

**Ratchaburi Electricity Generating Holding
Public Company Limited and its subsidiaries**

Financial statements for the year ended
31 December 2014
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Ratchaburi Electricity Generating Holding Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries (the "Group"), and of Ratchaburi Electricity Generating Holding Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2014, the consolidated and separate statements comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2014 and their the financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to note 3 to the financial statements describing the effect of the Group's adoption from 1 January 2014 of certain new accounting policies. The corresponding figures presented are based on the audited financial statements as at and for the year ended 31 December 2013 after making the adjustments described in note 3.

(Waiyawat Kosamarnchaiyakij)
Certified Public Accountant
Registration No. 6333

KPMG Phoomchai Audit Ltd.
Bangkok
24 February 2015

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements			Separate financial statements	
		31 December		1 January	31 December	
		2014	2013 (Restated)	2013 (Restated) (in Baht)	2014	2013
Current assets						
Cash and cash equivalents	7	10,623,059,474	7,437,781,555	8,260,581,184	1,999,269,030	3,156,970,682
Current investments	8	3,642,741,461	1,966,633,673	5,671,598,422	2,449,694,559	485,261,904
Trade accounts receivable from related parties	6, 9	10,369,985,176	8,336,744,802	3,822,870,739	-	-
Trade accounts receivable from other parties	9	124,669,329	164,008,077	390,058,347	-	-
Other receivables		312,993,991	299,035,378	175,263,035	40,737,240	33,068,968
Dividend receivable	6, 11	-	-	-	1,284,854,480	-
Advances to and other receivables from related parties	6	76,475,290	85,546,015	65,436,380	123,039,241	98,090,518
Short-term loans to related parties	6	-	-	100,278,090	8,550,000,000	3,360,000,000
Current portion of long-term loans to related party		-	-	62,500,000	-	-
Current portion of finance lease receivable from related party	3, 6	3,427,592,070	3,475,585,712	1,592,826,362	-	-
Other receivable from disposal of investment		-	-	211,164,272	-	-
Spare parts and supplies	10	2,629,408,676	2,541,481,202	2,174,372,626	-	-
Other current assets		200,746,971	68,464,065	100,458,888	52,977,695	38,017,056
Total current assets		31,407,672,438	24,375,280,479	22,627,408,345	14,500,572,245	7,171,409,128
Non-current assets						
Long-term receivable from related parties	6	1,462,503	-	-	6,778,300	-
Investments in subsidiaries	6, 11	-	-	-	30,040,558,000	27,582,160,558
Investments in jointly-controlled entities	6, 12	10,535,016,371	11,656,261,243	11,692,661,058	3,871,770,098	4,918,989,306
Investments in associates	6, 12	958,382,029	957,627,796	681,035,858	764,604,000	764,604,000
Investment in other company		62,299,900	62,299,900	50,656,049	62,299,900	62,299,900
Other long-term investments	8	4,002,389,725	3,120,895,934	2,879,221,390	423,000,000	123,000,000
Long-term loans to related parties	6	43,195,812	-	-	944,178,352	1,172,862,000
Other long-term receivable from disposal of investment		-	-	3,137,921,057	-	-
Property, plant and equipment	13	14,480,210,124	15,694,986,501	17,786,682,295	800,030,979	870,423,349
Land for future development projects		318,078,437	309,207,570	305,389,850	305,389,850	305,389,850
Goodwill	14	273,532,776	763,742,443	752,913,124	-	-
Intangible assets	14	4,382,020,173	4,968,688,616	5,667,820,404	668,120,572	669,672,957
Finance lease receivable from related party	3, 6	28,190,794,960	30,219,292,294	33,694,878,007	-	-
Deferred tax assets	15	51,617,195	15,825,296	13,540,580	18,818,874	15,825,296
Other non-current assets	16	1,528,364,252	1,730,387,760	2,033,960,411	143,364,709	282,207,700
Total non-current assets		64,827,364,257	69,499,215,353	78,696,680,083	38,048,913,634	36,767,434,916
Total assets		96,235,036,695	93,874,495,832	101,324,088,428	52,549,485,879	43,938,844,044

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements	
		31 December		1 January	31 December	
		2014	2013 (Restated)	2013 (Restated) <i>(in Baht)</i>	2014	2013
<i>Current liabilities</i>						
Short-term loans from financial institutions	17	2,300,000,000	8,224,215,414	900,000,000	-	-
Bill of exchange payables	17	2,500,000,000	1,550,000,000	1,800,000,000	-	-
Trade accounts payable from related party	6	49,317,797	42,376,952	112,257,949	-	-
Trade accounts payable from other parties		8,810,953,888	6,926,973,720	6,958,465,483	-	-
Other payables	6, 18	1,105,286,343	788,085,398	849,424,301	232,303,558	204,722,459
Current portion of long-term loans						
from financial institutions		-	-	285,981,300	-	-
Current portion of debentures	17	721,333,696	4,960,006,969	3,936,858,576	-	-
Current portion of financial lease liability	17	1,609,509	1,515,121	1,009,072	-	-
Income tax payable		349,949,126	225,772,399	316,666,307	-	-
Other current liabilities		211,518,148	232,079,469	77,385,199	46,648,927	49,458,373
Total current liabilities		16,049,968,507	22,951,025,442	15,238,048,187	278,952,485	254,180,832
<i>Non-current liabilities</i>						
Long-term loans from related party	6	1,095,464,557	1,186,296,942	1,358,280,353	-	-
Long-term loans from financial institutions	17	1,705,096,128	1,154,384,059	12,546,593,214	1,200,000,000	1,200,000,000
Advance receive from related party	6	7,903,089	-	-	-	-
Debentures	17	13,972,087,390	5,384,766,582	10,972,910,967	-	-
Financial lease liability	17	2,028,554	3,554,063	943,151	-	-
Deferred tax liabilities	15	1,765,326,301	3,326,588,423	3,438,532,549	-	-
Employee benefit obligations	19	106,271,261	92,276,061	84,716,620	88,651,765	73,441,754
Other non-current liabilities		331,495,816	649,135,223	692,072,366	-	-
Total non-current liabilities		18,985,673,096	11,797,001,353	29,094,049,220	1,288,651,765	1,273,441,754
Total liabilities		35,035,641,603	34,748,026,795	44,332,097,407	1,567,604,250	1,527,622,586
<i>Equity</i>						
Share capital	20					
Authorised share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Issued and paid-up share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Share premium	21	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000
Difference arising from common control transaction		-	-	-	207,465,587	-
Retained earnings						
Appropriated						
Legal reserve	21	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Unappropriated		44,604,563,565	41,617,028,854	38,394,413,128	33,290,680,286	24,927,485,702
Other components of equity		(1,304,667,007)	(810,217,854)	350,139,145	1,957,756	1,957,756
Total equity attributable to owners of the Company		60,781,674,558	58,288,589,000	56,226,330,273	50,981,881,629	42,411,221,458
Non-controlling interests		417,720,534	837,880,037	765,660,748	-	-
Total equity		61,199,395,092	59,126,469,037	56,991,991,021	50,981,881,629	42,411,221,458
Total liabilities and equity		96,235,036,695	93,874,495,832	101,324,088,428	52,549,485,879	43,938,844,044

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of comprehensive income

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2014	2013	2014	2013
		(Restated)			
		(in Baht)			
Revenue from sale and rendering of services	6	49,402,014,205	43,570,732,512	-	-
Revenue from finance lease contracts	6	5,567,738,377	5,448,867,934	-	-
Cost of sale and rendering of services	6	(47,913,682,328)	(41,059,815,328)	-	-
Gross profit		7,056,070,254	7,959,785,118	-	-
Management service income	6	287,793,380	237,238,817	614,606,850	388,922,652
Dividend income	6, 8, 11, 12	235,951,209	220,902,845	11,012,376,982	5,183,975,530
Interest income	6	267,816,802	411,354,161	411,698,296	273,808,819
Gain on bargain purchase	5	797,292,660	-	-	-
Surplus in liquidating distribution from subsidiaries	6, 11	-	-	613,426,007	-
Other income	6, 23	856,899,014	407,568,168	20,276,486	49,794,289
Gain on sale of other long-term receivable	8	-	645,830,339	-	-
Administrative expenses	6, 14, 24	(2,206,644,679)	(1,738,977,453)	(978,482,589)	(1,144,183,265)
Gain on exchange rate		347,986,335	704,113,765	6,720,345	89,658,530
Finance costs	6, 27	(1,518,453,072)	(1,633,389,718)	(48,921,370)	(48,780,000)
Share of profit of jointly-controlled and associate entities	12	1,284,822,088	727,711,618	-	-
Profit before income tax expense		7,409,533,991	7,942,137,660	11,651,701,007	4,793,196,555
(Income tax expense) reversal	28	(1,269,377,123)	(1,433,240,280)	2,993,577	2,362,601
Profit for the year		6,140,156,868	6,508,897,380	11,654,694,584	4,795,559,156
Other comprehensive income					
Foreign currency translation differences for					
foreign operations		(1,246,426,567)	(1,374,146,566)	-	-
Net change in fair value of available-for-sale investments		567,381,248	176,717,520	-	-
(Income tax for other comprehensive income) reversal		-	93,635,108	-	-
Defined benefit plan actuarial gains (loss)		(359,822)	5,813,383	-	1,957,756
Other comprehensive income for the year -					
net of income tax		(679,405,141)	(1,097,980,555)	-	1,957,756
Total comprehensive income for the year		5,460,751,727	5,410,916,825	11,654,694,584	4,797,516,912
Profit (loss) attributable to:					
Owner of the Company		6,279,034,711	6,514,115,726	11,654,694,584	4,795,559,156
Non-controlling interests		(138,877,843)	(5,218,346)	-	-
Profit for the year		6,140,156,868	6,508,897,380	11,654,694,584	4,795,559,156
Total comprehensive income attributable to:					
Owner of the Company		5,784,585,558	5,353,758,727	11,654,694,584	4,797,516,912
Non-controlling interests		(323,833,831)	57,158,098	-	-
Total comprehensive income for the year		5,460,751,727	5,410,916,825	11,654,694,584	4,797,516,912
Basic earnings per share (Baht)	30	4.33	4.49	8.04	3.31

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of changes in equity

Consolidated financial statements													
Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity					Equity attributable to owners of the Company	Non- controlling interests	Total equity	
			Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Defined benefit plan actuarial gains	Income tax for other comprehensive income	Total other components of equity				
(in Baht)													
Year ended 31 December 2013													
	14,500,000,000	1,531,778,000	1,450,000,000	35,134,072,841	(167,563,822)	611,338,075	-	(93,635,108)	350,139,145	52,965,989,986	765,660,748	53,731,650,734	
Impact of changes in accounting policy	3	-	-	-	3,260,340,287	-	-	-	-	3,260,340,287	-	3,260,340,287	
Balance at 1 January 2013 (Restated)		14,500,000,000	1,531,778,000	1,450,000,000	38,394,413,128	(167,563,822)	611,338,075	-	(93,635,108)	350,139,145	56,226,330,273	765,660,748	56,991,991,021
Contributions by and distributions to owners of the Company													
Additional payment in investment from non-controlling interests		-	-	-	-	-	-	-	-	-	15,061,191	15,061,191	
Dividends to owners of the Company	31	-	-	-	(3,291,500,000)	-	-	-	-	(3,291,500,000)	-	(3,291,500,000)	
Total contributions by and distributions to owners of the Company		-	-	-	(3,291,500,000)	-	-	-	-	(3,291,500,000)	15,061,191	(3,276,438,809)	
Comprehensive income for the year													
Profit		-	-	-	6,514,115,726	-	-	-	-	6,514,115,726	(5,218,346)	6,508,897,380	
Other comprehensive income		-	-	-	-	(1,436,523,010)	176,717,520	5,813,383	93,635,108	(1,160,356,999)	62,376,444	(1,097,980,555)	
Total comprehensive income for the year		-	-	-	6,514,115,726	(1,436,523,010)	176,717,520	5,813,383	93,635,108	(1,160,356,999)	57,158,098	5,410,916,825	
Balance at 31 December 2013		14,500,000,000	1,531,778,000	1,450,000,000	41,617,028,854	(1,604,086,832)	788,055,595	5,813,383	-	(810,217,854)	837,880,037	59,126,469,037	

