3,590	(6,580,934)
Trade and other payables	(308,886)	168	(308,718)
Current tax payable	(11,690)	(36,542)	(48,232)
Deferred tax liabilities	(2,696,648)	(50,126)	(2,746,774)
Non-current provisions for employee benefits	(11,098)	520	(10,578)
Other long-term provisions	(131,366)	72	(131,294)
<b>Net identifiable assets acquired and liabilities assumed</b>	<b>10,366,340</b>	<b>(114,748)</b>	<b>10,251,592</b>
Non-controlling interests	(5,181,212)	53,872	(5,127,340)
<b>Net</b>	<b>5,185,128</b>	<b>(60,876)</b>	<b>5,124,252</b>
Interest acquired (%)			50
<b>Fair values of identifiable assets acquired and liabilities assumed</b>			<b>2,562,126</b>
Goodwill arising from the acquisition			125,530
<b>Total consideration - paid</b>			<b>2,687,656</b>

*Increase in share capital and additional paid-up share capital*

During the year 2019, an associate and joint ventures increased in share capital and called for additional paid-up share capital. The Group paid for the share capital in the proportion of investments as follows:

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<b>Name of entities</b>	<b>Description</b>	<b>Amount</b> <i>(in million Baht)</i>
<b><i>Direct joint ventures</i></b>		
Smart Infranet Company Limited	Increased in share capital	0.51
Things on Net Company Limited	Increased in share capital	180.02
Xe-Pian Xe-Namnoy Power Company Limited *	Additional paid-up share capital	83.37
<b><i>Indirect joint ventures</i></b>		
Asia Water Co., Ltd.	Increased in share capital	179.11
PT Medco Ratch Power Riau	Increased in share capital	586.65
<b><i>Indirect associate</i></b>		
Yandin WF Holdings Pty Ltd	Increased in share capital	1,173.48

\* The direct joint venture called fully paid-up share capital in March 2019.

***Progress of Saddle Dam D collapsed***

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

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Joint ventures***

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group’s interest in these companies.

	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Revenue	14,856,350	17,757,595	20,359,200	22,127,588
Profit from continuing operations	331,296 <sup>a</sup>	726,836 <sup>a</sup>	6,558,800 <sup>a</sup>	7,800,048 <sup>a</sup>
Other comprehensive income (expense)	-	-	(1,210,645)	410,631
Total comprehensive income (expense) (100%)	331,296	726,836	5,348,155	8,210,679
Group’s interest (%)	25	25	40	40
<b>Group’s share of total comprehensive income (expense)</b>	<b>82,824</b>	<b>181,709</b>	<b>2,139,262</b>	<b>3,284,272</b>
Current assets	6,178,263 <sup>b</sup>	9,194,217 <sup>b</sup>	16,478,699 <sup>b</sup>	21,088,038 <sup>b</sup>
Non-current assets	8,105,809	9,852,677	90,491,847	94,463,710
Current liabilities	(2,410,959) <sup>c</sup>	(4,724,342) <sup>c</sup>	(8,138,402) <sup>c</sup>	(8,568,213) <sup>c</sup>
Non-current liabilities	(50,140) <sup>d</sup>	(1,065,237) <sup>d</sup>	(63,289,633) <sup>d</sup>	(70,843,788) <sup>d</sup>
Net assets (100%)	11,822,973	13,257,315	35,542,511	36,139,747
Group’s share of net assets	2,955,743	3,314,329	14,217,004	14,455,899
Exchange differences on translating in the consolidated financial statements and others	503,049	356,639	(2,041,821)	(938,842)
<b>Carrying amount of interest in joint ventures</b>	<b>3,458,792</b>	<b>3,670,968</b>	<b>12,175,183</b>	<b>13,517,057</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Remark:				
a. Includes:				
– depreciation and amortisation	879,324	876,445	248,373	189,285
– finance costs	155,874	162,334	5,047,161	5,287,634
– tax expense	121,176	232,252	-	-
b. Includes cash and cash equivalents	3,193,347	3,582,625	5,385,721	8,786,011
c. Includes current financial liabilities (excluding trade and other payables and provisions)	969,894	1,343,672	6,502,880	5,814,742
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	-	1,023,670	62,753,715	70,419,435

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Immaterial associates and joint ventures*

The following is summarised financial information for the Group’s interest in immaterial associates and joint ventures based on the amounts reported in the Group’s consolidated financial statements:

	Immaterial associates		Immaterial joint ventures	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	<u><b>2,795,778</b></u>	<u><b>1,628,894</b></u>	<u><b>12,673,393</b></u>	<u><b>11,905,222</b></u>
Group’s share of:				
- Profit from continuing operations	153,997	119,793	1,108,039	1,313,943
- Other comprehensive income (expense)	-	-	(88,018)	(18,524)
- Total comprehensive income (expense)	<u><b>153,997</b></u>	<u><b>119,793</b></u>	<u><b>1,020,021</b></u>	<u><b>1,295,419</b></u>

**13 Investments in subsidiaries**

	Separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>For the year ended 31 December</i>		
At 1 January	40,690,558	40,690,558
Acquisitions	1,870,052	-
<b>At 31 December</b>	<u><b>42,560,610</b></u>	<u><b>40,690,558</b></u>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Investments in subsidiaries as at 31 December 2019 and 2018, and dividend income for the years then ended were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	(%)		(in thousand Baht)									
<b>Subsidiaries</b>												
Ratchaburi Electricity Generating Company Limited	99.99	99.99	21,900,000	21,900,000	21,900,000	21,900,000	-	-	21,900,000	21,900,000	2,773,049	2,968,828
Ratchaburi Energy Company Limited	99.99	99.99	640,000	640,000	640,000	640,000	-	-	640,000	640,000	-	-
RH International Corporation Limited	99.99	99.99	17,650,000	17,650,000	17,650,000	17,650,000	-	-	17,650,000	17,650,000	-	-
RATCH O&M Company Limited	99.99	99.99	2,500	2,500	2,500	2,500	-	-	2,500	2,500	-	-
Ratchaburi Alliances Company Limited	99.99	99.99	420,200	420,200	420,200	420,200	-	-	420,200	420,200	295,000	225,000
Hin Kong Power Holding Company Limited	99.99	-	4,000	-	4,000	-	-	-	4,000	-	-	-
RATCH Cogeneration Company Limited	99.97	-	1,650,000	-	1,866,052	-	-	-	1,866,052	-	-	-
RATCH-Lao Services Company Limited	99.99	99.99	77,858	77,858	77,858	77,858	-	-	77,858	77,858	-	-
<b>Total</b>					<b>42,560,610</b>	<b>40,690,558</b>	<b>-</b>	<b>-</b>	<b>42,560,610</b>	<b>40,690,558</b>	<b>3,068,049</b>	<b>3,193,828</b>

All subsidiaries were incorporated in Thailand, except RATCH-Lao Services Company Limited which was incorporated in the Lao PDR.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Increase in share capital of RATCH-Australia Corporation Pty. Ltd.***

On 5 April 2019, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for increase in share capital of RATCH-Australia Corporation Pty. Ltd., a subsidiary of the indirect subsidiary, totalling Australian Dollars 19 million or equivalent to Baht 429.59 million, in proportion of investment of 100%.

On 4 July 2019, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for increase in share capital of RATCH-Australia Corporation Pty. Ltd., a subsidiary of the indirect subsidiary, totalling Australian Dollars 56.10 million or equivalent to Baht 1,204.59 million, in proportion of investment of 100%.

On 25 October 2019, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for increase in share capital of RATCH-Australia Corporation Pty. Ltd., a subsidiary of the indirect subsidiary, totalling Australian Dollars 15 million or equivalent to Baht 310.33 million, in proportion of investment of 100%.

***Registration of a subsidiary of the Company***

On 24 May 2019, the Company has registered a subsidiary namely “Hin Kong Power Holding Company Limited” to invest in power energy business. Its registered capital is Baht 4 million (*comprising 400,000 ordinary shares at par value of Baht 10 per share*). The Company paid for paid-up share capital of Baht 10 per share, amounting to Baht 4 million, in proportion of investment of 99.99%.

