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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Audit Committee, as appointed by the Board of Directors on 13 May 2020.

1. **General information**

RATCH Group Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 72 Ngamwongwan Road, Bangkhen, Muang Nonthaburi, Nonthaburi, Thailand.

The Company’s major shareholder during the financial period 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 and related businesses. Details of the Company’s subsidiaries, associates and joint ventures as at 31 March 2020 and 31 December 2019 were as follows:

|  |  | **Country of** | **Ownership interest** | |
| --- | --- | --- | --- | --- |
| **Name of entities** | **Type of business** | **incorporation** | *(%)* | |
|  |  |  | 31 March | 31 December |
|  |  |  | 2020 | 2019 |
| ***Direct subsidiaries*** |  |  |  |  |
| Ratchaburi Electricity | Generating and selling | Thailand | 99.99 | 99.99 |
| Generating Company Limited | electricity and investing in |  |  |  |
|  | the power energy business |  |  |  |
|  |  |  |  |  |
| Ratchaburi Energy | Investing in the power | Thailand | 99.99 | 99.99 |
| Company Limited | energy business |  |  |  |
|  |  |  |  |  |
| RH International | Investing in the power | Thailand | 99.99 | 99.99 |
| Corporation Limited | energy business |  |  |  |
|  |  |  |  |  |
| RATCH O&M | Providing operation and | Thailand | 99.99 | 99.99 |
| Company Limited | maintenance services |  |  |  |
|  |  |  |  |  |
| Ratchaburi Alliances | Investing in the power | Thailand | 99.99 | 99.99 |
| Company Limited | energy business |  |  |  |
|  |  |  |  |  |
| Hin Kong Power Holding | Investing in the power | Thailand | - | 99.99 |
| Company Limited\* | energy business |  |  |  |
|  |  |  |  |  |
| RATCH Cogeneration | Generating and selling | Thailand | 99.97 | 99.97 |
| Company Limited | electricity and cooling water |  |  |  |
|  |  |  |  |  |
| RATCH-Lao Services | Providing operation | Lao PDR | 99.99 | 99.99 |
| Company Limited | maintenance services and |  |  |  |
|  | investing the related business |  |  |  |
|  |  |  |  |  |
| ***Indirect subsidiaries*** |  |  |  |  |
| RH International (Mauritius) | Investing in the power energy | Mauritius | 100 | 100 |
| Corporation Limited | business internationally |  |  |  |
|  |  |  |  |  |
| ***Indirect subsidiaries*** |  |  |  |  |
| RH International (Singapore) | Investing in the power energy | Singapore | 100 | 100 |
| Corporation Pte. Ltd. | business internationally |  |  |  |
|  |  |  |  |  |
| RATCH-Australia Corporation | Developing and operating | Australia | 100 | 100 |
| Pty. Ltd. and its subsidiaries | power plant and investing |  |  |  |
|  | in the power energy business |  |  |  |
|  |  |  |  |  |
| RATCH China Power | Investing in the power energy | Hong Kong | 100 | 100 |
| Company Limited | business internationally |  |  |  |
|  |  |  |  |  |
| RE Solar 1 Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| CN Biomass Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
| (In process of liquidation) | electricity |  |  |  |
|  |  |  |  |  |
| PB Biomass Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
| (In process of liquidation) | electricity |  |  |  |
|  |  |  |  |  |
| LP Biomass Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
| (In process of liquidation) | electricity |  |  |  |
|  |  |  |  |  |
| Hin Kong Power | Generating and selling | Thailand | - | 99.99 |
| Company Limited\* | electricity |  |  |  |
|  |  |  |  |  |
| ***Direct associates*** |  |  |  |  |
| First Korat Wind | Generating and selling | Thailand | 20 | 20 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| K.R. TWO Company Limited | Generating and selling | Thailand | 20 | 20 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| ***Indirect associates*** |  |  |  |  |
| Solar Power (Korat 3) | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Solar Power (Korat 4) | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Solar Power (Korat 7) | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| ***Direct joint ventures*** |  |  |  |  |
| Chubu Ratchaburi Electric | Providing operation and | Thailand | 50 | 50 |
| Services Company Limited | maintenance services |  |  |  |
|  |  |  |  |  |
| SouthEast Asia Energy Limited | Investing in the power | Thailand | 33.33 | 33.33 |
|  | energy business |  |  |  |
|  |  |  |  |  |
| ***Direct joint ventures*** |  |  |  |  |
| Smart Infranet Company | Investing in Underground | Thailand | 51 | 51 |
| Limited | Optic Fiber Network Project |  |  |  |
|  |  |  |  |  |
| Things on Net Company | Investing in installation | Thailand | 35 | 35 |
| Limited | and development of |  |  |  |
|  | telecommunication networks |  |  |  |
|  |  |  |  |  |
| Hin Kong Power Holding | Investing in the power | Thailand | 51 | - |
| Company Limited\* | energy business |  |  |  |
|  |  |  |  |  |
| Xe-Pian Xe-Namnoy Power | Generating and selling | Lao PDR | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| ***Indirect joint ventures*** |  |  |  |  |
| Ratchaburi Power | Generating and selling | Thailand | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Nava Nakorn Electricity | Generating and selling | Thailand | 40 | 40 |
| Generating Company Limited | electricity and steam |  |  |  |
|  |  |  |  |  |
| Ratchaburi World Cogeneration | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity and steam |  |  |  |
|  |  |  |  |  |
| Berkprai Cogeneration | Generating and selling | Thailand | 35 | 35 |
| Company Limited | electricity and steam |  |  |  |
|  |  |  |  |  |
| Solarta Company Limited | Generating and selling | Thailand | 49 | 49 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| Songkhla Biomass | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Songkhla Biofuel | Providing material of | Thailand | 40 | 40 |
| Company Limited | biofuel |  |  |  |
|  |  |  |  |  |
| Hongsa Power | Generating and selling | Lao PDR | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Phu Fai Mining | Coal mining and trading | Lao PDR | 37.50 | 37.50 |
| Company Limited |  |  |  |  |
|  |  |  |  |  |
| Asia Water Co., Ltd. | Generating and selling water | Lao PDR | 40 | 40 |
|  |  |  |  |  |
| PT Medco Ratch Power Riau | Generating and selling | Republic of | 49 | 49 |
|  | electricity | Indonesia |  |  |
|  |  |  |  |  |
| Fareast Renewable | Investing in the power energy | Singapore | 50 | 50 |
| Development Pte. Ltd. | business internationally |  |  |  |
|  |  |  |  |  |
| ***Subsidiaries of a direct*** |  |  |  |  |
| ***joint venture*** |  |  |  |  |
| Hin Kong Power | Generating and selling | Thailand | 51 | - |
| Company Limited\* | electricity |  |  |  |
|  |  |  |  |  |
| Nam Ngum 2 Power | Generating and selling | Lao PDR | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| ***Subsidiary of an indirect*** |  |  |  |  |
| ***joint venture*** |  |  |  |  |
| PT Bajradaya Sentranusa | Generating and selling | Republic of | 26.61 | 26.61 |
|  | electricity | Indonesia |  |  |

\* See note 6.

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

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting,* guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended   
31 December 2019.

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

* 1. *Use of judgements, estimates and accounting policies*

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s accounting policies. Actual results may differ from these estimates.   
The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS as described in note 3.

1. **Changes in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16. Impact of changes in accounting policies on shareholders’ equity are as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** |  | **Separate financial statements** |
|  |  | Retained earnings |  | Retained earnings |
|  | *Note* | *(in thousand Baht)* | | |
| At 31 December 2019 - as reported |  | 50,802,260 |  | 37,887,722 |
| *Increase (decrease) due to:* |  |  |  |  |
| Adoption of TFRS - Financial instruments  standards |  |  |  |  |
| Impairment losses on financial assets | *A(2)* | (15,498) |  | (15,684) |
| Related tax |  | 3,099 |  | 3,137 |
| Adoption of TFRS 16 - net of tax | *B* | (10,892) |  | - |
| **At 1 January 2020 - restated** |  | **50,778,969** |  | **37,875,175** |

***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.

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 impact from adoption of TFRS – Financial instruments standards are as follows:

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 to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. 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.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group’s financial assets and financial liabilities as at 1 January 2020.

