

**RATCH Group Public Company Limited  
and its subsidiaries**

Financial statements for the year ended  
31 December 2020  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of RATCH Group Public Company Limited**

#### *Opinion*

I have audited the consolidated and separate financial statements of RATCH Group 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 2020, 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 2020 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.

**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**

Refer to Notes 4, 9, 12 and 14 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 2020, 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 24,661 million together representing approximately 22% 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 25,930 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>

*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  
15 February 2021

**RATCH Group Public Company Limited and its subsidiaries**  
**Statement of financial position**

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	4,856,588,850	4,917,163,131	2,231,434,858	1,780,104,131
Trade receivables from related parties	5, 26	4,982,246,143	5,277,659,290	-	-
Trade receivables from other parties	26	207,697,412	236,193,762	-	-
Other current receivables		165,244,989	299,430,687	33,799,302	34,640,738
Dividend receivables	5	-	600,000	-	600,000
Advances to and other current receivables					
from related parties	5	62,512,207	90,392,540	137,661,035	88,231,434
Short-term loans to related parties	5	-	-	59,667,643	134,000,000
Current portion of lease receivable from related party	5	2,575,600,533	3,268,373,863	-	-
Spare parts and supplies	7	1,782,603,745	1,880,392,925	-	-
Other current financial assets	26	3,757,435,640	4,451,848,525	1,198,043,203	542,065,029
Other current assets		94,762,999	57,713,545	22,578,358	1,806,160
<b>Total current assets</b>		<b>18,484,692,518</b>	<b>20,479,768,268</b>	<b>3,683,184,399</b>	<b>2,581,447,492</b>
<b>Non-current assets</b>					
Other non-current financial assets	26	1,828,785,579	1,995,551,686	89,932,236	53,000,000
Investments in associates	8	6,228,054,327	2,795,777,985	3,144,604,000	764,604,000
Investments in subsidiaries	9	-	-	50,836,609,974	42,560,609,974
Investments in joint ventures	8	34,559,745,405	28,307,367,806	6,346,256,691	4,916,502,884
Investments in other companies	10, 26	247,299,900	2,442,299,900	247,299,900	2,442,299,900
Other non-current receivables from related parties	5	44,011,302	18,316,560	47,804,393	19,817,713
Derivative assets	26	5,821,259	266,637,280	-	-
Long-term loans to related parties	5, 26	522,661,930	540,897,665	1,753,796,258	1,807,709,571
Long-term loan to other parties	8, 26	2,384,774,934	-	-	-
Land for future development projects	11	380,447,869	398,490,216	305,389,850	305,389,850
Property, plant and equipment	12	29,479,296,440	24,107,887,896	520,219,554	538,511,103
Right-of-use assets	3, 13	2,029,586,919	-	41,717,185	-
Goodwill	14	169,654,828	170,315,099	-	-
Intangible assets other than goodwill	14	3,283,874,662	3,626,578,104	1,757,316	4,333,630
Lease receivable from related party	5	10,561,883,101	13,139,323,209	-	-
Deferred tax assets	22	42,057,427	38,896,697	49,295,402	38,896,697
Other non-current assets	15	1,879,603,961	1,901,318,127	4,516,774	4,486,638
<b>Total non-current assets</b>		<b>93,647,559,843</b>	<b>79,749,658,230</b>	<b>63,389,199,533</b>	<b>53,456,161,960</b>
<b>Total assets</b>		<b>112,132,252,361</b>	<b>100,229,426,498</b>	<b>67,072,383,932</b>	<b>56,037,609,452</b>

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

**RATCH Group Public Company Limited and its subsidiaries**  
**Statement of financial position**

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Liabilities and equity</b>					
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	60,074,200	603,080,000	-	-
Short-term loans from related party	5, 16	-	-	3,465,000,000	-
Trade payables		3,643,029,682	3,906,333,813	-	-
Other current payables	5	1,157,970,623	1,707,754,528	326,574,947	286,540,211
Derivative liabilities	26	225,923,272	140,193,769	-	-
Current portion of long-term loans from financial institutions	16, 26	1,486,205,468	1,091,191,923	-	-
Current portion of lease liabilities <i>(2019: Current portion of finance lease liabilities)</i>	3, 16	118,091,720	741,415	16,290,079	-
Current tax payable		150,579	3,676,848	-	-
Other current liabilities		185,743,151	121,083,050	20,769,266	21,233,967
<b>Total current liabilities</b>		<b>6,877,188,695</b>	<b>7,574,055,346</b>	<b>3,828,634,292</b>	<b>307,774,178</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	16, 26	16,768,088,099	15,273,252,762	-	-
Lease liabilities <i>(2019: Finance lease liabilities)</i>	3, 16	1,362,555,893	414,886	26,593,861	-
Derivative liabilities	26	1,051,608,153	748,411,942	-	-
Debentures	16, 26	23,338,357,086	15,167,590,698	7,987,986,087	-
Deferred tax liabilities	22	1,831,406,359	1,710,235,519	-	-
Non-current provisions for employee benefits	17	225,498,462	203,820,910	178,407,987	166,231,851
Other long-term provisions		153,377,313	135,121,715	-	-
Other non-current liabilities		2,600,000	2,600,000	-	-
<b>Total non-current liabilities</b>		<b>44,733,491,365</b>	<b>33,241,448,432</b>	<b>8,192,987,935</b>	<b>166,231,851</b>
<b>Total liabilities</b>		<b>51,610,680,060</b>	<b>40,815,503,778</b>	<b>12,021,622,227</b>	<b>474,006,029</b>
<b>Equity</b>					
Share capital:					
Authorised share capital <i>(1,450,000,000 ordinary shares, par value at Baht 10 per share)</i>		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Issued and paid-up share capital <i>(1,450,000,000 ordinary shares, par value at Baht 10 per share)</i>		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Share premium on ordinary shares	18	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	18	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Unappropriated	3	53,585,646,723	50,802,260,025	37,393,869,408	37,887,722,290
Other components of equity		(10,546,536,831)	(8,870,765,604)	(46,194,451)	(27,205,615)
<b>Equity attributable to owners of the parent</b>		<b>60,520,887,892</b>	<b>59,413,272,421</b>	<b>55,050,761,705</b>	<b>55,563,603,423</b>
Non-controlling interests		684,409	650,299	-	-
<b>Total equity</b>		<b>60,521,572,301</b>	<b>59,413,922,720</b>	<b>55,050,761,705</b>	<b>55,563,603,423</b>
<b>Total liabilities and equity</b>		<b>112,132,252,361</b>	<b>100,229,426,498</b>	<b>67,072,383,932</b>	<b>56,037,609,452</b>

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

**RATCH Group Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
		<i>(in Baht)</i>			
Revenue from sales and rendering of services	5, 19	31,652,536,013	35,441,113,801	-	-
Revenue from lease contracts	5	2,553,209,226	2,923,233,480	-	-
Cost of sales and rendering of services	5, 21	(30,228,688,704)	(33,228,035,300)	-	-
<b>Gross profit</b>		<b>3,977,056,535</b>	<b>5,136,311,981</b>	-	-
Management service income	5	276,307,350	244,242,542	439,448,107	482,756,023
Interest income	5	159,412,199	205,522,111	95,978,778	133,507,132
Dividend income	5, 8, 9, 10	61,184,256	100,881,446	3,463,629,570	3,341,958,711
Gain on bargain purchase		-	269,917,945	-	-
Other income	5	219,002,836	66,785,309	5,009,984	7,985,856
Administrative expenses	5, 21	(1,601,096,914)	(1,595,991,960)	(930,216,123)	(934,216,744)
Net foreign exchange gain (loss)		304,452,937	(132,479,303)	(5,717,374)	(98,492,839)
Gain (loss) on fair value adjustment of derivatives		(130,239,655)	350,383	-	-
Finance costs	5	(1,551,352,466)	(1,430,569,771)	(71,953,352)	-
Share of profit of joint ventures and associates accounted for using equity method	8	4,600,342,636	3,968,379,850	-	-
<b>Profit before income tax expense</b>		<b>6,315,069,714</b>	<b>6,833,350,533</b>	<b>2,996,179,590</b>	<b>2,933,498,139</b>
(Tax expense) income	22	(28,357,829)	(870,066,448)	2,514,702	1,273,559
<b>Profit for the year</b>		<b>6,286,711,885</b>	<b>5,963,284,085</b>	<b>2,998,694,292</b>	<b>2,934,771,698</b>
<b>Other comprehensive income (expense)</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		318,077,769	(1,246,564,722)	-	-
Loss on cash flow hedges		(141,232,876)	(476,422,088)	-	-
Share of other comprehensive income (expense) of joint ventures and associates accounted for using equity method	8	(1,162,084,981)	(560,767,010)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(985,240,088)</b>	<b>(2,283,753,820)</b>	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Loss on investments in equity instruments designated at fair value through other comprehensive income	26	(665,536,995)	(520,435,779)	-	-
Losses on remeasurements of defined benefit plans	17	(28,912,830)	(8,171,482)	(23,736,045)	(5,482,908)
Share of other comprehensive income (expense) of joint ventures and associates accounted for using equity method	8	(1,863,880)	(11,508,542)	-	-
Income tax relating to items that will not be reclassified	22	5,782,566	1,634,296	4,747,209	1,096,581
<b>Total items that will not be reclassified to profit or loss</b>		<b>(690,531,139)</b>	<b>(538,481,507)</b>	<b>(18,988,836)</b>	<b>(4,386,327)</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(1,675,771,227)</b>	<b>(2,822,235,327)</b>	<b>(18,988,836)</b>	<b>(4,386,327)</b>
<b>Total comprehensive income (expense) for the year</b>		<b>4,610,940,658</b>	<b>3,141,048,758</b>	<b>2,979,705,456</b>	<b>2,930,385,371</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		6,286,677,775	5,963,281,245	2,998,694,292	2,934,771,698
Non-controlling interests		34,110	2,840	-	-
<b>Profit for the year</b>		<b>6,286,711,885</b>	<b>5,963,284,085</b>	<b>2,998,694,292</b>	<b>2,934,771,698</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		4,610,906,548	3,141,045,918	2,979,705,456	2,930,385,371
Non-controlling interests		34,110	2,840	-	-
<b>Total comprehensive income (expense) for the year</b>		<b>4,610,940,658</b>	<b>3,141,048,758</b>	<b>2,979,705,456</b>	<b>2,930,385,371</b>
<b>Basic earnings per share (in Baht)</b>	24	<b>4.34</b>	<b>4.11</b>	<b>2.07</b>	<b>2.02</b>

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

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

	<b>Consolidated financial statements</b>													
	Retained earnings				Other components of equity									
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translation reserve	Fair value reserve	Hedging reserve	Share of other comprehensive income (expense) of joint ventures and associates using equity method	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
<i>(in Baht)</i>														
<b>Year ended 31 December 2019</b>														
<b>Balance at 31 December 2018 - as reported</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>1,450,000,000</b>	<b>48,502,769,121</b>	<b>(4,598,889,843)</b>	<b>(845,039,548)</b>	<b>(319,842,378)</b>	<b>(268,779,253)</b>	<b>(15,979,255)</b>	<b>(6,048,530,277)</b>	<b>59,936,016,844</b>	<b>-</b>	<b>59,936,016,844</b>
Impact of changes in accounting policy - TFRS15		-	-	-	(183,790,341)	-	-	-	-	-	-	(183,790,341)	-	(183,790,341)
<b>Balance at 1 January 2019</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>1,450,000,000</b>	<b>48,318,978,780</b>	<b>(4,598,889,843)</b>	<b>(845,039,548)</b>	<b>(319,842,378)</b>	<b>(268,779,253)</b>	<b>(15,979,255)</b>	<b>(6,048,530,277)</b>	<b>59,752,226,503</b>	<b>-</b>	<b>59,752,226,503</b>
<b>Transactions with owners, recorded directly in equity</b>														
<i>Distributions to owners of the parent</i>														
Dividends	25	-	-	-	(3,480,000,000)	-	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
<i>Changes in ownership interests in subsidiaries</i>														
Minority interests at acquisition date of subsidiary		-	-	-	-	-	-	-	-	-	-	-	647,459	647,459
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,480,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,480,000,000)</b>	<b>647,459</b>	<b>(3,479,352,541)</b>
<b>Comprehensive income for the year</b>														
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)
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5,963,281,245</b>	<b>(1,246,564,722)</b>	<b>(520,435,779)</b>	<b>(476,422,088)</b>	<b>(572,275,552)</b>	<b>(6,537,186)</b>	<b>(2,822,235,327)</b>	<b>3,141,045,918</b>	<b>2,840</b>	<b>3,141,048,758</b>
<b>Balance at 31 December 2019</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>1,450,000,000</b>	<b>50,802,260,025</b>	<b>(5,845,454,565)</b>	<b>(1,365,475,327)</b>	<b>(796,264,466)</b>	<b>(841,054,805)</b>	<b>(22,516,441)</b>	<b>(8,870,765,604)</b>	<b>59,413,272,421</b>	<b>650,299</b>	<b>59,413,922,720</b>

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



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

	Note	Separate financial statements					Other components of equity	Total equity
		Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Retained earnings			
					Legal reserve	Unappropriated		
<i>(in Baht)</i>								
<b>Year ended 31 December 2019</b>								
<b>Balance at 1 January 2019</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>221,308,748</b>	<b>1,450,000,000</b>	<b>38,432,950,592</b>	<b>(22,819,288)</b>	<b>56,113,218,052</b>
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the parent</i>								
Dividends	25	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,480,000,000)</b>	<b>-</b>	<b>(3,480,000,000)</b>
<b>Comprehensive income for the year</b>								
Profit		-	-	-	-	2,934,771,698	-	2,934,771,698
Other comprehensive income (expense)		-	-	-	-	-	(4,386,327)	(4,386,327)
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,934,771,698</b>	<b>(4,386,327)</b>	<b>2,930,385,371</b>
<b>Balance at 31 December 2019</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>221,308,748</b>	<b>1,450,000,000</b>	<b>37,887,722,290</b>	<b>(27,205,615)</b>	<b>55,563,603,423</b>

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

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

	Note	Separate financial statements					Other components of equity	Total equity
		Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Retained earnings			
					Legal reserve	Unappropriated		
<i>(in Baht)</i>								
<b>Year ended 31 December 2020</b>								
<b>Balance at 31 December 2019 - as reported</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>221,308,748</b>	<b>1,450,000,000</b>	<b>37,887,722,290</b>	<b>(27,205,615)</b>	<b>55,563,603,423</b>
Impact of changes in accounting policies	3	-	-	-	-	(12,547,174)	-	(12,547,174)
<b>Balance at 1 January 2020</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>221,308,748</b>	<b>1,450,000,000</b>	<b>37,875,175,116</b>	<b>(27,205,615)</b>	<b>55,551,056,249</b>
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the parent</i>								
Dividends	25	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,480,000,000)</b>	<b>-</b>	<b>(3,480,000,000)</b>
<b>Comprehensive income for the year</b>								
Profit		-	-	-	-	2,998,694,292	-	2,998,694,292
Other comprehensive income (expense)		-	-	-	-	-	(18,988,836)	(18,988,836)
<b>Total comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,998,694,292</b>	<b>(18,988,836)</b>	<b>2,979,705,456</b>
<b>Balance at 31 December 2020</b>		<b>14,500,000,000</b>	<b>1,531,778,000</b>	<b>221,308,748</b>	<b>1,450,000,000</b>	<b>37,393,869,408</b>	<b>(46,194,451)</b>	<b>55,050,761,705</b>

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

**RATCH Group Public Company Limited and its subsidiaries**  
**Statement of cash flows**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the year		6,286,711,885	5,963,284,085	2,998,694,292	2,934,771,698
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense (income)	22	28,357,829	870,066,448	(2,514,702)	(1,273,559)
Finance costs		1,551,352,466	1,430,569,771	71,953,352	-
Depreciation	12, 13	1,504,306,699	1,273,309,552	35,754,096	22,257,004
Amortisation	14	328,225,233	254,606,473	2,576,314	2,915,305
Impairment loss recognised in profit or loss	26	22,623,034	-	36,820,421	-
Impairment losses on goodwill		-	42,312,620	-	-
Unrealised (gain) loss on exchange		(224,520,304)	124,215,577	5,854,454	84,472,015
(Gain) loss on fair value adjustment of derivatives		130,239,655	(350,383)	-	-
(Gain) loss on fair value adjustment of other financial assets	26	(10,144,144)	(4,135,616)	262,076	(4,118,766)
(Gain) loss on disposal of other financial assets		(3,669,581)	(358,060)	(713,962)	150,702
Fair value adjustment of lease receivable from related party		(77,678,174)	(96,693,665)	-	-
Share of profit of joint ventures and associates accounted for using equity method, net of tax	8	(4,600,342,636)	(3,968,379,850)	-	-
Gain on dissolution of joint venture		-	(2,077,131)	-	(1,625,031)
Loss on spare parts and supplies devaluation	7	74,612,903	50,403,209	-	-
(Reversal of) loss on fuel oil devaluation	7	65,884,276	(25,564,810)	-	-
Gain on disposal of spare parts and supplies		(250,000)	-	-	-
Gain on disposal of land for future development projects		(1,801,903)	-	-	-
(Gain) loss on write-off and disposal of plant and equipment		2,765,778	368,059	(7,346)	5,901
Dividend income	5, 8, 9, 10	(61,184,256)	(100,881,446)	(3,463,629,570)	(3,341,958,711)
Interest income		(159,412,199)	(205,522,111)	(95,978,778)	(133,507,132)
Gain on bargain purchase		-	(269,917,945)	-	-
Write-off withholding tax deducted at source and others		172	1,410,603	-	-
		<u>4,856,076,733</u>	<u>5,336,665,380</u>	<u>(410,929,353)</u>	<u>(437,910,574)</u>
<i>Changes in operating assets and liabilities</i>					
Trade receivable from related parties		295,413,147	306,092,876	-	-
Trade receivable from other parties		48,558,675	153,942,394	-	-
Other current receivables		40,519,917	55,988,912	(3,416,938)	431,162
Advances to and other current receivables from related parties		27,518,985	(39,272,855)	(49,800,653)	(27,720,567)
Lease receivable from related party		3,346,052,037	1,359,511,473	-	-
Spare parts and supplies		(16,624,094)	56,683,419	-	-
Other current assets and other non-current assets		(157,832,781)	(539,984,393)	(20,791,177)	2,003,510
Trade payable		(271,813,667)	(621,946,123)	-	-
Other current payables		(582,575,392)	155,295,264	508,533	(76,440,545)
Other current liabilities		66,106,348	58,301,182	(415,499)	(1,202,053)
Non-current provisions for employee benefits		(7,308,969)	21,824,943	(11,559,908)	13,071,564
Long-term provisions		5,923,747	21,099,367	-	-
Net cash generated from (used in) operating		<u>7,650,014,686</u>	<u>6,324,201,839</u>	<u>(496,404,995)</u>	<u>(527,767,503)</u>
Taxes received (paid)		<u>(358,661,699)</u>	<u>(734,949,383)</u>	<u>641,143</u>	<u>(964,661)</u>
<b>Net cash from (used in) operating activities</b>		<u><b>7,291,352,987</b></u>	<u><b>5,589,252,456</b></u>	<u><b>(495,763,852)</b></u>	<u><b>(528,732,164)</b></u>