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of changes in equity

Consolidated financial statements											
		Retained earnings		Other components of equity							
	Issued and	Share			Currency	Fair value	Defined	Total	Equity	Non-	Total
	paid-up	premium	Legal reserve	Unappropriated	translation	changes in	benefit plan	other	attributable to	controlling	
Note	share capital				differences	available-for-sale	actuarial	components	owners of	interests	equity
						investments	gains (loss)	of equity	the Company		
						(in Baht)					
Year ended 31 December 2014											
Balance at 1 January 2014 - as reported	14,500,000,000	1,531,778,000	1,450,000,000	38,029,422,776	(1,604,086,832)	788,055,595	5,813,383	(810,217,854)	54,700,982,922	837,880,037	55,538,862,959
Impact of changes in accounting policy	3	-	-	3,587,606,078	-	-	-	-	3,587,606,078	-	3,587,606,078
Balance at 1 January 2014 (Restated)	14,500,000,000	1,531,778,000	1,450,000,000	41,617,028,854	(1,604,086,832)	788,055,595	5,813,383	(810,217,854)	58,288,589,000	837,880,037	59,126,469,037
Contributions by and distributions to owners of the Company											
Decrease in non-controlling interests in subsidiary	-	-	-	-	-	-	-	-	-	(96,325,672)	(96,325,672)
Dividends to owners of the Company	31	-	-	(3,291,500,000)	-	-	-	-	(3,291,500,000)	-	(3,291,500,000)
Total contributions by and distributions to owners of the Company	-	-	-	(3,291,500,000)	-	-	-	-	(3,291,500,000)	(96,325,672)	(3,387,825,672)
Comprehensive income for the year											
Profit	-	-	-	6,279,034,711	-	-	-	-	6,279,034,711	(138,877,843)	6,140,156,868
Other comprehensive income	-	-	-	-	(1,061,470,579)	567,381,248	(359,822)	(494,449,153)	(494,449,153)	(184,955,988)	(679,405,141)
Total comprehensive income for the year	-	-	-	6,279,034,711	(1,061,470,579)	567,381,248	(359,822)	(494,449,153)	5,784,585,558	(323,833,831)	5,460,751,727
Balance at 31 December 2014	14,500,000,000	1,531,778,000	1,450,000,000	44,604,563,565	(2,665,557,411)	1,355,436,843	5,453,561	(1,304,667,007)	60,781,674,558	417,720,534	61,199,395,092

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

		Separate financial statements						
		Retained earnings			Other components of equity			
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Defined benefit plan actuarial gains	Total other components of equity	Total equity
Note								
(in Baht)								
Year ended 31 December 2013								
	Balance at 1 January 2013	14,500,000,000	1,531,778,000	1,450,000,000	23,423,426,546	-	-	40,905,204,546
	Dividends to owners of the Company	31	-	-	(3,291,500,000)	-	-	(3,291,500,000)
Comprehensive income for the year								
	Profit	-	-	-	4,795,559,156	-	-	4,795,559,156
	Other comprehensive income	-	-	-	-	1,957,756	1,957,756	1,957,756
	Total comprehensive income for the year	-	-	-	4,795,559,156	1,957,756	1,957,756	4,797,516,912
	Balance at 31 December 2013	14,500,000,000	1,531,778,000	1,450,000,000	24,927,485,702	1,957,756	1,957,756	42,411,221,458

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of changes in equity

				Separate financial statements				
				Retained earnings		Other components of equity		
	Issued and	Share	Difference arising			Defined	Total other	
Note	paid-up	premium	from common	Legal reserve	Unappropriated	benefit plan	components	Total
	share capital		control transaction			actuarial gains	of equity	equity
(in Baht)								
Year ended 31 December 2014								
Balance at 1 January 2014	14,500,000,000	1,531,778,000	-	1,450,000,000	24,927,485,702	1,957,756	1,957,756	42,411,221,458
Contributions by and distributions to owners of the Company								
Difference arising from common control transaction	12	-	-	207,465,587	-	-	-	207,465,587
Dividends to owners of the Company	31	-	-	-	-	(3,291,500,000)	-	(3,291,500,000)
Total contributions by and distributions to owners of the Company		-	-	207,465,587	-	(3,291,500,000)	-	(3,084,034,413)
Comprehensive income for the year								
Profit		-	-	-	11,654,694,584	-	-	11,654,694,584
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	11,654,694,584	-	-	11,654,694,584
Balance at 31 December 2014	14,500,000,000	1,531,778,000	207,465,587	1,450,000,000	33,290,680,286	1,957,756	1,957,756	50,981,881,629

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flow

		Consolidated		Separate	
		financial statements		financial statements	
		For the year ended		For the year ended	
		31 December		31 December	
	Note	2014	2013	2014	2013
			(Restated)		
		(in Baht)			
Cash flows from operating activities					
Profit for the year		6,140,156,868	6,508,897,380	11,654,694,584	4,795,559,156
Adjustments for					
Depreciation	13	1,076,378,097	1,126,049,124	88,099,103	84,625,258
Amortisation		198,788,431	307,112,592	2,924,384	1,565,128
Impairment losses on goodwill	14	375,367,356	-	-	-
Impairment losses on property, plant and equipment	13, 14	134,176,015	-	-	-
Interest income		(267,816,802)	(411,354,161)	(411,698,296)	(273,808,819)
Finance costs	27	1,518,453,072	1,633,389,718	48,921,370	48,780,000
Provision for obsolescence of spare parts and supplies		203,139,799	46,671,121	-	-
Impairment losses on investment	12	-	15,155,956	-	15,445,950
Unrealised gain on exchange		(546,087,507)	(323,656,466)	(5,882,032)	(84,483,535)
Dividend income		(235,951,209)	(220,902,845)	(11,012,376,982)	(5,183,975,530)
Gain on sale of other long-term receivable	8	-	(645,830,339)	-	-
(Gain) loss on disposal of plant and equipment		197,417	19,280,995	(1,374,502)	169,670
Loss on disposal of spare parts and supplies		-	6,643,146	-	-
Employee benefit obligations		16,461,081	15,495,789	14,967,886	11,340,174
Shares of profit of jointly-controlled and associate entities	12	(1,284,822,088)	(727,711,618)	-	-
Gain on bargain purchase	5	(797,292,660)	-	-	-
Income tax expense (reversal)	28	1,269,377,123	1,433,240,280	(2,993,577)	(2,362,601)
Gain from change in securities held for trading investment	8	(2,113,492)	(1,133,061)	(1,441,461)	(761,293)
Gain on disposal of investment in jointly-controlled entity	12	(10,942,000)	-	-	-
Loss on disposal of investment in subsidiary	11	142,113,794	-	-	-
Reversal of provision and others		(302,661,862)	-	3,387,555	-
Surplus in liquidating distribution from subsidiaries	11	-	-	(613,426,007)	-
Loss on written-off for project development cost and others		-	283,930,476	-	277,651,438
		7,626,921,433	9,065,278,087	(236,197,975)	(310,255,004)
Changes in operating assets and liabilities					
Trade accounts receivable		(1,566,348,790)	(4,513,874,064)	-	-
Trade accounts receivable from other parties		27,497,492	194,092,155	-	-
Advances to and other receivables from related parties		9,109,958	(44,042,320)	20,494,196	(29,053,659)
Other receivables		8,658,443	(136,808,130)	812,154	14,114,959
Lease receivable from related party		3,815,897,701	1,592,826,362	-	-
Spare parts and supplies		(69,582,451)	(465,403,757)	-	-
Other current assets and non-current assets		(169,531,668)	(19,179,180)	(2,086,523)	27,925,533
Trade account payable from related party		6,940,845	(69,880,997)	-	-
Trade accounts payable from other parties		1,788,630,769	(15,953,353)	-	-
Other payables		(196,759,800)	71,512,346	34,418,563	7,104,624
Other current liabilities		(109,324,406)	204,038,235	(2,880,206)	2,369,080
Cash provided by (used in) operating activities		11,172,109,526	5,862,605,384	(185,439,791)	(287,794,467)
Income tax paid		(1,330,557,462)	(1,393,986,295)	(16,785,821)	(9,984,193)
Net cash provided by (used in) operating activities		9,841,552,064	4,468,619,089	(202,225,612)	(297,778,660)

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flow

	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2014	2013	2014	2013
		(Restated)		
	(in Baht)			
Cash flows from investing activities				
Interest received	257,697,716	286,491,405	351,020,392	323,475,985
Dividends received	1,178,979,808	1,198,528,297	9,727,522,501	5,183,975,530
Purchases of property, plant and equipment	(807,926,126)	(445,845,998)	(25,975,515)	(132,738,600)
Sale of plant and equipment	5,134,837	6,176,780	2,502,804	25,000
Purchases of intangible assets	(47,972,031)	(27,874,079)	(1,372,000)	(2,337,152)
Net cash inflow (outflow) in current investments	(1,722,994,296)	3,756,097,810	(2,012,991,194)	4,100,097,810
Net cash outflow in long-term investments	(250,000,000)	(23,000,000)	(250,000,000)	(23,000,000)
Proceed from sale of other long-term receivable	8	-	3,518,058,536	-
Proceed from other receivable from disposal of investment		-	350,277,499	-
Decrease in short-term loans to related parties	6	-	-	23,410,000,000
Increase in short-term loans to related parties	6	-	(214,646,035)	(28,600,000,000)
Decrease in long-term loans to related party	6	-	62,500,000	275,860,687
Increase in long-term loans to related party	6	(41,299,037)	-	(41,299,037)
Cash outflow on acquisition of investments				
in subsidiaries		(703,435,335)	-	(2,932,845,735)
Proceed from liquidation and disposal of investment in subsidiaries		118,428,750	-	1,087,874,300
Proceed from disposal of investment in jointly-controlled entity		10,942,000	20,800,000	1,561,477,587
Cash outflow on acquisition of investments				
in jointly-controlled entities		(417,275,485)	(133,520,000)	(167,925,485)
Cash outflow on acquisition of investments				
in associates		-	(64,771,661)	-
Cash outflow on acquisition of investment in other company		-	(11,643,851)	-
Net cash provided by (used in) investing activities		(2,419,719,199)	8,277,628,703	2,383,849,305
				5,706,317,026

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flow

	Consolidated financial statements		Separate financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
Note	2014	2013	2014	2013
		(Restated)		
	(in Baht)			
Cash flows from financing activities				
Finance costs paid	(1,448,329,712)	(1,867,748,460)	(48,921,370)	(48,646,356)
Proceeds from issue of ordinary shares	10,040,794	15,061,191	-	-
Dividend paid to equity holders of the Company	(3,290,403,975)	(3,290,737,147)	(3,290,403,975)	(3,290,737,147)
Proceeds from bills of exchange payables	4,700,000,000	3,000,000,000	-	-
Proceeds from short-term loans from financial institutions	17,535,000,000	13,160,718,504	550,000,000	-
Proceeds from long-term loans from financial institutions	537,705,641	2,945,950,000	-	-
Proceeds from issue of debentures	9,736,500,000	-	-	-
Repayment of bills of exchange payables	(3,750,000,000)	(3,250,000,000)	-	-
Repayment of short-term loans from financial institutions	(23,433,996,684)	(6,424,227,960)	(550,000,000)	-
Repayment of finance lease liability	(1,406,481)	(1,841,870)	-	-
Repayment of long-term loans from related party	6	-	(58,170,400)	-
Repayment of long-term loans from financial institutions	-	(13,474,509,750)	-	-
Redemption of debentures	(4,961,400,000)	(3,939,900,000)	-	-
Net cash used in financing activities	(4,366,290,417)	(13,185,405,892)	(3,339,325,345)	(3,339,383,503)
Net increase (decrease) in cash and cash equivalents	3,055,542,448	(439,158,100)	(1,157,701,652)	2,069,154,863
Cash and cash equivalents at 1 January	7,437,781,555	8,260,581,184	3,156,970,682	1,087,815,819
Effect of exchange rate changes on balances held in foreign currencies	112,369,728	(383,641,529)	-	-
Cash of subsidiary sold during the year	(28,334,506)	-	-	-
Cash of subsidiary acquired during the year	45,700,249	-	-	-
Cash and cash equivalents at 31 December	10,623,059,474	7,437,781,555	1,999,269,030	3,156,970,682

The accompanying notes are an integral part of these financial statements.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Acquisitions of subsidiaries
6	Related parties
7	Cash and cash equivalents
8	Other investments
9	Trade accounts receivable
10	Spare parts and supplies
11	Investments in subsidiaries
12	Investments in jointly-controlled and associate entities
13	Property, plant and equipment
14	Goodwill and intangible assets
15	Deferred tax
16	Other non-current assets
17	Interest-bearing liabilities
18	Other payables
19	Employee benefit obligations
20	Share capital
21	Additional paid-in capital and reserves
22	Segment information
23	Other income
24	Administrative expenses
25	Employee benefit expenses
26	Expenses by nature
27	Finance costs
28	Income tax expense
29	Promotional privileges
30	Earnings per share
31	Dividends
32	Financial instruments
33	Commitments with non-related parties
34	Events after the reporting period
35	Thai Financial Reporting (TFRS) not yet adopted

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 24 February 2015.