***Registration of a subsidiary of Hin Kong Power Holding Company Limited***

On 28 May 2019, Hin Kong Power Holding Company Limited, a direct subsidiary, has registered a subsidiary namely “Hin Kong Power Company Limited” to generate and sell electricity. Its registered capital is Baht 4 million (*comprising 400,000 ordinary shares at par value of Baht 10 per share*). The direct subsidiary paid for paid-up share capital of Baht 10 per share, amounting to Baht 4 million, in proportion of investment of 99.99%.

***Dissolution of subsidiaries***

At the extraordinary shareholders’ meeting of CN Biomass Company Limited, PB Biomass Company Limited and LP Biomass Company Limited, indirect subsidiaries, held on 29 November 2019, the shareholders approved for the dissolution of the indirect subsidiaries. The indirect subsidiaries registered the dissolution with the Ministry of Commerce on 2 December 2019.

**14 Investments in other companies**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	2,442,300	762,300	2,442,300	762,300
Addition investments	-	1,680,000	-	1,680,000
<b>At 31 December</b>	<b><u>2,442,300</u></b>	<b><u>2,442,300</u></b>	<b><u>2,442,300</u></b>	<b><u>2,442,300</u></b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

Investments in other companies as at 31 December 2019 and 2018, and dividend income for the years then ended, were as follows:

	Consolidated financial statements											Dividend income for the year	
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net				
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	(%)										(in thousand Baht)		
<b>Other companies</b>													
EGAT Diamond Service Company Limited	10	10	623,000	623,000	62,300	62,300	-	-	62,300	62,300	894	-	
Northern Bangkok Monorail Company Limited	10	10	11,800,000	11,800,000	1,180,000	1,180,000	-	-	1,180,000	1,180,000	-	-	
Eastern Bangkok Monorail Company Limited	10	10	12,000,000	12,000,000	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>-</u>	<u>-</u>	
<b>Total</b>					<b>2,442,300</b>	<b>2,442,300</b>	<b>-</b>	<b>-</b>	<b>2,442,300</b>	<b>2,442,300</b>	<b>894</b>	<b>-</b>	

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**15 Advance payments for investment**

***Investment in Riau Combined-Cycle Power Plant Project***

On 8 May 2017, the Ministry of Energy and Mineral Resources of the Republic of Indonesia, approved a Power Purchase Agreement between PT PLN (PERSESO) and PT Medco Ratch Power Riau (“MRPR”), an indirect joint venture, to develop the Riau Combined-Cycle Power Plant Project in the Republic of Indonesia. Subsequently, MRPR called for advance payments for investment from the Group for project development. As at 31 December 2019, all advance payments for investment were transferred to investment in the joint venture.

**16 Land for future development projects**

At 31 December 2019, the Group has land for future development projects comprise the 317 rai located in Pathum Thani province, the 19 rai located in Nakhorn Sri Thammarat province, the 52 rai located in Petchaburi province and the 208 rai located in Ratchaburi province with a net book value of Baht 398.49 million. The Group is considering the future development plan but not yet finalised. As at 31 December 2019, the Group has determined the market value. The book value of such land is not higher than the recoverable amount.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**17 Property, plant and equipment**

<b>Consolidated financial statements</b>							
	Land	Buildings, other constructions and building improvements	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i><b>Cost</b></i>							
At 1 January 2018	1,361,180	487,083	24,576,707	586,876	19,966	5,179,245	32,211,057
Additions	-	29,667	3,165,204	8,025	-	2,179,401	5,382,297
Transfers	-	-	4,527,870	4,884	-	(4,532,754)	-
Disposals	-	-	(17,969)	(6,429)	-	-	(24,398)
Reclassify	(29,940)	-	-	-	-	-	(29,940)
Effect of movements in exchange rates	(23,281)	(13,035)	(2,588,787)	(555)	-	(660,386)	(3,286,044)
<b>At 31 December 2018 and 1 January 2019</b>	<b>1,307,959</b>	<b>503,715</b>	<b>29,663,025</b>	<b>592,801</b>	<b>19,966</b>	<b>2,165,506</b>	<b>34,252,972</b>
Additions	-	18,272	369,291	12,096	40	2,131,166	2,530,865
Acquisitions through business combination	491,748	2,014	4,111,458	72	-	-	4,605,292
Transfers	-	1,871	1,876,087	248	-	(1,878,206)	-
Transfer to land for future development project	(61,880)	-	-	-	-	-	(61,880)
Disposals	-	-	(19,230)	(14,116)	-	-	(33,346)
Effect of movements in exchange rates	(15,642)	(12,323)	(2,319,776)	(397)	-	(149,383)	(2,497,521)
<b>At 31 December 2019</b>	<b>1,722,185</b>	<b>513,549</b>	<b>33,680,855</b>	<b>590,704</b>	<b>20,006</b>	<b>2,269,083</b>	<b>38,796,382</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**Consolidated financial statements**

	Land	Buildings, other constructions and building improvements	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<b><i>Depreciation and impairment losses</i></b>							
At 1 January 2018	-	167,181	14,325,370	533,666	19,689	-	15,045,906
Depreciation charge for the year	-	23,740	855,324	25,646	255	-	904,965
Disposals	-	-	(8,038)	(6,419)	-	-	(14,457)
Effect of movements in exchange rates	-	(7,412)	(1,448,256)	(370)	-	-	(1,456,038)
<b>At 31 December 2018 and 1 January 2019</b>	-	<b>183,509</b>	<b>13,724,400</b>	<b>552,523</b>	<b>19,944</b>	-	<b>14,480,376</b>
Depreciation charge for the year	-	23,447	1,230,811	19,026	26	-	1,273,310
Disposals	-	-	(19,229)	(13,417)	-	-	(32,646)
Effect of movements in exchange rates	-	(5,475)	(1,026,773)	(298)	-	-	(1,032,546)
<b>At 31 December 2019</b>	-	<b>201,481</b>	<b>13,909,209</b>	<b>557,834</b>	<b>19,970</b>	-	<b>14,688,494</b>
<b><i>Net book value</i></b>							
At 31 December 2018	<b>1,307,959</b>	<b>320,206</b>	<b>15,938,625</b>	<b>40,278</b>	<b>22</b>	<b>2,165,506</b>	<b>19,772,596</b>
At 31 December 2019	<b>1,722,185</b>	<b>312,068</b>	<b>19,771,646</b>	<b>32,870</b>	<b>36</b>	<b>2,269,083</b>	<b>24,107,888</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

The gross amount of the Group’s fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 804.71 million and Australian Dollars 75.28 million (2018: Baht 628.89 million and Australian Dollars 71.46 million).

*Security*

As at 31 December 2019, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, had mortgaged land, buildings and power plants and pledged power plant equipment of 5 power plants with a net book value of Australian Dollars 761.62 million or equivalent to Baht 16,062.21 million (2018: Australian Dollars 686.57 million or equivalent to Baht 15,698.35 million) as collateral for long-term loans from financial institutions (see note 20).

As at 31 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, had mortgaged all land and partial machinery as collateral for long-term loans from financial institutions (see note 20).

**Separate financial statements**

	Land	Buildings, other constructions and building improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total
<b>Cost</b>						
At 1 January 2018	295,993	309,636	458,252	960	-	1,064,841
Additions	-	-	5,865	-	-	5,865
Disposals	-	-	(5,445)	-	-	(5,445)
<b>At 31 December 2018 and 1 January 2019</b>	<b>295,993</b>	<b>309,636</b>	<b>458,672</b>	<b>960</b>	<b>-</b>	<b>1,065,261</b>
Additions	-	-	8,850	-	-	8,850
Disposals	-	-	(11,888)	-	-	(11,888)
<b>At 31 December 2019</b>	<b>295,993</b>	<b>309,636</b>	<b>455,634</b>	<b>960</b>	<b>-</b>	<b>1,062,223</b>
<b>Depreciation</b>						
At 1 January 2018	-	62,287	427,489	751	-	490,527
Depreciation charge for the year	-	12,385	15,665	192	-	28,242
Disposals	-	-	(5,442)	-	-	(5,442)
<b>At 31 December 2018 and 1 January 2019</b>	<b>-</b>	<b>74,672</b>	<b>437,712</b>	<b>943</b>	<b>-</b>	<b>513,327</b>
Depreciation charge for the year	-	12,385	9,855	17	-	22,257
Disposals	-	-	(11,872)	-	-	(11,872)
<b>At 31 December 2019</b>	<b>-</b>	<b>87,057</b>	<b>435,695</b>	<b>960</b>	<b>-</b>	<b>523,712</b>
<b>Net book value</b>						
<b>At 31 December 2018</b>	<b>295,993</b>	<b>234,964</b>	<b>20,960</b>	<b>17</b>	<b>-</b>	<b>551,934</b>
<b>At 31 December 2019</b>	<b>295,993</b>	<b>222,579</b>	<b>19,939</b>	<b>-</b>	<b>-</b>	<b>538,511</b>

The gross amount of the Company’s fully depreciated plant and equipment that was still in use as at 31 December 2019 amounted to Baht 412.06 million (2018: Baht 385.85 million).