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

**RATCH Group Public Company Limited and its subsidiaries**  
**Statement of cash flows**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
<b><i>Cash flows from investing activities</i></b>					
Proceeds from disposal of subsidiary	9	1,960,000	-	1,960,000	-
Cash decreased from disposal of subsidiary		(3,765,979)	-	-	-
Acquisition of subsidiaries, net of cash acquired		-	(1,977,100,386)	-	(1,998,400,000)
Payments for investment in subsidiary	9	-	-	(8,280,000,000)	(4,000,000)
Net cash inflow (outflow) in other current financial assets		728,657,861	(2,162,292,177)	(632,539,036)	289,664,127
Net cash outflow in other non-current financial assets		(513,116,250)	-	(60,000,000)	-
Proceeds from repayment of short-term loans to related parties	5	25,000,000	-	1,239,000,000	100,000,000
Short-term loans to related parties	5	(5,000,000)	-	(1,165,000,000)	(220,000,000)
Proceeds from repayment of long-term loans to related parties	5	-	-	132,348,026	161,000,000
Long-term loans to related parties	5	-	(507,524,941)	(136,133,542)	(667,721,521)
Long-term loan to other party	8	(2,500,768,000)	-	-	-
Proceeds from disposal of joint venture		-	2,077,131	-	2,077,131
Payments for investments in joint ventures	8	(4,511,633,068)	(582,612,704)	(1,427,713,807)	(263,898,117)
Payments for investment in associates	8	(1,484,045,658)	(1,173,479,571)	-	-
Payments for investments in other companies	10	(185,000,000)	-	(185,000,000)	-
Advance payments for investments		-	194,697,320	-	-
Proceeds from sale of land for future development projects		19,844,250	-	-	-
Payment for acquisition of land for future development projects		-	(18,042,347)	-	-
Proceeds from sale of equipment		2,184,944	11,302	7,382	10,023
Payment for acquisition of plant and equipment		(4,628,729,219)	(2,441,871,548)	(469,159)	(10,784,631)
Payment for acquisition of intangible assets		(3,857,513)	(1,784,509)	-	(315,000)
Dividends received		2,047,010,551	3,716,587,334	3,464,229,570	3,405,449,871
Interest received		98,053,132	201,730,404	69,880,488	138,557,578
<b>Net cash from (used in) investing activities</b>		<b>(10,913,204,949)</b>	<b>(4,749,604,692)</b>	<b>(6,979,430,078)</b>	<b>931,639,461</b>
<b><i>Cash flows from financing activities</i></b>					
Proceeds from short-term loans from financial institutions	16	11,405,912,200	1,376,635,500	8,335,000,000	-
Repayment for short-term loans from financial institutions	16	(11,946,580,000)	(755,582,500)	(8,335,000,000)	-
Proceeds from long-term loans from financial institutions	16	2,239,229,895	1,200,880,439	-	-
Repayment for long-term loans from financial institutions	16	(1,549,790,061)	(965,541,724)	-	-
Proceeds from short-term loans from related party	5, 16	-	-	3,465,000,000	-
Proceeds from early unwinding of derivative		227,783,123	-	-	-
Proceeds from issue of debentures	16	8,000,000,000	-	8,000,000,000	-
Redemption payment of debentures		-	(3,407,832,300)	-	-
Payment of lease liabilities	13, 16	(62,810,603)	(857,950)	(18,500,460)	-
Dividend paid to owners of the Company		(3,480,049,203)	(3,479,780,179)	(3,480,049,203)	(3,479,780,179)
Finance costs paid		(1,408,571,319)	(1,402,061,328)	(39,925,680)	-
<b>Net cash from (used in) financing activities</b>		<b>3,425,124,032</b>	<b>(7,434,140,042)</b>	<b>7,926,524,657</b>	<b>(3,479,780,179)</b>
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		(196,727,930)	(6,594,492,278)	451,330,727	(3,076,872,882)
Effect of exchange rate changes on cash and cash equivalents		136,153,649	(183,591,815)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(60,574,281)</b>	<b>(6,778,084,093)</b>	<b>451,330,727</b>	<b>(3,076,872,882)</b>
Cash and cash equivalents at 1 January		4,917,163,131	11,695,247,224	1,780,104,131	4,856,977,013
<b>Cash and cash equivalents at 31 December</b>		<b>4,856,588,850</b>	<b>4,917,163,131</b>	<b>2,231,434,858</b>	<b>1,780,104,131</b>

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

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**RATCH Group Public Company Limited and its subsidiaries**  
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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 15 February 2021.

**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, Bangkhen, 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.

The principal businesses of the Company are the investing in companies, whose objectives are to generate and sell electricity, develop power energy project and infrastructure project. Details of the Company’s subsidiaries, associates and joint ventures as at 31 December 2020 and 2019 were as follows:

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<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 Cogeneration Company Limited	Generating and selling electricity and cooling water	Thailand	99.97	99.97
RATCH-Lao Services Company Limited	Providing operation maintenance services and investing in the related business	Lao PDR	99.99	99.99

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
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Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<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
Northern Bangkok Monorail Company Limited **	Mass transit system	Thailand	10	-
Eastern Bangkok Monorail Company Limited **	Mass transit system	Thailand	10	-
<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**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<b><i>Indirect associates</i></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><i>Direct joint ventures</i></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	51
Things on Net Company Limited	Investing in installation and development of telecommunication networks	Thailand	35	35
Hin Kong Power Holding Company Limited *	Investing in the power energy business	Thailand	51	-
R E N Korat Energy Company Limited	Generating and selling electricity and steam	Thailand	40	-
Xe-Pian Xe-Namnoy Power Company Limited	Generating and selling electricity	Lao PDR	25	25
NEXIF RATCH ENERGY SINGAPORE PTE. LTD.	Investing in the power energy business	Singapore	49	-
<b><i>Indirect joint ventures</i></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

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<i>Indirect joint ventures</i>				
Solarta Company Limited	Generating and selling electricity	Thailand	49	49
Songkhla Biomass Company Limited	Generating and selling electricity	Thailand	40	40
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	40
SIPHANDONE-RATCH LAO CO., LTD.	Generating and selling wood pellet	Lao PDR	25	-
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
RATCH & AIDC Wind Energy Pte. Ltd.	Investing in the power energy business internationally	Singapore	63.80	-
An Binh Energy and Infrastructure Fund	Investing in the power energy business and infrastructure	Vietnam	49	-
<i>Subsidiaries of direct joint ventures</i>				
Hin Kong Power Company Limited *	Generating and selling electricity	Thailand	51	-
Nexif Ratch Energy Rayong Company Limited	Generating and selling electricity and steam	Thailand	49	-
Nam Ngum 2 Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<i>Subsidiaries of indirect joint ventures</i>				
PT Bajradaya Sentranusa	Generating and selling electricity	Republic of Indonesia	26.61	26.61

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2020	2019
<i>Subsidiaries of indirect joint ventures</i>				
An Binh Investment Group Joint Stock Company	Investing in the power energy business and infrastructure	Vietnam	49	-
Ecowin Energy Corporation	Generating and selling electricity	Vietnam	51.04	-
<i>Joint venture of an indirect joint venture</i>				
Thang Long Power Plant Joint Stock Company	Generating and selling electricity	Vietnam	22.05	-

\* See note 9

\*\* See note 10

## 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 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group's accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

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. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

### (b) Functional and presentation currency

The financial statements are presented 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.

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

(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:

4(k) and 13	Leases: - whether an arrangement contains a lease; - whether the Group is reasonably certain to exercise extension options; - whether the Group exercise termination options; - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees
8	Equity-accounted investees: whether the Group has significant influence over an investee

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 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:

4(k)	Determining the incremental borrowing rate to measure lease liabilities;
14	Impairment test of goodwill: key assumptions underlying recoverable amounts;
17	Measurement of defined benefit obligations: key actuarial assumptions
22	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.
26	Determining the fair value of financial instruments on the basis of significant unobservable inputs.

### 3 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

<i>Impact on changes in accounting policy</i>	<i>Note</i>	<b>Consolidated</b>	<b>Separate</b>
		<b>financial statements</b>	<b>financial statements</b>
		Retained earnings	Retained earnings
		<i>(in thousand Baht)</i>	
At 31 December 2019 - as reported		50,802,260	37,887,722
<i>Increase (decrease) due to:</i>			
Adoption of TFRS - Financial instruments standards			
Impairment losses on financial assets	(a.2)	(15,498)	(15,683)
Related tax		3,099	3,136
Adoption of TFRS 16 - net of tax	(b)	(10,892)	-
<b>At 1 January 2020 - restated</b>		<b>50,778,969</b>	<b>37,875,175</b>

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(a) *TFRS - Financial instruments standards*

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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. The details of accounting policies are disclosed in note 4(d) and 4(l). The impact from adoption of TFRS – Financial instruments standards are as follows:

(a.1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Group may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group recognised interest income and interest expenses at the rate specified in the contract.

The following table shows classification and measurement categories under TAS 105 and TFRS 9.

<b>Consolidated financial statements</b>					
<u>Classification under TAS 105 at 31 December 2019</u>	<u>Classification under TFRS 9 at 1 January 2020</u>				
Carrying amounts	FVTPL	FVTOCI	Amortised cost - net	Total	
	<i>(in thousand Baht)</i>				
<b>Financial Assets</b>					
<b><i>Current investments</i></b>					
Short-term deposits at financial institutions	3,888,740	-	-	3,888,740	3,888,740
Debt securities held for trading	503,109	503,109	-	-	503,109
Other debt securities held to maturity	60,000	-	-	60,000	60,000
	<b><u>4,451,849</u></b>	<b><u>503,109</u></b>	<b><u>-</u></b>	<b><u>3,948,740</u></b>	<b><u>4,451,849</u></b>
<b><i>Other long-term investments</i></b>					
Equity securities available for sale	1,942,552	-	1,942,552	-	1,942,552
Other debt instruments held to maturity	53,000	-	-	53,000	53,000
Investment in other companies **	2,442,300	-	2,442,300	-	2,442,300
	<b><u>4,437,852</u></b>	<b><u>-</u></b>	<b><u>4,384,852</u></b>	<b><u>53,000</u></b>	<b><u>4,437,852</u></b>
Derivative assets	266,637	266,637	-	-	266,637
Derivative liabilities	(888,606)	(128,368)	(760,238)	-	(888,606)

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Classification under TAS 105 at 31 December 2019	Separate financial statements				Total
	Carrying amounts	Classification under TFRS 9 at 1 January 2020			
		FVTPL	FVTOCI <i>(in thousand Baht)</i>	Amortised cost - net	
<b>Financial Assets</b>					
<b>Current investments</b>					
Debt securities held for trading	482,065	482,065	-	-	482,065
Other debt securities held to maturity	60,000	-	-	60,000	60,000
	<u>542,065</u>	<u>482,065</u>	<u>-</u>	<u>60,000</u>	<u>542,065</u>
<b>Other long-term investments</b>					
Other debt instruments held to maturity	53,000	-	-	53,000	53,000
Investment in other companies **	2,442,300	-	2,442,300	-	2,442,300
<b>Total</b>	<u>2,495,300</u>	<u>-</u>	<u>2,442,300</u>	<u>53,000</u>	<u>2,495,300</u>

\*\* See note 10

The Group intends to hold non-marketable equity securities amounted of Baht 2,442.30 million for the long-term strategic purposes. The Group has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

Investment in debt securities of the Group that were previously classified as available-for-sale are now classified at FVOCI. The Group intends to hold the investments to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(a.2) Impairment - Financial assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) model whereas previously the Group estimates the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost and debt investments measured at FVOCI, lease receivable, except for investments in equity instruments.

The Group has determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in an additional allowance for impairment loss as follows:

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<b>Allowance for impairment losses at 31 December 2019</b>	<u>-</u>	<u>-</u>
<i>Additional impairment loss recognised at 1 January 2020 on:</i>		
- Other current financial assets	36	36
- Long-term loans to related parties	13,120	15,607
- Lease receivable from related party	2,302	-
- Other non-current financial assets	40	40
<b>Allowance for impairment losses at 1 January 2020</b>	<u>15,498</u>	<u>15,683</u>

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The Group has opted to recognise the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

**(b) TFRS 16 Leases**

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group has elected not to separate non-lease components and account for the transaction as a single lease component. As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- do not recognise right-of-use assets and liabilities for leases of low value assets;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

<b><i>Impact from the adoption of TFRS 16</i></b>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>At 1 January 2020</i></b>		
Increase in right-of-use assets	1,003,756	50,096
Decrease in prepaid lease payments	(564,188)	-
Increase in deferred tax assets	4,005	-
Increase in lease liabilities	454,465	50,096
Decrease in retained earnings	(10,892)	-

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	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Measurement of lease liabilities</i></b>		
Operating lease commitment as disclosed at 31 December 2019	1,079,094	55,915
Recognition exemption for short-term leases and leases of low-value assets	<u>(11,439)</u>	<u>(3,847)</u>
	<b>1,067,655</b>	<b>52,068</b>
Discounted using the incremental borrowing rate at 1 January 2020	454,465	50,096
Finance lease liabilities recognised as at 31 December 2019	<u>1,156</u>	<u>-</u>
<b>Lease liabilities recognised at 1 January 2020</b>	<b>455,621</b>	<b>50,096</b>
Weighted average incremental borrowing rate ( <i>% per annum</i> )	<u><b>5.85</b></u>	<u><b>6.20</b></u>

Right-of-use assets and lease liabilities shown above were presented as part of segments of Domestic Electricity Generating, International Power Project and Others.

#### **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.

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.

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.

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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.

*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.

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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) Investments in subsidiaries, associates and joint ventures**

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

*Disposal of investments in the separate financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company 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.

**(c) 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 dates of the transactions.

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:

- an investment in equity securities designated as at FVOCI (2019: *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.

*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.

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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.

**(d) *Financial instruments***

***Accounting policies applicable from 1 January 2020***

***(d.1) Recognition and initial measurement***

Trade receivables, debt securities issued and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

***(d.2) Classification and subsequent measurement***

***Financial assets - classification***

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

*Financial assets – business model assessment*

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Financial assets – assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment

'Principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

*Financial assets – subsequent measurement and gains and losses*

Financial assets at FVTPL      These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see note 4(d.6) for derivatives designated as hedging instruments.

Financial assets at amortised cost      These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI      These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

*Financial liabilities – classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. (See note 4(d.6) for financial liabilities designated as hedging instruments.)

*(d.3) Derecognition*

*Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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*Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

*(d.4) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(d.5) Derivatives*

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged (see note 4(d.6)).

*(d.6) Hedging*

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

*Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

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For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

***Accounting policies applicable before 1 January 2020***

*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.

*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.

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**(e) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits 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 measured at transaction price less allowance for expected credit loss (2019: allowance for doubtful accounts) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(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) 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. 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.

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*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.

*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	3 - 15	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.

**(i) 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.

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*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.

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.

**(j) *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.

**(k) *Leases***

***Accounting policies applicable from 1 January 2020***

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

*As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

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Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

The Group recognises finance lease receivables at the amount of the Group's net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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The Group applies the derecognition and impairment requirements in TFRS 9 to the net investment in the lease (See note 4(1)). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

***Accounting policies applicable before 1 January 2020***

As a lessee, 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 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.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

As a lessor, 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.

**(l) *Impairment of financial assets***

***Accounting policies applicable from 1 January 2020***

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to others and related parties), lease receivables, and loan commitments issued which are not measured at FVTPL.

***Measurement of ECLs***

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for lease receivables and all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

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The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of ‘investment grade’.

The Group assumes that the credit risk on a financial asset has increased significantly if it is over the payment period as specified in the contract, significant deterioration in financial instruments’s credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is over the payment specified in the contract.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Group recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

*Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

*Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*Accounting policies applicable before 1 January 2020*

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.

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.

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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.

*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.

**(m) Impairment of non-financial assets**

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 unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

*Calculation of recoverable amount*

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.

*Reversal of impairment*

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.

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**(n) 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.

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.

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.

**(o) 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.

**(p) Fair value measurement**

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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.

**(q) Revenue**

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 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.

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The Group 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).

*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.

**(r) Other income**

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

**(s) Interest**

***Accounting policies applicable from 1 January 2020***

*Effective Interest Rate (EIR)*

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

***Accounting policies applicable before 1 January 2020***

Interest income is recognised in profit or loss at the rate specified in the contract.

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.