1 General information

Ratchaburi Electricity Generating Holding Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi, Thailand.

The Company was listed on the Stock Exchange of Thailand in October 2000.

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

The principal businesses of the Company are the investing in companies, whose objectives are to generate and sell electricity. Details of the Company’s subsidiaries, jointly-controlled entities and associate entities as at 31 December 2014 and 2013 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct subsidiaries</i>				
Ratchaburi Electricity Generating Company Limited	Generating and selling electricity and investing in the power energy business	Thailand	99.99	99.99
Ratchaburi Energy Company Limited	Developing and operating power plant and investing in the power energy business	Thailand	99.99	99.99
Ratchaburi Gas Company Limited (Liquidation in 2014)	Investing in the power energy business	Thailand	-	99.99
Ratch Udom Power Company Limited (Liquidation in 2014)	Investing in the power energy business	Thailand	-	99.99
RATCH-Lao Services Company Limited	Providing operation and maintenance services	Lao PDR	99.99	99.99
RH International Corporation Limited	Investing in the power energy business	Thailand	99.99	99.99
RATCH O&M Company Limited	Providing operation and maintenance services	Thailand	99.99	99.99
Tri Energy Company Limited (In process of liquidation)	Generating and selling electricity	Thailand	99.99	-
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	99.99	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Indirect subsidiaries</i>				
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	-	99.99
RH International (Mauritius) Corporation Limited	Investing in the power energy business internationally	Mauritius	100	100
RH International (Singapore) Corporation Pte. Ltd.	Investing in the power energy business internationally	Singapore	100	100
Sustainable Energy Corporation Company Limited	Investing in the power energy business	Thailand	-	55.18
Khao Kor Wind Power Company Limited	Generating and selling electricity	Thailand	-	55.18
RATCH-Australia Corporation Limited and its subsidiaries	Developing and operating power plant and investing in the power energy business	Australia	80	80
Ban Bueng Power Company Limited (Liquidation in 2014)	Generating and selling electricity	Thailand	-	99.99
Eastern IPP Company Limited (Liquidation in 2014)	Generating and selling electricity	Thailand	-	99.99
Eastern Power Generation Company Limited (Liquidation in 2014)	Generating and selling electricity	Thailand	-	99.99
<i>Direct jointly-controlled entities</i>				
Chubu Ratchaburi Electric Services Company Limited	Providing operation and maintenance services	Thailand	50	50
SouthEast Asia Energy Limited	Investing in the power energy business	Thailand	33.33	33.33
Hongsa Power Company Limited	Generating and selling electricity	Lao PDR	40	40
Phu Fai Mining Company Limited	Coal mining and trading	Lao PDR	37.50	37.50
Nam Ngum 3 Power Company Limited	Generating and selling electricity	Lao PDR	25	25

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Direct jointly-controlled entities</i>				
KK POWER Company Limited	Generating and selling electricity	Cambodia	50	50
Xe-Pian Xe-Namnoy Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<i>Indirect jointly-controlled entities</i>				
Tri Energy Company Limited	Generating and selling electricity	Thailand	-	50
Ratchaburi Power Company Limited	Generating and selling electricity	Thailand	25	25
Nava Nakorn Electricity Generating Company Limited	Generating and selling electricity and steam	Thailand	40	40
Ratchaburi World Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	40	40
Solarta Company Limited	Generating and selling electricity	Thailand	49	49
Solar Power (Korat 3) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 4) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 7) Company Limited	Generating and selling electricity	Thailand	40	40
Songkhla Biomass Company Limited	Generating and selling electricity	Thailand	40	40
Songkhla Biofuel Company Limited	Providing material of biofuel	Thailand	40	40
Sukhothai Energy Company Limited	Developing and operating in the power energy business	Thailand	-	25
Ayudhya Power Company Limited	Generating and selling electricity	Thailand	45	45
Ratchaburi Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	35	-
Oversea Green Energy Company Limited	Power plant operating services	Thailand	60	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2014	2013
<i>Indirect jointly-controlled entities</i>				
Nam Ngum 2 Power Company Limited	Generating and selling electricity	Lao PDR	25	25
RICI International Investment Pte. Ltd.	Investing in the power energy business internationally	Singapore	60	-
<i>Direct associate entities</i>				
First Korat Wind Company Limited	Generating and selling electricity	Thailand	20	20
K.R. TWO Company Limited	Generating and selling electricity	Thailand	20	20

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued the following new and revised TFRS relevant to the Group’s/Company’s operations and effective for annual accounting periods beginning on or after 1 January 2014:

TFRS	Topic
TAS 1 (revised 2012)	Presentation of financial statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

TFRS	Topic
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TIC 15	Operating Leases-Incentives
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease

The initial application of these new and revised TFRS has resulted in changes in certain of the Group's/Company's accounting policies. The effects of these changes, where such effects are considered material to the financial statements, are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2015 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 35.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 15	Deferred tax
Note 19	Employee benefit obligations
Note 32	Financial instruments

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

3 Changes in accounting policies

Accounting for arrangements containing a lease

From 1 January 2014, the Group has adopted TFRIC 4 - Determining whether an Arrangement contains a Lease.

TFRIC 4 addresses arrangements that do not take the legal form of a lease, but convey rights to use items for agreed periods of time in return for a payment or series of payments. TFRIC 4 provides guidance for evaluating whether such arrangements are, or contain, leases should be accounted for under TAS 17 Leases. If an agreement is determined to contain a lease, then TFRIC 4 requires TAS 17 Leases to be applied to classify and account for the lease.

Management has reviewed the Group's arrangements and has determined the impact of TFRIC 4 adoption on assets, liabilities, and retained earnings of the Group as subsidiaries (Ratchaburi Electricity Generating Company Limited) and jointly-controlled entities (Ratchaburi Power Company Limited) has a power purchase agreements with Electricity Generating Authority of Thailand ("EGAT") which determined to be an agreement containing a finance lease.

The Group recognised revenue from finance lease contracts using the effective interest rate method while finance lease receivables are carried at outstanding amount, net of unearned interest income less allowance for doubtful accounts.

The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

<i>Statement of financial position</i>	Consolidated financial statements		
	31 December 2014	31 December 2013 (Restated) <i>(in thousand Baht)</i>	1 January 2013 (Restated)
Increase in current portion of finance lease receivable from related party	3,427,592	3,475,586	1,592,826
Decrease in spare parts and supplies	(279,173)	-	-
Decrease in investment in jointly-controlled entities	(217,473)	(2,447,743)	(2,216,980)
Decrease in property, plant and equipment-net	(28,057,831)	(26,150,692)	(28,441,054)
Decrease in intangible assets-net	(175,303)	-	-
Increase in finance lease receivable from related party	28,190,795	30,219,292	33,694,878
Decrease in deferred tax assets	(189,913)	(125,200)	(116,342)
Increase in deferred tax liabilities	-	(1,383,637)	(1,252,988)
Total impact to retained earning-net	<u>2,698,694</u>	<u>3,587,606</u>	<u>3,260,340</u>
Total change in equity-net	<u>2,698,694</u>	<u>3,587,606</u>	<u>3,260,340</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

<i>Statements of comprehensive income for the year ended 31 December</i>	Consolidated financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
Decrease in revenue from sale and rendering of services	(9,266,899)	(7,041,694)
Increase in revenue from finance lease contract	5,567,738	5,448,868
Decrease in cost of sales and rendering of services	2,855,862	2,267,436
Decrease in gain on disposal of assets	(42,847)	-
Decrease in administrative expenses	22,926	22,926
Decrease in share of profit of jointly-controlled and associates entities	(52,251)	(230,763)
(Increase) decrease in income tax expense	26,559	(139,507)
Increase (decrease) in profit for the year	(888,912)	327,266
Increase (decrease) in basic earnings per share (Baht)	(0.61)	0.23

4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in jointly-controlled and associate entities.

Business combination

The Group/Company applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group/Company to the previous owners of the acquiree, and equity interests issued by the Group/Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group/Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

reliably.

The Group/Company measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled and associate entities

Jointly-controlled and associate entities are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions

Investments in associates jointly-controlled and associate entities are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly-controlled and associate entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

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

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

Foreign operations

The assets and liabilities of foreign operation are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on transaction dates / the reporting date.

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

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

(c) *Derivative financial instruments*

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge instruments are accounted for as trading transactions.

The Company uses financial instruments to reduce exposure in fluctuation of foreign currency exchange risk. These instruments, which mainly comprise foreign currency forward contracts are not recognised in the financial statement on inception.

Foreign currency forward contracts protect the Company from risks in fluctuation of exchange rates by establishing the future exchange rate at which a foreign currency asset will be realised or a foreign currency liability will be settled. Any increase or decrease in the amount required to realise the assets or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses are therefore offset for financial reporting purposes and are not recognised in the financial statements. The fee incurred in establishing each forward exchange contract is charged to the statement of income in the period in which payment takes place.

(d) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances, call deposits, saving and highly liquid short-term investments.

(e) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Spare parts and supplies*

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

The spare parts are categorised as fuel and spare parts which are used for specific plant equipment in the power plant.

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

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

The allowance for specific spare parts is calculated using the straight-line method to write off the balances of specific spare parts on hand at the year-end over the remaining useful life of the power plant.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

(g) Investments

Investments in subsidiaries, jointly-controlled and associate entities

Investments in subsidiaries, jointly-controlled and associates entities in the separate financial statements of the Company are accounted for using the cost method. Investments in jointly-controlled entities in the associates and consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

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

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

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

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

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

Disposal of investments

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

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

(h) Property, plant and equipment

Recognition and measurement

Owned assets

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

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

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

Gain or loss on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income or expense in profit or loss. When revalue assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

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

Subsequent costs

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

Depreciation

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

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

Power plant, substations and transmission system	8-45 years
Equipment for power plant	4-30 years
Operating and maintenance equipment and equipment for wind power plant	5 years
Buildings and structures	20-40 years
Building improvements	5 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

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

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

adjusted if appropriate.

(i) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

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

Subsequent expenditure

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

Amortization

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

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

Software licences	3-10	years
Right to use electrical transmission line	8	years
Right to Power Purchase Agreements	20-25	years

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

(j) Development expenditure

Development expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development expenditure previously recognised as an expense is not recognised as an asset in a subsequent period. Development expenditure that has been capitalised is amortised from commencement of the commercial operation on a straight-line basis over the period of its expected benefit.

(k) Impairment

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

its recoverable amount. The impairment loss is recognised in profit or loss.

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the effective interest rate. Receivables with a short duration are not discounted.

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

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

Reversals of impairment

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

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

(l) Interest-bearing liabilities

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

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

(n) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (Provident Fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Post-employment benefits

The Group's/Company's obligation in respect of post-employment benefit is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating the terms of the Group's/Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in other comprehensive income in the period in which they arise.

(o) Provisions

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

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Revenue from finance lease contracts

The Company has recognised the income by using the effective interest rate method.

The Company has ceased to recognise revenue from finance lease contracts in profit or loss when lessees have not paid rentals for more than three months.

Sale of electricity

Revenue from sale of electricity is recognised in the statement of income based on the units of sales delivered at the applicable tariff rates.

Service income

Service income is recognised as services are provided.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Rental income

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

Interest, other income and dividend

Interest and other income are recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's/Company's right to receive payments is established.

(q) Expenses

Lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's/Company's incremental borrowing rate.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Deferred financing service fee

Deferred financing service fee is initially recorded at cost and carried at cost less accumulated amortisation. Amortisation is calculated using the effective interest method over the life of the long-term loan agreements and capitalised in power plant during construction. After construction is completed, amortisation is made through the income statement. Deferred financing service fee is recognised as cost of debt and deducted directly from long-term loans.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Other expenses

Other expenses are recognised in the statement of income as it accrues.

(r) Income tax

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

(t) Segment reporting

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

5 Acquisitions of subsidiaries

Share purchasing of Tri Energy Company Limited

On 28 January 2014, Ratchaburi Gas Company Limited (“RGAS”), a subsidiary, acquired an additional 49.99% of the common shares of Tri Energy Company Limited (“TECO”), for USD 21.32 million or equivalent to Baht 703.43 million resulting in RGAS holding 99.99% of the issued and paid up capital of TECO (previously held 50%).