| **Consolidated financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Classification under previous standards  at 31 December 2019 | |  | Classification under TFRS 9 at 1 January 2020 | | | | | | |
|  | Carrying amounts |  | Fair value - applied hedge accounting |  | Fair value through profit or loss |  | Fair value through other comprehensive income |  | Amortised  cost - net |
|  | *(in thousand Baht)* | | | | | | | | |
| Cash and cash equivalents | 4,917,163 |  | - |  | 4,698 |  | - |  | 4,912,465 |
| Trade receivables | 5,513,853 |  | - |  | - |  | - |  | 5,513,853 |
| Other receivables | 138,604 |  | - |  | - |  | - |  | 138,604 |
| Loan to related party | 540,898 |  | - |  | - |  | - |  | 540,898 |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Other financial assets |  |  |  |  |  |  |  |  |  |
| - Deposits at financial  institutions | 3,888,740 |  | - |  | - |  | - |  | 3,888,740 |
| - Debt instruments held for  trading | 503,109 |  | - |  | 503,109 |  | - |  | - |
| - Debt instruments  available for sale | 1,942,552 |  | - |  | - |  | 1,942,552 |  | - |
| - Investments in other  companies | 2,442,300 |  | - |  | - |  | 2,442,300 |  | - |
| - Other debt instruments  held to maturity | 113,000 |  | - |  | - |  | - |  | 113,000 |
| - Derivative assets | 266,637 |  | - |  | 266,637 |  | - |  | - |
| **Total other financial assets** | **9,156,338** |  | **-** |  | **769,746** |  | **4,384,852** |  | **4,001,740** |
| **Total** | **20,266,856** |  | **-** |  | **774,444** |  | **4,384,852** |  | **15,107,560** |
|  |  |  |  |  |  |  |  |  |  |
| Short-term loans from financial institutions | (603,080) |  | - |  | - |  | - |  | (603,080) |
| Trade payables | (3,906,334) |  | - |  | - |  | - |  | (3,906,334) |
| Other payables | (1,481,006) |  | - |  | - |  | - |  | (1,481,006) |
| Long-term loans from financial institutions | (16,364,445) |  | - |  | - |  | - |  | (16,364,445) |
| Debentures | (15,167,590) |  | - |  | - |  | - |  | (15,167,590) |
| Other financial liabilities - derivative liabilities | (888,606) |  | (760,238) |  | (128,368) |  | - |  | - |
| **Total** | **(38,411,061)** |  | **(760,238)** |  | **(128,368)** |  | **-** |  | **(37,522,455)** |

| **Separate financial statements** | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Classification under previous standards  at 31 December 2019 | |  | Classification under TFRS 9 at 1 January 2020 | | | | | | |
|  | Carrying amounts |  | Fair value - applied hedge accounting |  | Fair value through profit or loss |  | Fair value through other comprehensive income |  | Amortised  cost - net |
|  | *(in thousand Baht)* | | | | | | | | |
| Cash and cash equivalents | 1,780,104 |  | - |  | 30 |  | - |  | 1,780,074 |
| Other receivables | 116,254 |  | - |  | - |  | - |  | 116,254 |
| Loan to related parties | 1,941,710 |  | - |  | - |  | - |  | 1,941,710 |
| Other financial assets |  |  |  |  |  |  |  |  |  |
| - Debt instruments held for  trading | 482,065 |  | - |  | 482,065 |  | - |  | - |
| - Investments in other  companies | 2,442,300 |  | - |  | - |  | 2,442,300 |  | - |
| - Other debt instruments  held to maturity | 113,000 |  | - |  | - |  | - |  | 113,000 |
| **Total other financial assets** | **3,037,365** |  | **-** |  | **482,065** |  | **2,442,300** |  | **113,000** |
| **Total** | **6,875,433** |  | **-** |  | **482,095** |  | **2,442,300** |  | **3,951,038** |
|  |  |  |  |  |  |  |  |  |  |
| Other payables | (111,436) |  | - |  | - |  | - |  | (111,436) |
| **Total** | **(111,436)** |  | **-** |  | **-** |  | **-** |  | **(111,436)** |

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.

1. Impairment – Financial assets and contract assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group estimates 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 will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, 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 |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| **Allowance for impairment losses at 31 December 2019** | **-** |  | **-** |
|  |  |  |  |
| *Additional impairment loss recognised at 1 January 2020 on:* |  |  |  |
| * Debt instruments measured at amortised cost | 77 |  | 77 |
| * Loans to related parties | 13,120 |  | 15,607 |
| * Lease receivable | 2,301 |  | - |
| **Allowance for impairment losses at 1 January 2020** | **15,498** |  | **15,684** |

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 allocates the consideration in the contract based on stand-alone selling price (transaction price). 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.

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

| ***Measurement of lease liabilities*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| 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 | (11,439) |  | (3,847) |
|  | **1,067,655** |  | **52,068** |
| Discounted using the incremental borrowing rate at 1 January 2020 | 435,958 |  | 50,096 |
| Finance lease liabilities recognised as at 31 December 2019 | 1,156 |  | - |
| **Lease liabilities recognised at 1 January 2020** | **437,114** |  | **50,096** |
| Average incremental borrowing rate *(% per annum)* | **5.85** |  | **6.20** |

1. **Related parties**

Relationships with subsidiaries, associates and joint ventures are described in notes 5 and 6. Other related parties have no material changes during the period.

There are no material changes in pricing policies during the three-month period ended 31 March 2020.

Significant transactions for the three-month periods ended 31 March with related parties were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Revenue from sales of electricity | 8,237,482 |  | 8,503,363 |  | - |  | - |
| Operation and maintenance service income | 13,531 |  | 13,129 |  | - |  | - |
| Revenue from lease contracts | 717,215 |  | 750,861 |  | - |  | - |
| Purchase of electricity | 35,365 |  | 36,722 |  | - |  | - |
| Operation and maintenance service fee | 296,748 |  | 305,884 |  | - |  | - |
| Management service of fuel | 542 |  | 536 |  | - |  | - |
| Other service fee | 372 |  | 334 |  | - |  | 19 |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Management service income | - |  | - |  | 40,120 |  | 36,171 |
| Interest income | - |  | - |  | 13,232 |  | 11,047 |
| Dividend income | - |  | - |  | 527,752 |  | 182,983 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Management service income | 569 |  | 558 |  | 569 |  | 558 |
|  |  |  |  |  |  |  |  |
| **Joint ventures** |  |  |  |  |  |  |  |
| Operation and maintenance service income | 515 |  | - |  | - |  | - |
| Management service income | 52,230 |  | 55,427 |  | 51,956 |  | 55,427 |
| Interest income | 10,216 |  | 497 |  | 10,216 |  | 497 |
| Dividend income | - |  | - |  | 10,000 |  | 5,000 |
| Rental income | 3,017 |  | 3,017 |  | - |  | - |
| Other income | 3,090 |  | 7,592 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Subsidiary of joint venture** |  |  |  |  |  |  |  |
| Management service income | 4,032 |  | - |  | 4,032 |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel compensation** |  |  |  |  |  |  |  |
| Short-term employee benefits | 41,383 |  | 48,068 |  | 17,826 |  | 21,213 |
| Post-employment benefits | 1,809 |  | 1,783 |  | 695 |  | 608 |
| Other long-term benefits | 670 |  | 30 |  | 514 |  | - |
| **Total key management personnel**  **compensation** | **43,862** |  | **49,881** |  | **19,035** |  | **21,821** |

Balances as at 31 March 2020 and 31 December 2019 with related parties were as follows:

| ***Trade receivables from related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March 2020 |  | 31 December 2019 |  | 31 March 2020 |  | 31 December 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority of Thailand | 7,361,999 |  | 5,277,450 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Indirect joint venture** |  |  |  |  |  |  |  |
| Asia Water Co., Ltd. | 197 |  | 209 |  | - |  | - |
|  | 7,362,196 |  | 5,277,659 |  | - |  | - |
| *Less* allowance for impairment | - |  | - |  | - |  | - |
| **Net** | **7,362,196** |  | **5,277,659** |  | **-** |  | **-** |
|  |  | | |  |  | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Impairment losses for the: |  |  |  |  |  |  |  |
| Three-month period ended 31 March | **-** |  | **-** |  | **-** |  | **-** |

| ***Dividend receivables*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March 2020 |  | 31 December 2019 |  | 31 March 2020 |  | 31 December 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Direct associate** |  |  |  |  |  |  |  |
| K.R. TWO Company Limited | - |  | 600 |  | - |  | 600 |
|  |  |  |  |  |  |  |  |
| **Indirect associates** |  |  |  |  |  |  |  |
| Solar Power (Korat 3) Company Limited | 5,210 |  | - |  | - |  | - |
| Solar Power (Korat 4) Company Limited | 4,463 |  | - |  | - |  | - |
| Solar Power (Korat 7) Company Limited | 5,360 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Indirect joint venture** |  |  |  |  |  |  |  |
| Songkhla Biomass Company Limited | 8,000 |  | - |  | - |  | - |
| **Total** | **23,033** |  | **600** |  | - |  | **600** |