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**18 Goodwill and intangible assets**

	<b>Consolidated financial statements</b>				
	Software licences	Licenses on project development	Goodwill from business acquisition (in thousand Baht)	Right to power purchase agreements	Total
<b><i>Cost</i></b>					
At 1 January 2018	141,756	653,618	646,540	5,504,011	6,945,925
Additions	7,570	-	-	-	7,570
Effect of movements in exchange rates	(5,737)	(4,622)	(1,629)	(570,171)	(582,159)
<b>At 31 December 2018 and 1 January 2019</b>	<b>143,589</b>	<b>648,996</b>	<b>644,911</b>	<b>4,933,840</b>	<b>6,371,336</b>
Acquisitions through business combination	81	-	-	1,115,835	1,115,916
Additions	1,560	-	-	-	1,560
Effect of movements in exchange rates	(4,153)	(45,916)	(16,084)	(383,096)	(449,249)
<b>At 31 December 2019</b>	<b>141,077</b>	<b>603,080</b>	<b>628,827</b>	<b>5,666,579</b>	<b>7,039,563</b>
<b><i>Amortisation and impairment losses</i></b>					
At 1 January 2018	92,962	57,152	416,199	2,602,052	3,168,365
Amortisation charge for the year	9,842	25,848	-	243,362	279,052
Effect of movements in exchange rates	(5,356)	(293)	-	(281,514)	(287,163)
<b>At 31 December 2018 and at 1 January 2019</b>	<b>97,448</b>	<b>82,707</b>	<b>416,199</b>	<b>2,563,900</b>	<b>3,160,254</b>
Amortisation charge for the year	11,129	24,837	-	218,640	254,606
Impairment losses	-	-	42,313	-	42,313
Effect of movements in exchange rates	(3,650)	(6,566)	-	(204,287)	(214,503)
<b>At 31 December 2019</b>	<b>104,927</b>	<b>100,978</b>	<b>458,512</b>	<b>2,578,253</b>	<b>3,242,670</b>
<b><i>Net book value</i></b>					
<b>At 31 December 2018</b>	<b>46,141</b>	<b>566,289</b>	<b>228,712</b>	<b>2,369,940</b>	<b>3,211,082</b>
<b>At 31 December 2019</b>	<b>36,150</b>	<b>502,102</b>	<b>170,315</b>	<b>3,088,326</b>	<b>3,796,893</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

	<b>Separate financial statements</b>
	Software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2018	28,899
Additions	3,540
<b>At 31 December 2018 and 1 January 2019</b>	<b>32,439</b>
Additions	90
<b>At 31 December 2019</b>	<b>32,529</b>
<i>Amortisation</i>	
At 1 January 2018	22,565
Amortisation charge for the year	2,715
<b>At 31 December 2018 and at 1 January 2019</b>	<b>25,280</b>
Amortisation charge for the year	2,915
<b>At 31 December 2019</b>	<b>28,195</b>
<i>Net book value</i>	
<b>At 31 December 2018</b>	<b>7,159</b>
<b>At 31 December 2019</b>	<b>4,334</b>

*Impairment testing for CGUs containing goodwill*

For the purposes of impairment testing, goodwill has been allocated to the Group’s CGUs. The balance of goodwill as at 31 December 2019 and 2018 mainly came from Wind Farm in Australia.

The recoverable amounts of goodwill, right to power purchase agreements and property, plant and equipment in Australia (CGU) were based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the power plants in Australia.

The key assumptions used in the estimation of value in use included the discount rates which was a post-tax measure based on the rate of 10-year historic of average 10-year government bonds from Reserve Bank Australia (RBA) defined as a risk free rate, in line with the principle underlying the Capital Asset Pricing Model (CAPM) theory with debt leveraging of 60% for Thermal power plants and 50% for Renewable Energy power plants and the future cash flows were prepared using the external information, which included sales volumes, prices, operating costs, inflation rate and long-term growth rates based on estimate throughout the remaining period of the power purchase agreements.

The values assigned to the key assumptions represent management’s assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The key assumptions used in the estimation of value in use are set out below:

	<b>Consolidated financial statements</b>
	2019                      2018
	(%)
Discount rate - Thermal power plants	6.59                      6.37
Discount rate - Renewable Energy power plants	6.13                      6.16



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

The discount rates were a post-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in general equity securities and the systematic risk of the specific CGU.

*Revenue projection*

The total revenue projections for the power plant assets have been determined in accordance with the power purchase agreements applying the revenue projections from external information for the post power purchase agreement periods. The assumptions included tariff from Thermal power plants and Renewable Energy power plants, carbon credit prices, nature gas prices, electricity demands, exchange rates, inflation rates and other related factors.

The impairment testing has been prepared by the management of RATCH-Australia Corporation Limited (“RAC”) from the information as specified in the power purchase agreements with the counterparties while estimating revenue and expenses from the external source and other related factors and conservative approach are used when preparing the testing. The RAC’s management have also conducted many sensitivity tests from the most conservative approach to more aggressive assumptions. There were no impairment loss recognised for any RAC’s assets. However, at initial recognition the goodwill in foreign currency is recognised in Thai Baht. As a result of currency fluctuations, the headroom in the impairment test translated to Thai Baht is lower than the carrying value of the goodwill by Baht 42.31 million. Consequently, the Group recognised an impairment loss on goodwill for the same amount including in administrative expense during 2019 (2018: nil).

**19 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Deferred expenses under contractual service agreements	1,224,068	505,139	-	-
Deferred expenses for generator connection and access services	611,448	633,937	-	-
Development costs of Renewable Energy projects	42,256	225,006	-	-
Others	23,546	22,661	4,487	4,457
<b>Total</b>	<b>1,901,318</b>	<b>1,386,743</b>	<b>4,487</b>	<b>4,457</b>

*Renewable energy projects*

The Group is developing projects to generate and sell electricity from renewable energy in Australia.

The Group has capitalised project development costs related to renewable energy projects in Australia as other non-current assets. Such projects have received the development approval from local authorities and the management has determined that these projects are technically and commercially feasible, future economic benefits are probable and total present value of the estimated future cash flows will not be lower than the carrying amount.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Generator Connection and Access agreement***

On 26 October 2016, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, entered into a Generator Connection and Access agreement with a company in Australia to join construct a switchyard and a transmission line. Thus, such subsidiary can connect and transmit electricity to a substation for a period of 26 years starting the date specified in the agreement. The total value of such agreement is Australian Dollars 28.18 million which will be amortised over the term of the agreement. As at 31 December 2019, the subsidiary had outstanding deferred expenses for services amounting to Australian Dollars 26.64 million or equivalent to Baht 561.86 million (2018: Australian Dollars 27.72 million or equivalent to Baht 633.94 million)

**20 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Current</i></b>				
Short-term loans from financial institutions				
-unsecured	603,080	-	-	-
Current portion of long-term loans				
from financial institutions net of deferred				
financing fees-secured	1,091,192	939,377	-	-
Debentures due within one year				
net of deferred financing fees-unsecured	-	3,471,390	-	-
Current portion of finance lease liabilities	741	843	-	-
<b>Total current interest-bearing liabilities</b>	<b>1,695,013</b>	<b>4,411,610</b>	<b>-</b>	<b>-</b>
<b><i>Non-current</i></b>				
Long-term loans from financial institutions				
net of deferred financing fees-secured	15,273,253	12,633,425	-	-
Debentures net of deferred financing fees				
-unsecured	15,167,590	16,107,245	-	-
Finance lease liabilities	415	1,100	-	-
<b>Total non-current interest-bearing liabilities</b>	<b>30,441,258</b>	<b>28,741,770</b>	<b>-</b>	<b>-</b>

The periods to maturity of interest-bearing liabilities net of deferred financing fees, excluding finance lease liabilities, as at 31 December were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within one year	1,694,272	4,410,767	-	-
After one year but within five years	14,808,446	6,551,456	-	-
After five years	15,632,397	22,189,214	-	-
<b>Total</b>	<b>32,135,115</b>	<b>33,151,437</b>	<b>-</b>	<b>-</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

As at 31 December 2019, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding short-term loans from financial institution in Singapore amounting to U.S. Dollars 20 million or equivalent to Baht 603.08 million which bear interest at the rate of 6-Month London Interbank Offered Rate (LIBOR), plus a fixed margin per annum and which will be repayable within 1 year (2018: *nil*).