Under TFRS 3 Business Combinations, the investment in TECO is classified as a step acquisition which requires the Group to remeasure the previously held equity interest in TECO (50%) at fair value and recognise the difference between fair value and carrying value to profit or loss on the acquisition date as follows:

	<i>(in thousand Baht)</i>
Fair value of previously held equity interest in TECO (50%) at the acquisition date	703,436
Less Carrying amount of previously investment in TECO	<u>2,163,162</u>
Difference from fair value adjustment of previously held equity interest	<u>(1,459,726)</u>

As result of, the acquisition of TECO led to the recognition of Baht 2,257.02 million to gain on bargain purchase under TFRS 3 which calculated as follows:

	Book Value on the acquisition date (Unaudited)	Fair Value adjustment	Recognised amounts
		<i>(in thousand Baht)</i>	
Cash and cash equivalents	45,700	-	45,700
Trade account receivable	466,892	-	466,892
Finance lease receivable	2,407,038	(784,370)	1,622,668
Other receivables	130,250	-	130,250
Inventories	272,850	-	272,850
Other current assets	25,360	-	25,360
Property, plant and equipment	248,457	(30,920)	217,537
Intangible assets	9,566	-	9,566
Deferred tax assets	1,129,308	163,058	1,292,366
Other non-current assets	13,158	-	13,158
Trade accounts payable	(124,634)	-	(124,634)
Other payables	(10,436)	-	(10,436)
Other current liabilities	(289,921)	-	(289,921)
Employee benefit obligations	(7,466)	-	(7,466)
Net asset acquisitions	<u>4,316,122</u>	<u>(652,232)</u>	<u>3,663,890</u>
Fair value of previously held equity interest (50%)		(703,436)	
Fair value of additional investment (49.99%)		<u>(703,435)</u>	<u>(1,406,871)</u>
Gain on a bargain purchase			<u>2,257,019</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

The Group recognised the change in fair value of investment in TECO before changing status from jointly-controlled entity to subsidiary and difference rising from fair value on the acquisition date in the statement of comprehensive income for the year ended 31 December 2014 as follows:

	<i>(in thousand Baht)</i>
Difference from fair value adjustment of previously held equity interest	(1,459,726)
Gain on bargain purchase	2,257,019
Net	797,293

The Group incurred acquisition-related costs of Baht 5.02 million related to external legal fees and due diligence costs, which was included in administrative expenses in the Group's consolidated statement of comprehensive income.

The transfer of the subsidiary's business

At the annual general meeting of the shareholders of the Company held on 28 March 2014, the shareholders unanimously approved to acquire the entire business of RGAS ("the seller"), a subsidiary.

As at 31 March 2014 the Company agreed to acquire all investment in TECO which equal to the net book value of Baht 2,512.65 million. The consideration paid to the seller was also equal to the net book value of such investment. The transfer qualifies for treatment as a business combination under common control for which has been accounted for under the guideline issued in 2009 by the FAP. Under the guideline, the net assets of the combining entities are consolidated using the existing book values of the combining entities.

The Entire Business Transfer of the subsidiaries

On 1 August 2014, Tri Energy Company Limited, a subsidiary, transferred its entire business including all assets, liabilities and agreements with third parties to Ratchaburi Electricity Generating Company Limited, a subsidiary, at the book value of net assets as at 31 July 2014. Ratchaburi Electricity Generating Company Limited, increased its ordinary share capital from Baht 18,275 million (*comprising 1,827.50 million ordinary shares at par value of Baht 10 per share*) to Baht 21,900 million (*comprising 2,190 million ordinary shares at par value of Baht 10 per share*) by issuance of ordinary shares totaling 362.50 million shares at par value of Baht 10 per share in order to purchase and accept the transfer of Tri Energy Company Limited's entire business.

At the extraordinary shareholders' meeting of Tri Energy Company Limited, a subsidiary, held on 1 August 2014, the shareholders approved the dissolution of such subsidiary. The dissolution was registered with the Department of Business Development Ministry of Commerce on 4 August 2014. As at 31 December 2014, the liquidation has been under process.

However, the business transfer is part of the restructuring of the Group's operations and does not have any impact on the consolidated financial statements.

6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Relationships with related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Electricity Generating Authority of Thailand	Thailand	Major shareholder, some common directors
Ratchaburi Electricity Generating Company Limited	Thailand	Subsidiary, 99.99% shareholding, some common directors
Ratchaburi Energy Company Limited	Thailand	Subsidiary, 99.99% shareholding
Ratchaburi Gas Company Limited	Thailand	Subsidiary, 99.99% shareholding
Ratchaburi Alliances Company Limited	Thailand	Subsidiary, 99.99% shareholding
RATCH-Lao Services Company Limited	Lao PDR	Subsidiary, 99.99% shareholding
RH International Corporation Limited	Thailand	Subsidiary, 99.99% shareholding
Ratch O&M Company Limited	Thailand	Subsidiary, 99.99% shareholding
Tri Energy Company Limited	Thailand	Subsidiary, 99.99% shareholding
RH International (Mauritius) Corporation Ltd.	Mauritius	Indirect subsidiary, 100 % shareholding by a subsidiary
RH International (Singapore) Corporation PTE. LTD.	Singapore	Indirect subsidiary, 100 % shareholding by an indirect subsidiary
Ratch-Australia Corporation Company Limited	Australia	Indirect subsidiary, 80% shareholding by an indirect subsidiary
Sustainable Energy Corporation Company Limited	Thailand	Indirect subsidiary, 55.18 % shareholding by a subsidiary
Ban Bueng Power Company Limited	Thailand	Indirect subsidiary, 99.99 % shareholding by a subsidiary
Eastern IPP Company Limited	Thailand	Indirect subsidiary, 99.99 % shareholding by a subsidiary
Eastern Power Generation Company Limited	Thailand	Indirect subsidiary, 99.99 % shareholding by a subsidiary
KhaoKor Wind Power Company Limited	Thailand	Subsidiary of indirect subsidiary, 99.99% shareholding by an indirect subsidiary
Chubu Ratchaburi Electric Services Company Limited	Thailand	Jointly-controlled entity of the Company, 50% shareholding

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
SouthEast Asia Energy Limited	Thailand	Jointly-controlled entity of the Company, 33.33% shareholding
Hongsa Power Company Limited	Lao PDR	Jointly-controlled entity of the Company, 40% shareholding
Phu Fai Mining Company Limited	Lao PDR	Jointly-controlled entity of the Company, 37.50% shareholding
NamNgum 3 Power Company Limited	Lao PDR	Jointly-controlled entity of the Company, 25% shareholding
Xe-Pian Xe-Namnoy Power Company Limited	Lao PDR	Jointly-controlled entity of the Company, 25% shareholding
KK POWER Company Limited	Cambodia	Jointly-controlled entity of the Company, 50% shareholding
Ratchaburi Power Company Limited	Thailand	Jointly-controlled entity of subsidiary, 25% shareholding by a subsidiary
Ratchaburi World Cogeneration Company Limited	Thailand	Jointly-controlled entity of the subsidiary, 40% shareholding by a subsidiary
Nava Nakorn Electricity Generating Company Limited	Thailand	Jointly-controlled entity of the subsidiary, 40% shareholding by a subsidiary
Solarta Company Limited	Thailand	Jointly-controlled entity of the subsidiary, 49% shareholding by a subsidiary
Solar Power (Korat 3) Company Limited	Thailand	Jointly controlled entity of the subsidiary, 40% shareholding by a subsidiary
Solar Power (Korat 4) Company Limited	Thailand	Jointly controlled entity of the subsidiary, 40% shareholding by a subsidiary
Solar Power (Korat 7) Company Limited	Thailand	Jointly controlled entity of the subsidiary, 40% shareholding by a subsidiary
Songkhla Biomass Company Limited	Thailand	Jointly controlled entity of the subsidiary, 40% shareholding by a subsidiary
Songkhla Biofuel Company Limited	Thailand	Jointly controlled entity of the subsidiary, 40% shareholding by a subsidiary
Sukhothai Energy Company Limited	Thailand	Jointly controlled entity of the subsidiary, 25% shareholding by a subsidiary
Ayudhya Power Company Limited	Thailand	Jointly controlled entity of the subsidiary, 45% shareholding by a subsidiary

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Name of entities	Country of incorporation/ nationality	Nature of relationships
Oversea Green Energy Company Limited	Thailand	Jointly controlled entity of the subsidiary, 60% shareholding by a subsidiary
Ratchaburi Cogeneration Company Limited	Thailand	Jointly controlled entity of the subsidiary, 35% shareholding by a subsidiary
RICI International Investment Pte. Ltd.	Singapore	Jointly controlled entity of the indirect subsidiary, 60% shareholding by an indirect subsidiary
Perth Power Partnership (Kwinana)	Australia	Jointly controlled entity of the indirect subsidiary, 30% shareholding by an indirect subsidiary
NamNgum 2 Power Company Limited	Lao PDR	Subsidiary of a jointly-controlled entity, 75% shareholding by a jointly-controlled entity
First Korat Wind Company Limited	Thailand	Associate of the Company, 20% shareholding
K.R. TWO Company Limited	Thailand	Associate of the Company, 20% shareholding
Transfield Services Limited	Australia	Related parties of indirect subsidiary, 20% shareholding of indirect subsidiary
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Company (whether executive or otherwise).

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of electricity	Contractually agreed price
Revenue from finance lease contract	Contractually agreed price
Service income on operation and maintenance services	Contractually agreed price
Management service income	Contractually agreed price
Purchase of goods/raw materials	Contractually agreed price
Operation and maintenance service fee	Contractually agreed price
Interest income	Contractually agreed rate
Other income	Contractually agreed price
Rental income	Contractually agreed price
Interest expense	Contractually agreed rate

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Major Shareholder				
Sale of electricity	46,856,889	40,922,118	-	-
Revenue from finance lease contracts	5,567,738	5,448,868	-	-
Purchase of fuel	1,712,567	989,109	-	-
Purchase of electricity	205,032	190,276	-	-
Operation and maintenance services fee	1,337,334	1,378,169	-	-
Management service of fuel	2,083	3,030	-	-
Other service	4,143	-	4,143	-
Management service income	8,952	1,102	-	-
Subsidiaries				
Management service income	-	-	329,172	156,353
Dividend income	-	-	10,541,803	5,083,472
Interest income	-	-	330,870	155,186
Surplus in liquidating distribution from subsidiaries	-	-	613,426	-
Jointly-controlled entities				
Operation and maintenance services income	206,313	204,382	-	-
Management service income	242,022	228,344	240,646	226,707
Dividend income	-	-	234,474	100,504
Interest income	1,462	10,373	1,462	10,373
Other income	38,173	33,847	-	-
Rental income	11,725	11,725	-	-
Associate entities				
Management service income	1,926	1,800	1,926	1,800
Dividend income	-	-	236,100	-
Other related party				
Interest expense	94,744	104,197	-	-
Key management personnel				
Short-term employee benefits	168,282	164,451	81,093	113,885
Post-employment benefits	8,324	7,155	2,308	4,861
Long-term employee benefit	6,527	2,874	5,940	2,955
Total key management personnel	183,133	174,480	89,341	121,701

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

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

<i>Trade accounts receivable from related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	10,348,904	8,304,933	-	-
Related parties				
Nam Ngum 2 Power Company Limited	21,081	31,812	-	-
	10,369,985	8,336,745	-	-
<i>Less</i> allowance for doubtful accounts	-	-	-	-
Net	10,369,985	8,336,745	-	-
Bad and doubtful debts expense for the year	-	-	-	-
<i>Dividend receivable-related party</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
Ratchaburi Electricity Generating Company Limited	-	-	1,284,854	-
Total	-	-	1,284,854	-
<i>Advances to and other receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	22,141	20,975	-	-
Subsidiaries				
Ratchaburi Electricity Generating Company Limited	-	-	60,041	20,458
Ratchaburi Energy Company Limited	-	-	9,238	1,378
Ratchaburi Gas Company Limited	-	-	-	128
Ratchaburi Alliances Company Limited	-	-	128	128
RH International Corporation Limited	-	-	737	642
RH International (Singapore) Corporation Pte. Ltd.	-	-	24,543	20,727
Sustainable Energy Corporation Company Limited	-	-	-	1,152
RATCH-Australia Corporation Limited	-	-	2,414	-
Jointly-controlled entities				
Tri Energy Company Limited	-	2,718	-	2,718
Ratchaburi Power Company Limited	10,906	10,273	428	-
Chubu Ratchaburi Electric Services Company Limited	902	888	902	888
SouthEast Asia Energy Limited	221	206	221	206
Hongsa Power Company Limited	5,543	4,295	5,543	4,295
Ratchaburi World Cogeneration				

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Company Limited	3,725	1,756	3,725	1,756
<i>Advances to and other receivables from related parties</i>	Consolidated	Separate	financial statements	financial statements
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			

Jointly-controlled entities

Nava Nakorn Electricity Generating

Company Limited	911	1,801	911	1,801
-----------------	-----	-------	-----	-------

Nam Ngum 2 Power Company Limited	17,910	822	-	-
----------------------------------	--------	-----	---	---