**(t) Financing fee**

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.

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**(u) 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.

**(v) 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.

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**(w) 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.

**(x) 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 Related parties**

Relationships with subsidiaries, associates and joint ventures are described in notes 8 and 9. Other related parties of the Group 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
EGAT International Co., Ltd.	Thailand	99.99% shareholding by Electricity Generating Authority of Thailand, some common directors
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 And its subsidiaries	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
LP Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary

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<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Thang Long Power Plant Joint Stock Company	Vietnam	Joint venture of an indirect joint venture, 45% shareholding by an indirect joint venture
Hin Kong Power Company Limited	Thailand	Subsidiary of a direct joint venture, 99.99% shareholding by a direct joint venture, some common directors
Nexif Ratch Energy Rayong Company Limited	Thailand	Subsidiary of a direct joint venture, 99.99% shareholding by a direct joint venture
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
An Binh Investment Group Joint Stock Company	Vietnam	Subsidiary of an indirect joint venture, 99.99% shareholding by an indirect joint venture
Ecowin Energy Corporation	Vietnam	Subsidiary of an indirect joint venture, 80% shareholding by an indirect joint venture
EGAT Diamond Service Company Limited	Thai	Other related party, 10% shareholding
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.

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The pricing policies for transactions are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Revenue from sales of electricity	Contractually agreed price
Operation and maintenance service income	Contractually agreed price
Revenue from lease contracts	Contractually agreed price
Management service income	Contractually agreed price
Purchase of goods/ raw materials	Contractually agreed price
Operation and maintenance service fee	Contractually agreed price
Interest income	Contractually agreed rate
Other income	Contractually agreed price
Interest expense	Contractually agreed rate

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

<i>Year ended 31 December</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Major shareholder</b>				
Revenue from sales of electricity	28,672,488	32,350,467	-	-
Operation and maintenance service income	60,035	53,193	-	-
Revenue from finance lease contracts	2,553,209	2,923,233	-	-
Purchase of electricity	142,838	160,023	-	-
Operation and maintenance service fee	1,196,613	1,249,128	-	-
Management service of fuel	2,175	2,155	-	-
Other service fee	4,911	1,328	3,586	19
<b>Subsidiaries</b>				
Management service income	-	-	164,197	238,762
Interest income	-	-	50,196	44,128
Dividend income	-	-	3,283,271	3,068,049
Interest expense	-	-	9,872	-
<b>Associates</b>				
Management service income	2,276	2,232	2,276	2,232
Dividend income	-	-	16,200	44,993
<b>Joint ventures</b>				
Operation and maintenance service income	1,990	517	-	-
Management service income	230,242	241,862	229,186	241,613
Interest income	25,695	8,416	25,695	8,416
Dividend income	-	-	163,146	228,023
Other income	34,746	42,005	-	-
<b>Subsidiaries of joint ventures</b>				
Management service income	43,644	-	43,644	-
Interest income	363	-	363	-
<b>Other related parties</b>				
Dividend income	1,013	894	1,013	894
Other service fee	1,449	-	1,449	-

**RATCH Group Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2020**

<i>Year ended 31 December</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Key management personnel compensation</b>				
Short-term employee benefits	144,124	152,843	71,145	77,214
Defined contribution plan	6,966	6,757	2,792	2,430
Defined benefit plan	2,681	5,428	2,053	5,187
<b>Total key management personnel compensation</b>	<b>153,771</b>	<b>165,028</b>	<b>75,990</b>	<b>84,831</b>

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

<i>Trade accounts receivable from related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Major shareholder	4,982,071	5,277,450	-	-
Indirect joint venture	175	209	-	-
	4,982,246	5,277,659	-	-
<i>Less allowance for expected credit loss</i> <i>(2019: allowance for doubtful accounts)</i>	-	-	-	-
<b>Net</b>	<b>4,982,246</b>	<b>5,277,659</b>	<b>-</b>	<b>-</b>
Expected credit loss <i>(2019: Bad and doubtful debts expense)</i> for the year	-	-	-	-

<i>Dividend receivables</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Direct associate	-	600	-	600

<i>Advances to and other current receivables from related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Major shareholder	2,215	1,434	-	-
Direct subsidiaries	-	-	16,827	12,858
Indirect subsidiaries	-	-	71,297	48,675
Direct associates	202	198	202	198
Direct joint ventures	3,232	14,174	3,232	14,174
Indirect joint ventures	15,969	74,587	5,209	12,326
Subsidiaries of direct joint ventures	40,894	-	40,894	-
<b>Total</b>	<b>62,512</b>	<b>90,393</b>	<b>137,661</b>	<b>88,231</b>

**RATCH Group Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2020**

<i>Short-term loans to</i>	Interest rate		Consolidated financial statements			At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand Baht)	Reclassification	
<b>2020</b>						
Subsidiary of direct Joint venture	-	-	5,000	(25,000)	20,000	-
Less allowance for expected credit loss (2019: Allowance for doubtful account)		-	-	-	-	-
<b>Net</b>		<u>-</u>				<u>-</u>

<i>Long-term loans to</i>	Interest rate		Consolidated financial statements			At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand Baht)	Exchange differences	
<b>2020</b>						
Direct joint venture	4.21 - 4.22	540,898	-	-	(2,002)	538,896
Less allowance for expected credit loss (2019: allowance for Doubtful account)		(13,120)	(3,114)	-	-	(16,234)
<b>Net</b>		<u><b>527,778</b></u>				<u><b>522,662</b></u>

<b>2019</b>						
Direct joint venture	5.94	42,494	507,525	-	(9,121)	540,898
Less allowance for doubtful account		-	-	-	-	-
<b>Net</b>		<u><b>42,494</b></u>				<u><b>540,898</b></u>

<i>Short-term loans to</i>	Interest rate		Separate financial statements			At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease (in thousand Baht)	Reclassification	
<b>2020</b>						
Direct subsidiaries	2.09	114,000	1,160,000	(1,214,000)	-	60,000
Indirect subsidiary	-	20,000	-	-	(20,000)	-
Subsidiary of a direct joint venture	-	-	5,000	(25,000)	(20,000)	-
<b>Total</b>		<u><b>134,000</b></u>				<u><b>60,000</b></u>
Less allowance for expected credit loss (2019: Allowance for doubtful account)		-	(332)	-	-	(332)
<b>Net</b>		<u><b>134,000</b></u>				<u><b>59,668</b></u>

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>Short-term loans to</i>	<b>Interest rate</b>		<b>Separate financial statements</b>			At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease	Reclassification (in thousand Baht)	
<b>2019</b>						
Direct subsidiaries	1.75 - 4.50	-	200,000	(100,000)	14,000	114,000
Indirect subsidiary	4.50	-	20,000	-	-	20,000
<b>Total</b>		-				<b>134,000</b>
Less allowance for doubtful account		-	-	-	-	-
<b>Net</b>		-				<b>134,000</b>

<i>Long-term loans to</i>	<b>Interest rate</b>		<b>Separate financial statements</b>				At 31 December
	At 31 December (% per annum)	At 1 January	Increase	Decrease	Reclassification	Exchange differences	
<b>2020</b>							
Direct subsidiaries	3.65 - 4.50	1,266,812	136,134	(132,348)	-	(3,606)	1,266,992
Direct joint venture	4.21 - 4.22	540,898	-	-	-	(2,002)	538,896
<b>Total</b>		<b>1,807,710</b>					<b>1,805,888</b>
Less allowance for expected credit loss (2019: Allowance for doubtful account)		(15,607)	(36,485)	-	-	-	(52,092)
<b>Net</b>		<b>1,792,103</b>					<b>1,753,796</b>

<b>2019</b>							
Direct subsidiaries	3.65 - 4.50	1,224,472	292,545	(161,000)	(14,000)	(75,205)	1,266,812
Direct joint venture	5.94	42,494	507,525	-	-	(9,121)	540,898
<b>Total</b>		<b>1,266,966</b>					<b>1,807,710</b>
Less allowance for doubtful account		-					-
<b>Net</b>		<b>1,266,966</b>					<b>1,807,710</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
<i>Short-term loans to</i>				
Expected credit losses (2019: bad debts and allowance for doubtful accounts) for the year	-	-	332	-
<i>Long-term loans to</i>				
Expected credit losses (2019: bad debts and allowance for doubtful accounts) for the year	3,114	-	36,485	-

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

*Receivable under lease contracts from related parties*

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>					
<b>Major shareholder</b>						
Receivables under lease contracts	4,481,635	5,642,526	15,021,896	19,503,531	19,503,531	25,146,057
Less unearned interest income	<u>(1,906,035)</u>	<u>(2,374,152)</u>	<u>(4,458,173)</u>	<u>(6,364,208)</u>	<u>(6,364,208)</u>	<u>(8,738,360)</u>
	<b>2,575,600</b>	<b>3,268,374</b>	<b>10,563,723</b>	<b>13,139,323</b>	<b>13,139,323</b>	<b>16,407,697</b>
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	<u>-</u>	<u>-</u>	<u>(1,840)</u>	<u>-</u>	<u>(1,840)</u>	<u>-</u>
<b>Receivable under lease contracts-net</b>	<b><u>2,575,600</u></b>	<b><u>3,268,374</u></b>	<b><u>10,561,883</u></b>	<b><u>13,139,323</u></b>	<b><u>13,137,483</u></b>	<b><u>16,407,697</u></b>

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

	Consolidated financial statements			
	Receivable and interest under lease contracts	Receivable under lease contracts - net	Receivable and interest under lease contracts	Receivable under lease contracts - net
	2020		2019	
	<i>(in thousand Baht)</i>			
Portion due within one year	4,481,635	2,575,600	5,642,526	3,268,374
Portion due after one year but within five years	12,053,444	7,983,513	14,048,511	8,666,661
Portion due after five years	<u>2,968,452</u>	<u>2,580,210</u>	<u>5,455,020</u>	<u>4,472,662</u>
	<b>19,503,531</b>	<b>13,139,323</b>	<b>25,146,057</b>	<b>16,407,697</b>
Less unearned interest income	(6,364,208)	-	(8,738,360)	-
Less allowance for expected credit loss (2019: allowance for doubtful accounts)	<u>(1,840)</u>	<u>(1,840)</u>	<u>-</u>	<u>-</u>
<b>Lease contracts-net</b>	<b><u>13,137,483</u></b>	<b><u>13,137,483</u></b>	<b><u>16,407,697</u></b>	<b><u>16,407,697</u></b>

*Receivable under lease contracts from related parties*

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Reversal of impairment losses (2019: bad debts and allowance for doubtful accounts) for the year	<u>(461)</u>	<u>-</u>	<u>-</u>	<u>-</u>

**RATCH Group Public Company Limited and its subsidiaries**  
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<i>Other non-current receivables from related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Direct subsidiaries	-	-	3,793	1,501
Direct joint venture	44,011	18,317	44,011	18,317
<b>Total</b>	<b>44,011</b>	<b>18,317</b>	<b>47,804</b>	<b>19,818</b>

<i>Short-term loans from 2020</i>	<b>Interest rate</b>	<b>Separate financial statements</b>			
	At 31 December (% per annum)	1 January	Increase	Decrease	31 December
		<i>(in thousand Baht)</i>			
Direct subsidiary	1.10	-	3,465,000	-	<b>3,465,000</b>

<i>Other current payables to related parties</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Major shareholder	40,347	52,996	1,609	-
Direct subsidiaries	-	-	9,872	4,227
Indirect subsidiaries	-	-	3,343	3,338
Indirect joint ventures	14,151	14,102	12,506	12,529
Other related parties	1,449	-	1,449	-
<b>Total</b>	<b>55,947</b>	<b>67,098</b>	<b>28,779</b>	<b>20,094</b>

***The expiration of Power Purchase Agreement and related agreements***

On 30 June 2020, the 720-megawatt Tri Energy Power Plant in Ratchaburi Province, operated by Ratchaburi Electricity Generating Company Limited, a direct subsidiary, has reached the expiration of Power Purchase Agreement with EGAT and ceased to operate and distribute electricity to the system since 30 June 2020. As a result, the Gas Sales Agreement with PTT dated on 22 May 1997 and the Operation and Maintenance Agreement with the service provider have been ceased. Subsequently, on 29 July 2020, such direct subsidiary entered into contract to sell Tri Energy Power Plant and hired a demolition contractor with a local company. The contractor will be responsible for demolish the power plant and purchase of goods arising from the withdrawal of Tri Energy Power Plant as stipulates in the agreement.

***Significant agreements with related parties***

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

As at 31 December 2020, the Company had outstanding balance of loans to RATCH Cogeneration Company Limited, a direct subsidiary, amounting to Baht 60 million which bear interest at the fixed rate of 2.09 per annum and will be due within one year.

**RATCH Group Public Company Limited and its subsidiaries**  
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*Long-term loans to related parties*

As at 31 December 2020, the Company had outstanding balance of loans to RATCH-Lao Services Company Limited, a direct subsidiary, under the existing loan agreement, amounting to US Dollars 32.60 million or equivalent to Baht 970.66 million which bear interest at the fixed rate of 3.65 per annum and under the new loan agreement, amounting to Baht 160.20 million which bear interest at the fixed rate of 4.50 per annum. Principal 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.

As at 31 December 2020, the Company had outstanding balance of loans to RATCH Cogeneration Company Limited, a direct subsidiary, amounting to Baht 136.13 million which bear interest at the fixed rate of 4.50 per annum. Principal 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.

As at 31 December 2020, the Company had outstanding balance of loans to Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, amounting to US Dollars 1.32 million or equivalent to Baht 39.30 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.

As at 31 December 2020, the Company had outstanding balance of loans to Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, for the purpose of covering additional expenditure of the Xe-Pian Xe-Namnoy Hydroelectric Power Project amounting to US Dollars 16.78 million or equivalent to Baht 499.59 million which bear interest at the rate of 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. Principal and interest will be due as stipulated in the agreement.

*Short term loans from related parties*

As at 31 December 2020, the Company had outstanding balance of loans from Ratchaburi Electricity Generating Company Limited, a direct subsidiary, amounting to Baht 3,465 million which bear interest at the fixed rate of 1.10 per annum and will be due within one year.

*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.

**RATCH Group Public Company Limited and its subsidiaries**  
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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.

On 12 July 2019, Hin Kong Power Company Limited, a subsidiary of a direct joint venture, 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.

***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.

On 27 May 2020, 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 Nam Ngiep 1 Hydropower Plant located in Lao PDR, for a period of 58 months. The agreement is effective from May 2020 to February 2025. The total value of the agreement is Baht 36.67 million.

On 28 October 2020, RATCH-Lao Services Company Limited, a direct subsidiary, entered into an Operation and Maintenance Services Agreement for Hongsa Mine Mouth Power Project in Lao PDR with EGAT to operate and maintenance for Hongsa Power Project for a period of 36 months from November 2020 onwards. The total value of the agreement is Baht 168.11 million.

***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.

**RATCH Group Public Company Limited and its subsidiaries**  
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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.

On 23 August 2019, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into land lease agreement 175 rai with Hin Kong Power Company Limited, subsidiary with direct joint venture, for a period of 29 years since 1 January 2021 to 31 December 2050 with annual rental fee under the land lease agreement.

***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 US 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 US Dollars 63.12 million.

***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 4 September 2020 with additional service fee US Dollars 2.54 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 other shareholders' guarantees in proportion of investment of 50%. The agreement does not specify the amount of financial support. As at 31 December 2020, 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 11 October 2017, the Company entered into a Sponsor Support Agreement with Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, investments in direct associates. The Company agreed to provide financial support in the form of shareholders' loans or other shareholders' guarantees in proportion of investment of 10% with credit limit and conditions as specified in the agreement. As at 31 December 2020, the Company has not yet provided any loans or guarantees under the agreement.

**RATCH Group Public Company Limited and its subsidiaries**  
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***Equity Contribution Agreement with Nexif Ratch Energy Rayong Company Limited***

The Company entered into an Equity Contribution Agreement with Nexif Ratch Energy Rayong Company Limited, a subsidiary of a direct joint venture. The Company agreed to provide financial support in the form of shareholders' loans or other shareholders' guarantees. As at 31 December 2020, the Company has provided the guarantee to such company with credit amount of Baht 96.99 million.