| ***Advances to and other current receivables***  ***from related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March 2020 |  | 31 December 2019 |  | 31 March 2020 |  | 31 December 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority of Thailand | 792 |  | 1,434 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Direct subsidiaries** |  |  |  |  |  |  |  |
| Ratchaburi Electricity Generating |  |  |  |  |  |  |  |
| Company Limited | - |  | - |  | 28,229 |  | 9,435 |
| Ratchaburi Energy Company Limited | - |  | - |  | 219 |  | 57 |
| RH International Corporation Limited | - |  | - |  | 254 |  | 1,017 |
| RATCH O&M Company Limited | - |  | - |  | 16 |  | 64 |
| Ratchaburi Alliances Company Limited | - |  | - |  | 144 |  | 161 |
| Hin Kong Power Holding Company Limited | - |  | - |  | - |  | 104 |
| RATCH Cogeneration Company Limited | - |  | - |  | 2,810 |  | 2,020 |
| RATCH-Lao Service Company Limited | - |  | - |  | 1,005 |  | - |
|  |  |  |  |  |  |  |  |
| **Indirect subsidiaries** |  |  |  |  |  |  |  |
| RH International (Mauritius) |  |  |  |  |  |  |  |
| Corporation Limited | - |  | - |  | 31 |  | 112 |
| RH International (Singapore) |  |  |  |  |  |  |  |
| Corporation Limited | - |  | - |  | 27,153 |  | 25,876 |
| RATCH-Australia Corporation Pty. Ltd. | - |  | - |  | - |  | 9,950 |
| RATCH China Power Limited | - |  | - |  | 31 |  | 112 |
| RE Solar 1 Company Limited | - |  | - |  | 16 |  | 64 |
| CN Biomass Company Limited | - |  | - |  | 80 |  | 64 |
| PB Biomass Company Limited | - |  | - |  | 80 |  | 64 |
| LP Biomass Company Limited | - |  | - |  | 80 |  | 64 |
| Hin Kong Power Company Limited | - |  | - |  | - |  | 12,369 |
|  |  |  |  |  |  |  |  |
| **Direct associates** |  |  |  |  |  |  |  |
| First Korat Wind Company Limited | 304 |  | 99 |  | 304 |  | 99 |
| K.R. TWO Company Limited | 304 |  | 99 |  | 304 |  | 99 |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Direct joint ventures** |  |  |  |  |  |  |  |
| Chubu Ratchaburi Electric Services |  |  |  |  |  |  |  |
| Company Limited | 938 |  | 928 |  | 938 |  | 928 |
| Hin Kong Power Holding |  |  |  |  |  |  |  |
| Company Limited | 152 |  | - |  | 152 |  | - |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |
| Company Limited | 12,157 |  | 13,246 |  | 12,157 |  | 13,246 |
|  |  |  |  |  |  |  |  |
| **Indirect joint ventures** |  |  |  |  |  |  |  |
| Ratchaburi Power Company Limited | 3,051 |  | 9,378 |  | - |  | - |
| Nava Nakorn Electricity Generating |  |  |  |  |  |  |  |
| Company Limited | 1,165 |  | 1,094 |  | 1,165 |  | 1,094 |
| Berkprai Cogeneration Company Limited | 1,157 |  | 1,091 |  | 1,157 |  | 1,091 |
| Solarta Company Limited | 937 |  | 1,773 |  | 937 |  | 1,773 |
| Asia Water Co., Ltd. | 102 |  | 91 |  | - |  | - |
| PT Medco Ratch Power Riau | 68,548 |  | 61,160 |  | 11,349 |  | 8,368 |
|  |  |  |  |  |  |  |  |
| **Subsidiary of direct joint venture** |  |  |  |  |  |  |  |
| Hin Kong Power Company Limited | 16,917 |  | - |  | 16,917 |  | - |
| **Total** | **106,524** |  | **90,393** |  | **105,528** |  | **88,231** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Interest rate** | | |  | Consolidated financial statements | | | | | | | | |
| ***Short-term loans to*** | 31 December 2019 |  | 31 March  2020 |  | 31 December 2019 |  | Increase |  | Decrease |  | Reclassify |  | 31 March  2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | | | |
| **Subsidiary of direct** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **joint venture** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Hin Kong Power |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | - |  | 4.50 |  | - |  | 5,000 |  | - |  | 20,000 |  | 25,000 |
| *Less* allowance for impairment | |  |  |  | - |  |  |  |  |  |  |  | - |
| **Net** |  |  |  |  | **-** |  |  |  |  |  |  |  | **25,000** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans to*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Joint venture** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Xe-Pian Xe-Namnoy Power | 5.94 |  | 5.61 and |  |  |  |  |  |  |  |  |  |  |
| Company Limited |  |  | 5.77 |  | 540,898 |  | - |  | - |  | 45,975 |  | 586,873 |
| *Less* allowance for impairment | |  |  |  | - |  |  |  |  |  |  |  | (14,236) |
| **Net** |  |  |  |  | **540,898** |  |  |  |  |  |  |  | **572,637** |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans to*** | 31 December 2019 |  | 31 March  2020 |  | 31 December 2019 |  | Increase |  | Decrease |  | Reclassify |  | 31 March  2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | | | |
| **Direct subsidiaries** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Ratchaburi Energy |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 4.50 |  | - |  | 14,000 |  | - |  | (14,000) |  | - |  | - |
| RATCH Cogeneration |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 1.75 |  | 1.60 |  | 100,000 |  | 300,000 |  | (300,000) |  | - |  | 100,000 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Indirect subsidiary** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Hin Kong Power |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 4.50 |  | - |  | 20,000 |  | - |  | - |  | (20,000) |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Subsidiary of a direct joint venture** | |  |  |  |  |  |  |  |  |  |  |  |  |
| Hin Kong Power |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | - |  | 4.50 |  | - |  | 5,000 |  | - |  | 20,000 |  | 25,000 |
| **Total** |  |  |  |  | **134,000** |  |  |  |  |  |  |  | **125,000** |
| *Less* allowance for impairment | |  |  |  | - |  |  |  |  |  |  |  | - |
| **Net** |  |  |  |  | **134,000** |  |  |  |  |  |  |  | **125,000** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans to*** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Direct subsidiaries** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| RATCH Cogeneration |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 4.50 |  | 4.50 |  | 132,348 |  | - |  | - |  | - |  | 132,348 |
| RATCH-Lao Services | 3.65 and |  | 3.65 and |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 4.50 |  | 4.50 |  | 1,134,464 |  | - |  | - |  | 82,810 |  | 1,217,274 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Direct joint venture** |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Xe-Pain Xe-Namnoy |  |  | 5.61 and |  |  |  |  |  |  |  |  |  |  |
| Power Company | 5.94 |  | 5.77 |  | 540,898 |  | - |  | - |  | 45,975 |  | 586,873 |
| **Total** |  |  |  |  | **1,807,710** |  |  |  |  |  |  |  | **1,936,495** |
| *Less* allowance for impairment | |  |  |  | - |  |  |  |  |  |  |  | (16,623) |
| **Net** |  |  |  |  | **1,807,710** |  |  |  |  |  |  |  | **1,919,872** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  **financial statements** | | |  | Separate  financial statements | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
|  |  | | | | | | |
|  |  |  |  |  |  |  |  |
| ***Short-term loans to*** |  |  |  |  |  |  |  |
| Impairment losses for the: |  |  |  |  |  |  |  |
| Three-month period ended 31 March | **-** |  | **-** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Long-term loans to*** |  |  |  |  |  |  |  |
| Impairment losses for the: |  |  |  |  |  |  |  |
| Three-month period ended 31 March | **1,116** |  | **-** |  | **1,016** |  | **-** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Lease receivable from related party*** | Consolidated  **financial statements** | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority |  |  |  |  |  |  |  |
| of Thailand | 15,623,390 |  | 16,407,697 |  | - |  | - |
| *Less* allowance for impairment | (2,176) |  | **-** |  | - |  | - |
| **Net** | **15,621,214** |  | **16,407,697** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | | | | |
|  | Portion due  within one year | | |  | Portion due  after one year | | |  | Total | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Receivable under |  |  |  |  |  |  |  |  |  |  |  |
| lease contracts | 5,397,427 |  | 5,642,526 |  | 18,323,393 |  | 19,503,531 |  | 23,720,820 |  | 25,146,057 |
| *Less* unearned interest |  |  |  |  |  |  |  |  |  |  |  |
| income | (2,248,911) |  | (2,374,152) |  | (5,848,519) |  | (6,364,208) |  | (8,097,430) |  | (8,738,360) |
|  | **3,148,516** |  | **3,268,374** |  | **12,474,874** |  | **13,139,323** |  | **15,623,390** |  | **16,407,697** |
| *Less* allowance for  impairment | - |  | - |  | (2,176) |  | - |  | (2,176) |  | - |
| **Receivable under** |  |  |  |  |  |  |  |  |  |  |  |
| **lease contracts** |  |  |  |  |  |  |  |  |  |  |  |
| **-net** | **3,148,516** |  | **3,268,374** |  | **12,472,698** |  | **13,139,323** |  | **15,621,214** |  | **16,407,697** |