As at 31 December 2019, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, had outstanding debentures which are unsecured and unsubordinated debentures without a debenture holders’ representative in the name-registered certificate, amounting to Baht 2,000 million with interest at a fixed rate of 3.50% per annum. The debentures have a repayment period of 7 years and will be due for redemption in 2022 (2018: *Baht 2,000 million*).

As at 31 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, had outstanding long-term loans from a local financial institution amounting to Baht 3,610.57 million with interest at a floating rate of 3-Month, plus a fixed margin per annum and which will be repayable during November 2020 to November 2032.

As at 31 December 2019, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures named “US\$ 300,000,000 4.50% notes due 2028” amounting to U.S. Dollars 300 million or equivalent to Baht 9,046.20 million with interest at a fixed rate of 4.50% per annum. The debentures have a repayment period of 10 years and will be due for redemption in 2028. The repayment of the debentures is guaranteed by the Company (2018: *U.S. Dollars 300 million or equivalent to Baht 9,734.94 million and the existing debentures U.S. Dollars 107 million or equivalent to Baht 3,472.13 million which were redeemed in April 2019*).

As at 31 December 2019, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures, which are unsecured and unsubordinated, amounting to Japanese Yen 15,000 million or equivalent to Baht 4,147.68 million with interest at a fixed rate of 2.72% per annum. The debentures have a repayment period of 15 years and will be due for redemption in 2026. The repayment of the debentures is guaranteed by the Company (2018: *Japanese Yen 15,000 million or equivalent to Baht 4,405.06 million*).

As at 31 December 2019, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 285.04 million or equivalent to Baht 6,011.42 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during October 2018 to May 2023 (2018: *Australian Dollars 308.32 million or equivalent to Baht 7,049.62 million*).

As at 31 December 2019, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 224.94 million or equivalent to Baht 4,743.76 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during December 2018 to November 2023 (2018: *Australian Dollars 236.42 million or equivalent to Baht 5,405.66 million*).

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

As at 31 December 2019, RATCH-Australia Collinsville Solar PV Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 55.57 million or equivalent to Baht 1,172.02 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during June 2018 to December 2023 (2018: Australian Dollars 54.68 million or equivalent to Baht 1,250.35 million).

As at 31 December 2019, Collector Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 45.03 million or equivalent to Baht 949.66 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during June 2021 to May 2024 (2018: nil).

As at 31 December 2019, the Group had unutilised credit facilities totalling Baht 29,395.37 million, U.S. Dollars 250 million and Australian Dollars 193.47 million (2018: Baht 31,802 million, U.S. Dollars 235 million and Australian Dollars 24.63 million).

The Group must comply with certain conditions in those agreements including maintaining certain key financial ratios.

## 21 Other payables

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Current</b>					
<b>Related parties</b>	<b>6</b>	<b>67,098</b>	<b>56,145</b>	<b>20,094</b>	<b>17,200</b>
<b>Other parties</b>					
Accrued finance costs		303,110	332,814	-	-
Other payables and accrued expenses		1,337,547	1,063,242	266,446	347,105
		<u>1,640,657</u>	<u>1,396,056</u>	<u>266,446</u>	<u>347,105</u>
<b>Total</b>		<b><u>1,707,755</u></b>	<b><u>1,452,201</u></b>	<b><u>286,540</u></b>	<b><u>364,305</u></b>

## 22 Non-current provisions for employee benefits

### *Defined benefit plan*

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	176,810	175,688	147,677	142,293
<b>Include in profit or loss:</b>				
Current service cost and interest on obligation	24,797	15,449	24,124	14,942
Past service cost	34,748	-	28,954	-
	<b>59,545</b>	<b>15,449</b>	<b>53,078</b>	<b>14,942</b>
<b>Included in other comprehensive income:</b>				
Actuarial (gain) loss	8,171	(1,748)	5,483	-
Effect of movements in exchange rates	(699)	(454)	-	-
	<b>7,472</b>	<b>(2,202)</b>	<b>5,483</b>	<b>-</b>
Benefit paid	(40,006)	(12,125)	(40,006)	(9,558)
<b>At 31 December</b>	<b>203,821</b>	<b>176,810</b>	<b>166,232</b>	<b>147,677</b>

Actuarial (gain) loss recognised in other comprehensive income arising from:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Demographic assumption	1,770	(1,380)	1,510	-
Experience adjustment	3,472	(907)	1,185	-
Financial assumption	2,930	539	2,788	-
<b>Total</b>	<b>8,172</b>	<b>(1,748)</b>	<b>5,483</b>	<b>-</b>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	2.98 to 4.5	3.18 to 4.5	2.98	3.18
Future salary growth	4 to 8	4 to 8	6.5 to 8	6.5 to 8
Employee turnover	0 to 15	0 to 15	0 to 10	0 to 10

Assumptions regarding future mortality have been based on published statistics and mortality tables.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

As at 31 December 2019, the weighted-average durations of the defined benefit obligation were 15.90 and 30.20 years (2018: 11.50 and 30.20 years).

***Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

<b><i>Effect to the defined benefit obligation</i></b>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<b>At 31 December 2019</b>				
Discount rate (1% movement)	(19,184)	22,680	(15,202)	17,820
Future salary growth (1% movement)	23,509	(20,264)	18,499	(16,093)
Employee turnover (20% movement)	(8,196)	9,010	(6,103)	6,579
Improving mortality rate (1% movement)	719	(810)	536	(597)
<b>At 31 December 2018</b>				
Discount rate (1% movement)	(12,884)	15,207	(10,053)	11,738
Future salary growth (1% movement)	17,316	(14,911)	13,515	(11,754)
Employee turnover (20% movement)	(5,988)	6,618	(4,407)	4,773
Improving mortality rate (1% movement)	842	(956)	644	(725)

**23 Share capital**

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
<b><i>Authorised</i></b>					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
<b>At 31 December</b>					
- ordinary shares	10	<b>1,450,000</b>	<b>14,500,000</b>	<b>1,450,000</b>	<b>14,500,000</b>
<b><i>Issued and paid-up</i></b>					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
<b>At 31 December</b>					
- ordinary shares	10	<b>1,450,000</b>	<b>14,500,000</b>	<b>1,450,000</b>	<b>14,500,000</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

***Share premium***

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**24 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

*Other components of equity*

**Currency translation differences**

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value changes in available for sale investments**

The fair value changes in available for sale investments account within equity comprises the cumulative net change in the fair value of available for sale investments until the investments are derecognised or impaired.