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

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

**6 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	469	4,698	30	30
Cash at banks - current accounts	1,777,548	2,367,752	594	1,067
Cash at banks - savings accounts	1,173,155	934,713	511,810	289,007
Highly liquid short-term investments	<u>1,905,417</u>	<u>1,610,000</u>	<u>1,719,001</u>	<u>1,490,000</u>
<b>Cash and cash equivalents</b>	<b><u>4,856,589</u></b>	<b><u>4,917,163</u></b>	<b><u>2,231,435</u></b>	<b><u>1,780,104</u></b>

**7 Spare parts and supplies**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Fuel oil	1,138,791	1,187,057	-	-
Spare parts and supplies	1,569,904	1,653,033	-	-
Spare parts and supplies in transit	<u>40,548</u>	<u>16,505</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>2,749,243</u></b>	<b><u>2,856,595</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<i>Less</i> allowance for obsolescence of spare parts and supplies	(900,755)	(976,202)	-	-
allowance for decline in value of fuel oil	<u>(65,884)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<b><u>1,782,604</u></b>	<b><u>1,880,393</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Spare parts and supplies recognised in 'cost of sales':				
- Cost	112,723	118,153	-	-
- Write-down to obsolescence of spare parts and supplies	74,613	50,403	-	-
- (Reversal of) decline in value of fuel oil to net realisable value	<u>65,884</u>	<u>(25,565)</u>	<u>-</u>	<u>-</u>
<b>Net</b>	<b><u>253,220</u></b>	<b><u>142,991</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

**RATCH Group Public Company Limited and its subsidiaries**  
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**8 Investments in associates and joint ventures**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	31,103,146	30,722,141	5,681,107	5,417,661
Impact of changes in accounting policies (net of tax) - TFRS 15	-	(183,790)	-	-
Share of profits of joint ventures and associates accounted for using equity method	4,600,343	3,968,380	-	-
Share of other comprehensive income (expense) of joint ventures and associates accounted for using equity method	(1,163,949)	(572,276)	-	-
Addition investments in associates and joint ventures	5,995,679	2,193,353	1,427,714	263,898
Write-off investment in joint venture	-	-	-	(452)
Transfer from subsidiary due to loss of control (see note 9)	2,040	-	2,040	-
Dividend income	(1,987,288)	(3,551,381)	-	-
Exchange rate adjustment	(142,171)	(1,473,281)	-	-
Reclassification (see note 10)	2,380,000	-	2,380,000	-
<b>At 31 December</b>	<b><u>40,787,800</u></b>	<b><u>31,103,146</u></b>	<b><u>9,490,861</u></b>	<b><u>5,681,107</u></b>

**RATCH Group Public Company Limited and its subsidiaries**  
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Investments in associates and joint ventures as at 31 December, and dividend income for the years ended were as follows:

	Consolidated financial statements											
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019		
	(%)		(in thousand Baht)									
<b>Direct associates</b>												
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	427,889	419,067	10,600	25,395		
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	386,719	377,850	5,600	19,598		
Northern Bangkok Monorail Company Limited **	10	-	11,800,000	-	1,180,000	-	994,223	-	-	-		
Eastern Bangkok Monorail Company Limited **	10	-	12,000,000	-	1,200,000	-	1,033,558	-	-	-		
					<b>3,144,604</b>	<b>764,604</b>	<b>2,842,389</b>	<b>796,917</b>	<b>16,200</b>	<b>44,993</b>		
<b>Indirect associates</b>												
Solar Power (Korat 3) Company Limited	40	40	188,750	188,750	75,500	75,500	168,925	155,031	17,969	17,818		
Solar Power (Korat 4) Company Limited	40	40	199,250	199,250	79,700	79,700	179,830	163,755	15,303	13,469		
Solar Power (Korat 7) Company Limited	40	40	188,750	188,750	75,500	75,500	168,812	153,023	17,516	17,516		
Perth Power Partnership (Kwinana)	30	30	2,311,167	2,311,167	618,531	618,531	210,463	383,709	30,089	37,183		
Yandin WF Holdings Pty Ltd	70	70	3,796,464	1,676,400	2,657,525	1,173,480	2,657,635	1,143,343	-	-		
					<b>3,506,756</b>	<b>2,022,711</b>	<b>3,385,665</b>	<b>1,998,861</b>	<b>80,877</b>	<b>85,986</b>		
<b>Total</b>					<b>6,651,360</b>	<b>2,787,315</b>	<b>6,228,054</b>	<b>2,795,778</b>	<b>97,077</b>	<b>130,979</b>		
<b>Direct joint ventures</b>												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	80,731	80,319	20,000	10,000		
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	2,582,723	2,797,018	143,146	218,023		
Smart Infranet Company Limited	51	51	550,000	1,000	280,500	510	264,261	413	-	-		
Things on Net Company Limited	35	35	133,000	133,000	180,018	180,018	165,782	177,753	-	-		
Hin Kong Power Holding Company Limited *	51	-	305,200	-	155,652	-	147,850	-	-	-		
R E N Korat Energy Company Limited	40	-	25,750	-	10,300	-	7,672	-	-	-		
Xe-Pian Xe-Namnoy Power Company Limited	25	25	10,094,900	10,094,900	2,523,725	2,523,725	1,812,831	1,922,041	-	-		

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	<b>Consolidated financial statements</b>									
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)		(in thousand Baht)							
<b>Direct joint ventures</b>										
NEXIF RATCH ENERGY SINGAPORE PTE. LTD. (Formerly; NER Singapore Pte. Ltd.)	49	-	1,136,876	-	983,812	-	983,460	-	-	-
					<u>6,346,257</u>	<u>4,916,503</u>	<u>6,045,310</u>	<u>4,977,544</u>	<u>163,146</u>	<u>228,023</u>
<b>Indirect joint ventures</b>										
Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	2,961,087	3,458,792	650,000	295,000
Nava Nakorn Electricity Generating Company Limited	40	40	2,000,000	1,550,000	800,000	620,000	948,193	642,791	-	160,000
Ratchaburi World Cogeneration Company Limited	40	40	2,500,000	2,500,000	1,000,000	1,000,000	1,286,024	1,254,493	160,000	185,000
Berkprai Cogeneration Company Limited	35	35	1,331,000	1,331,000	465,850	465,850	586,484	495,899	23,292	-
Solarta Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	1,526,560	1,475,656	153,076	36,652
Songkhla Biomass Company Limited	40	40	246,000	246,000	98,400	98,400	172,743	160,248	28,000	28,000
Songkhla Biofuel Company Limited	40	40	1,000	1,000	400	400	327	335	-	-
Hongsa Power Company Limited	40	40	32,324,715	32,324,715	12,929,886	12,929,886	14,480,293	12,175,183	361,530	2,209,968
Phu Fai Mining Company Limited	37.50	37.50	1,679	1,679	630	630	139,793	162,670	217,491	222,999
Asia Water Co., Ltd.	40	40	365,243	365,243	179,113	179,113	182,431	179,493	-	-
SIPHANDONE-RATCH LAO CO., LTD.	25	-	1,624	-	406	-	406	-	-	-
PT Medco Ratch Power Riau	49	49	1,777,759	1,204,996	871,102	590,448	1,028,526	798,656	-	-
Fareast Renewable Development Pte. Ltd.	50	50	2,849,190	2,849,190	2,688,569	2,688,569	2,551,074	2,525,608	133,676	54,760
RATCH & AIDC Wind Energy Pte. Ltd.	63.80	-	185,226	-	118,174	-	117,224	-	-	-
An Binh Energy and Infrastructure Fund	49	-	4,906,100	-	2,504,686	-	2,533,271	-	-	-
					<u>24,034,426</u>	<u>20,950,506</u>	<u>28,514,436</u>	<u>23,329,824</u>	<u>1,727,065</u>	<u>3,192,379</u>
<b>Total</b>					<u>30,380,683</u>	<u>25,867,009</u>	<u>34,559,746</u>	<u>28,307,368</u>	<u>1,890,211</u>	<u>3,420,402</u>

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	<b>Separate financial statements</b>											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<i>Associates</i>												
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	-	-	399,204	399,204	10,600	25,395
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	-	-	365,400	365,400	5,600	19,598
Northern Bangkok Monorail Company Limited **	10	-	11,800,000	-	1,180,000	-	-	-	-	1,180,000	-	-
Eastern Bangkok Monorail Company Limited **	10	-	12,000,000	-	<u>1,200,000</u>	-	-	-	-	<u>1,200,000</u>	-	-
<b>Total</b>					<b><u>3,144,604</u></b>	<b><u>764,604</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,144,604</u></b>	<b><u>764,604</u></b>	<b><u>16,200</u></b>	<b><u>44,993</u></b>
<i>Joint ventures</i>												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	20,000	10,000
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	143,146	218,023
Smart Infranet Company Limited	51	51	550,000	1,000	280,500	510	-	-	280,500	510	-	-
Things on Net Company Limited	35	35	133,000	133,000	180,018	180,018	-	-	180,018	180,018	-	-
Hin Kong Power Holding Company Limited *	51	-	305,200	-	155,652	-	-	-	155,652	-	-	-
R E N Korat Energy Company Limited	40	-	25,750	-	10,300	-	-	-	10,300	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	10,094,900	10,094,900	2,523,725	2,523,725	-	-	2,523,725	2,523,725	-	-
NEXIF RATCH ENERGY SINGAPORE PTE. LTD. (Formerly; NER Singapore Pte. Ltd.)	49	-	1,136,876	-	<u>983,812</u>	-	-	-	<u>983,812</u>	-	-	-
<b>Total</b>					<b><u>6,346,257</u></b>	<b><u>4,916,503</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,346,257</u></b>	<b><u>4,916,503</u></b>	<b><u>163,146</u></b>	<b><u>228,023</u></b>

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\* See note 9

\*\* See note 10

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

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

***Investment in Power Plant Project in Rayong***

On 12 March 2020, the Company entered into a Share Purchase Agreement to purchase ordinary shares of NER Singapore Pte. Ltd., in proportion of investment of 49% from Nexif Energy Thailand B.V., the existing shareholder, to develop the Nexif Energy Rayong SPP Power Plant Project. Subsequently on 13 April 2020, the Company paid for ordinary share capital to the existing shareholder and paid for increase in share capital, in proportion of investment of 49%, amounting to US Dollars 29.95 million or equivalent to Baht 983.81 million. The Project is a firm-cogeneration SPP Power Plant with the capacity of 92 megawatts. It is operated by Nexif Energy Rayong Company Limited, a subsidiary of NER Singapore Pte. Ltd. It has a 25-year power purchase agreement with Electricity Generating Authority of Thailand. The Project scheduled to start its commercial operation in April 2022.

On 27 April 2020, NER Singapore Pte. Ltd. has changed the company's name to "NEXIF RATCH ENERGY SINGAPORE PTE. LTD." and on 5 May 2020, Nexif Energy Rayong Company Limited has changed the company's name to "Nexif Ratch Energy Rayong Company Limited".

***Investment in Power Plant Project in Nakhon Ratchasima***

On 27 March 2020, the Company entered into a Shareholder Agreement with two local companies to jointly develop a power plant project in Nakhon Ratchasima in proportion of investment of 40%. Subsequently on 21 April 2020, the Company together with two shareholders have registered the establishment of the joint venture company named "R E N Korat Energy Company Limited". Its registered share capital is Baht 1 million (*comprising 0.1 million ordinary shares at par value of Baht 10 per share*). The joint venture called for paid-up share capital in proportion of 25% of the registered share capital and the Company paid for share capital totalling Baht 0.1 million, in proportion of investment of 40%. The Project is a cogeneration independent power supply with the capacity of 40 megawatts located in Nava Nakorn Industrial Promotion Zone, Nakhon Ratchasima province. The generated power and steam will be sold to industrial customers. The Project scheduled to start its commercial operation in July 2023.

On 30 June 2020, at the extraordinary meeting of the shareholders of R E N Korat Energy Company Limited, a direct joint venture, the shareholders approved to increase the authorised share capital from Baht 1 million (*comprising 0.1 million ordinary shares at par value of Baht 10 per share*) to Baht 100 million (*comprising 10 million ordinary shares at par value of Baht 10 per share*) by issuance of new ordinary shares totalling 9.9 million shares at par value of Baht 10 per share. The joint venture called for paid-up of 75% of the existing share capital and called for paid-up of 25% of the additional share capital. The Company paid for the existing share capital and the additional share capital totalling Baht 10.30 million, in proportion of investment of 40%.

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***Increase in share capital of Hin Kong Power Holding Company Limited***

At the annual general meeting of the shareholders of Hin Kong Power Holding Company Limited, a direct joint venture, held on 28 April 2020, the shareholders approved to increase the authorised share capital from Baht 4 million (*comprising 0.4 million ordinary shares at par value of Baht 10 per share*) to Baht 1,204 million (*comprising 120.4 million ordinary shares at par value of Baht 10 per share*) by issuance of new ordinary shares totalling 120 million shares at par value of Baht 10 per share and call for paid-up of 25.1% of the additional share capital. Subsequently on 30 April 2020, the Company paid for increase in share capital totalling Baht 153.61 million, in proportion of investment of 51%.

***Investment in Wind Power Plant Project in Vietnam***

On 22 May 2020, RH International (Singapore) Corporation Pte. Ltd., (“RHIS”), an indirect subsidiary, entered into a Share Purchase Agreement of RATCH & AIDC Wind Energy Pte. Ltd. (“RATCH & AIDC”) in proportion of investment of 63.80% with Asia Investment, Development and Construction Sole Co.,Ltd., (“AIDC”), the existing shareholder, to invest in Thanh Phong Wind Power Plant Project in Vietnam which operated by Ecowin Energy Corporation (“ERC”). The project is an onshore wind farm with capacity of 29.70 megawatts. The project scheduled to start its commercial operation in September 2021.

Subsequently in November 2020, RHIS paid for existing shares, amounting to US Dollars 638 and paid for increase in share capital, in investment proportion of 63.80% of 3.90 million shares at par value of US Dollar 1 per share to RATCH & AIDC totalling US Dollars 3.90 million or equivalent to Baht 118.17 million.

After the transactions are completed, the shareholder’s structure of RATCH & AIDC are comprised of 63.80% hold by the Group and 36.20% hold by AIDC. The shareholder’s structure of ERC comprises of 80% hold by RATCH & AIDC. (the Group hold indirect RHIS shares and RATCH & AIDC in proportion of 51.04%) the remaining of 20% shares is hold by the minor shareholders.

***Increase in share capital of Smart Infranet Company Limited***

At the extraordinary meeting of the shareholders of Smart Infranet Company Limited, a direct joint venture, held on 2 June 2020, the shareholders approved to increase the authorised share capital from Baht 1 million (*comprising 0.1 million ordinary shares at par value of Baht 10 per share*) to Baht 550 million (*comprising 55 million ordinary shares at par value of Baht 10 per share*) by issuance of new ordinary shares totalling 54.90 million shares at par value of Baht 10 per share. Subsequently on 29 July 2020, the Company paid for increase in share capital totalling Baht 279.99 million, in proportion of investment of 51%.

***Investment in Power and Infrastructure projects in Vietnam***

On 15 July 2020, RH International (Singapore) Corporation Pte. Ltd. (“RHIS”), an indirect subsidiary, entered into Definitive Agreements in relation to a partnership with Geleximco Group Joint Stock Company (“Geleximco”). Subject to the satisfaction of certain conditions precedent set out in the agreements, through this partnership RHIS and Geleximco would jointly invest in An Binh Energy and Infrastructure Fund (“ABEIF”), a Vietnam focused power sector fund which has potential investment consideration in the power and infrastructure projects in Vietnam. Subsequently on 18 August 2020, the subsidiary paid for share capital in proportion of 49% of the registered charter capital of ABEIF totalling US Dollars 78.50 million or equivalent to Baht 2,454.06 million and incurred the relating transaction cost totalling US Dollars 1.69 million or equivalent to Baht 50.63 million.

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As a result, the total investment cost represented at US Dollars 80.19 million or equivalent to Baht 2,504.69 million.

After the transactions are completed, the shareholder's structure of ABEIF comprises 49% hold by the Group and 51% hold by Galeximco. In this regard, ABEIF holds An Binh Investment Group Joint Stock Company ("AIG") shares in proportion of investment 99.99% and AIG holds proportion of 45% shares of coal-fires power plant project in Vietnam which operate under Thang Long Power Plant Joint Stock Company ("TLP") (the Group hold totalling indirect RHIS shares and ABEIF in proportion of 22.05%).

On 21 July 2020, the subsidiary had loan to Geleximco in accordance with the Loan Agreement dated 2 June 2020 amounting to US Dollars 80 million with interest at a floating rate of 6-Month London Interbank Offered Rate (LIBOR), plus a fixed margin per annum and will be repayable within 8 years commencing from the first drawdown of loan. The first payment will be due in June 2023. As at 31 December 2020, the subsidiary had outstanding loan to such company amounting to US Dollars 80 million or equivalent to Baht 2,402.97 million.

An independent appraiser has been appointed by management to determine the fair value of the business. The Group has completely determined the fair value of the purchased business as follows:

	<b>Carrying value</b>	<b>Fair value adjustments</b>	<b>Fair value</b>
	<i>(in thousand Baht)</i>		
Cash and cash equivalents	31,227	-	31,227
Investment in joint venture	2,294,733	3,181,185	5,475,918
Other current liabilities	(214)	-	(214)
Deferred tax liabilities	-	(636,232)	(636,232)
<b>Total identifiable net assets</b>	<b><u>2,325,746</u></b>	<b><u>2,544,953</u></b>	<b><u>4,870,699</u></b>
Interest acquired (%)			49
			<b><u>2,386,643</u></b>
Goodwill			67,415
<b>Purchase consideration transferred</b>			<b><u>2,454,058</u></b>

***Investment in a Wood Pellet Production and Sale Project in Lao PDR***

On 3 August 2020, RATCH-LAO Services Company Limited, a direct subsidiary, has entered into a Shareholder Agreement with two companies (local and oversea) to jointly develop in generating and selling the wood pellets in Lao PDR. Under the agreement, the sales of the wood pellets would be sold according to the contract starting in year 2022. On 18 September 2020, the subsidiary with the two shareholders had entered in establishment of a joint venture company "SIPHANDONE - RATCH LAO CO., LTD." in issuance of the authorized share capital Kip 500 million (*comprising Kip 50,000 million ordinary shares at par value of Kip 10,000 million per share*). Subsequently, on 16 November 2020, the Company already paid for share capital totalling Kip 125 million or equivalent to Baht 0.41 million, in investment proportion of 25%.

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***Increase in share capital of Nava Nakorn Electricity Generating Company Limited***

At the annual general meeting of the shareholders of Nava Nakorn Electricity Generating Company Limited, an indirect joint venture, held on 27 August 2020, the shareholders approved to increase the authorised share capital from Baht 1,550 million (*comprising 155 million ordinary shares at par value of Baht 10 per share*) to Baht 2,000 million (*comprising 200 million ordinary shares at par value of Baht 10 per share*) by issuance of new ordinary shares totalling 45 million shares at par value of Baht 10 per share and call for paid-up of 100% of the additional share capital. Subsequently on 8 September 2020, the Group paid for increase in share capital totalling Baht 180 million, in proportion of investment of 40%.

***Increase in share capital of Yandin WF Holdings Pty Ltd***

During 2020, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, paid for increase in share capital of Yandin WF Holdings Pty Ltd, an associate of the indirect subsidiary, totalling Australian Dollars 66.19 million or equivalent to Baht 1,484.05 million, in proportion of investment of 70%.