The gross receivable and interest under lease contracts as at 31 March 2020 and 31 December 2019 were as follow:

|  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Receivable and |  | Receivable |  | Receivable and |  | Receivable |
|  | interest under |  | under lease |  | interest under |  | under lease |
|  | lease contracts |  | contracts - net |  | lease contracts |  | contracts - net |
|  | 31 March 2020 | | |  | 31 December 2019 | | |
|  | *(in thousand Baht)* | | | | | | |
| Portion due within one year | 5,397,427 |  | 3,148,516 |  | 5,642,526 |  | 3,268,374 |
| Portion due after one year |  |  |  |  |  |  |  |
| but within five years | 13,523,234 |  | 8,479,697 |  | 14,048,511 |  | 8,666,661 |
| Portion due after five years | 4,800,159 |  | 3,995,177 |  | 5,455,020 |  | 4,472,662 |
|  | **23,720,820** |  | **15,623,390** |  | **25,146,057** |  | **16,407,697** |
| *Less* unearned interest income | (8,097,430) |  |  |  | (8,738,360) |  |  |
| *Less* allowance for impairment | (2,176) |  | (2,176) |  | **-** |  | **-** |
| **Receivable under lease** |  |  |  |  |  |  |  |
| **contracts-net** | **15,621,214** |  | **15,621,214** |  | **16,407,697** |  | **16,407,697** |

| ***Lease receivable from related party*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Reversal of impairment losses for the: | | | | | | | |
| Three-month period ended 31 March | **(125)** |  | **-** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Other non-current receivables***  ***from related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Direct subsidiaries** |  |  |  |  |  |  |  |
| RATCH Cogeneration Company Limited | - |  | - |  | 2,986 |  | 1,501 |
| RATCH-Lao Services Company Limited | - |  | - |  | 11,550 |  | - |
|  |  |  |  |  |  |  |  |
| **Direct joint venture** |  |  |  |  |  |  |  |
| Xe-Pian Xe-Namnoy Power  Company Limited | 28,299 |  | 18,317 |  | 28,299 |  | 18,317 |
| **Total** | **28,299** |  | **18,317** |  | **42,835** |  | **19,818** |
|  |  |  |  |  |  |  |  |

| ***Other current payables to related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority |  |  |  |  |  |  |  |
| of Thailand | 36,735 |  | 52,996 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Direct subsidiary** |  |  |  |  |  |  |  |
| RATCH-Lao Services Company Limited | - |  | - |  | 4,892 |  | 4,227 |
|  |  |  |  |  |  |  |  |
| **Indirect subsidiaries** |  |  |  |  |  |  |  |
| RH International (Singapore) |  |  |  |  |  |  |  |
| Corporation Pte. Ltd. | - |  | - |  | 11,180 |  | - |
| RATCH-Australia Corporation Pty. Ltd. | - |  | - |  | - |  | 3,338 |
|  |  |  |  |  |  |  |  |
| **Indirect joint ventures** |  |  |  |  |  |  |  |
| Ratchaburi Power Company Limited | 17,407 |  | 14,038 |  | 12,881 |  | 12,529 |
| Fareast Renewable Development Pte. Ltd. | 132 |  | 64 |  | - |  | - |
| **Total** | **54,274** |  | **67,098** |  | **28,953** |  | **20,094** |

***Significant agreements with related parties***

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

As at 31 March 2020, the Company had outstanding balance of loans to RATCH Cogeneration Company Limited, a direct subsidiary, amounting to Baht 100 million which bear interest at the rate of 1.60 per annum and will be due in one year.

As at 31 March 2020, the Company had outstanding balance of loans to Hin Kong Power Company Limited, a subsidiary of direct joint venture , amounting to Baht 25 million which bear interest at the rate of 4.50 per annum and will be due at call.

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

As at 31 March 2020, the Company had outstanding balance of loans to RATCH-Lao Services Company Limited, a direct subsidiary, under the existing loan agreement, amounting to U.S. Dollars 32.60 million or equivalent to Baht 1,057.08 million which bear interest at the rate of 3.65 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.

On 15 March 2019, the Company entered into a new loan agreement with RATCH-Lao Services Company Limited, a direct subsidiary, in an aggregate amount not exceeding Baht 1,287 million which bear interest at the rate of 4.50 per annum. Principal and interest will be due as stipulated in   
the agreement. As at 31 March 2020, the Company had outstanding balance of new loan to the subsidiary, amounting to Baht 160.19 million. The Company has no intention to recall the loans from the subsidiary within one year. Therefore, the Company classified the balance of the loan as long-term loan.

As at 31 March 2020, the Company had outstanding balance of loan to RATCH Cogeneration Company Limited, a direct subsidiary, amounting to Baht 132.35 million which bear interest at the rate of 4.50 per annum and will be due as stipulated in the agreement. The Company has no intention to recall the loan from the subsidiary within one year. Therefore, the Company classified the balance of the loan as long-term loan.

As at 31 March 2020, the Company had outstanding balance of loan to Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, amounting to U.S. Dollars 1.32 million or equivalent to Baht 42.80 million which bear interest at the rate of 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. The loan agreement determined the repayment term of principal and interest within 27 years commencing from the joint venture made the first drawdown of loans from financial institutions on 5 February 2014.

On 24 July 2019, the Company entered into a Shareholders’ Loan Agreement with Xe-Pian   
Xe-Namnoy Power Company Limited, a direct joint venture, for a maximum amount of U.S. Dollars 16.78 million for the purpose of covering additional expenditure of the Xe-Pian Xe-Namnoy Hydroelectric Power Project. The interest rate is 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. Principal and interest will be due as stipulated in the agreement. As at 31 March 2020, the Company had outstanding balance of loans to the joint venture, amounting to U.S. Dollars 16.78 million or equivalent to Baht 544.07 million.

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

On 29 September 2005, the Company and Chubu Electric Power (Thailand) Company Limited entered into a Shareholders Agreement to set up Chubu Ratchaburi Electric Services Company Limited,   
a direct joint venture. Under the terms of the shareholders agreement, if Chubu Ratchaburi Electric Services Company Limited requires additional funding exceeding its authorised share capital,   
the Company agreed to provide financial support in the form of shareholders’ loans or the provision of shareholders guarantees in proportion of investment of 50%. The agreement does not specify   
the amount of financial support. As at 31 March 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 9 October 2017, the Company entered into a Sponsor Support Agreement with Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, investments in other companies. The Company agreed to provide financial support in the form of shareholders’ loans or the provision of shareholders guarantee in proportion of investment of 10%. The agreement does not specify the amount of financial support. As at 31 March 2020, the Company has not provided any loans or guarantees under the agreement.