Songkhla Biomass Company Limited	18	-	18	-
----------------------------------	----	---	----	---

Solarta Company Limited	1,395	1,332	1,395	1,332
-------------------------	-------	-------	-------	-------

Xe-Pian Xe-Namnoy Power				
-------------------------	--	--	--	--

Company Limited	12,619	40,159	12,619	40,159
-----------------	--------	--------	--------	--------

Oversea Green Energy Company Limited	8	-	-	-
--------------------------------------	---	---	---	---

Associate entities

First Korat Wind Company Limited	88	161	88	161
----------------------------------	----	-----	----	-----

K.R. TWO Company Limited	88	161	88	161
--------------------------	----	-----	----	-----

Total	76,475	85,547	123,039	98,090
--------------	---------------	---------------	----------------	---------------

Loans to related parties

Interest rate		Consolidated		Separate	
2014	2013	2014	2013	2014	2013
<i>(% per annum)</i>		<i>(in thousand Baht)</i>			

Short-term loans

Subsidiaries

Ratchaburi Electricity					
------------------------	--	--	--	--	--

Generating Company Limited	4.50	4.50	-	-	7,800,000	3,360,000
----------------------------	------	------	---	---	-----------	-----------

Ratchaburi Energy						
-------------------	--	--	--	--	--	--

Company Limited	4.50	-	-	-	750,000	-
-----------------	------	---	---	---	---------	---

<i>Less allowance for doubtful accounts</i>			-	-	-	-
---	--	--	---	---	---	---

Short-term loans to related parties-net			-	-	8,550,000	3,360,000
--	--	--	----------	----------	------------------	------------------

Long-term loans

Subsidiary

RATCH-Lao Services	3.65	2.50				
--------------------	------	------	--	--	--	--

Company Limited		and 3.65	-	-	900,982	1,172,862
-----------------	--	----------	---	---	---------	-----------

Jointly-controlled entity

Xe-Pian Xe-Namnoy Power						
-------------------------	--	--	--	--	--	--

Company Limited	3.7356	-	43,196	-	43,196	-
-----------------	--------	---	--------	---	--------	---

			43,196	-	944,178	1,172,862
--	--	--	--------	---	---------	-----------

<i>Less current portion within one year</i>			-	-	-	-
---	--	--	---	---	---	---

<i>allowance for doubtful accounts</i>			-	-	-	-
--	--	--	---	---	---	---

Long-term loans to related parties-net			43,196	-	944,178	1,172,862
---	--	--	---------------	----------	----------------	------------------

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Movements during the years ended 31 December of loans to related parties were as follows:

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Short-term loans to related parties</i>				
At 1 January	-	100,278	3,360,000	2,500,278
Increase	-	214,646	28,600,000	9,174,646
Decrease	-	-	(23,410,000)	(8,000,000)
Transferred to Investments in jointly- controlled entity	-	(314,924)	-	(314,924)
At 31 December	-	-	8,550,000	3,360,000
<i>Long-term loans to related parties</i>				
At 1 January	-	62,500	1,172,862	1,156,443
Increase	41,299	-	41,299	-
Decrease	-	(62,500)	(275,861)	(62,500)
Exchange rate adjustment	1,897	-	5,878	78,919
At 31 December	43,196	-	944,178	1,172,862
<i>Finance lease receivable from related party</i>				
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(Restated)</i>			
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	31,618,387	33,694,878	-	-

Consolidated financial statements						
	Portion due within one year		Portion due after one year		Total	
	2014	2013 (Restated)	2014	2013 (Restated)	2014	2013 (Restated)
	<i>(in thousand Baht)</i>					
Receivables under finance lease contracts	8,110,640	8,556,544	50,546,172	56,776,662	58,656,812	65,333,206
Less unearned interest income	(4,683,048)	(5,080,958)	(22,355,377)	(26,557,370)	(27,038,425)	(31,638,328)
	3,427,592	3,475,586	28,190,795	30,219,292	31,618,387	33,694,878
Less allowance for doubtful accounts	-	-	-	-	-	-
Receivable under finance lease contracts - net	3,427,592	3,475,586	28,190,795	30,219,292	31,618,387	33,694,878

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

As at 31 December 2014 and 2013, the gross receivable and interest under finance lease contracts were as follows:

	Consolidated financial statements			
	2014		2013	
	Receivable and interest under finance lease contracts	Receivable under finance lease contracts - net	Receivable and interest under finance lease contracts (Restated)	Receivable under finance lease contracts - net (Restated)
	<i>(in thousand Baht)</i>			
Portion due within one year	8,110,640	3,427,592	8,556,544	3,475,586
Portion due over one year but within five years	25,400,115	11,783,098	28,122,064	12,951,840
Portion due over five years	25,146,057	16,407,697	28,654,598	17,267,452
	58,656,812	31,618,387	65,333,206	33,694,878
Less unearned interest income	(27,038,425)		(31,638,328)	
Receivable under finance lease contracts - net	31,618,387		33,694,878	

Long-term receivable from related parties

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiary				
RATCH – Lao Services Company Limited	-	-	5,316	-
Jointly-controlled entity				
Xe-Pian Xe-Namnoy Power Company Limited	1,462	-	1,462	-
Total	1,462	-	6,778	-

Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	30,040,558	27,582,161

Investments in jointly-controlled and associate entities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(Restated)</i>			
	<i>(in thousand Baht)</i>			
Jointly-controlled entities	10,535,016	11,656,261	3,871,770	4,918,989
Associates	958,382	957,628	764,604	764,604
	11,493,398	12,613,889	4,636,374	5,683,593

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

<i>Trade payables to related party</i>		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Major Shareholder					
Electricity Generating Authority of Thailand		<u>49,318</u>	<u>42,377</u>	<u>-</u>	<u>-</u>
Other payables to related parties ("Other payables")					
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Major Shareholder					
Electricity Generating Authority of Thailand		53,141	120,166	-	-
Subsidiaries					
Ratchaburi Electricity Generating Company Limited		-	-	294	611
RATCH-Lao Services Company Limited		-	-	892	118
RH International (Singapore) Corporation Pte. Ltd.		-	-	2,996	2,923
Jointly-controlled entity					
Ratchaburi Power Company Limited		<u>15,053</u>	<u>14,546</u>	<u>13,587</u>	<u>13,081</u>
Total		<u>68,194</u>	<u>134,712</u>	<u>17,769</u>	<u>16,733</u>
Long-term unearned revenue-related party					
		Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Major Shareholder					
Electricity Generating Authority of Thailand		<u>7,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term loans from other related party		Interest rate		Consolidated financial statements	
		2014	2013	2014	2013
		<i>(% per annum)</i>			
		<i>(in thousand Baht)</i>			
Transfield Services Limited		8.010	8.112	1,095,465	1,186,297
Less current portion of long-term loans				-	-
Long-term loans from other related party -net				<u>1,095,465</u>	<u>1,186,297</u>
				<u>-</u>	<u>-</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Movements during the years ended 31 December 2014 and 2013 of long-term loans from other related party were as follows:

<i>Long-term loans from others related party</i>	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
At 1 January	1,186,297	1,358,280	-	-
Decrease	-	(58,170)	-	-
Exchange rate adjustment	(90,832)	(113,813)	-	-
At 31 December	<u>1,095,465</u>	<u>1,186,297</u>	<u>-</u>	<u>-</u>

Significant agreements with related parties

Short-term loans to related parties

As at 31 December 2014, the Company had outstanding balance of loan to Ratchaburi Electricity Generating Company Limited, a subsidiary, amounting to Baht 7,800 million which bears interest at the rate of 4.50% per annum and will be due in the 1st quarter of 2015.

As at 31 December 2014, the Company had outstanding balance of loan to Ratchaburi Energy Company Limited, a subsidiary, amounting to Baht 750 million which bears interest at the rate of 4.50% per annum and will be due in the 2nd quarter of 2015.

Long-term loans to related parties

The Company granted loans to RATCH-Lao service Company Limited, a subsidiary, amounting to U.S. Dollars 36 million which bear interest at the rates as stipulated in the agreement. Principle and interest will be due as stipulated in the agreement. Until 31 December 2014, such subsidiary has made repayment to the Company totalling U.S. Dollars 8.47 million. Consequently, as at 31 December 2014 the Company had the outstanding balance of such loans amounting to U.S. Dollars 27.53 million, or equivalent to Baht 900.98 million. The Company has no intention to recall such loans from the subsidiary within one year. Therefore, the Company classified the balance of such loans as long-term loans.

The Company granted loan to Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity, amounting to U.S. Dollars 1.32 million, in the proportion of investment of 25%, or equivalent to Baht 43.19 million which bears interest at the rates as stipulated in the agreement. The loan agreement determines the repayment term of principal and interest within 27 years from the date of first drawdown of long-term loans from financial institutions (5 February 2014) and Lao Holding State Enterprise, a shareholder of such jointly-controlled entity, fully paid share capital.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Long-term loans from related party

As at 31 December 2014, RATCH-Australia Corporation Limited, an indirect subsidiary, had outstanding long-term loan from another related party in Australia amounting to Australian Dollars 40.74 million or equivalent to Baht 1,095.46 million (*31 December 2013: Baht 1,186.29 million*) which bears interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus fixed margin per annum and will be payable on demand from 10 years after implementation date (2 May 2011).

Power Purchase Agreement

On 9 October 2000, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Power Purchase Agreement with EGAT for the period of 25 years, whereby the subsidiary will deliver the Net Electrical Generation from the Thermal Generating Units 1 and 2 and the Combined Cycle Generating Blocks 1, 2 and 3 to EGAT as defined in the agreements. Under the Power Purchase Agreement, the subsidiary will receive revenue from EGAT comprising of an Availability Payment (AP) and an Energy Payment (EP). The Availability Payment (AP) covers repayment of principal and interest of loan, equity return for shareholders, fixed expenses in operation and maintenance, and administrative expenses. Such expenses will be adjusted to cover the change of interest rate, Consumer Price Index and exchange rate. The Energy Payment (EP) covers production costs comprising of fuel costs, variable costs in operation and maintenance, which will be adjusted in accordance with the fuel price, efficiency ratio and Consumer Price Index.

On 22 May 1997, Tri Energy Company Limited, a subsidiary, entered into the Power Purchase Agreement with EGAT for the period of 20 years, whereby the subsidiary will deliver the Net Electrical Generation from the Combined Cycle Generating to EGAT as defined in the agreements. Under the Power Purchase Agreement, the subsidiary will receive revenue from EGAT comprising of an Availability Payment (AP) and an Energy Payment (EP). The Availability Payment (AP) covers repayment of principal and interest of loan, equity return for shareholders, fixed expenses in operation and maintenance, and administrative expenses. Such expenses will be adjusted to cover the change of interest rate, Consumer Price Index and exchange rate. The Energy Payment (EP) covers production costs comprising of fuel costs, variable costs in operation and maintenance, which will be adjusted in accordance with the fuel price, efficiency ratio and Consumer Price Index. On 1 August 2014, Tri Energy Company Limited transferred its entire business including Power Purchase Agreement with EGAT to Ratchaburi Electricity Generating Company Limited (as described in Note 5).

On 3 December 2008, Ratchaburi Energy Company Limited, a subsidiary, entered into the 2 Megawatts Power Purchase Agreement with EGAT for the period of 5 years. The contract can be extended for a period of 5 years subject to the provision of written notice to the counterparty within 30 days before the contract expiry date.

Operation and Maintenance Agreement and Other Service Agreements

On 7 January 2009, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Operation and Maintenance Agreement with EGAT whereby EGAT will operate and provide general maintenance services including major overhaul for the subsidiary. The contract is effective from 1 January 2009. The total operation and general maintenance charge including services charges for major maintenance are approximately Baht 16,608.16 million, adjusted by the annual Consumer Price Index.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Fuel Management Service Agreements

On 1 July 2012, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Fuel Management Service Agreements with EGAT whereby EGAT will coordinate the supply and delivery of fuel (Heavy Oil), according to subsidiary and in line with EGAT's power dispatching plan. The contract is effective from 1 July 2012 until 30 June 2013, and the contract will be extended every year. The management service fee as stipulated in the agreement.

Land Lease Agreement and Common Facility Agreement

On 7 June 2004 and 21 October 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Land Lease Agreement with Ratchaburi Power Company Limited to lease an area of 145 rais in the Ratchaburi Power Plant area for a power plant project to Ratchaburi Power Company Limited for the period of 25 years and 3 months commencing from Ratchaburi Power's commercial operation date.