***Paid-up share capital***

During 2020, associate and joint ventures called for paid-up share capital. The Group had paid for the share capital in proportion of investments as follows:

<b>Name of entities</b>	<b>Description</b>	<b>Amount</b> <i>(in million Baht)</i>
<b><i>Indirect associate</i></b>		
Yandin WF Holdings Pty Ltd	Paid for increase in share capital	1,484.05
<b><i>Direct joint ventures</i></b>		
Smart Infranet Company Limited	Paid for increase in share capital	279.99
Hin Kong Power Holding Company Limited	Paid for increase in share capital	153.61
R E N Korat Energy Company Limited	Paid for increase in share capital	10.30
NEXIF RATCH ENERGY SINGAPORE PTE. LTD.	Paid for share capital	983.81
<b><i>Indirect joint ventures</i></b>		
Nava Nakorn Electricity Generating Company Limited	Paid for increase in share capital	180.00
SIPHANDONE-RATCH LAO CO., LTD.	Paid for share capital	0.41
PT Medco Ratch Power Riau	Additional paid-up share capital	280.65
RATCH & AIDC Wind Energy Pte. Ltd.	Paid for share capital	118.17
An Binh Energy and Infrastructure Fund	Paid for share capital	2,454.06

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*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-Pian 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. Presently, the joint venture is during the process of claiming the compensation and related damages from the EPC contractor. Later in 2020, the joint venture has received the document of claiming on compensation from the Government of Lao PDR and the case is currently under consideration in mutually agreed among the shareholders. However, the project started its commercial operation on 6 December 2019.

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*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	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue	8,578,643	14,856,350	19,833,711	20,359,200
Profit from continuing operations	609,180 <sup>a</sup>	331,296 <sup>a</sup>	7,589,966 <sup>a</sup>	6,558,800 <sup>a</sup>
Other comprehensive income (expense)	-	-	(526,335)	(1,210,645)
Total comprehensive income (expense) (100%)	609,180	331,296	7,063,631	5,348,155
Group's interest (%)	25	25	40	40
<b>Group's share of total comprehensive income (expense)</b>	<b>152,295</b>	<b>82,824</b>	<b>2,825,452</b>	<b>2,139,262</b>
Current assets	3,636,222 <sup>b</sup>	6,178,263 <sup>b</sup>	19,554,031 <sup>b</sup>	16,478,699 <sup>b</sup>
Non-current assets	8,226,753	8,105,809	88,707,982	90,491,847
Current liabilities	(1,213,191) <sup>c</sup>	(2,410,959) <sup>c</sup>	(9,581,350) <sup>c</sup>	(8,138,402) <sup>c</sup>
Non-current liabilities	(53,133) <sup>a</sup>	(50,140) <sup>d</sup>	(56,935,598) <sup>d</sup>	(63,289,633) <sup>d</sup>
Net assets (100%)	10,596,651	11,822,973	41,745,065	35,542,511
Group's share of net assets	2,649,163	2,955,743	16,698,026	14,217,004
Exchange differences on translating in the consolidated financial statements and others	311,924	503,049	(2,217,733)	(2,041,821)
<b>Carrying amount of interest in joint ventures</b>	<b>2,961,087</b>	<b>3,458,792</b>	<b>14,480,293</b>	<b>12,175,183</b>

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	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Remark:				
a. Includes:				
– depreciation and amortisation	887,525	879,324	320,467	248,373
– finance costs	77,641	155,874	4,184,290	5,047,161
– tax expense	133,814	121,176	-	-
b. Includes cash and cash equivalents	1,196,774	3,193,347	4,641,313	5,385,721
c. Includes current financial liabilities (excluding trade and other payables and provisions)	-	(969,894)	(7,260,406)	(6,502,880)
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	-	-	(56,300,284)	(62,753,715)

**RATCH Group Public Company Limited and its subsidiaries**  
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*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	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	<u><b>6,228,054</b></u>	<u><b>2,795,778</b></u>	<u><b>17,118,366</b></u>	<u><b>12,673,393</b></u>
Group's share of:				
- Profit from continuing operations	211,994	153,997	1,200,067	1,108,039
- Other comprehensive income (expense)	<u>(722,849)</u>	<u>-</u>	<u>(230,566)</u>	<u>(88,018)</u>
- Total comprehensive income (expense)	<u><b>(510,855)</b></u>	<u><b>153,997</b></u>	<u><b>969,501</b></u>	<u><b>1,020,021</b></u>

**9 Investments in subsidiaries**

	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
<i>For the year ended 31 December</i>		
At 1 January	42,560,610	40,690,558
Acquisitions / Additions	8,280,000	1,870,052
Disposal	(1,960)	-
Disposal from loss of control in subsidiary	<u>(2,040)</u>	<u>-</u>
<b>At 31 December</b>	<u><b>50,836,610</b></u>	<u><b>42,560,610</b></u>

**RATCH Group Public Company Limited and its subsidiaries**  
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Investments in subsidiaries as at 31 December 2020 and 2019, and dividend income for the years then ended were as follows:

	Ownership interest		Paid-up capital		Separate financial statements				At cost - net		Dividend income for the year	
					Cost		Impairment					
					2020	2019	2020	2019				
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)						(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	2,418,271	2,773,049
Ratchaburi Energy Company Limited	99.99	99.99	640,000	640,000	640,000	640,000	-	-	640,000	640,000	215,000	-
RH International Corporation Limited	99.99	99.99	25,930,000	17,650,000	25,930,000	17,650,000	-	-	25,930,000	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	650,000	295,000
Hin Kong Power Holding Company Limited	-	99.99	-	4,000	-	4,000	-	-	-	4,000	-	-
RATCH Cogeneration Company Limited	99.97	99.97	1,650,000	1,650,000	1,866,052	1,866,052	-	-	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>50,836,610</b>	<b>42,560,610</b>	<b>-</b>	<b>-</b>	<b>50,836,610</b>	<b>42,560,610</b>	<b>3,283,271</b>	<b>3,068,049</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**  
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Investments in other companies as at 31 December 2020 and 2019, and dividend income for the years then ended, were as follows:

	<b>Consolidated/ Separate financial statements</b>							
	Ownership interest		Paid-up capital		Cost		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)		<i>(in thousand Baht)</i>					
<b><i>Other companies</i></b>								
EGAT Diamond Service Company Limited	10	10	623,000	623,000	62,300	62,300	1,012	894
Northern Bangkok Monorail Company Limited	-	10	-	11,800,000	-	1,180,000	-	-
Eastern Bangkok Monorail Company Limited	-	10	-	12,000,000	-	1,200,000	-	-
BGSR 6 Company Limited	10	-	1,000,000	-	100,000	-	-	-
BGSR 81 Company Limited	10	-	850,000	-	85,000	-	-	-
<b>Total</b>					<b>247,300</b>	<b>2,442,300</b>	<b>1,012</b>	<b>894</b>

**RATCH Group Public Company Limited and its subsidiaries**  
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***Investments in Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited***

As at 31 December 2020, the Company has investment in Northern Bangkok Monorail Company Limited (“NBM”) and Eastern Bangkok Monorail Company Limited (“EBM”), amounting to Baht 1,180 million and Baht 1,200 million, respectively which engaging in the mass transit business that operated in the MRT Pink Line Project (Khae Rai - Min Buri) and MRT Yellow Line Project (Lat Phrao - Samrong), respectively.

In 2020 the management determined that the Company had significant influence over both companies. through the Company’s representative acts as the committees to participate in the meeting and to share the essential technical knowledge, experiences and the expertise of energy power and also participate in financial policy to support according to project finance agreement. Therefore, the management has reclassified the investment in NBM and EBM from investment in other companies to investment in associates.

***Investments in Operation and Maintenance of Intercity Motorway Projects***

On 4 August 2020, the Company and 3 local companies established BGSR 6 Company Limited and BGSR 81 Company Limited, in order to invest in operation and maintenance of 2 Intercity Motorway Projects. The registered capital of such companies were Baht 1,000 million (*comprising 100 million ordinary shares at par value of Baht 10 per share*) and Baht 850 million (*comprising 85 million ordinary shares at par value of Baht 10 per share*), respectively. The Company invested in these companies in proportion of investment of 10%. Subsequently on 11 August 2020, the Company fully paid for paid-up share capital totalling Baht 100 million and Baht 85 million, respectively, in proportion of investment.

**11 Land for future development projects**

At 31 December 2020, 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, the Group is considering the future development plan but not yet finalised. In addition, the 175 rai located in Ratchaburi province is to provide the rental for Hin Kong Power Plant project which the agreement will be effective in 2021. The total net book value of those lands are Baht 380.45 million. As at 31 December 2020, the Group has determined the market value resulting the net book value of those lands are not higher than the recoverable amount.

**RATCH Group Public Company Limited and its subsidiaries**  
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**For the year ended 31 December 2020**

**12 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>Cost</i>							
At 1 January 2019	1,307,959	503,715	29,663,025	592,801	19,966	2,165,506	34,252,972
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 and 1 January 2020</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>
Additions	-	5,121	230,445	2,156	42	4,527,808	4,765,572
Transfers	-	-	427,618	-	-	(256,743)	170,875
Disposals	-	(4,340)	(321,467)	(21,554)	(1,692)	-	(349,053)
Disposal from loss of control in subsidiary	-	-	-	(74)	-	(15,764)	(15,838)
Effect of movements in exchange rates	16,958	12,871	2,573,014	454	-	592,834	3,196,131
<b>At 31 December 2020</b>	<b>1,739,143</b>	<b>527,201</b>	<b>36,590,465</b>	<b>571,686</b>	<b>18,356</b>	<b>7,117,218</b>	<b>46,564,069</b>

**RATCH Group Public Company Limited and its subsidiaries**  
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	<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>Depreciation and impairment losses</i>							
At 1 January 2019	-	183,509	13,724,400	552,523	19,944	-	14,480,376
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 and 1 January 2020</b>	<b>-</b>	<b>201,481</b>	<b>13,909,209</b>	<b>557,834</b>	<b>19,970</b>	<b>-</b>	<b>14,688,494</b>
Depreciation charge for the year	-	23,865	1,398,768	12,646	16	-	1,435,295
Disposals	-	(1,769)	(269,589)	(21,268)	(1,692)	-	(294,318)
Disposal from loss of control in subsidiary	-	-	-	(2)	-	-	(2)
Effect of movements in exchange rates	-	6,892	1,248,004	408	-	-	1,255,304
<b>At 31 December 2020</b>	<b>-</b>	<b>230,469</b>	<b>16,286,392</b>	<b>549,618</b>	<b>18,294</b>	<b>-</b>	<b>17,084,773</b>
<i>Net book value</i>							
<b>At 31 December 2019</b>	<b><u>1,722,185</u></b>	<b><u>312,068</u></b>	<b><u>19,771,646</u></b>	<b><u>32,870</u></b>	<b><u>36</u></b>	<b><u>2,269,083</u></b>	<b><u>24,107,888</u></b>
<b>At 31 December 2020</b>	<b><u>1,739,143</u></b>	<b><u>296,732</u></b>	<b><u>20,304,073</u></b>	<b><u>22,068</u></b>	<b><u>62</u></b>	<b><u>7,117,218</u></b>	<b><u>29,479,296</u></b>

**RATCH Group Public Company Limited and its subsidiaries**  
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The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 751.16 million and Australian Dollars 111.30 million (2019: Baht 804.71 million and Australian Dollars 75.28 million).

Capitalised borrowing costs relating to the acquisition of the land and the construction of the new factory for the Group are amounted to Baht 119.02 million (2019: Baht 149.94 million).

*Security*

As at 31 December 2020, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, had mortgaged land, buildings and power plants and pledged power plant equipment of 5 power plants with a net book value of Australian Dollars 1,011.36 million or equivalent to Baht 23,275.58 million as collateral for long-term loans from financial institutions (see note 16).

As at 31 December 2020, RATCH Cogeneration Company Limited, a direct subsidiary, had mortgaged land with all buildings on land and partial machine as collateral for long-term loans from financial institution (see note 16).

	<b>Separate financial statements</b>				
	Land	Buildings, other constructions and building improvements	Furniture, fixtures and office equipment	Vehicles	Total
	<i>(in thousand Baht)</i>				
<b>Cost</b>					
At 1 January 2019	295,993	309,636	458,672	960	1,065,261
Additions	-	-	8,850	-	8,850
Disposals	-	-	(11,888)	-	(11,888)
<b>At 31 December 2019 and 1 January 2020</b>	<b>295,993</b>	<b>309,636</b>	<b>455,634</b>	<b>960</b>	<b>1,062,223</b>
Additions	-	-	764	-	764
Disposals	-	-	(10,420)	-	(10,420)
<b>At 31 December 2020</b>	<b>295,993</b>	<b>309,636</b>	<b>445,978</b>	<b>960</b>	<b>1,052,567</b>
<b>Depreciation</b>					
At 1 January 2019	-	74,672	437,712	943	513,327
Depreciation charge for the year	-	12,385	9,855	17	22,257
Disposals	-	-	(11,872)	-	(11,872)
<b>At 31 December 2019 and 1 January 2020</b>	<b>-</b>	<b>87,057</b>	<b>435,695</b>	<b>960</b>	<b>523,712</b>
Depreciation charge for the year	-	12,386	6,670	-	19,056
Disposals	-	-	(10,420)	-	(10,420)
<b>At 31 December 2020</b>	<b>-</b>	<b>99,443</b>	<b>431,945</b>	<b>960</b>	<b>532,348</b>
<b>Net book value</b>					
<b>At 31 December 2019</b>	<b>295,993</b>	<b>222,579</b>	<b>19,939</b>	<b>-</b>	<b>538,511</b>
<b>At 31 December 2020</b>	<b>295,993</b>	<b>210,193</b>	<b>14,033</b>	<b>-</b>	<b>520,219</b>

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 414.36 million (2019: Baht 412.06 million).

**RATCH Group Public Company Limited and its subsidiaries**  
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**13 Leases**

*As a lessee*

<i>At 31 December 2020</i>	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b><i>Right-of-use assets</i></b>		
Land	397,964	-
Vehicles	22,762	16,685
Office equipment	25,705	25,032
Transmission systems	1,583,156	-
<b>Total</b>	<b><u>2,029,587</u></b>	<b><u>41,717</u></b>

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 1,013.09 million and Baht 8.32 million, respectively.

***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 local company in Australia to join construct a switchyard and a transmission line. Thus, the subsidiary can connect and transmit electricity to a substation for a period of 26 years starting from the date specified in the agreement. The total value of the agreement is Australian Dollars 28.18 million.

On 27 October 2020, Collector Wind Farm Pty. Ltd., an indirect subsidiary, entered into a Dedicated Connection Agreement with a local company in Australia. The subsidiary can transmit electricity to substation for a period of 30 years starting from the date specified in the agreement. The total value of the agreement is Australian Dollars 43.49 million.

***Land lease agreement***

On 29 March 2019, Collector Wind Farm Pty. Ltd., an indirect subsidiary, entered into Land Lease Agreement for a period of 30 years. The agreement can be extended for a period of 10 years after the termination date. The monthly rental expense is stipulated in the agreement.

***Extension options***

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

**RATCH Group Public Company Limited and its subsidiaries**  
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<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Depreciation of right-of-use assets:				
- Land	42,572	-	-	-
- Vehicles	11,835	-	8,295	-
- Office equipment	8,655	-	8,403	-
- Transmission systems	5,949	-	-	-
Interest on lease liabilities	41,272	-	2,969	-
Expenses relating to short-term leases and leases of low-value assets	12,970	-	5,218	-
Lease expense	-	52,075	-	24,565
Contingent rent expense	-	1,079,094	-	55,915

In 2020, total cash outflow for leases of the Group and the Company were Baht 62.81 million and Baht 18.50 million, respectively.

**14 Goodwill and intangible assets**

	<b>Consolidated financial statements</b>				
	Software licences	Licenses on project development	Goodwill from business acquisition	Right to power purchase agreements	Total
	<i>(in thousand Baht)</i>				
<b>Cost</b>					
At 1 January 2019	143,589	648,996	644,911	4,933,840	6,371,336
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 and 1 January 2020</b>	<b>141,077</b>	<b>603,080</b>	<b>628,827</b>	<b>5,666,579</b>	<b>7,039,563</b>
Additions	3,858	-	-	-	3,858
Transfer	-	-	-	(170,875)	(170,875)
Effect of movements in exchange rates	4,588	(2,338)	(660)	402,084	403,674
<b>At 31 December 2020</b>	<b>149,523</b>	<b>600,742</b>	<b>628,167</b>	<b>5,897,788</b>	<b>7,276,220</b>
<b>Amortisation and impairment losses</b>					
At 1 January 2019	97,448	82,707	416,199	2,563,900	3,160,254
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 and at 1 January 2020</b>	<b>104,927</b>	<b>100,978</b>	<b>458,512</b>	<b>2,578,253</b>	<b>3,242,670</b>

**RATCH Group Public Company Limited and its subsidiaries**  
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<b>Consolidated financial statements</b>					
	Software licences	Licenses on project development	Goodwill from business acquisition <i>(in thousand Baht)</i>	Right to power purchase agreements	Total
Amortisation charge for the year	10,301	25,034	-	292,890	328,225
Effect of movements in exchange rates	4,278	(1,396)	-	248,914	251,796
<b>At 31 December 2020</b>	<b><u>119,506</u></b>	<b><u>124,616</u></b>	<b><u>458,512</u></b>	<b><u>3,120,057</u></b>	<b><u>3,822,691</u></b>
<b><i>Net book value</i></b>					
<b>At 31 December 2019</b>	<b><u>36,150</u></b>	<b><u>502,102</u></b>	<b><u>170,315</u></b>	<b><u>3,088,326</u></b>	<b><u>3,796,893</u></b>
<b>At 31 December 2020</b>	<b><u>30,017</u></b>	<b><u>476,126</u></b>	<b><u>169,655</u></b>	<b><u>2,777,731</u></b>	<b><u>3,453,529</u></b>

		<b>Separate financial statements</b> Software licences <i>(in thousand Baht)</i>
<b><i>Cost</i></b>		
At 1 January 2019		32,439
Additions		90
<b>At 31 December 2019 and 1 January 2020</b>		<b><u>32,529</u></b>
Additions		-
<b>At 31 December 2020</b>		<b><u>32,529</u></b>
<b><i>Amortisation</i></b>		
At 1 January 2019		25,280
Amortisation charge for the year		2,915
<b>At 31 December 2019 and at 1 January 2020</b>		<b><u>28,195</u></b>
Amortisation charge for the year		2,577
<b>At 31 December 2020</b>		<b><u>30,772</u></b>
<b><i>Net book value</i></b>		
<b>At 31 December 2019</b>		<b><u>4,334</u></b>
<b>At 31 December 2020</b>		<b><u>1,757</u></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 2020 and 2019 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.