**Cash flow hedges**

The cash flow hedges account within equity comprises the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

**25 Segment information**

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

Segment 1	Domestic Electricity Generating
Segment 2	Renewable Energy
Segment 3	International Power Projects
Segment 4	Others

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Information about reportable segments*

**Consolidated financial statements**

<i>For the year ended 31 December</i>	<b>Domestic Electricity Generating</b>		<b>Renewable Energy</b>		<b>International Power Projects</b>		<b>Others</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
Revenue from sales and rendering of services	32,397,138	33,951,585	-	-	3,043,976	2,232,550	-	-	35,441,114	36,184,135
Revenue from finance lease contracts	2,923,233	3,335,814	-	-	-	-	-	-	2,923,233	3,335,814
Cost of sales and rendering of services	(31,394,601)	(33,746,846)	-	-	(1,833,434)	(1,423,247)	-	-	(33,228,035)	(35,170,093)
<b>Gross profit</b>	<b>3,925,770</b>	<b>3,540,553</b>	<b>-</b>	<b>-</b>	<b>1,210,542</b>	<b>809,303</b>	<b>-</b>	<b>-</b>	<b>5,136,312</b>	<b>4,349,856</b>
Management service income	-	-	-	-	248	-	243,995	238,882	224,243	238,882
Interest income	60,819	25,912	198	203	55,115	101,574	89,390	85,713	205,522	213,402
Dividend income	-	-	-	-	99,987	186,782	894	-	100,881	186,782
Gain on bargain purchase arising from the acquisition	-	-	-	-	-	-	269,918	-	269,918	-
Other income	46,242	57,200	728	401	11,377	130,548	8,438	910	66,785	189,059
Administrative expenses	(234,399)	(210,145)	(2,817)	(5,661)	(425,536)	(322,059)	(933,240)	(1,056,125)	(1,595,992)	(1,593,990)
Net foreign exchange gain (loss)	28,238	21,350	-	-	(134,683)	(885,015)	(26,035)	(1,356)	(132,480)	(865,021)
Finance costs	(99,591)	(66,086)	-	-	(1,330,628)	(948,802)	-	-	(1,430,219)	(1,014,888)
Share of profit of associates and joint ventures	421,477	589,990	390,211	300,788	3,139,739	3,827,838	16,953	16,849	3,968,380	4,735,465
<b>Profit (loss) before income tax expense</b>	<b>4,148,556</b>	<b>3,958,774</b>	<b>388,320</b>	<b>295,731</b>	<b>2,626,161</b>	<b>2,900,169</b>	<b>(329,687)</b>	<b>(715,127)</b>	<b>6,833,350</b>	<b>6,439,547</b>
Tax (expense) income	(837,959)	(789,032)	-	-	(33,381)	(79,189)	1,274	(2,359)	(870,066)	(870,580)
<b>Profit (loss) for the year</b>	<b>3,310,597</b>	<b>3,169,742</b>	<b>388,320</b>	<b>295,731</b>	<b>2,592,780</b>	<b>2,820,980</b>	<b>(328,413)</b>	<b>(717,486)</b>	<b>5,963,284</b>	<b>5,568,967</b>



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<i>For the year ended 31 December</i>	Consolidated financial statements									
	Domestic Electricity		Renewable Energy		International Power		Others		Total	
	Generating				Projects					
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in thousand Baht)</i>									
<b>Disaggregation of revenue</b>										
<b>Primary geographical markets</b>										
Thailand	35,320,371	37,287,399	-	-	-	-	-	-	35,320,371	37,287,399
Australia	-	-	-	-	2,990,266	2,181,650	-	-	2,990,266	2,181,650
Other countries	-	-	-	-	53,710	50,900	-	-	53,710	50,900
<b>Total</b>	<b>35,320,371</b>	<b>37,287,399</b>	<b>-</b>	<b>-</b>	<b>3,043,976</b>	<b>2,232,550</b>	<b>-</b>	<b>-</b>	<b>38,364,347</b>	<b>39,519,949</b>
<b>Major products and service lines</b>										
Product	35,319,331	37,287,399	-	-	2,990,266	2,181,650	-	-	38,309,597	39,469,049
Service	1,040	-	-	-	53,710	50,900	-	-	54,750	50,900
<b>Total</b>	<b>35,320,371</b>	<b>37,287,399</b>	<b>-</b>	<b>-</b>	<b>3,043,976</b>	<b>2,232,550</b>	<b>-</b>	<b>-</b>	<b>38,364,347</b>	<b>39,519,949</b>
<b>Timing of revenue recognition</b>										
At a point in time	35,319,331	37,287,399	-	-	2,990,266	2,181,650	-	-	38,309,597	39,469,049
Over time	1,040	-	-	-	53,710	50,900	-	-	54,750	50,900
<b>Total</b>	<b>35,320,371</b>	<b>37,287,399</b>	<b>-</b>	<b>-</b>	<b>3,043,976</b>	<b>2,232,550</b>	<b>-</b>	<b>-</b>	<b>38,364,347</b>	<b>39,519,949</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Geographical segments***

Segment assets are based on the geographical location of the assets.

***Geographical information***

	<b>Assets</b>	
	<i>(in thousand Baht)</i>	
	2019	2018
Thailand	54,814,149	51,320,387
Australia	23,850,702	23,824,023
Other countries	21,564,575	26,107,492
<b>Total</b>	<b>100,229,426</b>	<b>101,251,902</b>

**26 Administrative expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Employee benefit expenses	715,879	724,258	508,274	513,521
General administrative expenses	446,679	417,143	209,988	247,314
Consultant fees	226,531	254,728	153,765	220,685
Depreciation and amortisation	70,788	77,513	25,172	30,958
Public relation expenses	50,435	49,610	29,182	29,868
Impairment loss of land for future development projects	-	20,580	-	-
Impairment loss of goodwill	42,313	-	-	-
Others	43,367	50,158	7,836	15,491
<b>Total</b>	<b>1,595,992</b>	<b>1,593,990</b>	<b>934,217</b>	<b>1,057,837</b>

**27 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Managements</b>				
Directors' remuneration	10,105	10,558	7,699	8,316
Wages and salaries	99,772	102,207	31,292	34,559
Defined benefit plans	5,428	1,509	5,187	331
Defined contribution plans	6,757	7,937	2,430	3,004
Others	42,966	47,112	38,223	39,129
	<b>165,028</b>	<b>169,323</b>	<b>84,831</b>	<b>85,339</b>
<b>Employees</b>				
Wages and salaries	321,476	335,588	237,692	250,844
Defined benefit plans	52,089	18,174	47,891	14,611
Defined contribution plans	23,857	24,337	20,734	21,265
Others	153,429	176,836	117,126	141,462
	<b>550,851</b>	<b>554,935</b>	<b>423,443</b>	<b>428,182</b>
<b>Total</b>	<b>715,879</b>	<b>724,258</b>	<b>508,274</b>	<b>513,521</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

*Defined contribution plans*

The Group in Thailand joined the contribution provident fund established by EGAT for the Group’s employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employee at rates ranging from 5% to 15% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees’ basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

**28 Expenses by nature**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Fuel costs	27,647,844	30,026,996	-	-
Operation and maintenance service fees	1,605,246	1,569,444	-	-
Repair expenses and spare parts used	1,533,257	1,457,179	-	-
Depreciation and amortisation	1,557,878	1,259,764	25,172	30,958
General administrative expenses	490,046	467,301	209,988	247,314
Employee benefit expenses	715,879	724,258	508,274	513,521
Insurance premium for power plants	377,566	371,361	-	-
Consultant fees	226,531	254,728	153,765	220,685
Public relation expenses	50,435	49,610	29,182	29,868
Impairment losses on goodwill	42,313	-	-	-
Others	577,032	583,443	7,836	15,491
<b>Total cost of sales and rendering of services and administrative expenses</b>	<b>34,824,027</b>	<b>36,764,084</b>	<b>934,217</b>	<b>1,057,837</b>

**29 Finance costs**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Interest expense:</b>					
Related party	6	-	23,716	-	-
Bank loans		1,389,795	1,270,449	-	-
<b>Total interest expense</b>		<b>1,389,795</b>	<b>1,294,165</b>	<b>-</b>	<b>-</b>
Amortisation of transaction costs capitalised		38,221	43,213	-	-
Change in fair value of derivatives - ineffective portion		(350)	(400,933)	-	-
Loss on repurchase of debentures		-	78,443	-	-
Other finance costs		2,553	-	-	-
<b>Total finance costs</b>		<b>1,430,219</b>	<b>1,014,888</b>	<b>-</b>	<b>-</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**30 Income tax expense**

<i>Income tax recognised in profit or loss</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	539,280	1,007,468	3,627	4,713
Under (over) provided in prior years	(21,629)	(14,850)	478	112
	<b>517,651</b>	<b>992,618</b>	<b>4,105</b>	<b>4,825</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	352,415	(122,038)	(5,379)	(2,479)
<b>Total income tax expense (income)</b>	<b>870,066</b>	<b>870,580</b>	<b>(1,274)</b>	<b>2,346</b>