On 25 November 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Common Facility Agreement with Ratchaburi Power Company Limited whereby the subsidiary will provide certain facilities, utilities, services, right to use and access rights relating to the construction and operation of the facility to Ratchaburi Power Company Limited as defined in the agreement. This agreement is effective from the signing date in the agreement and will be expired on the expiry date of the Land Lease Agreement dated 7 June 2004.

Management Service Agreement

On 8 September 2014, the Company entered into the Management Service Agreement with Ratchaburi Electricity Generating Company Limited, a subsidiary, whereby the Company will receive management fee from such company as specified in the agreement.

On 27 February 2004, the Company entered into the Management Service Agreement with Ratchaburi Power Company Limited, a jointly-controlled entity, whereby the Company will receive management fee from Ratchaburi Power Company Limited amounting to U.S. Dollars 2.5 million per year for the period of 25 years and 3 months commencing from the commercial operation date of the first unit of Ratchaburi Power Company Limited with total contract value of U.S. Dollars 63.12 million.

Agreements in relation to investments in Chubu Ratchaburi Electric Services Company Limited

On 29 September 2005, the Company and Chubu Electric Power (Thailand) Company Limited entered into the Shareholders Agreement to set up Chubu Ratchaburi Electric Services Company Limited and made the first payment of paid-up capital in proportion of each equity holder totalling Baht 10 million. In addition, under this Shareholders Agreement, should Chubu Ratchaburi Electric Services Company Limited require additional funding exceeding its registered capital, the Company agreed to provide financial support in the form of shareholder loans or any guarantees to Chubu Ratchaburi Electric Services Company Limited in proportion of the Company's shareholding of 50%. There are no specific amounts of financial supports specified in the agreement. As at 31 December 2014, the Company has not provided any loans or guarantees according to the agreement.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Agreements in relation to Nam Ngum 2 Power Plant

On 26 May 2006, The Company entered into the Service Agreement with Nam Ngum 2 Power Company Limited, a subsidiary of a jointly-controlled entity, for the Project development, Construction and Operation and Maintenance Agreement whereby the Company will receive management fee from Nam Ngum 2 Power Company Limited amounting to Baht 25 million per year commencing from the commercial operation date until the end of the concession period under the concession agreement.

On 25 June 2009, RATCH-Lao Services Company Limited, a subsidiary, entered into the Operation and Maintenance Agreement of the hydroelectric power plant with Nam Ngum 2 Power Company Limited. The contract is valid from 1 July 2009 until the end of the concession period under the concession agreement. The initial operation and maintenance services fee are approximately Baht 3,200 million, which will be adjusted by the rates as stipulated in the agreement. RATCH-Lao Service Company Limited will provide building maintenance, facilities and other management services. On 26 June 2009, RATCH-Lao Services Company Limited entered into the Subcontract Agreement on operation and maintenance of such hydroelectric power plant with EGAT. The contract is valid from 1 July 2009 until the concession period under the concession agreement with initial approximate contract price of Baht 2,000 million, which will be adjusted by the rates as stipulated in the agreement.

On 3 September 2012, RATCH-Lao Services Company Limited, a subsidiary, entered into the Major Maintenance Agreement with Nam Ngum 2 Power Company Limited, for the preventive maintenance services to the core business to testing electricity generator, maintenance and consulting services while RATCH-Lao Service Company Limited will provide facilities and other management services. The contract is valid from 3 September 2012 for a period of 7 years. The initial operation and maintenance services fee are approximately Baht 459.74 million, which will be adjusted by the rates as stipulated in the agreement. On 4 September 2012, RATCH-Lao Services Company Limited entered into the Subcontract Agreement on preventive maintenance services with EGAT. The initial approximate contract price of Baht 337.15 million, which will be adjusted by the rates as stipulated in the agreement.

Personnel Providing Service for Operation and Maintenance Agreement

On 10 September 2013, RATCH-Lao services Company Limited, a subsidiary, entered into the Personnel Providing Service for Operation and Maintenance Agreement with EGAT. Such subsidiary will operate for recruitment and provide personnel as condition specified in the agreement for operation and maintenance of Hongsa Mine Mount Power Plant in Lao PDR for the period of 40 months. The agreement is effective from March 2014 and will expire on June 2017. The total contract price is amounting to Baht 87 million.

Construction Supervision Contractor Service Agreement

On 28 November 2013, The Company entered into the Construction Supervision Contractor Service Agreement with Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity, for control and management the construction of Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project located in Champassak and Attapeu districts, Lao PDR. The Company will receive management fee for the period of 64 months start from operation date amounting to U.S. Dollars 10.96 million or equivalent to Baht 328 million.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Cash on hand	454	884	100	100
Cash at banks - current accounts	1,954,746	1,960,503	11,674	1,817
Cash at banks - saving accounts	535,634	675,524	367,495	115,054
Highly liquid short-term investments	8,132,225	4,800,871	1,620,000	3,040,000
Total	10,623,059	7,437,782	1,999,269	3,156,971

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	5,466,779	4,421,111	1,696,509	3,117,038
United States Dollars (USD)	2,860,363	171,208	302,760	39,933
Lao Kip (LAK)	21,581	75,338	-	-
Australian Dollars (AUD)	1,680,355	1,594,142	-	-
Singapore Dollars (SGD)	593,981	1,175,983	-	-
Total	10,623,059	7,437,782	1,999,269	3,156,971

8 Other investments

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Current investments				
Short-term deposits at financial institutions	3,206,890	1,471,000	2,050,000	30,000
Short-term held-for-trading securities	435,851	445,634	399,695	405,262
Debt securities held to maturity	-	50,000	-	50,000
	3,642,741	1,966,634	2,449,695	485,262
Other long-term investments				
Equity securities available for sale	3,575,434	2,997,896	-	-
Debt securities held to maturity	426,956	123,000	423,000	123,000
	4,002,390	3,120,896	423,000	123,000
Total	7,645,131	5,087,530	2,872,695	608,262

The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	3,035,851	2,048,634	2,872,695	608,262
United States Dollars (USD)	992,846	-	-	-
Lao Kip (LAK)	3,616,434	3,038,896	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Total	7,645,131	5,087,530	2,872,695	608,262

Movements during the years ended 31 December of marketable equity securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Short-term held-for-trading securities</i>				
At 1 January	445,634	312,598	405,262	312,598
Purchases during the year	625,362	552,169	298,362	512,169
Sales during the year	(637,258)	(420,267)	(305,370)	(420,267)
Valuation adjustment	2,113	1,134	1,441	762
At 31 December	435,851	445,634	399,695	405,262
<i>Available-for-sale securities</i>				
At 1 January	2,997,896	2,729,221	-	-
Purchases during the year	-	-	-	-
Sales during the year	-	-	-	-
Valuation adjustment	577,538	268,675	-	-
At 31 December	3,575,434	2,997,896	-	-

Dividend income from available-for-sale securities

During 2014, the Group had received dividend income in the investment proportion of available-for-sale securities amounting to Baht 235.95 million (2013: Baht 220.90 million).

Gain on sale of long-term investment

During 2012, RATCH-Australia Corporation Limited (“RAC”), an indirect subsidiary, had sold the investment in Great Energy Alliance Corporation Pty Limited (“GEAC”) and recorded 15-year tenure Scheduled Payment Option Agreement as other receivable from disposal of such investment. During 2013, RAC sold the long-term receivable and Scheduled Payment Deed Interest which had a net book value for the amount of Australian Dollars 98.75 million for a sale price of Australian Dollars 120.96 million or equivalent to Baht 3,518.06 million. RAC recognised the gain on sale of such long-term receivable in the statement of comprehensive income for the year ended 31 December 2013 of Australian Dollars 22.21 million or equivalent to Baht 645.83 million.

9 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Related parties (Note 6)	10,369,985	8,336,745	-	-
Other parties	124,669	164,008	-	-
Total	10,494,654	8,500,753	-	-
<i>Less allowance for doubtful accounts</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net	10,494,654	8,500,753	-	-
 Bad and doubtful debts expense for the year	 -	 -	 -	 -

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	10,367,544	8,301,970	-	-
Over Due:				
Less than 3 months	-	-	-	-
3 – 6 months	-	1,559	-	-
6 – 12 months	-	11,958	-	-
More than 12 months	2,441	21,258	-	-
	<u>10,369,985</u>	<u>8,336,745</u>	<u>-</u>	<u>-</u>
Less allowance for doubtful accounts	-	-	-	-
Net	<u>10,369,985</u>	<u>8,336,745</u>	<u>-</u>	<u>-</u>
Other parties				
Within credit terms	124,669	164,008	-	-
Less allowance for doubtful accounts	-	-	-	-
Net	<u>124,669</u>	<u>164,008</u>	<u>-</u>	<u>-</u>

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

The currency denomination of trade accounts receivable as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	10,380,813	8,346,103	-	-
Australian Dollars (AUD)	113,841	154,650	-	-
Total	<u>10,494,654</u>	<u>8,500,753</u>	<u>-</u>	<u>-</u>

10 Spare parts and supplies

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Fuel	1,119,965	1,039,130	-	-
Specific spare parts	2,435,616	2,145,296	-	-
Spare parts in transit	14,183	104,788	-	-
Total	<u>3,569,764</u>	<u>3,289,214</u>	<u>-</u>	<u>-</u>
Less allowance for obsolescence	(803,191)	(747,733)	-	-
allowance for declining in value	(137,164)	-	-	-
Net	<u>2,629,409</u>	<u>2,541,481</u>	<u>-</u>	<u>-</u>

The cost of spare parts and supplies which was recognised as an expense and included in cost of sale for the year ended 31 December 2014 amounted to Baht 2,050.42 million (2013: Baht 1,619.61

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

million).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

11 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2014	2013
		<i>(in thousand Baht)</i>	
<i>Subsidiaries</i>			
At 1 January		27,582,161	24,982,161
Additional investment	5	6,137,646	2,600,000
Transferred investment		420,200	-
Received return capital		(3,433,546)	-
Impairment loss		(665,903)	-
At 31 December		<u>30,040,558</u>	<u>27,582,161</u>

Impairment loss was recognised in surplus in liquidating distribution from subsidiaries as follows:

	Separate financial statements	
	2014	2013
	<i>(in thousand Baht)</i>	
Surplus in liquidating distribution		
- Tri Energy Company Limited	1,227,354	-
- Ratch Udom Power Company Limited	361	-
- Ratchaburi Gas Company Limited	51,614	-
Impairment loss – Investment in Ratchaburi Gas Company Limited	(665,903)	-
Net	<u>613,426</u>	<u>-</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Investments in subsidiaries as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements											
	Ownership Interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in thousand Baht)									
Subsidiaries												
Ratchaburi Electricity Generating Company Limited	99.99	99.99	21,900,000	18,275,000	21,900,000	18,275,000	-	-	21,900,000	18,275,000	4,202,803	4,748,472
Ratchaburi Gas Company Limited	-	99.99	-	500,000	-	1,165,903	-	-	-	1,165,903	1,259,000	335,000
Ratch Udom Power Company Limited	-	99.99	-	420,900	-	420,900	-	-	-	420,900	-	-
Ratchaburi Alliances Company Limited	99.99	-	420,200	-	420,200	-	-	-	420,200	-	-	-
Ratchaburi Energy Company Limited	99.99	99.99	640,000	640,000	640,000	640,000	-	-	640,000	640,000	-	-
RATCH-Lao Services Company Limited	99.99	99.99	77,858	77,858	77,858	77,858	-	-	77,858	77,858	-	-
RH International Corporation Limited	99.99	99.99	7,000,000	7,000,000	7,000,000	7,000,000	-	-	7,000,000	7,000,000	-	-
Ratch O&M Company Limited	99.99	99.99	2,500	2,500	2,500	2,500	-	-	2,500	2,500	-	-
Tri Energy Company Limited*	-	-	-	-	-	-	-	-	-	-	5,080,000	-
Total					30,040,558	27,582,161	-	-	30,040,558	27,582,161	10,541,803	5,083,472

*Described in Note 5 the Company acquired such subsidiary and liquidated during the year 2014.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Dissolution of the subsidiaries

At the extraordinary shareholders' meeting of Tri Energy Company Limited, a subsidiary, held on 1 August 2014, the shareholders approved to dissolution of such subsidiary. The dissolution was registered with the Department of Business Development, Ministry of Commerce on 4 August 2014. Surplus in liquidating distribution from such subsidiary amounting to Baht 1,227.35 million was recognised in the separate statement of comprehensive income for the year ended 31 December 2014. As at 31 December 2014, the liquidation has been under process.

At the extraordinary shareholders' meeting of Ban Bueng Power Company Limited, Eastern IPP Company Limited and Eastern Power Generation Company Limited, indirect subsidiaries, held on 8 April 2014, the shareholders approved to dissolution of such indirect subsidiaries. The dissolution was registered with the Department of Business Development, Ministry of Commerce on 17 April 2014 and the liquidation was completed on 28 October 2014.