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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.

	<b>Consolidated financial statements</b>	
	2020	2019
	(%)	
Discount rate - Thermal power plants	6.25	6.59
Discount rate - Renewable energy power plants	5.78	6.13

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 (2019: Baht 42.31 million due to the fluctuation of foreign currency).

**15 Other non-current assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	(in thousand Baht)			
Deferred expenses under contractual service agreements	1,271,924	1,224,068	-	-
Revenue department receivable	472,912	-	-	-
Deferred expenses for generator connection and access services	46,849	611,448	-	-
Development costs of Renewable energy projects	73,605	42,256	-	-
Others	14,314	23,546	4,517	4,487
<b>Total</b>	<b><u>1,879,604</u></b>	<b><u>1,901,318</u></b>	<b><u>4,517</u></b>	<b><u>4,487</u></b>

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***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.

**16 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Current</i></b>				
Short-term loans from financial institutions				
-unsecured	60,074	603,080	-	-
Short-term loans from related parties	-	-	3,465,000	-
Current portion of long-term loans				
from financial institutions-secured	1,486,205	1,091,192	-	-
Current portion of lease liabilities (2019: Finance lease liabilities)	118,092	741	16,290	-
<b>Total current interest-bearing liabilities</b>	<b>1,664,371</b>	<b>1,695,013</b>	<b>3,481,290</b>	<b>-</b>
<b><i>Non-current</i></b>				
Long-term loans from financial institutions				
-secured	16,768,088	15,273,253	-	-
Lease liabilities (2019: Finance lease liabilities)	1,362,556	415	26,594	-
Debentures-unsecured	23,338,357	15,167,591	7,987,986	-
<b>Total non-current interest-bearing liabilities</b>	<b>41,469,001</b>	<b>30,441,259</b>	<b>8,014,580</b>	<b>-</b>

Balances of interest-bearing liabilities net of deferred financing fees, excluding lease liabilities as at 31 December 2020 were as follows:

	Total facilities	<b>Consolidated financial statements</b>		
		Amount (in million Baht)	Interest rate (% per annum)	Repayment term
<b><i>Short-term</i></b>				
<b>Loans from financial institutions</b>				
RH International (Singapore) Corporation Limited	As stipulated in the agreement	60	Fixed rate	Within 1 year during January 2021 to March 2021

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

		<b>Consolidated financial statements</b>		
	Total facilities	Amount (in million Baht)	Interest rate (% per annum)	Repayment term
<b>Long-term</b>				
<b>Loans from financial institutions</b>				
RATCH Cogeneration Company Limited	Baht 4,632 million	3,537	3-Month floating rate plus a fixed margin	Within 12 years during November 2020 to November 2032
RATCH-Australia Corporation Pty. Ltd.	Australian Dollars 312 million	5,835	BBSY, plus a fixed margin	Within 5 years during October 2018 to May 2023
Mount Emerald Wind Farm Pty. Ltd. (subsidiary of RATCH-Australia Corporation Pty. Ltd.)	Australian Dollars 252 million	4,712	BBSY, plus a fixed margin	Within 5 years during December 2018 to November 2023
RATCH-Australia Collinsville Solar PV Pty. Ltd. (subsidiary of RATCH-Australia Corporation Pty. Ltd.)	Australian Dollars 60 million	995	BBSY, plus a fixed margin	Within 5 years during June 2018 to December 2023
Collector Wind Farm Pty. Ltd. (subsidiary of RATCH-Australia Corporation Pty. Ltd.)	Australian Dollars 180 million	3,273	BBSY, plus a fixed margin	Within 5 years during June 2021 to May 2024
<b>Total</b>		<b>18,352</b>		
Less deferred financing fees		(98)		
<b>Net</b>		<b>18,254</b>		
Less current portion		(1,486)		
<b>Total non-current - net</b>		<b>16,768</b>		
<b>Debentures</b>				
RATCH Group Public Company Limited	Baht 8,000 million	8,000	1.32 - 2.94	Repayment period of 3, 5, 10, 15 years and will be due for redemption in 2023, 2025, 2030, 2035, respectively
Ratchaburi Electricity Generating Company Limited	Baht 2,000 million	2,000	3.50	Repayment period of 7 years and will be due for redemption in 2022
RH International (Singapore) Corporation Pte. Ltd.	US Dollars 300 million	9,011	4.50	Repayment period of 10 years and will be due for redemption in 2028

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<b>Consolidated financial statements</b>				
	Total facilities	Amount <i>(in million Baht)</i>	Interest rate <i>(% per annum)</i>	Repayment term
RH International (Singapore) Corporation Pte. Ltd.	Japanese Yen 15,000 million	4,361	2.72	Repayment period of 15 years and will be due for redemption in 2026
<b>Total</b>		<b>23,372</b>		
<i>Less</i> deferred financing fees		<i>(34)</i>		
<b>Net</b>		<b>23,338</b>		
<b>Separate financial statements</b>				
	Total facilities	Amount <i>(in million Baht)</i>	Interest rate <i>(% per annum)</i>	Repayment term
<b>Short-term</b>				
<b>Loans from related party</b>				
RATCH Group Public Company Limited	Baht 10,000 million	3,465	1.10	Within 1 year during March 2021 to May 2021
<b>Long-term</b>				
<b>Debenture</b>				
RATCH Group Public Company Limited	Baht 8,000 million	8,000	1.32 - 2.94	Repayment period of 3, 5, 10, 15 years and will be due for redemption in 2023, 2025, 2030, 2035, respectively

As at 31 December 2020, the Group had unutilised credit facilities totalling Baht 30,413.59 million, US Dollars 350 million and Australian Dollars 260.31 million. (2019: Baht 29,395.37 million, US Dollars 250 million and Australian Dollars 193.47 million).

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

**RATCH Group Public Company Limited and its subsidiaries**  
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*Changes in liabilities arising from financing activities*

	<b>Consolidated financial statements</b>			
	Loans	Debentures	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
<b>2020</b>				
At 1 January	16,967,525	15,167,591	1,156	32,136,272
Changes from financing cash flows	148,772	8,000,000	(62,811)	8,085,961
The effect of changes in foreign exchange rates	1,166,067	(61,300)	56,026	1,160,793
Increase in lease liabilities	-	-	1,482,072	1,482,072
Other changes that not cash changes	32,003	232,066	4,205	268,274
<b>At 31 December</b>	<b><u>18,314,367</u></b>	<b><u>23,338,357</u></b>	<b><u>1,480,648</u></b>	<b><u>43,133,372</u></b>
<b>2019</b>				
At 1 January	13,572,802	19,578,635	1,943	33,153,380
Changes from financing cash flows	856,392	(3,407,832)	(858)	(2,552,298)
Changes arising from obtaining control of subsidiaries	3,610,565	-	-	3,610,565
The effect of changes in foreign exchange rates	(1,072,467)	(1,068,671)	-	(2,141,138)
Other changes that not cash changes	233	65,459	71	65,763
<b>At 31 December</b>	<b><u>16,967,525</u></b>	<b><u>15,167,591</u></b>	<b><u>1,156</u></b>	<b><u>32,136,272</u></b>
<b>Separate financial statements</b>				
	Loans	Debentures	Lease liabilities (2019: Finance lease liabilities) (in thousand Baht)	Total
<b>2020</b>				
At 1 January	-	-	-	-
Changes from financing cash flows	3,465,000	8,000,000	(18,500)	11,446,500
Increase in lease liabilities	-	-	65,288	65,288
Other changes that not cash changes	-	(12,014)	(3,904)	(15,918)
<b>At 31 December</b>	<b><u>3,465,000</u></b>	<b><u>7,987,986</u></b>	<b><u>42,884</u></b>	<b><u>11,495,870</u></b>

**17 Non-current provisions for employee benefits**

*Defined benefit plan*

The Group and the Company 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**  
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<i>Present value of the defined benefit obligations</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	203,821	176,810	166,232	147,677
<b>Include in profit or loss:</b>				
Current service cost and interest on obligation	24,738	24,797	19,034	24,124
Past service cost	-	34,748	-	28,954
	<b>24,738</b>	<b>59,545</b>	<b>19,034</b>	<b>53,078</b>
<b>Included in other comprehensive income:</b>				
Actuarial loss				
- Demographic assumption	-	1,770	-	1,510
- Financial assumption	28,913	2,930	23,736	2,788
- Experience assumption	-	3,471	-	1,185
Effect of movements in exchange rates	73	(699)	-	-
	<b>28,986</b>	<b>7,472</b>	<b>23,736</b>	<b>5,483</b>
Benefit paid	(32,047)	(40,006)	(30,594)	(40,006)
<b>At 31 December</b>	<b>225,498</b>	<b>203,821</b>	<b>178,408</b>	<b>166,232</b>

<i>Principal actuarial assumptions</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.69 to 4.5	2.98 to 4.5	1.69	2.98
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.

As at 31 December 2020, the weighted-average durations of the defined benefit obligation were 15.90 and 30.20 years (2019: 15.90 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.

<i>Effect to the defined benefit obligation</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
<b>At 31 December 2020</b>				
Discount rate (1% movement)	(19,975)	23,565	(15,680)	18,333
Future salary growth (1% movement)	26,312	(22,555)	20,522	(17,756)
Employee turnover (20% movement)	(9,395)	10,351	(6,953)	7,503
Improving mortality rate (1% movement)	817	(924)	603	(674)



**RATCH Group Public Company Limited and its subsidiaries**  
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**19 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

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*Information about reportable segments*

<i>For the year ended 31 December</i>	<b>Consolidated financial statements</b>									
	<b>Domestic Electricity Generating</b>		<b>Renewable Energy</b>		<b>International Power Projects</b>		<b>Others</b>		<b>Total</b>	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
Revenue from sales and rendering of services	28,905,683	32,397,138	-	-	2,746,853	3,043,976	-	-	31,652,536	35,441,114
Revenue from lease contracts	2,553,209	2,923,233	-	-	-	-	-	-	2,553,209	2,923,233
Cost of sales and rendering of services	(28,389,993)	(31,394,601)	-	-	(1,838,696)	(1,833,434)	-	-	(30,228,689)	(33,228,035)
<b>Gross profit</b>	<b>3,068,899</b>	<b>3,925,770</b>	<b>-</b>	<b>-</b>	<b>908,157</b>	<b>1,210,542</b>	<b>-</b>	<b>-</b>	<b>3,977,056</b>	<b>5,136,312</b>
Management service income	-	-	-	-	1,057	248	275,250	243,995	276,307	244,243
Interest income	52,318	60,819	545	198	60,765	55,115	45,784	89,390	159,412	205,522
Dividend income	-	-	-	-	60,172	99,987	1,012	894	61,184	100,881
Gain on bargain purchase arising from the acquisition	-	-	-	-	-	-	-	269,918	-	269,918
Other income	167,002	46,242	176	728	46,815	11,377	5,010	8,438	219,003	66,785
Administrative expenses	(233,011)	(234,399)	(78)	(2,817)	(455,027)	(425,536)	(912,981)	(933,240)	(1,601,097)	(1,595,992)
Net foreign exchange gain (loss)	4,218	28,238	-	-	290,475	(134,683)	9,760	(26,035)	304,453	(132,480)
Gain (loss) on fair value adjustment of derivatives	9,758	(356)	-	-	(139,997)	706	-	-	(130,239)	350
Finance costs	(184,854)	(99,235)	-	-	(1,304,417)	(1,331,334)	(62,081)	-	(1,551,352)	(1,430,569)
Share of profit of joint ventures and associates accounted for using equity method	570,751	421,477	374,847	390,211	3,429,291	3,139,739	225,454	16,953	4,600,343	3,968,380
<b>Profit (loss) before income tax expense</b>	<b>3,455,081</b>	<b>4,148,556</b>	<b>375,490</b>	<b>388,320</b>	<b>2,897,291</b>	<b>2,626,161</b>	<b>(412,792)</b>	<b>(329,687)</b>	<b>6,315,070</b>	<b>6,833,350</b>
Tax (expense) income	(42,337)	(837,959)	(83)	-	18,288	(33,381)	(4,226)	1,274	(28,358)	(870,066)
<b>Profit (loss) for the year</b>	<b>3,412,744</b>	<b>3,310,597</b>	<b>375,407</b>	<b>388,320</b>	<b>2,915,579</b>	<b>2,592,780</b>	<b>(417,018)</b>	<b>(328,413)</b>	<b>6,286,712</b>	<b>5,963,284</b>

**RATCH Group Public Company Limited and its subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

<i>For the year ended 31 December</i>	Consolidated financial statements									
	Domestic Electricity		Renewable Energy		International Power		Others		Total	
	Generating				Projects					
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>									
<b>Disaggregation of revenue</b>										
<b>Primary geographical markets</b>										
Thailand	28,905,683	32,397,138	-	-	-	-	-	-	28,905,683	32,397,138
Australia	-	-	-	-	2,684,828	2,990,266	-	-	2,684,828	2,990,266
Other countries	-	-	-	-	62,025	53,710	-	-	62,025	53,710
<b>Total</b>	<b>28,905,683</b>	<b>32,397,138</b>	<b>-</b>	<b>-</b>	<b>2,746,853</b>	<b>3,043,976</b>	<b>-</b>	<b>-</b>	<b>31,652,536</b>	<b>35,441,114</b>
<b>Major products and service lines</b>										
Products	28,902,064	32,396,098	-	-	2,684,828	2,990,266	-	-	31,586,892	35,386,364
Services	3,619	1,040	-	-	62,025	53,710	-	-	65,644	54,750
<b>Total</b>	<b>28,905,683</b>	<b>32,397,138</b>	<b>-</b>	<b>-</b>	<b>2,746,853</b>	<b>3,043,976</b>	<b>-</b>	<b>-</b>	<b>31,652,536</b>	<b>35,441,114</b>
<b>Timing of revenue recognition</b>										
At a point in time	28,902,064	32,396,098	-	-	2,684,828	2,990,266	-	-	31,586,892	35,386,364
Over time	3,619	1,040	-	-	62,025	53,710	-	-	65,644	54,750
<b>Total</b>	<b>28,905,683</b>	<b>32,397,138</b>	<b>-</b>	<b>-</b>	<b>2,746,853</b>	<b>3,043,976</b>	<b>-</b>	<b>-</b>	<b>31,652,536</b>	<b>35,441,114</b>

**RATCH Group Public Company Limited and its subsidiaries**  
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(a) *Geographical segments*

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

*Geographical information*

	<b>Assets</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Thailand	52,772,952	54,814,149
Australia	31,848,820	23,850,702
Other countries	27,510,480	21,564,575
<b>Total</b>	<b><u>112,132,252</u></b>	<b><u>100,229,426</u></b>

(b) *Major customer*

Revenues from one customer of the Group's segment 1 represent approximately Baht 28,906 million (2019: Baht 32,397 million) of the Group's total revenue.

**20 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Managements</b>				
Directors' remuneration	10,379	10,105	8,157	7,699
Wages and salaries	100,256	99,772	36,149	31,292
Defined contribution plans	6,966	6,757	2,792	2,430
Defined benefit plans	2,682	5,428	2,053	5,187
Others	33,488	42,966	26,839	38,223
	<b><u>153,771</u></b>	<b><u>165,028</u></b>	<b><u>75,990</u></b>	<b><u>84,831</u></b>
<b>Employees</b>				
Wages and salaries	329,629	321,476	239,155	237,692
Defined contribution plans	24,480	23,857	21,149	20,734
Defined benefit plans	20,191	52,089	16,981	47,891
Others	176,939	153,429	142,123	117,126
	<b><u>551,239</u></b>	<b><u>550,851</u></b>	<b><u>419,408</u></b>	<b><u>423,443</u></b>
<b>Total</b>	<b><u>705,010</u></b>	<b><u>715,879</u></b>	<b><u>495,398</u></b>	<b><u>508,274</u></b>

*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.