Consolidated financial statements						
Income tax recognised in other comprehensive income	Before tax	2019	Net of tax <i>(in thousand Baht)</i>	Before tax	2018	Net of tax
		Tax			Tax	
		(expense) benefit			(expense) benefit	
Defined benefit plan actuarial gains (losses)	(8,171)	1,634	(6,537)	1,748	-	1,748

Separate financial statements						
<i>Income tax recognised in other comprehensive income</i>	Before tax	2019	Net of tax	Before tax	2018	Net of tax
		Tax (expense) benefit			Tax (expense) benefit	
<i>(in thousand Baht)</i>						
Defined benefit plan actuarial gains (losses)	(5,483)	1,097	(4,386)	-	-	-

**Reconciliation of effective tax rate**

	<b>Consolidated financial statements</b>			
	2019	2018	2019	2018
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		<b>6,833,351</b>		<b>6,439,546</b>
Income tax using the Thai corporation tax rate	20	1,366,670	20	1,287,909
Effect of different tax rates in foreign jurisdictions		(164,547)		(69,472)
Income not subject to tax - dividend income		(20,889)		(37,356)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		(379,012)		(424,891)
Recognition of previously unrecognised tax losses		(332)		(280)
Current year losses for which no deferred tax asset was recognised		83,272		118,423
Over provided in prior years		(21,629)		(14,850)
Others		6,533		11,097
<b>Total</b>	<b>13</b>	<b>870,066</b>	<b>14</b>	<b>870,580</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

	Separate financial statements			
	2019	2018		
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		<u>2,933,498</u>		<u>2,993,149</u>
Income tax using the Thai corporation tax rate	20	586,700	20	598,630
Income not subject to tax - dividend income		(668,392)		(701,162)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		(2,374)		39,185
Current year losses for which no deferred tax asset was recognised		78,687		60,868
Under provided in prior years		478		112
Others		3,627		4,713
<b>Total</b>	<b><u>(0.04)</u></b>	<b><u>(1,274)</u></b>	<b><u>0.08</u></b>	<b><u>2,346</u></b>

	Consolidated financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
		(in thousand Baht)		
Total	4,271,093	4,961,187	(5,942,432)	(6,237,871)
Set off of tax	<u>(4,232,196)</u>	<u>(4,758,955)</u>	<u>4,232,196</u>	<u>4,758,955</u>
<b>Net deferred tax assets (liabilities)</b>	<b><u>38,897</u></b>	<b><u>202,232</u></b>	<b><u>(1,710,236)</u></b>	<b><u>(1,478,916)</u></b>

	Separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
		(in thousand Baht)		
Total	38,897	32,422	-	-
Set off of tax	-	-	-	-
<b>Net deferred tax assets</b>	<b><u>38,897</u></b>	<b><u>32,422</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

Movement of deferred tax were as follows:

	Consolidated financial statements					
		(Charged) / Credited to:				
	At 1 January 2019	Profit or loss	Other comprehensive income <i>(in thousand Baht)</i>	Exchange differences	Acquired in business combination	At 31 December 2019
<i>Deferred tax assets</i>						
Allowance for obsolescence of spare parts and supplies and allowance for decline in value of fuel oil	284,549	6,155	-	(2,410)	-	288,294
Property, plant and equipment	4,113,599	(612,670)	-	(53,559)	45,611	3,492,981
Finance leases liabilities	136	(17)	-	-	-	119
Derivative liabilities	-	-	-	-	8,343	8,343
Provisions for employee benefits	37,127	6,214	1,634	-	-	44,975
Loss carry forward	423,654	(44,167)	-	(42,078)	-	337,409
Others	102,122	3,692	-	(6,842)	-	98,972
<b>Total</b>	<b>4,961,187</b>	<b>(640,793)</b>	<b>1,634</b>	<b>(104,889)</b>	<b>53,954</b>	<b>4,271,093</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

	Consolidated financial statements					
		(Charged) / Credited to:				
	At 1 January 2019	Profit or loss	Other comprehensive income	Exchange differences	Acquired in business combination	At 31 December 2019

	Consolidated financial statements				
		(Charged)/ Credited to:			
	At 1 January 2018	Profit or loss	Other comprehensive e income  (in thousand Baht)	Exchange differences	At 31 December 2018
<b>Deferred tax assets</b>					
Allowance for obsolescence of spare parts and supplies and allowance for decline in value of fuel oil	272,465	16,228	-	(4,144)	284,549
Property, plant and equipment	4,814,444	(627,393)	-	(73,452)	4,113,599
Finance leases liabilities	135	1	-	-	136
Provisions for employee benefits	34,727	2,400	-	-	37,127
Loss carry forward	479,409	(8,254)	-	(47,501)	423,654
Others	105,915	8,266	-	(12,059)	102,122
<b>Total</b>	<b>5,707,095</b>	<b>(608,752)</b>	<b>-</b>	<b>(137,156)</b>	<b>4,961,187</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(2,751,729)	109,917	-	256,268	(2,385,544)
Finance lease receivable from related party	(4,245,039)	710,937	-	-	(3,534,102)
Derivatives	(2,815)	108	-	14	(2,693)
Others	(277,750)	(90,172)	-	52,390	(315,532)
<b>Total</b>	<b>(7,277,333)</b>	<b>730,790</b>	<b>-</b>	<b>308,672</b>	<b>(6,237,871)</b>
<b>Net</b>	<b>(1,570,238)</b>	<b>122,038</b>	<b>-</b>	<b>171,516</b>	<b>(1,276,684)</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

		Separate financial statements		
		<u>(Charged)/ Credited to:</u>		
	At 1 January 2019	Profit or loss	Other comprehensive income	At 31 December 2019
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Provisions for employee benefits	32,421	5,379	1,097	38,897

		Separate financial statements		
		<u>(Charged)/ Credited to:</u>		
	At 1 January 2018	Profit or loss	Other comprehensive income	At 31 December 2018
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Provisions for employee benefits	29,942	2,479	-	32,421

Deferred tax assets have not been recognised in respect of the following items:

<b>Unrecognised deferred tax assets</b>	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
Tax losses	<u>520,607</u>	<u>544,984</u>	<u>317,758</u>	<u>308,163</u>

As at 31 December 2019, the Group has outstanding balance of deferred tax assets of Baht 337.41 million from cumulative tax losses of an indirect subsidiary in overseas. The Group’s management has estimated future taxable profits and they considered it probable that future taxable profits would be available against which such losses can be used. The tax losses in such country has unlimited and no expiration date, therefore, the related deferred tax assets are recognised.

### **31 Promotional privileges**

A subsidiary has been granted promotional certificates by the Office of the Board of Investment for electricity, steam, cooling water and industrial water. The subsidiary has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**32 Basic earnings per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht/ thousand shares)</i>			
<b>Profit for the year attributable to ordinary shareholders of the Company (basic)</b>	<b><u>5,963,281</u></b>	<b><u>5,587,602</u></b>	<b><u>2,934,772</u></b>	<b><u>2,990,803</u></b>
<b>Number of ordinary shares outstanding</b>	<b><u>1,450,000</u></b>	<b><u>1,450,000</u></b>	<b><u>1,450,000</u></b>	<b><u>1,450,000</u></b>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>4.11</u></b>	<b><u>3.85</u></b>	<b><u>2.02</u></b>	<b><u>2.06</u></b>

**33 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<b>2019</b>				
Annual dividend	5 April 2019	April 2019	2.40	3,480
Interim dividend	22 August 2018	September 2018	(1.15)	(1,667)
Additional dividend			1.25	1,813
Interim dividend	23 August 2019	September 2019	1.15	1,667
<b>Total dividend</b>				<b><u>3,480</u></b>
<b>2018</b>				
Annual dividend	5 April 2018	April 2018	2.40	3,480
Interim dividend	21 August 2017	September 2017	(1.15)	(1,667)
Additional dividend			1.25	1,813
Interim dividend	22 August 2018	September 2018	1.15	1,667
<b>Total dividend</b>				<b><u>3,480</u></b>

**34 Financial instruments**

***Financial risk management policies***

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group’s risk management process to ensure that an appropriate balance between risk and control is achieved.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Capital management***

The Board of Directors’ policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders’ equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

***Interest rate risk***

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group’s operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings (see note 20). The Group mitigates this risk by using derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