At the extraordinary shareholders' meeting of Ratchaburi Gas Company Limited, a subsidiary, held on 2 April 2014, the shareholders approved to dissolution of such subsidiary. The registration for dissolution was made at the Department of Business Development, Ministry of Commerce on 3 April 2014 and the liquidation was completed on 28 August 2014. Loss from liquidation amounting to Baht 614.29 million (net from surplus in liquidating distribution amounting to Baht 51.61 million) was recognised in the separate statement of comprehensive income for the year ended 31 December 2014.

At the extraordinary shareholders' meeting of Ratch Udom Power Company Limited, a subsidiary, held on 23 May 2013, the shareholders approved to dissolution of such subsidiary and transfer of operation to the Company which included investment in Ratchaburi Alliance Company Limited amounting to Baht 420.20 million. The dissolution was registered with the Department of Business Development, Ministry of Commerce on 28 May 2013 and the liquidation was completed on 7 February 2014. Surplus in liquidating distribution from such subsidiary amounting to Baht 0.36 million was recognised in the separate statement of comprehensive income for the year ended 31 December 2014.

Disposal of investment in Sustainable Energy Corporation Company Limited

At the Board of Directors meeting of Ratchaburi Energy Company Limited, a subsidiary, held on 5 September 2014, the Board approved to dispose the investment in Sustainable Energy Corporation Company Limited, an indirect subsidiary. On 29 September 2014, Ratchaburi Energy Company Limited, a subsidiary, had sold its entire shareholding in such indirect subsidiary to a new shareholder. The loss on disposal of such investment amounting to Baht 142.11 million was recognised in the consolidated comprehensive income for the year ended 31 December 2014.

Dividend from subsidiaries

At the Board of Directors/Shareholders' meeting, the Board/Shareholders approved the appropriation of the interim and annual dividend as follows:

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Name of entities	Date of Board of Directors/ Shareholders' meeting	Baht per share	Amount (in million Baht)	Date of dividend payment
Ratchaburi Electricity Generating Company Limited	12 November 2014	0.59	1,284.85	5 January 2015
	3 September 2014	0.68	1,248.64	4 September 2014
	18 June 2014	0.59	1,080.20	2 July 2014
	17 March 2014	0.33	589.10	20 March 2014
Tri Energy Company Limited	31 July 2014	2.34	80.00	31 July 2014
	1 July 2014	146.04	5,000.00	31 July 2014
Ratchaburi Gas Company Limited	14 March 2014	25.18	1,259.00	31 March 2014

12 Investments in jointly-controlled and associates entities

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013 (Restated)	2014	2013
			<i>(in thousand Baht)</i>		
At 1 January		12,613,889	12,373,697	5,683,593	5,287,117
Share of net profits of investments - equity method		1,284,822	727,711	-	-
Additional investments in jointly-controlled entities		556,143	526,050	306,793	507,950
Additional investments in associate entities		-	64,772	-	64,772
Disposal of investment in jointly-controlled entities		-	(20,800)	(1,354,012)	(160,800)
Dividend income		(943,029)	(977,625)	-	-
Investment in jointly-controlled entity before changing status	5	(2,163,162)	-	-	-
Exchange rate adjustment		(59,422)	(64,760)	-	-
Impairment of investment in jointly-controlled entity		-	(15,156)	-	(15,446)
Others		204,157	-	-	-
At 31 December		11,493,398	12,613,889	4,636,374	5,683,593

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Investments in jointly-controlled and associate entities as at 31 December 2014 and 2013, and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in thousand Baht)											
Direct jointly-controlled entities														
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	79,271	79,394	-	-	79,271	79,394	20,000	20,000
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	2,993,551	2,804,753	-	-	2,993,551	2,804,753	72,674	57,259
Hongsa Power Company Limited	40	40	2,457,793	2,457,793	983,116	983,116	-	-	-	-	-	-	-	-
Phu Fai Mining Company Limited	37.5	37.5	1,679	1,679	630	630	274	348	-	-	274	348	-	-
Nam Ngum 3 Power Company Limited	25	25	1,808	1,808	452	452	-	-	-	-	-	-	-	-
KK POWER Company Limited	50	50	30,892	30,892	15,446	15,446	15,156	15,156	(15,156)	(15,156)	-	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	2,049,465	1,196,415	<u>675,322</u>	<u>393,309</u>	<u>647,715</u>	<u>382,726</u>	<u>-</u>	<u>-</u>	<u>647,715</u>	<u>382,726</u>	<u>-</u>	<u>-</u>
					<u>3,887,216</u>	<u>3,605,203</u>	<u>3,735,967</u>	<u>3,282,377</u>	<u>(15,156)</u>	<u>(15,156)</u>	<u>3,720,811</u>	<u>3,267,221</u>	<u>92,674</u>	<u>77,259</u>
Indirect jointly-controlled entities														
Tri Energy Company Limited*	-	50	-	3,423,800	-	1,809,211	-	2,163,163	-	-	-	2,163,163	-	341,856
Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	4,054,627	3,755,434	-	-	4,054,627	3,755,434	400,000	475,000
Nava Nakorn Electricity Generating Company Limited	40	40	1,002,000	402,000	400,800	160,800	368,578	139,542	-	-	368,578	139,542	-	-

*Described in Note 5.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in thousand Baht)											
Indirect jointly-controlled entities														
Ratchaburi World Cogeneration Company Limited	40	40	1,250,000	1,250,000	500,000	500,000	526,369	522,774	-	-	526,369	522,774	-	-
Solarta Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	808,803	745,493	-	-	808,803	745,493	105,428	-
Solar Power (Korat 3) Company Limited	40	40	188,750	178,250	75,500	71,300	109,414	89,259	-	-	109,414	89,259	7,928	7,345
Solar Power (Korat 4) Company Limited	40	40	194,878	185,178	77,951	74,071	106,384	91,902	-	-	106,384	91,902	12,513	7,840
Solar Power (Korat 7) Company Limited	40	40	185,502	175,002	74,201	70,001	101,934	89,695	-	-	101,934	89,695	15,931	8,060
Songkhla Biomass Company Limited	40	40	206,000	168,750	80,000	67,500	71,832	64,169	-	-	71,832	64,169	-	-
Songkhla Biofuel Company Limited	40	40	1,000	1,000	400	400	369	379	-	-	369	379	-	-
Perth Power Partnership (Kwinana)	30	30	2,311,167	2,311,167	618,531	618,531	642,879	707,608	-	-	642,879	707,608	72,455	60,265
Sukhothai Energy Company Limited	-	25	-	80,000	-	20,000	-	1,689	-	-	-	1,689	-	-
Ayudhya Power Company Limited	45	45	40,100	40,100	18,100	18,100	13,927	17,933	-	-	13,927	17,933	-	-
Ratchaburi Cogeneration Company Limited	35	-	25,750	-	8,750	-	8,505	-	-	-	8,505	-	-	-
Oversea Green Energy Company Limited	60	-	1,000	-	600	-	586	-	-	-	586	-	-	-
					4,232,043	5,787,124	6,814,207	8,389,040	-	-	6,814,207	8,389,040	614,255	900,366
Total					8,119,259	9,392,327	10,550,174	11,671,417	(15,156)	(15,156)	10,535,018	11,656,261	706,929	977,625

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements													
	Ownership		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	interest													
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)													
(in thousand Baht)														
Direct associate entities														
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	530,687	514,917	-	-	530,687	514,917	112,000	-
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	427,695	442,711	-	-	427,695	442,711	124,100	-
Total					764,604	764,604	958,382	957,628	-	-	958,382	957,628	236,100	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Separate financial statements											
	Ownership											
	interest		Paid-up capital		Cost method		Impairment		At cost- net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in thousand Baht)									
<i>Jointly-controlled entities</i>												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	20,000	20,000
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	72,674	57,259
Hongsa Power Company Limited	40	40	2,457,793	2,457,793	983,116	983,116	-	-	983,116	983,116	-	-
Phu Fai Mining Company Limited	37.50	37.50	1,679	1,679	630	630	-	-	630	630	-	-
Nam Ngum 3 Power Company Limited	25	25	1,808	1,808	452	452	-	-	452	452	-	-
Ratchaburi World Cogeneration Company Limited	-	40	-	1,250,000	-	500,000	-	-	-	500,000	-	-
Solarta Company Limited	-	49	-	1,100,000	-	545,960	-	-	-	545,960	105,428	-
Solar Power (Korat 3) Company Limited	-	40	-	178,250	-	71,300	-	-	-	71,300	7,928	7,345
Solar Power (Korat 4) Company Limited	-	40	-	185,178	-	74,071	-	-	-	74,071	12,513	7,840
Solar Power (Korat 7) Company Limited	-	40	-	175,002	-	70,001	-	-	-	70,001	15,930	8,060
Songkhla Biomass Company Limited	-	40	-	168,750	-	67,500	-	-	-	67,500	-	-
Songkhla Biofuel Company Limited	-	40	-	1,000	-	400	-	-	-	400	-	-
KK POWER Company Limited	50	50	30,892	30,892	15,446	15,446	(15,446)	(15,446)	-	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	2,049,465	1,196,415	675,322	393,309	-	-	675,322	393,309	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Total	<u><u>3,887,216</u></u>	<u><u>4,934,435</u></u>	<u><u>(15,446)</u></u>	<u><u>(15,446)</u></u>	<u><u>3,871,770</u></u>	<u><u>4,918,989</u></u>	<u><u>234,473</u></u>	<u><u>100,504</u></u>
-------	-------------------------	-------------------------	------------------------	------------------------	-------------------------	-------------------------	-----------------------	-----------------------

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(%)		(in thousand Baht)									
	<i>Associate entities</i>											
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	-	-	399,204	399,204	112,000	-
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	-	-	365,400	365,400	124,100	-
Total					764,604	764,604	-	-	764,604	764,604	236,100	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

The following summarized financial information on jointly-controlled and associates entities which have been accounted for using the equity method represents the percentage of ownership held by the Group as follow:

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities <i>(in thousand Baht)</i>	Total liabilities	Total revenues	Total expenses	Profit/ (loss)
2014										
Ratchaburi Power Company Limited	25	11,953,690	15,730,743	27,684,433	6,475,214	6,780,022	13,255,236	5,365,246	(4,642,339)	722,907
Chubu Ratchaburi Electric Services Company Limited	50	471,397	2,064	473,461	313,422	7,205	320,627	554,103	(534,226)	19,877
SouthEast Asia Energy Company Limited	33.33	2,763,725	27,017,398	29,781,123	1,683,736	16,169,308	17,853,044	1,330,853	(1,069,380)	261,473
Hongsa Power Company Limited	40	973,163	83,152,583	84,125,746	4,019,418	80,738,213	84,757,631	286,831	(303,705)	(16,874)
Phu Fai Mining Company Limited	37.5	1,550	-	1,550	892	-	892	-	(75)	(75)
Nam Ngum 3 Power Company Limited	25	75	560,371	560,446	693,689	-	693,689	-	(18)	(18)
Nava Nakorn Electricity Generating Company Limited	40	329,636	1,077,812	1,407,448	44,336	441,717	486,053	9,457	(20,421)	(10,964)
Ratchaburi World Cogeneration Company Limited	40	728,022	8,564,706	9,292,728	1,062,390	6,916,636	7,979,026	166,934	(163,339)	3,595
Solarta Company Limited	49	291,972	3,944,027	4,235,999	352,452	2,247,159	2,599,611	381,038	(212,300)	168,738

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities <i>(in thousand Baht)</i>	Total liabilities	Total revenues	Total expenses	Profit/ (loss)
2014										
Solar Power (Korat 3) Company Limited	40	63,693	676,571	740,264	65,886	395,922	461,808	49,390	(25,508)	23,882
Solar Power (Korat 4) Company Limited	40	43,535	704,337	747,872	61,032	420,909	481,941	48,128	(25,014)	23,114
Solar Power (Korat 7) Company Limited	40	42,122	670,601	712,723	59,376	398,540	457,916	48,631	(24,662)	23,969
Songkhla Biomass Company Limited	40	47,561	746,172	793,733	315,296	292,896	608,192	1,080	(5,917)	(4,837)
Perth Power Partnership (Kwinana)	30	520,569	1,990,282	2,510,851	371,551	207,487	579,038	744,408	(677,259)	67,149
KK POWER Company Limited	50	6,898	22,055	28,953	-	-	-	-	-	-
Songkhla Biofuel Company Limited	40	943	-	943	-	20	20	-	(9)	(9)
Xe-Pian Xe-Namnoy Power Company Limited	25	724,875	6,760,205	7,485,080	605,839	4,860,812	5,466,651	567	(17,591)	(17,024)
Ayudhya Power Company Limited	45	30,981	-	30,981	16	-	16	67	(4,073)	(4,006)
Ratchaburi Cogeneration Company Limited	35	17,473	-	17,473	231	-	231	25	(270)	(245)
Oversea Green Energy Company Limited	60	999	-	999	23	-	23	-	(14)	(14)
Frist Korat Wind Company Limited	20	896,081	5,720,643	6,616,724	589,051	3,377,180	3,966,231	272,117	(144,346)	127,771
K.R. TWO Company Limited	20	868,600	5,162,292	6,030,892	488,803	3,405,222	3,894,025	243,172	(134,088)	109,084
Total		20,777,560	162,502,862	183,280,422	17,202,653	126,659,248	143,861,901	9,502,047	(8,004,554)	1,497,493