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

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

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | 31,103,146 |  | 30,722,141 |  | 5,681,107 |  | 5,417,661 |
| Impact of change in accounting policy |  |  |  |  |  |  |  |
| (net of tax) - TFRS 15 | - |  | (183,790) |  | - |  | - |
| Share of profit of joint ventures and |  |  |  |  |  |  |  |
| associates accounted for using |  |  |  |  |  |  |  |
| equity method | 1,480,640 |  | 1,081,128 |  | - |  | - |
| Share of other comprehensive income  (expense) of joint ventures and   associates accounted for using equity  method | (274,465) |  | (214,678) |  | - |  | - |
| Additions investments in joint venture | 196,906 |  | 83,370 |  | - |  | 83,370 |
| The Group’s retained interest in the   joint venture at the date when control  was lost (see note 6) | 2,040 |  | - |  | 2,040 |  | - |
| Dividend income | (540,265) |  | (1,708,961) |  | - |  | - |
| Exchange rate adjustment | 1,636,105 |  | (406,376) |  | - |  | - |
| Others | 772 |  | - |  | - |  | - |
| **At 31 March** | **33,604,879** |  | **29,372,834** |  | **5,683,147** |  | **5,501,031** |

Investments in associates and joint ventures as at 31 March 2020 and 31 December 2019, and dividend income from those investments for the three-month periods ended 31 March were as follows:

|  | **Consolidated financial statements** | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Ownership interest | | Paid-up capital | | Cost | | |  | Equity | | |  | Dividend income for  the three-month periods ended | | |
|  | 31 March | 31 December | 31 March | 31 December | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March | | |
|  | 2020 | 2019 | 2020 | 2019 | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(%)* | | *(in thousand Baht)* | | | | | | | | | | | | |
| ***Direct associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| First Korat Wind |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 20 | 20 | 1,996,020 | 1,996,020 | 399,204 |  | 399,204 |  | 423,371 |  | 419,067 |  | - |  | - |
| K.R. TWO Company Limited | 20 | 20 | 1,827,000 | 1,827,000 | 365,400 |  | 365,400 |  | 381,118 |  | 377,850 |  | - |  | - |
|  |  |  |  |  | **764,604** |  | **764,604** |  | **804,489** |  | **796,917** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Indirect associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Solar Power (Korat 3) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 188,750 | 188,750 | 75,500 |  | 75,500 |  | 158,515 |  | 155,031 |  | 5,210 |  | - |
| Solar Power (Korat 4) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 199,250 | 199,250 | 79,700 |  | 79,700 |  | 167,888 |  | 163,755 |  | 4,463 |  | - |
| Solar Power (Korat 7) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 188,750 | 188,750 | 75,500 |  | 75,500 |  | 156,718 |  | 153,023 |  | 5,360 |  | - |
| Perth Power Partnership |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Kwinana) | 30 | 30 | 2,311,167 | 2,311,167 | 618,531 |  | 618,531 |  | 343,456 |  | 383,709 |  | 30,089 |  | - |
| Yandin WF Holdings Pty Ltd | 70 | 70 | 1,676,400 | 1,676,400 | 1,173,480 |  | 1,173,480 |  | 1,119,863 |  | 1,143,343 |  | - |  | - |
|  |  |  |  |  | **2,022,711** |  | **2,022,711** |  | **1,946,440** |  | **1,998,861** |  | **45,122** |  | **-** |
| **Total** |  |  |  |  | **2,787,315** |  | **2,787,315** |  | **2,750,929** |  | **2,795,778** |  | **45,122** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Direct joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Chubu Ratchaburi Electric |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Services Company Limited | 50 | 50 | 20,000 | 20,000 | 10,000 |  | 10,000 |  | 79,743 |  | 80,319 |  | 10,000 |  | 5,000 |
| SouthEast Asia Energy |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited | 33.33 | 33.33 | 6,606,750 | 6,606,750 | 2,202,250 |  | 2,202,250 |  | 2,772,980 |  | 2,797,018 |  | - |  | - |
| Smart Infranet |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 51 | 51 | 1,000 | 1,000 | 510 |  | 510 |  | 310 |  | 413 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Direct joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Things on Net |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 35 | 35 | 133,000 | 133,000 | 180,018 |  | 180,018 |  | 176,945 |  | 177,753 |  | - |  | - |
| Hin Kong Power Holding |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited\* | 51 | - | 4,000 | - | 2,040 |  | - |  | - |  | - |  | - |  | - |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 25 | 25 | 10,094,900 | 10,094,900 | 2,523,725 |  | 2,523,725 |  | 2,074,385 |  | 1,922,041 |  | - |  | - |
|  |  |  |  |  | **4,918,543** |  | **4,916,503** |  | **5,104,363** |  | **4,977,544** |  | **10,000** |  | **5,000** |
| ***Indirect joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Ratchaburi Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 25 | 25 | 7,325,000 | 7,325,000 | 1,831,250 |  | 1,831,250 |  | 3,444,520 |  | 3,458,792 |  | - |  | 120,000 |
| Nava Nakorn Electricity |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Generating Company |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited | 40 | 40 | 1,550,000 | 1,550,000 | 620,000 |  | 620,000 |  | 682,967 |  | 642,791 |  | - |  | - |
| Ratchaburi World |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cogeneration |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 2,500,000 | 2,500,000 | 1,000,000 |  | 1,000,000 |  | 1,242,688 |  | 1,254,493 |  | 50,000 |  | 90,000 |
| Berkprai Cogeneration |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 35 | 35 | 1,331,000 | 1,331,000 | 465,850 |  | 465,850 |  | 527,231 |  | 495,899 |  | - |  | - |
| Solarta Company Limited | 49 | 49 | 1,100,000 | 1,100,000 | 545,960 |  | 545,960 |  | 1,425,584 |  | 1,475,656 |  | 109,956 |  | 11,858 |
| Songkhla Biomass |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 246,000 | 246,000 | 98,400 |  | 98,400 |  | 163,090 |  | 160,248 |  | 8,000 |  | 16,000 |
| Songkhla Biofuel |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 1,000 | 1,000 | 400 |  | 400 |  | 332 |  | 335 |  | - |  | - |
| Hongsa Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 40 | 40 | 32,324,715 | 32,324,715 | 12,929,886 |  | 12,929,886 |  | 14,527,775 |  | 12,175,183 |  | 194,670 |  | 1,334,880 |
| Phu Fai Mining |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 37.50 | 37.50 | 1,679 | 1,679 | 630 |  | 630 |  | 103,311 |  | 162,670 |  | 122,517 |  | 131,223 |
| Asia Water Co., Ltd. | 40 | 40 | 365,243 | 365,243 | 179,113 |  | 179,113 |  | 180,081 |  | 179,493 |  | - |  | - |
| PT Medco Ratch Power Riau | 49 | 49 | 1,606,845 | 1,204,996 | 787,354 |  | 590,448 |  | 696,914 |  | 798,656 |  | - |  | - |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Indirect joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Fareast Renewable |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Development Pte. Ltd. | 50 | 50 | 2,849,190 | 2,849,190 | 2,688,569 |  | 2,688,569 |  | 2,755,094 |  | 2,525,608 |  | - |  | - |
|  |  |  |  |  | **21,147,412** |  | **20,950,506** |  | **25,749,587** |  | **23,329,824** |  | **485,143** |  | **1,703,961** |
| **Total** |  |  |  |  | **26,065,955** |  | **25,867,009** |  | **30,853,950** |  | **28,307,368** |  | **495,143** |  | **1,708,961** |

\* See note 6.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | |
|  |  | |  | | |  |  | | |  |  | | |  |  | | |  | Dividend income | | |
|  | Ownership interest | | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | for the three-month periods ended | | |
|  | 31 March | 31 December | 31 March |  | 31December |  | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March | | |
|  | 2020 | 2019 | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(%)* | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| First Korat Wind |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 20 | 20 | 1,996,020 |  | 1,996,020 |  | 399,204 |  | 399,204 |  | - |  | - |  | 399,204 |  | 399,204 |  | - |  | - |
| K.R. TWO Company Limited | 20 | 20 | 1,827,000 |  | 1,827,000 |  | 365,400 |  | 365,400 |  | - |  | - |  | 365,400 |  | 365,400 |  | - |  | - |
| **Total** |  |  |  |  |  |  | **764,604** |  | **764,604** |  | **-** |  | **-** |  | **764,604** |  | **764,604** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Chubu Ratchaburi Electric |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Services Company Limited | 50 | 50 | 20,000 |  | 20,000 |  | 10,000 |  | 10,000 |  | - |  | - |  | 10,000 |  | 10,000 |  | 10,000 |  | 5,000 |
| 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 |  | - |  | - |
| Smart Infranet Company |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited | 51 | 51 | 1,000 |  | 1,000 |  | 510 |  | 510 |  | - |  | - |  | 510 |  | 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 | - | 4,000 |  | - |  | 2,040 |  | - |  | - |  | - |  | 2,040 |  | - |  | - |  | - |
| 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 |  | - |  | - |
| **Total** |  |  |  |  |  |  | **4,918,543** |  | **4,916,503** |  | **-** |  | **-** |  | **4,918,543** |  | **4,916,503** |  | **10,000** |  | **5,000** |

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

\* See note 6.