**RATCH Group Public Company Limited and its subsidiaries**  
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**21 Expenses by nature**

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Fuel costs		24,475,388	27,647,844	-	-
Operation and maintenance service fees		1,665,286	1,605,246	-	-
Depreciation and amortisation		1,972,586	1,557,878	38,330	25,172
Repair expenses and spare parts used		1,270,917	1,533,257	-	-
Employee benefit expenses	20	705,010	715,879	495,398	508,274
General administrative expenses		508,777	490,046	204,420	209,988
Insurance premium for power plants		377,823	377,566	-	-
Consultant fees		216,299	226,531	169,924	153,765
Public relation expenses		38,865	50,435	22,144	29,182
Impairment losses on goodwill		-	42,313	-	-
Others		598,835	577,032	-	7,836
<b>Total cost of sales and rendering of services and administrative expenses</b>		<b>31,829,786</b>	<b>34,824,027</b>	<b>930,216</b>	<b>934,217</b>

**22 Income tax expense**

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Current tax expense</b>				
Current year	19,287	539,280	-	3,627
Under (over) provided in prior years	(1,911)	(21,629)	-	478
	<b>17,376</b>	<b>517,651</b>	<b>-</b>	<b>4,105</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	10,982	352,415	(2,515)	(5,379)
<b>Total income tax expense (income)</b>	<b>28,358</b>	<b>870,066</b>	<b>(2,515)</b>	<b>(1,274)</b>

	Consolidated financial statements					
	2020	2020	2019	2020	2019	2019
<b>Income tax</b>	Before tax	Tax (expense)	Net of tax benefit	Before tax	Tax (expense)	Net of tax benefit
<b>Recognised in other comprehensive income</b>						
Defined benefit plan actuarial losses	(28,913)	5,783	(23,130)	(8,171)	1,634	(6,537)

**RATCH Group Public Company Limited and its subsidiaries**  
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<i>Income tax</i>	<b>Separate financial statements</b>					
	Before tax	2020 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax (expense) benefit	Net of tax
<i>Recognised in other comprehensive income</i>						
Defined benefit plan actuarial losses	<b>(23,736)</b>	<b>4,747</b>	<b>(18,989)</b>	<b>(5,483)</b>	<b>1,097</b>	<b>(4,386)</b>

**Reconciliation of effective tax rate**

	<b>Consolidated financial statements</b>			
	Rate (%)	2020 <i>(in thousand Baht)</i>	Rate (%)	2019 <i>(in thousand Baht)</i>
Profit before income tax expense		6,315,070		6,833,351
Income tax using the Thai corporation tax rate	20	1,263,014	20	1,366,670
Effect of different tax rates in foreign jurisdictions		(98,021)		(164,547)
Income not subject to tax - dividend income		(11,435)		(20,889)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		(1,291,618)		(379,012)
Recognition of previously unrecognised tax losses		(88)		(332)
Current year losses for which no deferred tax asset was recognised		168,038		83,272
Over provided in prior years		(1,911)		(21,629)
Others		379		6,533
<b>Total</b>	<b>0.45</b>	<b>28,358</b>	<b>13</b>	<b>870,066</b>

	<b>Separate financial statements</b>			
	Rate (%)	2020 <i>(in thousand Baht)</i>	Rate (%)	2019 <i>(in thousand Baht)</i>
Profit before income tax expense		2,996,180		2,933,498
Income tax using the Thai corporation tax rate	20	599,236	20	586,700
Income not subject to tax-dividend income		(692,726)		(668,392)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		9,198		(2,374)
Current year losses for which no deferred tax asset was recognised		81,777		78,687
Under provided in prior years		-		478
Others		-		3,627
<b>Total</b>	<b>(0.08)</b>	<b>(2,515)</b>	<b>(0.04)</b>	<b>(1,274)</b>

**RATCH Group Public Company Limited and its subsidiaries**  
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<i>Deferred tax</i> <i>At 31 December</i>	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	3,700,531	4,271,093	(5,489,880)	(5,942,432)
Set off of tax	(3,658,474)	(4,232,196)	3,658,474	4,232,196
<b>Net deferred tax assets (liabilities)</b>	<b>42,057</b>	<b>38,897</b>	<b>(1,831,406)</b>	<b>(1,710,236)</b>

<i>Deferred tax</i> <i>At 31 December</i>	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	57,639	38,897	-	-
Set off of tax	(8,344)	-	-	-
<b>Net deferred tax assets</b>	<b>49,295</b>	<b>38,897</b>	<b>-</b>	<b>-</b>

<i>Deferred tax</i>	<b>Consolidated financial statements</b>					<b>At 31 December</b>
	<b>At 1 January</b>	<b>(Charged) / Credited to:</b>				
		Retained earnings (Note 3)	Profit or loss	Other comprehensive income	Exchange differences	
	<i>(in thousand Baht)</i>					
<b>2020</b>						
<i>Deferred tax assets</i>						
Allowance for obsolescence of spare parts and supplies and allowance for decline in value of fuel oil	288,294	-	(62,118)	-	3,750	229,926
Allowance for expected credit loss for financial assets	-	3,099	755	-	-	3,854
Property, plant and equipment	3,492,981	-	(623,323)	-	53,010	2,922,668
Leases liabilities	119	4,005	9,723	-	-	13,847
Derivative liabilities	8,343	-	-	-	-	8,343
Provisions for employee benefits	44,975	-	(4,779)	5,783	-	45,979
Loss carry forward	337,409	-	2,905	-	33,244	373,558
Others	98,972	-	(2,857)	-	6,241	102,356
<b>Total</b>	<b>4,271,093</b>	<b>7,104</b>	<b>(679,694)</b>	<b>5,783</b>	<b>96,245</b>	<b>3,700,531</b>
<i>Deferred tax liabilities</i>						
Property, plant and equipment	(2,115,736)	-	50,389	-	(157,199)	(2,222,546)
Right-of use assets	-	-	(9,484)	-	365	(9,119)
Intangible assets	(209,999)	-	13,778	-	-	(196,221)
Lease receivable from related party	(3,281,538)	-	653,674	-	-	(2,627,864)
Derivative assets	(2,136)	-	972	-	-	(1,164)
Others	(333,023)	-	(40,617)	-	(59,326)	(432,966)
<b>Total</b>	<b>(5,942,432)</b>	<b>-</b>	<b>668,712</b>	<b>-</b>	<b>(216,160)</b>	<b>(5,489,880)</b>
<b>Net</b>	<b>(1,671,339)</b>	<b>7,104</b>	<b>(10,982)</b>	<b>5,783</b>	<b>(119,915)</b>	<b>(1,789,349)</b>

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	<b>Consolidated financial statements</b>					<b>At 31 December</b>
	<b>At 1 January</b>	<b>(Charged) / Credited to:</b>			<b>Acquired in business combination</b>	
<b>Deferred tax</b>		Profit or loss	Other comprehensive income	Exchange differences		
			<i>(in thousand Baht)</i>			
<b>2019</b>						
<b>Deferred tax assets</b>						
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><u>4,961,187</u></b>	<b><u>(640,793)</u></b>	<b><u>1,634</u></b>	<b><u>(104,889)</u></b>	<b><u>53,954</u></b>	<b><u>4,271,093</u></b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	(2,385,544)	70,021	-	199,787	-	(2,115,736)
Intangible assets	-	-	-	-	(209,999)	(209,999)
Finance lease receivable from related party	(3,534,102)	252,564	-	-	-	(3,281,538)
Derivative assets	(2,693)	557	-	-	-	(2,136)
Others	(315,532)	(34,763)	-	17,272	-	(333,023)
<b>Total</b>	<b><u>(6,237,871)</u></b>	<b><u>288,379</u></b>	<b><u>-</u></b>	<b><u>217,059</u></b>	<b><u>(209,999)</u></b>	<b><u>(5,942,432)</u></b>
<b>Net</b>	<b><u>(1,276,684)</u></b>	<b><u>(352,414)</u></b>	<b><u>1,634</u></b>	<b><u>112,170</u></b>	<b><u>(156,045)</u></b>	<b><u>(1,671,339)</u></b>

	<b>Separate financial statements</b>				<b>At 31 December</b>	
	<b>At 1 January</b>	<b>(Charged) / Credited to:</b>				
<b>Deferred tax</b>		Retained earnings (Note 3)	Profit or loss	Other comprehensive income		
			<i>(in thousand Baht)</i>			
<b>2020</b>						
<b>Deferred tax assets</b>						
Allowance for expected credit loss for financial assets	-	3,136	7,365	-	10,501	
Lease liabilities	-	-	8,577	-	8,577	
Provisions for employee benefits	38,897	-	(5,083)	4,747	38,561	
<b>Total</b>	<b><u>38,897</u></b>	<b><u>3,136</u></b>	<b><u>10,859</u></b>	<b><u>4,747</u></b>	<b><u>57,639</u></b>	
<b>Deferred tax liabilities</b>						
Right-of use assets	-	-	(8,344)	-	(8,344)	
<b>Total</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(8,344)</u></b>	<b><u>-</u></b>	<b><u>(8,344)</u></b>	
<b>Net</b>	<b><u>38,897</u></b>	<b><u>3,136</u></b>	<b><u>2,515</u></b>	<b><u>4,747</u></b>	<b><u>49,295</u></b>	

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<i>Deferred tax</i>	<b>At 1 January</b>	<b>Separate financial statements (Charged) / Credited to:</b>		<b>At 31 December</b>
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b>2019</b>				
<i>Deferred tax assets</i>				
Provisions for employee benefits	<b>32,421</b>	<b>5,379</b>	<b>1,097</b>	<b>38,897</b>
<i>Unrecognised deferred tax assets</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Losses carry forward	<b>776,430</b>	<b>520,607</b>	<b>399,492</b>	<b>317,758</b>

As at 31 December 2020, the Group has outstanding balance of deferred tax assets of Baht 373.56 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.

### **23 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.

### **24 Basic earnings per share**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht/ thousand shares)</i>			
<b>Profit for the year attributable to ordinary shareholders of the Company (basic)</b>	<b>6,286,678</b>	<b>5,963,281</b>	<b>2,998,694</b>	<b>2,934,772</b>
<b>Number of ordinary shares outstanding</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>1,450,000</b>	<b>1,450,000</b>
<b>Earnings per share (basic) <i>(in Baht)</i></b>	<b>4.34</b>	<b>4.11</b>	<b>2.07</b>	<b>2.02</b>

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**25 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Interim dividend for the year 2019			2.40	3,480
1 <sup>st</sup> Interim dividend for the year 2019	23 August 2019	September 2019	<u>(1.15)</u>	<u>(1,667)</u>
2 <sup>nd</sup> Interim dividend for the year 2019	20 March 2020	April 2020	1.25	1,813
Interim dividend for the year 2020	24 August 2020	September 2020	1.15	<u>1,667</u>
<b>Total dividend</b>				<b><u><u>3,480</u></u></b>
<i>2019</i>				
Annual dividend for the year 2018	5 April 2019	April 2019	2.40	3,480
Interim dividend for the year 2018	22 August 2018	September 2018	<u>(1.15)</u>	<u>(1,667)</u>
Additional dividend Interim dividend			1.25	1,813
for the year 2019	23 August 2019	September 2019	1.15	<u>1,667</u>
<b>Total dividend</b>				<b><u><u>3,480</u></u></b>

**26 Financial instruments**

**(a) Carrying amounts and fair values**

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

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	Consolidated financial statement					Fair value			
	Carrying amount								
<i>At 31 December 2020</i>	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost	Total	Level 1	Level 2	Level 3	Total
					(in thousand Baht)				
<b>Financial assets</b>									
Other current financial assets:									
Deposits at financial institutions	-	-	-	892,505	892,505	-	-	-	-
Debt instruments	-	842,546	-	2,022,385	2,864,931	-	2,865,289	-	2,865,289
Other non-current financial assets									
Equity instruments	-	-	1,286,190	-	1,286,190	1,286,190	-	-	1,286,190
Debt instruments	-	-	-	542,595	542,595	-	558,282	-	558,282
Long-term loans to related parties	-	-	-	522,662	522,662	-	-	522,622	522,622
Long-term loans to other parties	-	-	-	2,384,775	2,384,775	-	-	2,384,775	2,384,775
Equity securities - investments in other companies									
Equity securities - investments in other companies	-	-	247,300	-	247,300	-	-	247,300	247,300
Derivatives assets	-	5,821	-	-	5,821	-	5,821	-	5,821
<b>Financial liabilities</b>									
Long-term loans from financial institutions	-	-	-	(18,254,294)	(18,254,294)	-	(18,254,294)	-	(18,254,294)
Debentures	-	-	-	(23,338,357)	(23,338,357)	-	(27,738,853)	-	(27,738,853)
Derivatives liabilities	(1,008,679)	(268,852)	-	-	(1,277,531)	-	(1,277,531)	-	(1,277,531)

**RATCH Group Public Company Limited and its subsidiaries**  
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	Carrying amount					Fair value			
	Hedging instruments	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Financial instruments measured at amortised cost (in thousand Baht)	Total	Level 1	Level 2	Level 3	Total
<b>At 31 December 2020</b>									
<b>Financial assets</b>									
Other current financial assets:									
Deposits at financial institutions	-	-	-	870,000	870,000	-	-	-	-
Debt instruments	-	305,056	-	22,987	328,043	-	328,402	-	328,402
Other non-current financial assets									
Debt instruments	-	-	-	89,932	89,932	-	93,331	-	93,331
Long term loans to related party	-	-	-	1,753,796	1,753,796	-	-	1,753,796	1,753,796
Equity securities - investments in other companies	-	-	247,300	-	247,300	-	-	247,300	247,300
<b>Financial liabilities</b>									
Debentures	-	-	-	(7,987,986)	(7,987,986)	-	(8,162,577)	-	(8,162,577)

**RATCH Group Public Company Limited and its subsidiaries**  
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	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>31 December 2019</b>					
<b><i>Financial assets and liabilities measured at fair value</i></b>					
Debt securities held for trading	503,109	-	503,109	-	503,109
Available for sale investments	1,942,552	1,942,552	-	-	1,942,552
Derivative assets	266,637	-	266,637	-	266,637
Derivative liabilities	(888,606)	-	(888,606)	-	(888,606)
<b><i>Financial liabilities not measured at fair value</i></b>					
Long-term loans from financial institutions	(16,364,445)	-	(16,364,445)	-	(16,364,445)
Debentures	(15,167,590)	-	(16,698,572)	-	(16,698,572)

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>31 December 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					
Debt securities held for trading	482,065	-	482,065	-	482,065

**Financial instruments measured at fair value**

Type	Valuation technique
Corporate debt securities	<i>Market price comparison technique/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.
Investments in marketable unit trusts classified as financial assets measured at FVTPL or FVOCI (2019: trading investments and available-for-sale investments)	The net asset value as of the reporting date.
Forward exchange 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.

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<b>Type</b>	<b>Valuation technique</b>
Interest rate swap contracts	<i>Swap models:</i> The fair value is calculated as the present value of estimated future cash flows. Estimated 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>

**Financial instruments not measured at fair value**

<b>Type</b>	<b>Valuation technique</b>
Debt securities and other financial liabilities	Discounted cash flows

**(b) Movement of marketable equity and debt securities**

<i>Marketable equity and debt securities</i>	Consolidated financial statements					Effect of movements in exchange rates	At 31 December
	At 1 January	Purchase	Disposal (in thousand Baht)	Fair value adjustment			
<b>2020</b>							
<i>Current financial assets</i>							
Debt securities measured - at FVTPL	<u>503,109</u>	<u>1,467,761</u>	<u>(1,138,468)</u>	<u>10,144</u>	<u>-</u>	<u>842,546</u>	
<i>Non-current financial assets</i>							
Equity securities measured at - FVOCI	<u>1,942,552</u>	<u>-</u>	<u>-</u>	<u>(665,537)</u>	<u>9,175</u>	<u>1,286,190</u>	
<b>2019</b>							
<i>Current investments</i>							
Trading securities	<u>500,202</u>	<u>617,092</u>	<u>(618,321)</u>	<u>4,136</u>	<u>-</u>	<u>503,109</u>	
<i>Other long-term investments</i>							
Available-for-sale securities	<u>2,538,934</u>	<u>-</u>	<u>-</u>	<u>(520,436)</u>	<u>(75,946)</u>	<u>1,942,552</u>	

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<i>Marketable equity and debt securities</i>	At 1 January	Separate financial statements			At 31 December
		Purchase	Disposal (in thousand Baht)	Fair value adjustment	
<b>2020</b>					
<i>Current financial assets</i>					
Debt securities measured at					
- FVTPL	<u>482,065</u>	<u>164,164</u>	<u>(340,911)</u>	<u>(262)</u>	<u>305,056</u>
<b>2019</b>					
<i>Current investments</i>					
Trading securities	<u>467,761</u>	<u>617,091</u>	<u>(606,906)</u>	<u>4,119</u>	<u>482,065</u>

(c) *Financial risk management policies*

*Risk management framework*

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(c.1) *Credit risk*

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(c.1.1) Trade accounts receivables

The management has established a credit policy to control the credit risk on a regular basis by analysing the financial status of every customers who requested a certain amount of credit. As of the reporting date, there were no significant credit risk exposure. The maximum credit risk is stated in the book value of each financial asset in the statement of financial position. However, as the major customers of the Group are government agencies, state of enterprises and large corporations with low credit risk. Management does not expect any material losses incurred from debt collection.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of one month.

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The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

<i>At 31 December 2020</i>	<b>Consolidated financial statements</b>	
	Trade accounts receivables	Allowance for expected credit loss
	<i>(in thousand Baht)</i>	
<b>Related parties</b> (Note 5)		
Within credit terms	4,954,142	-
Overdue:		
Less than 3 months	28,104	-
	<u>4,982,246</u>	<u>-</u>
<b>Other parties</b>		
Within credit terms	206,806	-
Overdue:		
3 - 6 months	253	-
6 - 12 months	638	-
	<u>207,697</u>	<u>-</u>
<b>Total</b>	<b>5,189,943</b>	<b>-</b>
<i>Less</i> allowance for expected credit loss	-	-
<b>Net</b>	<b>5,189,943</b>	

<i>Trade accounts receivables</i>	<b>Consolidated</b>	<b>Separate</b>
	<b>financial statements</b>	<b>financial statements</b>
	<i>(in thousand Baht)</i>	
<i>At 31 December 2019</i>		
<b>Related parties</b> (Note 5)		
Within credit terms	<u>5,277,659</u>	<u>-</u>
<b>Other parties</b>		
Within credit terms	235,491	-
Overdue:		
Less than 3 months	424	-
3 - 6 months	279	-
	<u>236,194</u>	<u>-</u>
<b>Total</b>	<b>5,513,853</b>	<b>-</b>
<i>Less</i> allowance for doubtful accounts	-	-
<b>Net</b>	<b>5,513,853</b>	<b>-</b>

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

(c.1.2) Investment in debt securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least A- from TRIS RATING.