<b>Consolidated financial statements</b>					
	Effective interest rate (% per annum)	Maturity period			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2019</b>					
<b>Current</b>					
Debt securities held for trading	1.12 to 2.27	248,960	224,340	29,808	503,108
Other debt securities held to maturity	3.04	60,000	-	-	60,000
<b>Non-current</b>					
Other debt securities held to maturity	3.04 to 3.10	-	53,000	-	53,000
Long-term loans to related parties	6.27	-	-	540,898	540,898
<b>Total</b>		<b>308,960</b>	<b>277,340</b>	<b>570,706</b>	<b>1,157,006</b>
<b>2018</b>					
<b>Current</b>					
Debt securities held for trading	1.39 to 2.71	318,342	181,860	-	500,202
Other debt securities held to maturity	0.50 to 5.33	303,894	-	-	303,894
<b>Non-current</b>					
Other debt securities held to maturity	3.04 to 3.10	-	113,000	-	113,000
Long-term loans to related parties	6.45	-	-	42,494	42,494
<b>Total</b>		<b>622,236</b>	<b>294,860</b>	<b>42,494</b>	<b>959,590</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

		Separate financial statements			
		Maturity period			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
(in thousand Baht)					
2019					
Current					
Debt securities held for trading	1.12 to 2.27	227,917	224,340	29,808	482,065
Other debt securities held to maturity	3.04	60,000	-	-	60,000
Non-current					
Other debt securities held to maturity	3.04 to 3.10	-	53,000	-	53,000
Long-term loans to related parties	3.93 to 6.27	-	-	1,807,710	1,807,710
Total		287,917	277,340	1,837,518	2,402,775
2018					
Current					
Debt securities held for trading	1.39 to 2.71	285,901	181,860	-	467,761
Other debt securities held to maturity	5.33	300,000	-	-	300,000
Non-current					
Other debt securities held to maturity	3.04 to 3.10	-	113,000	-	113,000
Long-term loans to related parties	3.71 to 6.45	164,192	171,770	931,004	1,266,966
Total		750,093	466,630	931,004	2,147,727

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<b>Consolidated financial statements</b>					
Maturity period					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<i>(in thousand Baht)</i>					
<b>2019</b>					
<b>Current</b>					
Current portion of long-term loans from financial institutions	3.10 to 5.17	1,091,192	-	-	1,091,192
<b>Non-current</b>					
Long-term loans from financial institutions	3.10 to 5.17	-	12,809,127	2,464,126	15,273,253
Debentures	2.71 to 4.47	-	1,999,319	13,168,271	15,167,590
<b>Total</b>		<b>1,091,192</b>	<b>14,808,446</b>	<b>15,632,397</b>	<b>31,532,035</b>
<b>2018</b>					
<b>Current</b>					
Current portion of long-term loans from financial institutions	4.22 to 4.86	939,377	-	-	939,377
Debentures due within one year	3.42	3,471,390	-	-	3,471,390
<b>Non-current</b>					
Long-term loans from financial institutions	4.22 to 4.86	-	4,552,451	8,080,974	12,633,425
Debentures	2.71 to 4.47	-	-	16,107,245	16,107,245
<b>Total</b>		<b>4,410,767</b>	<b>4,552,451</b>	<b>24,188,219</b>	<b>33,151,437</b>

**Foreign currency risk**

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of significant financial assets and liabilities denominated in the foreign currencies as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i><b>United States Dollars</b></i>				
Long-term loans to related parties	540,898	42,494	1,515,165	1,091,966
Other current payables	(798,117)	(533,190)	(21,840)	(39,220)

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b><i>Lao Kip</i></b>				
Available for sale investments	1,942,552	2,538,934	-	-
Other current payables	(7,299)	(991)	(1,910)	(991)
<b><i>Australian Dollars</i></b>				
Other current payables	(67,611)	(54,199)	(3,389)	(2,379)
<b><i>Japanese Yen</i></b>				
Other current payables	(40,209)	(43,835)	-	-
Debentures	(4,142,133)	(4,384,489)	-	-
<b><i>Others</i></b>				
Other current payables	(1,650)	(27)	(27)	(27)
<b>Gross balance sheet exposure</b>	<b>(2,573,569)</b>	<b>(2,435,303)</b>	<b>1,487,999</b>	<b>1,049,349</b>
Estimated forecast purchases	(1,476)	(237,699)	-	-
<b>Gross exposure</b>	<b>(2,575,045)</b>	<b>(2,673,002)</b>	<b>1,487,999</b>	<b>1,049,349</b>
Foreign currency forward contracts	94,080	-	-	-
Cross currency swap contracts	4,147,683	4,405,060	-	-
<b>Net exposure</b>	<b><u>1,666,718</u></b>	<b><u>1,732,058</u></b>	<b><u>1,487,999</u></b>	<b><u>1,049,349</u></b>

***Credit risk***

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the Group’s major customers are the government, the state enterprise and the large enterprises and low credit risk. Management does not anticipate material losses from its debt collection.

***Liquidity risk***

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group’s operations and to mitigate the effects of fluctuations in cash flows.

***Carrying amount and fair values***

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

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
<b>31 December 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					
<b><i>Current</i></b>					
Debt securities held for trading	503,109	-	503,109	-	503,109
<b><i>Non-current</i></b>					
Available for sale investments	1,942,552	1,942,552	-	-	1,942,552
Derivative assets	266,637	-	266,637	-	266,637
<b><i>Financial liabilities measured at fair value</i></b>					
<b><i>Current</i></b>					
Derivative liabilities	(140,194)	-	(140,194)	-	(140,194)
<b><i>Non-current</i></b>					
Derivative liabilities	(748,412)	-	(748,412)	-	(748,412)
<b><i>Financial liabilities not measured at fair value</i></b>					
<b><i>Current</i></b>					
Short-term loans from financial institutions	(603,080)	-	(603,080)	-	(603,080)
Current portion of long-term loans from financial institutions	(1,091,192)	-	(1,091,192)	-	(1,091,192)
<b><i>Non-current</i></b>					
Long-term loans from financial institutions	(15,273,253)	-	(15,273,253)	-	(15,273,253)
Debentures	(15,167,590)	-	(16,698,572)	-	(16,698,572)
<b>31 December 2018</b>					
<b><i>Financial assets measured at fair value</i></b>					
<b><i>Current</i></b>					
Debt securities held for trading	500,202	-	500,202	-	500,202
Derivative assets	10,618	-	10,618	-	10,618
<b><i>Non-current</i></b>					
Available for sale investments	2,538,934	2,538,934	-	-	2,538,934
Derivative assets	226,403	-	226,403	-	226,403

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2018					
Financial liabilities measured at fair value					
Current					
Derivative liabilities	(15,428)	-	(15,428)	-	(15,428)
Non-current					
Derivative liabilities	(358,117)	-	(358,117)	-	(358,117)
Financial liabilities not measured at fair value					
Current					
Current portion of long-term loans from financial institutions	(939,377)	-	(939,377)	-	(939,377)
Debentures due within one year	(3,471,390)	-	(3,501,133)	-	(3,501,133)
Non-current					
Long-term loans from financial institutions	(12,633,425)	-	(12,633,425)	-	(12,633,425)
Debentures	(16,107,245)	-	(17,079,688)	-	(17,079,688)
		Separate financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2019					
Financial assets measured at fair value					
Current					
Debt securities held for trading	482,065	-	482,065	-	482,065
31 December 2018					
Financial assets measured at fair value					
Current					
Debt securities held for trading	467,761	-	467,761	-	467,761

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Foreign currency forward contracts***

As at 31 December 2019 The Group entered into various foreign currency forward contracts with financial institutions to manage exposure of fluctuations in foreign currency risk relate to purchases. the Group had outstanding foreign currency forward contracts to buy U.S. Dollars 3.12 million or equivalent to Baht 101.09 million. Such contracts will mature in March 2020 to December 2021 (2018: nil).

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

The Group entered into various interest rate swap and cross currency swap contracts with financial institutions to manage exposure of fluctuations in interest rates and foreign currency risk on borrowings. The notional amounts of the outstanding interest rate swap and cross currency swap contracts as at 31 December 2019 comprises Baht currency totalling Baht 2,957.85 million, Japanese Yen currency totalling Japanese Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 539.49 million (2018: Baht currency totalling Baht 1,000 million, U.S. Dollars currency totalling U.S. Dollars 200 million, Japanese Yen currency totalling Japanese Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 571.84 million). All counterparties agreed to pay the interest and the principle amount in accordance with the terms and conditions specified in the contracts.