***Additional paid-up share capital***

During the three-month period ended 31 March 2020, a joint venture called for additional paid-up share capital. The Group had paid for the share capital in proportion of investment as follows:

|  |  |  |
| --- | --- | --- |
| **Name of entity** | **Description** | **Amount** |
|  |  | *(in million Baht)* |
| ***Indirect joint venture*** |  |  |
| PT Medco Ratch Power Riau | Additional paid-up share capital | 196.91 |

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

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

1. **Investments in subsidiaries**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | Separate  **financial statements** | | |
| ***Three-month period ended 31 March*** |  |  |  | 2020 |  | 2019 |
|  |  |  |  | *(in thousand Baht)* | | |
| At 1 January |  |  |  | 42,560,610 |  | 40,690,558 |
| Disposal |  |  |  | (1,960) |  | - |
| The Group’s retained interest in the joint venture at  the date when control was lost |  |  |  | (2,040) |  | - |
| **At 31 March** |  |  |  | **42,556,610** |  | **40,690,558** |

Investments in subsidiaries as at 31 March 2020 and 31 December 2019, and dividend income from those investments for the three-month periods ended 31 March were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | |
|  |  | |  |  | | |  |  | | |  |  | | |  |  | | |  | Dividend income | | |
|  | Ownership interest | |  | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost - net | | |  | for the three-month  periods ended | | |
|  | 31 March | 31 December |  | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March |  | 31 December |  | 31 March | | |
|  | 2020 | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(%)* | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 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 |  | 527,752 |  | 182,983 |
| Ratchaburi Energy |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 99.99 | 99.99 |  | 640,000 |  | 640,000 |  | 640,000 |  | 640,000 |  | - |  | - |  | 640,000 |  | 640,000 |  | - |  | - |
| RH International |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Corporation Limited | 99.99 | 99.99 |  | 17,650,000 |  | 17,650,000 |  | 17,650,000 |  | 17,650,000 |  | - |  | - |  | 17,650,000 |  | 17,650,000 |  | - |  | - |
| RATCH O&M |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 99.99 | 99.99 |  | 2,500 |  | 2,500 |  | 2,500 |  | 2,500 |  | - |  | - |  | 2,500 |  | 2,500 |  | - |  | - |
| Ratchaburi Alliances |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 99.99 | 99.99 |  | 420,200 |  | 420,200 |  | 420,200 |  | 420,200 |  | - |  | - |  | 420,200 |  | 420,200 |  | - |  | - |
| 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 |  | - |  | - |
| **Total** |  |  |  |  |  |  |  | **42,556,610** |  | **42,560,610** |  | **-** |  | **-** |  | **42,556,610** |  | **42,560,610** |  | **527,752** |  | **182,983** |

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

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

On 28 January 2020, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for increase in share capital of RATCH-Australia Corporation Pty. Ltd., a subsidiary of the indirect subsidiary, in proportion of investment of 100%, totalling Australian Dollars 42 million or equivalent to Baht 884.66 million.

On 30 March 2020, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for increase in share capital of RATCH-Australia Corporation Pty. Ltd., a subsidiary of the indirect subsidiary, totalling Australian Dollars 50 million or equivalent to Baht 973.96 million, in proportion of investment of 100%.

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

On 3 January 2020, the Group partially disposed investment in Hin Kong Power Holding Company Limited, a direct subsidiary, 49% of its interest for Baht 1.96 million in cash. Hin Kong Power Holding Company Limited thereby ceased to be a direct subsidiary and became a direct joint venture. The carrying amount of Hin Kong Power Holding Company Limited’s net assets in the Group’s financial statements on the date of the sale was Baht 20.98 million. The fair value of the Group’s retained interest in the joint venture at the date when control was lost was Baht 2.04 million, which became the carrying value of the Group’s interest in the joint venture at that date. The Group recognised a loss on disposal of Baht 16.98 million as administrative expense in the consolidated statement of comprehensive income.

As a result of the disposal, the Group’s interest in Hin Kong Power Company Limited, a subsidiary of Hin Kong Power Holding Company Limited, decreased to 51%. Hin Kong Power Company Limited thereby ceased to be an indirect subsidiary and became a subsidiary of a direct joint venture.

1. **Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month period ended 31 March were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | |
|  | 2020 | | | | |  | 2019 | | | | |
|  | Acquisitions and  transfers in  - at cost |  | Disposals  and transfers  out - net  book value |  | Exchange rate adjustment |  | Acquisitions and  transfers in  - at cost |  | Disposals  and transfers  out - net  book value |  | Exchange  rate adjustment |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Land | - |  | - |  | (9,075) |  | - |  | - |  | (2,686) |
| Buildings, structures and building improvements | 354 |  | - |  | (3,456) |  | - |  | - |  | (886) |
| Power plants, substation |  |  |  |  |  |  |  |  |  |  |  |
| & transmission systems and |  |  |  |  |  |  |  |  |  |  |  |
| operating & maintenance equipment | 166,258 |  | (49,784) |  | (734,679) |  | 1,846,878 |  | - |  | (208,001) |
| Furniture, fixtures and office equipment | 585 |  | (72) |  | (36) |  | 505 |  | - |  | (19) |
| Vehicles | 42 |  | - |  | - |  | - |  | - |  | - |
| Assets under construction and installation | 1,745,062 |  | (42,786) |  | (116,154) |  | 87,685 |  | (1,806,927) |  | (22,636) |
| **Total** | **1,912,301** |  | **(92,642)** |  | **(863,400)** |  | **1,935,068** |  | **(1,806,927)** |  | **(234,228)** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
| ***Three-month period ended 31 March*** | 2020 | | |  | 2019 | | |
|  | Acquisitions and  transfers in  - at cost |  | Disposals  and  transfers  out - net  book value |  | Acquisitions  and  transfers in  - at cost |  | Disposals  and  transfers  out - net  book value |
|  | *(in thousand Baht)* | | | | | | |
| Furniture, fixtures and office | **-** |  | **-** |  | **278** |  | **-** |
| equipment |

Carrying amounts of the Group’s and the Company’s right-of-use assets at 31 March 2020 are Baht 946.52 million and Baht 48.70 million, respectively and the Group and the Company recognised depreciation of right-of-use assets for the three-month period ended 31 March 2020, amounting to Baht 14.42 million and Baht 3.93 million, respectively.

Movement of right-of-use assets categorised by lease assets is as follows:

|  |  |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Right-of-use assets*** |  |  | Land |  | Vehicle |  | Office equipment |  | Total |
|  | *Note* |  | *(in thousand Baht)* | | | | | | |
| At 1 January 2020 | *3(B)* |  | 945,413 |  | 23,983 |  | 34,360 |  | 1,003,756 |
| Additions |  |  | - |  | 2,535 |  | - |  | 2,535 |
| *Less* depreciation |  |  | (9,594) |  | (2,661) |  | (2,164) |  | (14,419) |
| Exchange rate adjustment |  |  | (45,349) |  | - |  | - |  | (45,349) |
| **At 31 March 2020** |  |  | **890,470** |  | **23,857** |  | **32,196** |  | **946,523** |

|  |  |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Right-of-use assets*** |  |  | Land |  | Vehicle |  | Office equipment |  | Total |
|  | *Note* |  | *(in thousand Baht)* | | | | | | |
| At 1 January 2020 | *3(B)* |  | - |  | 16,661 |  | 33,435 |  | 50,096 |
| Additions |  |  | - |  | 2,535 |  | - |  | 2,535 |
| *Less* depreciation |  |  | - |  | (1,826) |  | (2,101) |  | (3,927) |
| **At 31 March 2020** |  |  | **-** |  | **17,370** |  | **31,334** |  | **48,704** |

*Security*

As at 31 March 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 877.77 million or equivalent to Baht 17,607.62 million as collateral for long-term loans from financial institutions (see note 8).

As at 31 March 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 8).

1. **Interest-bearing liabilities**

As at 31 March 2020, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding short-term loans from financial institution, amounting to U.S. Dollars 65 million or equivalent to Baht 2,123.63 million which bear interest at the rate of 6-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum and which will be repayable within 1 year.

As at 31 March 2020, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, had outstanding debentures which are unsecured and unsubordinated debentures without a debenture holders’ representative in the name-registered certificate, amounting to Baht 2,000 million with interest at a fixed rate of 3.50% per annum. The debentures have a repayment period of 7 years and will be due for redemption in 2022.

As at 31 March 2020, RATCH Cogeneration Company Limited, a direct subsidiary, had outstanding long-term loans from financial institutions amounting to Baht 3,610.57 million with interest at a   
3-month floating rate plus additional interest which will be repayable during November 2020 to November 2032.

As at 31 March 2020, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures named “US$ 300,000,000 4.50% notes due 2028” amounting to U.S. Dollars 300 million or equivalent to Baht 9,801.36 million with interest at a fixed rate of 4.50% per annum. The debentures have a repayment period of 10 years and will be due for redemption in 2028.   
The repayment of the debentures is guaranteed by the Company.