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings.

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The following table presents the exposure to credit risk for investment in debt securities at amortised cost and FVOCI. It indicates whether assets measured at amortised cost or FVOCI were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

<b>Consolidated financial statements</b>				
	12-months	Lifetime	Lifetime	
<i>At 31 December 2020</i>	ECL	ECL- not	ECL -	Total
		credit-	credit-	
		impaired	impaired	
		<i>(in thousand Baht)</i>		
Debt instruments measured at amortised cost	2,566,004	-	-	2,566,004
Loans to	2,941,864	-	-	2,941,864
Lease receivable from related party	<u>13,139,323</u>	<u>-</u>	<u>-</u>	<u>13,139,323</u>
	18,647,191	-	-	18,647,191
<i>Less</i> allowance for expected credit loss	<u>(37,291)</u>	<u>-</u>	<u>-</u>	<u>(37,291)</u>
<b>Net</b>	<b><u>18,609,900</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>18,609,900</u></b>

<b>Separate financial statements</b>				
	12-months	Lifetime	Lifetime	
<i>At 31 December 2020</i>	ECL	ECL- not	ECL -	Total
		credit-	credit-	
		impaired	impaired	
		<i>(in thousand Baht)</i>		
Debt instruments measured at amortised cost	113,000	-	-	113,000
Loans to	<u>1,865,888</u>	<u>-</u>	<u>-</u>	<u>1,865,888</u>
	1,978,888	-	-	1,978,888
<i>Less</i> allowance for expected credit loss	<u>(52,504)</u>	<u>-</u>	<u>-</u>	<u>(52,504)</u>
<b>Net</b>	<b><u>1,926,384</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,926,384</u></b>

<b>Consolidated financial statements</b>				
	12-months	Lifetime	Lifetime	
<i>Movement of allowance for expected credit loss</i>	ECL	ECL- not	ECL-	Total
		credit-	credit-	
		impaired	impaired	
		<i>(in thousand Baht)</i>		
At 1 January 2020 - restated ( <i>see note 3(a.2)</i> )	15,498	-	-	15,498
Net remeasurement of loss allowance	2,648	-	-	2,648
Financial assets repaid	(37)	-	-	(37)
New financial assets acquired	<u>19,182</u>	<u>-</u>	<u>-</u>	<u>19,182</u>
<b>At 31 December 2020</b>	<b><u>37,291</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>37,291</u></b>

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<i>Movement of allowance for expected credit loss</i>	12-months ECL	Separate financial statements		Total
		Lifetime ECL- not credit-impaired	Lifetime ECL- credit-impaired	
<i>(in thousand Baht)</i>				
At 1 January 2020 – restated (see note 3(a.2))	15,683	-	-	15,683
Net remeasurement of loss allowance	36,442	-	-	36,442
Financial assets repaid	(1,781)	-	-	(1,781)
New financial assets acquired	2,160	-	-	2,160
<b>At 31 December 2020</b>	<b>52,504</b>	<b>-</b>	<b>-</b>	<b>52,504</b>

(c.1.3) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group considers to have low credit risk.

(c.1.4) Guarantees

The Group's policy is to provide the guarantees only for the financial facilities of subsidiaries. At 31 December 2020, the Group has provided a guarantee to certain banks in respect of credit facilities granted to a subsidiary (see note 16).

(c.2) *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.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December 2020</i>	Carrying amount	Consolidated financial statements			Total
		Contractual cash flows			
		1 year or less	More than 1 years but less than 5 years	More than 5 years	
<i>(in thousand Baht)</i>					
<i>Non-derivative financial liabilities</i>					
Trade payables	3,643,030	3,643,030	-	-	3,643,030
Loans from financial institutions	18,314,367	1,621,940	15,924,409	2,503,322	20,049,671
Lease liabilities	1,480,648	122,610	430,674	2,557,589	3,110,873
Debentures	23,338,357	261,350	5,268,957	23,831,515	29,361,822
	<b>46,776,402</b>	<b>5,648,930</b>	<b>21,624,040</b>	<b>28,892,426</b>	<b>56,165,396</b>

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		<b>Consolidated financial statements</b>			
		Contractual cash flows			
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 years but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
<b>Derivative financial liabilities</b>					
Interest rate swaps	1,032,284	222,240	299,071	510,973	1,032,284
Cross currency swap contract	241,564	-	-	241,564	241,564
Forward exchange contracts					
- Cash outflow	50,544	50,544	-	-	50,544
- Cash inflow	(46,861)	(46,861)	-	-	(46,861)
	<b><u>1,277,531</u></b>	<b><u>225,923</u></b>	<b><u>299,071</u></b>	<b><u>752,537</u></b>	<b><u>1,277,531</u></b>

		<b>Separate financial statements</b>			
		Contractual cash flows			
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 years but less than 5 years <i>(in thousand Baht)</i>	More than 5 years	Total
<b>Non-derivative financial liabilities</b>					
Short-term loans from related party	3,465,000	3,483,813	-	-	3,483,813
Lease liabilities	42,884	18,476	28,312	-	46,788
Debentures	7,987,986	196,350	3,252,707	6,846,842	10,295,899
	<b><u>11,495,870</u></b>	<b><u>3,698,639</u></b>	<b><u>3,281,019</u></b>	<b><u>6,846,842</u></b>	<b><u>13,826,500</u></b>

		<b>Consolidated financial statements</b>			
		Maturity period			
<b>2019</b>	Effective interest rate <i>(% per annum)</i>	Within 1 year	After 1 year but within 5 years	After 5 years	Total
<b>Financial assets</b>					
<b>Current</b>					
Debt securities held for trading	1.12 to 2.27	248,960	224,340	29,809	503,109
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><u>308,960</u></b>	<b><u>277,340</u></b>	<b><u>570,707</u></b>	<b><u>1,157,007</u></b>

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	Effective interest rate (% per annum)	Consolidated financial statements			
		Maturity period			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2019</b>					
<b>Financial liabilities</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 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	13,168,272	15,167,591
<b>Total</b>		<b>1,091,192</b>	<b>14,808,446</b>	<b>15,632,398</b>	<b>31,532,036</b>

	Effective interest rate (% per annum)	Separate financial statements			
		Maturity period			
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2019</b>					
<b>Financial assets</b>					
<b>Current</b>					
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
<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	3.93 to 6.27	-	-	1,807,710	1,807,710
<b>Total</b>		<b>287,917</b>	<b>277,340</b>	<b>1,837,518</b>	<b>2,402,775</b>

The cash inflows and cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

**(c.3) Market risk**

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.

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(c.3.1) 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</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>United States Dollars</i></b>				
Long-term loans to related parties	538,896	540,898	1,509,558	1,515,165
Other current payables	(236,681)	(798,117)	(13,354)	(21,840)
<b><i>Lao Kip</i></b>				
Other non-current assets (2019: available for sale investments)	1,286,190	1,942,552	-	-
Other current payables	(5,296)	(7,299)	-	(1,910)
<b><i>Australian Dollars</i></b>				
Other current payables	(37,132)	(67,611)	(3,343)	(3,389)
<b><i>Japanese Yen</i></b>				
Other current payables	(41,426)	(40,209)	-	-
Debentures	(4,356,755)	(4,142,133)	-	-
<b><i>Others</i></b>				
Other current payables	(3,000)	(1,650)	(190)	(27)
<b>Gross balance sheet exposure</b>	<b>(2,855,204)</b>	<b>(2,573,569)</b>	<b>1,492,671</b>	<b>1,487,999</b>
Estimated forecast purchases	(1,813)	(1,476)	-	-
<b>Gross exposure</b>	<b>(2,857,017)</b>	<b>(2,575,045)</b>	<b>1,492,671</b>	<b>1,487,999</b>
Foreign currency forward contracts	50,544	94,080	-	-
Cross currency swap contracts	4,361,387	4,147,683	-	-
<b>Net exposure</b>	<b><u>1,554,914</u></b>	<b><u>1,666,718</u></b>	<b><u>1,492,671</u></b>	<b><u>1,487,999</u></b>

*Sensitivity analysis*

A reasonably possible strengthening (weakening) of the against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

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<i>At 31 December 2020</i>	<b>Consolidated financial statements</b>		
	Profit or loss		
	Movement	Strengthening	Weakening
	(%)	<i>(in thousand Baht)</i>	
United States Dollars	5	15,906	(15,906)
Lao Kip	5	67,415	(67,415)
Australian Dollars	5	(1,954)	1,954
Japanese Yen	5	(231,484)	231,484

<i>At 31 December 2020</i>	<b>Separate financial statements</b>		
	Profit or loss		
	Movement	Strengthening	Weakening
	(%)	<i>(in thousand Baht)</i>	
United States Dollars	5	78,748	(78,748)
Australian Dollars	5	(176)	176

(c.3.2) 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 because debt securities and loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 16). The Group mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

<i>Exposure to interest rate risk at 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b><i>Financial instruments with fixed interest rates</i></b>				
Financial assets	3,457,485	4,001,740	2,214,053	1,513,812
Financial liabilities	(23,398,431)	(15,770,671)	(11,452,986)	-
	<b>(19,940,946)</b>	<b>(11,768,931)</b>	<b>(9,238,933)</b>	<b>1,513,812</b>
Interest rate swaps	5,821	10,681	-	-
	<b>(19,935,125)</b>	<b>(11,758,250)</b>	<b>(9,238,933)</b>	<b>1,513,812</b>
<b><i>Financial instruments with variable interest rates</i></b>				
Financial assets	3,749,983	1,044,006	827,718	1,022,963
Financial liabilities	(18,254,293)	(16,364,445)	-	-
	<b>(14,504,310)</b>	<b>(15,320,439)</b>	<b>827,718</b>	<b>1,022,963</b>
Interest rate swaps	(1,032,284)	(794,539)	-	-
	<b>(15,536,594)</b>	<b>(16,114,978)</b>	<b>827,718</b>	<b>1,022,963</b>

***Foreign currency forward contracts***

As at 31 December 2020, the Group entered into various foreign currency forward contracts with financial institutions to manage exposure of fluctuations in foreign currency risk relate to purchases. The Group had outstanding foreign currency forward contracts to buy US Dollars 1.56 million with Baht 50.54 million. The contracts will mature during March 2021 to December 2021 (2019: buy US Dollars 3.12 million with Baht 101.09 million).

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*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 2020 comprises Baht currency totalling Baht 2,823.45 million, Japanese Yen currency totalling Japanese Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 490.24 million. All counterparties agreed to pay the interest and the principal amount in accordance with the terms and conditions specified in the contracts (2019: 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).

*Fair value sensitivity analysis for fixed-rate instruments*

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

*Cash flow sensitivity analysis for variable-rate instruments*

A reasonable possible change of 1% in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	<b>Consolidated financial statements</b>			
	Profit or loss		Equity, net of tax	
	1%	1%	1%	1%
	increase in interest rate	decrease in interest rate	increase in interest rate	decrease in interest rate
<b>At 31 December 2020</b>				
Financial instruments with variable interest rate	(145,043)	145,043	-	-
Interest rate swaps	236	(236)	10,087	(10,087)
<b>Cash flow sensitivity (net)</b>	<b>(144,807)</b>	<b>144,807</b>	<b>10,087</b>	<b>(10,087)</b>

*(in thousand Baht)*

	<b>Separate financial statements</b>			
	Profit or loss		Equity, net of tax	
	1%	1%	1%	1%
	increase in interest rate	decrease in interest rate	1% increase in interest rate	decrease in interest rate
<b>At 31 December 2020</b>				
Financial instruments with variable interest rate	8,277	(8,277)	-	-
<b>Cash flow sensitivity (net)</b>	<b>8,277</b>	<b>(8,277)</b>	<b>-</b>	<b>-</b>

*(in thousand Baht)*

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*(c.4) Cash flow hedges*

At 31 December 2020, the Group held the following financial instruments to hedge exposures to changes in interest rates.

	<b>Consolidated financial statements</b>		
	Within 1 year	Maturity After 1 year but within 5 years	After 5 years
<b><i>At 31 December 2020</i></b>			
<b><i>Interest rate risk</i></b>			
<i>Interest rate swaps</i>			
Net exposure ( <i>in thousand Baht</i> )	198,636	299,071	510,973
Average fixed interest rate (%)	2.70	2.72	2.94

The amounts at the reporting date relating to items designated as hedged items were as follows.

	<b>Consolidated financial statements</b>
<b><i>At 31 December 2020</i></b>	Cash flow hedge reserve ( <i>in thousand Baht</i> )
<b><i>Interest rate risk</i></b>	
Variable-rate instruments	<b><u>937,497</u></b>

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting.

	<b>Consolidated financial statements</b>
	Hedging reserve ( <i>in thousand Baht</i> )
<b>Balance at 1 January 2020</b>	796,264
<b>Cash flow hedges</b>	
Changes in fair value - interest rate risk	141,233
<b>Balance at 31 December 2020</b>	<b><u>937,497</u></b>

**27 Capital management**

The Board of Director' s Policy is to support the Group' s growth and sustain liquidity at an optimal level so such capitals generate maximum value to the shareholders and maintain creditability for lenders and the capital markets. The Board of Directors has regulated the return on investment which includes returns from operating activities on total equity, excluding non-controlling interests and supervising the payment of dividends to the shareholders.

**28 Commitments with non-related parties**

***Operation and Maintenance 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.

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***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 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.

***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 the Consortium of General Electric International Operations Company Inc. and GE Energy Parts, Inc. The agreement is effective from the agreement date until the end of the operation of gas turbine according to the Power Purchase Agreement in 2027 with a total value of the existing agreement in US Dollars 428.60 million. Subsequently on 19 November 2019, all parties agreed to amend the conditions of the agreement effective from November 2019. The total value of the agreement is US Dollars 433.25 million. As at 31 December 2020, the subsidiary had outstanding commitments amounting to US Dollars 97.17 million. (2019: US Dollars 119.01 million)

In addition, in accordance with the agreement, the subsidiary is required to open a letter of credit amounting to US Dollars 6 million. As at 31 December 2020, the subsidiary had an outstanding unused letter of credit amounting to US Dollars 6 million. (2019: US Dollars 6 million)

On 29 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, entered into a Contractual Service Agreement with a service provider for a period of 15 years from the date specified in the agreement. The total value of the agreement is US Dollars 29.27 million. As at 31 December 2020, the subsidiary had outstanding commitments amounting to US Dollars 18.79 million. (2019: US Dollars 21.52 million)

***Letters of guarantee***

As at 31 December 2020, the Group and its subsidiaries had commitments from letters of guarantee issued by financial institutions for the Group and its subsidiaries to comply with certain conditions in agreements in the amount of Baht 1,053.17 million, US Dollars 11.76 million and Australian Dollars 22.25 million. (2019: Baht 1,046.08 million, US Dollars 12.38 million and Australian Dollars 22.25 million)

***Standby Letters of Credit***

As at 31 December 2020, the Group and its subsidiaries had commitments from Standby Letters of Credit issued by financial institutions for Debt Service Reserve Guarantees and equity contributions in joint ventures in the amount of Baht 1,600 million, US Dollars 24.50 million and Australian Dollars 30.08 million. (2019: Baht 1,600 million, US Dollars 24.50 million and Australian Dollars 208.27 million)

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*Unused of credit facilities*

As at 31 December 2020, the Group and its subsidiaries had unused of credit facilities totalling Baht 7,231.90 million, US Dollars 1,066.18 million, Australian Dollars 210.12 million and Euro 182 million. (2019: Baht 9,908.23 million, US Dollars 896.45 million, Australian Dollars 31.94 million and Euro 300 million)

*Capital commitment*

As at 31 December 2020, RATCH-Australia Corporation Pty. Ltd. and its subsidiaries, an indirect subsidiary, had outstanding capital commitments under Engineering Procurement & Construction Contracts for Wind Farm and other service agreements amounting to Australian Dollars 26.84 million. (2019: Australian Dollars 217.23 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, 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, direct associates, as collateral for loans of those companies.

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

*Significant litigation*

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

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

**29 Events after the reporting period**

*Additional investment*

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

*Call for 3<sup>rd</sup> paid up share capital of RH International Corporation Limited (“RHIC”)*

On 19 January 2021, RHIC, a direct subsidiary, called for 3<sup>rd</sup> paid-up share capital at 4.7%. The Company paid for increase in share capital totalling Baht 705 million, in proportion of investment of 99.99%.

*Increase in share capital of RH International (Mauritius) Corporation Limited (“RHIM”)*

On 15 January 2021, the Board of Directors meeting of RHIM, an indirect subsidiary, approved to increase in authorised share capital from US Dollars 794.33 million to US Dollars 817.33 million by issuance of new ordinary shares totalling 23 million shares at par value of US Dollar 1 per share. Subsequently on 19 January 2021, RHIC paid for increase in share capital totalling US Dollars 23 million or equivalent to Baht 689.77 million, in proportion of investment of 100%.

*Increase in share capital of RH International (Singapore) Corporation Pte. Ltd. (“RHIS”)*

On 15 January 2021, the Board of Directors meeting of RHIS, an indirect subsidiary, approved to increase in authorised share capital from US Dollars 793.83 million to US Dollars 816.83 million by issuance of new ordinary shares totalling 23 million shares at par value of US Dollar 1 per share. Subsequently on 19 January 2021, RHIM paid for increase in share capital totalling US Dollars 23 million or equivalent to Baht 691.41 million, in proportion of investment of 100%.

*Management Service Agreement*

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

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*Dividend approval for the year 2020*

At the Board of Directors meeting of the Company held on 15 February 2021, the Board approved to submit for approval at the annual general meeting of the shareholders of the Company, the appropriation of 2021 annual dividend at the rate of Baht 2.4 per share, totalling Baht 3,480 million, from the profit from operations of 2020 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 5 April 2021.