**Financial instruments measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Debt securities held for trading	<i>Market comparison/ discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.
Foreign currency forward contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Interest rate swap contracts	<i>Swap models:</i> The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.
Cross currency swap contracts	<i>Black-Scholes model/ discounted cash flows</i>

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**Financial instruments not measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Other financial liabilities	<i>Discounted cash flows:</i> The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.

**35 Commitments with non-related parties**

***Operation and Maintenance Agreement***

On 1 August 2014, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, obtained the transfer of right in an Operation and Maintenance Agreement with a service provider from a subsidiary which was dissolved in year 2014. Such agreement dated on 30 June 2000 and has a period of 20 years from the date specified in the agreement. Under the terms of the agreement, such service provider will operate and provide maintenance services to the subsidiary. Ratchaburi Electricity Generating Company Limited will pay compensation for project management to or receive compensation from the service provider under the conditions specified in the agreement.

On 9 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, entered into an Operation and Maintenance Agreement with a service provider for a period of 19 years from the date specified in the agreement. Under the terms of the agreement, such service provider will operate and provide maintenance services to the subsidiary. The operation and maintenance service fee is stipulated in the agreement.

***Fuel Purchase Agreements***

On 27 October 2000, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Gas Sales Agreement with PTT Public Company Limited (“PTT”) for a period of 25 years. PTT will distribute natural gas to such subsidiary at the agreed quantity and price.

On 1 June 2004, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Diesel Purchase Agreement with PTT for a period of 3 years. PTT will distribute diesel to such subsidiary at the agreed quantity and price. The agreement is automatically extended for a period of 1 year unless written notice at least 6 months before the agreement automatically extended.

On 1 August 2014, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, obtained the transfer of right in the Gas Sales Agreement with PTT from a subsidiary which was dissolved in year 2014. Such agreement dated on 22 May 1997 and has a period of 20 years from the date specified in the agreement.

On 31 March 2011, RATCH Cogeneration Company Limited, a direct subsidiary, entered into a Gas Sales Agreement with PTT for a period of 25 years from the date of commercial gas usage. PTT will distribute natural gas to such subsidiary at the agreed quantity and price.



**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Contractual Service Agreement***

On 29 December 2005, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Contractual Service Agreement for the Combined Cycle power plants with a consortium of General Electric International Operations Company Inc. and GE Energy Parts, Inc. The agreement is effective from the agreement date until the end of the operation of the gas turbine according to the Power Purchase Agreement in 2027 with a total value of U.S. Dollars 428.60 million. Subsequently in 2014, all parties agreed to reduce the price and amend the conditions of the agreement effective from February 2014. The total value of the agreement is U.S. Dollars 418.21 million. As at 31 December 2019, the subsidiary had outstanding commitments amounting to U.S. Dollars 119.01 million (2018: U.S. Dollars 139.84 million).

In addition, in accordance with the agreement, the subsidiary is required to open a letter of credit amounting to U.S. Dollars 6 million. As at 31 December 2019, the subsidiary had an outstanding unused letter of credit amounting to U.S. Dollars 6 million (2018: U.S. Dollars 6 million).

On 29 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, entered into a Contractual Service Agreement with a service provider for a period of 15 years from the date as specified in the agreement. The details and the conditions related to service and the price are specified in the agreement.

***Generator Rotor Lease Agreement***

On 1 December 2015, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Generator Rotor Lease Agreement for the Combined Cycle power plants with General Electric International Operations Company Inc. The agreement is effective from the agreement date until June 2020 with a total value of U.S. Dollars 2.10 million. The subsidiary has made advance payment under the terms of the agreement amounting to U.S. Dollars 1 million. Subsequently in 2017, both parties agreed to reduce the price and amend the conditions of the agreement effective from October 2017. The total value of the agreement is U.S. Dollars 1.98 million. As at 31 December 2019, the subsidiary had outstanding commitments amounting to U.S. Dollars 0.12 million (2018: U.S. Dollars 0.37 million).

***Letters of guarantee***

As at 31 December 2019, the Company and its subsidiaries had commitments from letters of guarantee issued by financial institutions for the Company and its subsidiaries to comply with certain conditions in agreements in the amount of Baht 1,046.08 million, U.S. Dollars 12.38 million and Australian Dollars 22.25 million (2018: Baht 94.41 million, U.S. Dollars 11.50 million and Australian Dollars 15.24 million).

***Standby Letters of Credit***

As at 31 December 2019, the Company and its subsidiaries had commitments from Standby Letters of Credit issued by financial institutions for Debt Service Reserve Guarantees and equity contributions in joint ventures in the amount of Baht 1,600 million, U.S. Dollars 24.50 million and Australian Dollars 208.27 million (2018: Baht 1,600 million and U.S. Dollars 24.50 million).

***Unused of credit facilities***

As at 31 December 2019, the Company and its subsidiaries had unused of credit facilities totalling Baht 9,908.23 million, U.S. Dollars 896.45 million, Australian Dollars 31.94 million and Euro 300 million (2018: Baht 1,793.89 and U.S. Dollars 900.35 million).

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

***Capital commitment***

As at 31 December 2019, RATCH-Australia Corporation Pty. Ltd. and its subsidiaries, an indirect subsidiary, had outstanding capital commitments under Engineering Procurement & Construction Contracts for Wind Farm and Solar Power and other service agreements amounting to Australian Dollars 217.23 million (2018: Australian Dollars 12.29 million).

***Pledge of share certificate agreements***

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

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

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

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

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

The Company has pledged all share certificates of Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, investments in other companies, as collateral for loans of those companies.

***Significant litigation***

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

In 2019, the Company was the defendant in a civil case where the plaintiff requested the Company to pay Baht 5,271.10 million for compensation. The plaintiff claimed that the Company infringement of their trade secrets by used and made the profitability from their trade secrets information without their consent. The action reportedly caused damage to the plaintiff and preventing them from receiving lost the right, income or benefits from their trade secrets information. The management of the Company believed that this case did not affect the Company's operation since all the Company's action have not been in accordance with the allegations of the plaintiff and was strongly confident in defense in terms of factual and legal issues. Therefore, the Company did not recognise a contingent liability in respect of this case. Currently, the case is under the consideration of the Central Intellectual Property and International Trade Court.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**36 Events after the reporting period**

***Partial disposal of investment in Hin Kong Power Holding Company Limited***

On 3 January 2020, the Group partially disposed investment in Hin Kong Power Holding Company Limited, a direct subsidiary, 196,000 or 49% of total shares at par value Baht 10 per share, totalling Baht 1.96 million to a local company. As a result, the Company’s interest in the subsidiary decreased to 51% and became a direct joint venture.

***Increase in share capital of an RATCH-Australia Corporation Pty. Ltd.***

On 28 January 2020, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for increase in share capital of RATCH-Australia Corporation Pty. Ltd., a subsidiary of the indirect subsidiary, totalling Australian Dollars 42 million or equivalent to Baht 884.86 million, in proportion of investment of 100%.

***Dividend approval for the year 2019***

At the Board of Directors meeting of the Company held on 18 February 2020, the Board approved to submit for approval at the annual general meeting of the shareholders of the Company, the appropriation of 2019 annual dividend at the rate of Baht 2.40 per share, totalling Baht 3,480 million, from the profit from operations of 2019 after deducting the interim dividend of Baht 1.15 per share, totalling Baht 1,667 million. The balance of dividend amounting to Baht 1,813 million is subject to the approval of the shareholders at the annual general meeting on 9 April 2020.

**37 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are relevant to the Group’s operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

\* TFRS - Financial instruments standards

**(a) TFRS - Financial instruments standards**

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

**RATCH Group Public Company Limited and its subsidiaries**  
**(Formerly named “Ratchaburi Electricity Generating Holding Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**(b) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Group will recognise new assets and liabilities for its operating leases. As at 31 December 2019, the Group’s and Company’s future minimum lease payments under non-cancellable operating leases amounted to Baht 1,081 million and Baht 56 million, respectively, on an undiscounted basis. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.