As at 31 March 2020, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures, which are unsecured and unsubordinated, amounting to Japan Yen 15,000 million or equivalent to Baht 4,533.13 million with interest at a fixed rate of 2.72% per annum.   
The debentures have a repayment period of 15 years and will be due for redemption in 2026.   
The repayment of the debentures is guaranteed by the Company.

As at 31 March 2020, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 278.41 million or equivalent to Baht 5,584.78 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during October 2018 to May 2023.

As at 31 March 2020, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 222.92 million or equivalent to Baht 4,471.75 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during December 2018 to November 2023.

As at 31 March 2020, RATCH-Australia Collinsville Solar PV Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 54.87 million or equivalent to Baht 1,100.71 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during June 2018 to December 2023.

As at 31 March 2020, Collector Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 95.98 million or equivalent to Baht 1,925.27 million with interest at a floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and which will be repayable within 5 years during June 2021 to May 2024.

As at 31 March 2020, the Group had unutilised credit facilities totalling Baht 30,668.06 million,   
U.S. Dollars 325 million and Australian Dollars 151.87 million.

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

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

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

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Information about reportable segments*** | | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | |
|  | **Domestic Electricity Generating** | | |  | **Renewable Energy** | | | **International Power Projects** | | | |  | **Others** | | |  | **Total** | | |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | |
| Revenue from sales and rendering  of services | 8,285,006 |  | 8,503,363 |  | - |  | - |  | 607,762 |  | 741,702 |  | - |  | - |  | 8,892,768 |  | 9,245,065 |
| Revenue from lease contracts | 717,215 |  | 750,861 |  | - |  | - |  | - |  | - |  | - |  | - |  | 717,215 |  | 750,861 |
| Cost of sales and rendering of services | (8,210,287) |  | (7,964,600) |  | - |  | - |  | (425,549) |  | (440,501) |  | - |  | - |  | (8,635,836) |  | (8,405,101) |
| ***Gross profit*** | **791,934** |  | **1,289,624** |  | **-** |  | **-** |  | **182,213** |  | **301,201** |  | **-** |  | **-** |  | **974,147** |  | **1,590,825** |
| Management service income | - |  | - |  | - |  | - |  | 273 |  | - |  | 56,588 |  | 56,024 |  | 56,861 |  | 56,024 |
| Interest income | 10,580 |  | 10,767 |  | 22 |  | 98 |  | 5,418 |  | 19,472 |  | 17,398 |  | 24,942 |  | 33,418 |  | 55,279 |
| Other income | 6,642 |  | 11,584 |  | 70 |  | 314 |  | 877 |  | 29,655 |  | 3,261 |  | 332 |  | 10,850 |  | 41,885 |
| Administrative expenses | (60,780) |  | (62,845) |  | (8) |  | (2,404) |  | (104,134) |  | (81,251) |  | (245,577) |  | (193,908) |  | (410,499) |  | (340,408) |
| Net foreign exchange gain (loss) | (20,499) |  | 7,327 |  | - |  | - |  | (665,073) |  | 36,709 |  | 62,540 |  | (6,006) |  | (623,032) |  | 38,030 |
| Gain (loss) on fair value adjustment of  derivatives | 2,806 |  | 22 |  | - |  | - |  | 347,039 |  | (105,483) |  | - |  | - |  | 349,845 |  | (105,461) |
| Finance costs | (48,214) |  | (16,125) |  | - |  | - |  | (311,449) |  | (359,429) |  | (771) |  | - |  | (360,434) |  | (375,554) |
| Share of profit of joint ventures and |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| associates accounted for using |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| equity method | 111,335 |  | 108,767 |  | 104,520 |  | 83,537 |  | 1,255,714 |  | 909,249 |  | 9,071 |  | (20,425) |  | 1,480,640 |  | 1,081,128 |
| ***Profit (loss) before income tax expense*** | **793,804** |  | **1,349,121** |  | **104,604** |  | **81,545** |  | **710,878** |  | **750,123** |  | **(97,490)** |  | **(139,041)** |  | **1,511,796** |  | **2,041,748** |
| Tax (expense) income | (159,430) |  | (280,023) |  | - |  | - |  | 9,911 |  | (15,033) |  | (1,450) |  | (5,432) |  | (150,969) |  | (300,488) |
| ***Profit (loss) for the period*** | **634,374** |  | **1,069,098** |  | **104,604** |  | **81,545** |  | **720,789** |  | **735,090** |  | **(98,940)** |  | **(144,473)** |  | **1,360,827** |  | **1,741,260** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | |
|  | **Domestic Electricity Generating** | | |  | **Renewable Energy** | | | **International Power Projects** | | | |  | **Others** | | |  | **Total** | | |
| ***Three-month period ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Disaggregation of revenue*** |  | | | | | | | | | | | | | | | | | | |
| **Primary geographical markets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thailand | 8,285,006 |  | 8,503,363 |  | - |  | - |  | - |  | - |  | - |  | - |  | 8,285,006 |  | 8,503,363 |
| Australia | - |  | - |  | - |  | - |  | 593,716 |  | 728,573 |  | - |  | - |  | 593,716 |  | 728,573 |
| Other countries | - |  | - |  | - |  | - |  | 14,046 |  | 13,129 |  | - |  | - |  | 14,046 |  | 13,129 |
| **Total** | **8,285,006** |  | **8,503,363** |  | **-** |  | **-** |  | **607,762** |  | **741,702** |  | **-** |  | **-** |  | **8,892,768** |  | **9,245,065** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Major products and service lines** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Product | 8,284,297 |  | 8,503,363 |  | - |  | - |  | 593,716 |  | 728,573 |  | - |  | - |  | 8,878,013 |  | 9,231,936 |
| Service | 709 |  | - |  | - |  | - |  | 14,046 |  | 13,129 |  | - |  | - |  | 14,755 |  | 13,129 |
| **Total** | **8,285,006** |  | **8,503,363** |  | **-** |  | **-** |  | **607,762** |  | **741,702** |  | **-** |  | **-** |  | **8,892,768** |  | **9,245,065** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At a point in time | 8,284,297 |  | 8,503,363 |  | - |  | - |  | 593,716 |  | 728,573 |  | - |  | - |  | 8,878,013 |  | 9,231,936 |
| Over time | 709 |  | - |  | - |  | - |  | 14,046 |  | 13,129 |  | - |  | - |  | 14,755 |  | 13,129 |
| **Total** | **8,285,006** |  | **8,503,363** |  | **-** |  | **-** |  | **607,762** |  | **741,702** |  | **-** |  | **-** |  | **8,892,768** |  | **9,245,065** |

1. **Lease**

| ***Three-month period ended 31 March 2020*** | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***Recognised in profit or loss*** |  |  |  |
| Interest on lease liabilities | 7,053 |  | 771 |
| Expenses relating to short-term leases and leases of  low-value assets | 3,848 |  | 1,261 |

Total cash outflow for leases presented in the consolidated and separate statement of cash flows for the three-month period ended 31 March 2020 were Baht 10.59 million and Baht 4.35 million, respectively.

1. **Income tax expense**

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group’s consolidated effective tax rate in respect of continuing operations for the three-month period ended 31 March 2020 was 9.99% *(31 March 2019: 14.72%).* This change in effective tax rate was caused mainly by the different treatment for accounting and taxation purposes of certain items of income and expenses.

1. **Dividend**

The dividends paid by the Company to the shareholders are as follows:

|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(Baht)* |  | *(in million Baht)* |
| *2020* |  |  |  |  |  |
| Interim dividend | 20 March 2020 | April 2020 | 1.25 |  | 1,813 |

1. **Financial instruments**

***Carrying amounts and fair values***

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | | | | | | | | | | | | | | |
|  |  | **Carrying amount** | | | | | | | | |  | **Fair value** | | | | | | |
| ***At 31 March 2020*** |  | Fair value - applied hedge accounting |  | Fair value through profit or loss |  | Fair value through other comprehensive income |  | Amortised cost - net |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans to related parties |  | - |  | - |  | - |  | 597,637 |  | 597,637 |  | - |  | 597,637 |  | - |  | 597,637 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other current financial assets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Deposits at financial institutions |  | - |  | - |  | - |  | 273,195 |  | 273,195 |  |  |  |  |  |  |  |  |
| Debt instruments |  | - |  | 440,230 |  | - |  | 59,974 |  | 500,204 |  | - |  | 500,204 |  | - |  | 500,204 |
| **Total other current financial assets** |  | **-** |  | **440,230** |  | **-** |  | **333,169** |  | **773,399** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other non-current financial assets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity instruments |  | - |  | - |  | 1,671,558 |  | - |  | 1,671,558 |  | 1,671,558 |  | - |  | - |  | 1,671,558 |
| Debt instruments |  | - |  | - |  | - |  | 52,960 |  | 52,960 |  | - |  | 52,960 |  | - |  | 52,960 |
| **Total other non-current**  **financial assets** |  | **-** |  | **-** |  | **1,671,558** |  | **52,960** |  | **1,724,518** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity securities - investments in  other companies |  | - |  | - |  | 2,442,300 |  | - |  | 2,442,300 |  | - |  | - |  | 2,442,300 |  | 2,442,300 |  | 1,671,558 |  | 1,671,558 |  | - |  | - |  | 1,671,558 |
| Derivatives assets |  | - |  | 547,210 |  | - |  | - |  | 547,210 |  | - |  | 547,210 |  | - |  | 547,210 |  | 52,960 |  | - |  | 52,960 |  | - |  | 52,960 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans from financial institutions |  | - |  | - |  | - |  | (18,706,051) |  | (18,706,051) |  | - |  | (18,706,051) |  | - |  | (18,706,051) |
| Debentures |  | - |  | - |  | - |  | (16,307,167) |  | (16,307,167) |  | - |  | (17,679,424) |  | - |  | (17,679,424) |
| Derivatives liabilities |  | (944,279) |  | (38,634) |  | - |  | - |  | (982,913) |  | - |  | (982,913) |  | - |  | (982,913) |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Separate financial statements | | | | | | | | | | | | | | | | |
|  |  | **Carrying amount** | | | | | | | | |  | **Fair value** | | | | | | |
| ***At 31 March 2020*** |  | Fair value - applied hedge accounting |  | Fair value through profit or loss |  | Fair value through other comprehensive income |  | Amortised cost - net |  | Total |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Loans to related parties |  | - |  | - |  | - |  | 2,044,872 |  | 2,044,872 |  | - |  | 2,044,872 |  | - |  | 2,044,872 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other current financial assets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Deposits at financial institutions |  | - |  | - |  | - |  | 70,000 |  | 70,000 |  |  |  |  |  |  |  |  |
| Debt instruments |  | - |  | 419,117 |  | - |  | 59,974 |  | 479,091 |  | - |  | 479,091 |  | - |  | 479,091 |
| **Total other current financial assets** |  | **-** |  | **419,117** |  | **-** |  | **129,974** |  | **549,091** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Other non-current financial assets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Debt instruments |  | - |  | - |  | - |  | 52,960 |  | 52,960 |  | - |  | 52,960 |  | - |  | 52,960 |
| **Total other non-current**  **financial assets** |  | **-** |  | **-** |  | **-** |  | **52,960** |  | **52,960** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Equity securities - investments in  other companies |  | - |  | - |  | 2,442,300 |  | - |  | 2,442,300 |  | - |  | - |  | 2,442,300 |  | 2,442,300 |

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

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

***Foreign currency forward contracts***

As at 31 March 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 U.S. Dollars 2.73 million or equivalent to Baht 88.45 million. Such contracts will mature in June 2020 to December 2021.

***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 March 2020 comprises Baht currency totalling Baht 2,925.75 million, Japan Yen currency totalling Japan Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 532.08 million*.* All counterparties agreed to pay the interest and the principal amount in accordance with the terms and conditions specified in the contracts.

**Financial instruments measured at fair value**

| **Type** |  | **Valuation technique** |
| --- | --- | --- |
| Corporate debt securities |  | *Market comparison/discounted cash flow:* 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. |
|  |  |  |
| Forward exchange contracts |  | *Forward pricing:* 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. |
|  |  |  |
| Investments in  marketable unit trusts  classified as financial  assets measured at  FVTPL or FVOCI |  | The net asset value as of the reporting date. |
|  |  |  |
| Interest rate swaps |  | *Swap models:* 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 |  | *Black-Scholes model/ discounted cash flows* |

***Impairment loss***

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Group considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Allowance for impairment loss for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

| ***Impairment loss of financial assets for***  ***the three-month period ended 31 March 2020*** | Consolidated  financial statements |  | Separate  financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***Recognised in profit or loss*** |  |  |  |
| Impairment loss of lease receivable from related party | (125) |  | - |
| Impairment loss of financial assets measured at amortised costs | (12) |  | (12) |
| Impairment loss of loans to related parties | 1,116 |  | 1,016 |
| **Total** | **979** |  | **1,004** |

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

***Contractual Service Agreement***

On 29 December 2005, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Contractual Service Agreement for the Combined Cycle power plants with a consortium of General Electric International Operations Company Inc. and GE Energy Parts, Inc. The agreement is effective from the agreement date until the end of the operation of the gas turbine according to the Power Purchase Agreement in 2027 with a total value of U.S. Dollars 428.60 million. Subsequently in 2014, all parties agreed to reduce the price and amend the conditions of the agreement effective from February 2014. The total value of the agreement is U.S. Dollars 418.21 million. As at 31 March 2020, the subsidiary had outstanding commitments amounting to U.S. Dollars 111.29 million.

In addition, in accordance with the agreement, the subsidiary is required to open a letter of credit amounting to U.S. Dollars 6 million. As at 31 March 2020, the subsidiary had an outstanding unused letter of credit amounting to U.S. Dollars 6 million.

On 29 December 2019, RATCH Cogeneration Company Limited, a direct subsidiary, entered into a Contractual Service Agreement with s service provider for a period of 15 years from the date specified in the agreement. The Company will pay compensation to the service provider under the conditions specified in the agreement.

***Generator Rotor Lease Agreement***

On 1 December 2015, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Generator Rotor Lease Agreement for the Combined Cycle power plants with General Electric International Operations Company Inc. The agreement is effective from the agreement date until June 2020 with a total value of U.S. Dollars 2.10 million. The subsidiary has made advance payment under the terms of the agreement amounting to U.S. Dollars 1 million. Subsequently in 2017, both parties agreed to reduce the price and amend the conditions of the agreement effective from October 2017. The total value of the agreement is U.S. Dollars 1.98 million. As at 31 March 2020, the subsidiary had outstanding commitments amounting to U.S. Dollars 0.06 million.

***Letters of guarantee***

As at 31 March 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 1,046.08 million, U.S. Dollars 11.76 million and Australian Dollars 22.25 million.

***Standby Letters of Credit***

As at 31 March 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, U.S. Dollars 24.50 million and Australian Dollars 116.27 million.

***Unused of credit facilities***

As at 31 March 2020, the Group and its subsidiaries had unused of credit facilities totalling Baht 12,901.25 million, U.S. Dollars 1,030.41 million, Australian Dollars 73.94 million and Euro 182 million.

***Capital commitment***

As at 31 March 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 134.68 million.

***Pledge of share certificate agreements***

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

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

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

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

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

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

***Significant litigation***

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

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

1. **Events after the reporting period**

***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. The purpose is to develop Nexif Energy Rayong SPP Power 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 U.S. Dollars 29.95 million or equivalent to Baht 983.81 million. The project is a firm-cogeneration with the capacity of 92 megawatts. It is operated by Nexif Energy Rayong Company Limited, a subsidiary of NER Singapore Pte. Ltd., located in SSP Industrial Park, Rayong province. It has a 25-year power purchase agreement with Electricity Generating Authority of Thailand and scheduled for start commercial operation in April 2022.

On 27 April 2020, NER Singapore Pte. Ltd changed of the company’s name to NEXIF RATCH ENERGY SINGAPORE PTE. LTD. and on 5 May 2020, Nexif Energy Rayong Company Limited changed of 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 Navanakorn Public Company Limited and PEA ENCOM International Company Limited in proportion of investment of 40%, 35% and 25%, respectively. The purpose is to jointly develop a power plant project in Nakhon Ratchasima province. Subsequently on 21 April 2020, the Company and such shareholders have registered a company namely “R E N Korat Energy Company Limited”. Its registered capital is Baht 1 million *(comprising 100,000 ordinary shares at par value of Baht 10 per share)*, called for increase in share capital in proportion of 25% of the registered capital. The project is a cogeneration independent power supply project with the generation capacity of 40 megawatts located in Navanakorn Industrial Promotion Zone, Nakhon Ratchasima province. The generated power and steam will be sold to industrial customers and scheduled for start commercial operation in July 2023.

***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 in share capital from Baht 4 million *(comprising 0.40 million ordinary shares at par value of Baht 10 per share)* to Baht 1,204 million *(comprising 120.40 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 increase in share capital at Baht 2.51 per share. Subsequently on 30 April 2020, the Company paid for increase in share capital totalling Baht 153.61 million, in the proportion of investment of 51%.