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities <i>(in thousand Baht)</i>	Total liabilities	Total revenues	Total expenses	Profit/ (loss)
2013										
Tri Energy										
Company Limited	50	2,277,100	3,482,477	5,759,577	1,432,886	7,403	1,440,289	3,484,902	(3,492,022)	(7,120)
Ratchaburi Power										
Company Limited	25	9,432,531	17,175,740	26,608,271	4,346,418	9,124,287	13,470,705	4,379,686	(3,868,372)	511,314
Chubu Ratchaburi										
Electric Services										
Company Limited	50	469,328	1,980	471,308	317,411	972	318,383	524,508	(540,198)	(15,690)
SouthEast Asia Energy										
Company Limited	33.33	2,231,003	28,256,552	30,487,555	1,618,479	17,702,719	19,321,198	1,389,745	(1,177,674)	212,071
Hongsa Power										
Company Limited	40	2,387,001	60,614,790	63,001,791	5,984,847	57,606,646	63,591,493	2,041	(624,760)	(622,719)
Phu Fai Mining										
Company Limited	37.5	1,542	-	1,542	687	-	687	-	(47)	(47)
Nam Ngum 3										
Power Company Limited	25	75	557,831	557,906	690,472	-	690,472	-	(33,038)	(33,038)
Nava Nakorn										
Electricity Generating										
Company Limited	40	143,864	209,825	353,689	4,882	-	4,882	146	(11,645)	(11,499)

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities (in thousand Baht)	Total liabilities	Total revenues	Total expenses	Profit/ (loss)
2013										
Ratchaburi World Cogeneration Company Limited	40	133,379	6,427,138	6,560,517	1,320,302	3,935,498	5,255,800	51,799	(17,778)	34,021
Solarta Company Company Limited	49	468,954	3,956,706	4,425,660	339,337	2,579,140	2,918,477	346,058	(207,114)	138,944
Solar Power (Korat 3) Company Limited	40	56,427	672,666	729,093	118,211	382,813	501,024	43,036	(23,535)	19,501
Solar Power (Korat 4) Company Limited	40	48,680	701,322	750,002	112,405	407,869	520,274	41,430	(24,085)	17,345
Solar Power (Korat 7) Company Limited	40	54,810	649,064	703,874	100,431	379,235	479,666	42,040	(22,790)	19,250
Songkhla Biomass Company Limited	40	67,418	157,344	224,762	1,115	63,250	64,365	603	(1,789)	(1,186)
Perth Power Partnership (Kwinana)	30	676,615	2,102,783	2,779,398	462,907	187,767	650,674	746,605	(682,708)	63,897
KK POWER Company Limited	50	6,898	22,055	28,953	-	-	-	-	-	-
Songkhla Biofuel Company Limited	40	969	-	969	22	-	22	-	(10)	(10)
Sukhothai Energy Company Limited	25	71,497	110,964	182,461	92,871	56,904	149,775	-	(146)	(146)
Xe-Pian Xe-Namnoy Power Company Limited	25	238,920	3,736,715	3,975,635	2,336,352	-	2,336,352	499	(9,321)	(8,822)
Ayudhya Power Company Limited	45	39,873	-	39,873	5	-	5	63	(167)	(104)
Frist Korat Wind Company Limited	20	1,200,145	5,972,976	7,173,121	1,046,988	3,554,493	4,601,481	249,731	(127,344)	122,387
K.R. TWO Company Limited	20	1,230,177	5,434,582	6,664,759	886,111	3,566,701	4,452,812	200,336	(110,902)	89,434
Total		21,237,206	140,243,510	161,480,716	21,213,139	99,555,697	120,768,836	11,503,228	(10,975,445)	527,783

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Disposal of investments in Sukhothai Energy Company Limited

At the Board of Directors meeting of Ratchaburi Energy Company Limited, a subsidiary, held on 27 June 2014, the Board approved to dispose the investment in Sukhothai Energy Company Limited, a jointly-controlled entity. On 21 July 2014, Ratchaburi Energy Company Limited, a subsidiary, had sold its entire shareholding in such jointly-controlled entity to other shareholder. The gain on disposal of such investment amounting to Baht 10.94 million was recognised in the consolidated comprehensive income for the year ended 31 December 2014.

Restructuring of investments

At the Board of Directors meeting of the Company, held on 21 October 2013, the Board approved to redefine business strategy of the Group and approved to dispose the investment between the Company and subsidiaries. During year 2014, the Company sold investments in jointly-controlled entities comprise Songkhla Biomass Company Limited, Songkhla Biofuel Company Limited, Solar Power (Korat 3) Company Limited, Solar Power (Korat 4) Company Limited, Solar Power (Korat 7) Company Limited, Solarta Company Limited and Ratchaburi World Cogeneration Company Limited to subsidiaries. The difference arising from common control transaction from subsidiaries amounting to Baht 207.47 million was recognised in the equity in the separate statements of the financial position as at 31 December 2014.

Increase in share capital

During year 2014, the jointly-controlled entities called for additional paid-up share capital and increase the authorised share capital. The Group/ Company paid for such share capital in the proportion of investment as follows:

Name of the entities	Description	Amount (in million Baht)
Songkhla Biomass Company Limited	called for additional paid-up share capital	12.50
Nava Nakorn Electricity Generating Company Limited	called for additional paid-up share capital and increase the authorised share capital	240.00
Solar Power (Korat 3) Company Limited	called for additional paid-up share capital	4.20
Solar Power (Korat 4) Company Limited	called for additional paid-up share capital	3.88
Solar Power (Korat 7) Company Limited	called for additional paid-up share capital	4.20
Xe-Pian Xe-Namnoy Power Company Limited*	called for additional paid-up share capital	282.02

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

** Investment in Xe-Pian Xe-Namnoy Power Company Limited*

During the 1st quarter of 2014, Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity, increase the authorised share capital from U.S. Dollars 50 million (*comprising 500,000 ordinary shares at par value of U.S. Dollars 100 per share*) to U.S. Dollars 306 million (*comprising 3.06 million ordinary shares at par value of U.S. Dollars 100 per share*). The Company converted the paid-up capital in advance to investment amounting to U.S. Dollars 4.413 million or equivalent to Baht 138.87 million. In addition, in 2014, the Company paid for the additional paid-up capital amounting to U.S. Dollars 4.41 million or equivalent to Baht 143.15 million.

Establishment of joint ventures and share purchasing

Investment in Ratchaburi Cogeneration Company Limited

On 30 October 2014, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a Share Purchase Agreement with Rajburi Sugar Company Limited to acquire ordinary shares of Ratchaburi Cogeneration Company Limited for small power producer project in Ratchaburi Province. The registered capital of such company was Baht 100 million, (*Comprising 10 million ordinary shares at par value of Baht 10 per share*). Such subsidiary subscribed for paid-up share capital of Baht 2.50 per share, amounting to Baht 8.75 million, representing a 35% share of the investment. On 27 January 2015, Ratchaburi Cogeneration Company Limited has changed its registered name to Berkprai Cogeneration Company Limited with Ministry of Commerce.

Investment in Oversea Green Energy Company Limited

On 16 October 2014, Ratchaburi Energy Company Limited, a subsidiary, has established Oversea Green Energy Company Limited in order to provide management service to solar power generation project in Japan. The registered capital of such company was Baht 1 million, (*Comprising 100,000 ordinary shares at par value of Baht 10 per share*). Such subsidiary paid for paid-up share capital of Baht 10 each, amounting to Baht 0.60 million, in the proportion of investment 60%.

Investment in RICI International Investment Pte. Ltd.

On 21 November 2014, RH International (Singapore) Corporation PTE. LTD, indirect subsidiary, has established RICI International Investment Pte. Ltd. in order to invest in solar power generation project in Japan. The registered capital of such company was Singapore Dollars 100, (*Comprising 100 ordinary shares at par value of Singapore Dollars 1 per share*). As at 31 December 2014, such indirect subsidiary had commitment for the remaining unpaid share capital of 60 Singapore Dollars, in the proportion of investment 60%.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Dividend from jointly-controlled and associate entities

At the Board of Directors/Shareholders' meeting, the Board/Shareholders approved the appropriation of the interim and annual dividend as follows:

Name of entities	Date of Board of Directors/ Shareholders' meeting	Baht per share	Amount (in million Baht)	Date of dividend payment
<i>Jointly-controlled entities</i>				
Chubu Ratchaburi Electric Service Company Limited	20 November 2014	100.00	20.00	12 December 2014
SouthEast Asia Energy Limited	21 October 2014	0.33	72.67	4 November 2014
Solar Power (Korat 3) Company Limited	25 June 2014 18 April 2014	0.32 0.73	2.42 5.51	27 June 2014 25 April 2014
Solar Power (Korat 4) Company Limited	25 June 2014 18 April 2014	0.36 1.21	2.87 9.63	27 June 2014 25 April 2014
Solar Power (Korat 7) Company Limited	25 June 2014 18 April 2014	0.51 1.60	3.85 12.08	30 June 2014 25 April 2014
Ratchaburi Power Company Limited	15 August 2014 10 March 2014	19.11 2.73	350.00 50.00	22 September 2014 19 March 2014
Solarta Company Limited	20 March 2014	16.30	105.43	31 July 2014
<i>Associates</i>				
First Korat Wind Company Limited	30 October 2014 14 March 2014	0.40 2.40	16.00 96.00	28 November 2014 11 April 2014
K.R. TWO Company Limited	30 October 2014 14 March 2014	1.41 1.98	51.60 72.50	28 November 2014 21 April 2014

During year 2014, RATCH-Australia Corporation Limited, an indirect subsidiary, received dividend in the proportion of investment in Perth Power Partnership (Kwinana) amounting to Australian Dollars 2.70 million or equivalent to Baht 72.46 million.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

13 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Buildings and building improvements	Power plants, substation & transmission system and operating & maintenance equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Construction in progress	
<i>Cost</i>							
At 1 January 2013 - restated	1,338,467	467,536	25,642,715	483,842	43,151	7,609	27,983,320
Additions	21,456	73	275,951	12,521	59	55,294	365,354
Transfers	-	9,087	-	29,045	-	(38,132)	-
Disposals	(27,435)	-	(6,568)	(9,043)	-	-	(43,046)
Adjust exchange rate	(25,376)	(9,993)	(2,079,488)	(73)	-	-	(2,114,930)
At 31 December 2013 and 1 January 2014 - restated	1,307,112	466,703	23,832,610	516,292	43,210	24,771	26,190,698
Additions	-	6,411	731,540	28,133	1,275	14,661	782,020
Additional from business acquisitions	119,420	-	256,630	52,011	13,126	400	441,587
Transfers	-	-	400	27,666	-	(28,066)	-
Disposals	-	-	(2,419)	(48,997)	(13,562)	(5,657)	(70,635)
Adjust exchange rate	(11,410)	(20,227)	(1,814,350)	(223)	-	-	(1,846,210)
At 31 December 2014	1,415,122	452,887	23,004,411	574,882	44,049	6,109	25,497,460

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Consolidated financial statements

Power plants,
substation &

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Land	Buildings and building improvements	transmission system and operating & maintenance equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Construction in progress	Total
<i>Accumulated depreciation and impairment</i>							
At 1 January 2013 - restated	-	59,784	9,943,344	164,608	28,902	-	10,196,638
Depreciation charge for the year	-	17,206	1,026,627	76,055	6,161	-	1,126,049
Disposals	-	-	(797)	(6,490)	-	-	(7,287)
Adjust exchange rate	-	(3,324)	(816,300)	(64)	-	-	(819,688)
At 31 December 2013 and 1 January 2014 - restated	-	73,666	10,152,874	234,109	35,063	-	10,495,712
Additional from business acquisitions	-	-	134,249	48,958	9,923	-	193,130
Depreciation charge for the year	-	18,387	969,249	82,279	6,464	-	1,076,379
Impairment losses *	-	-	134,176	-	-	-	134,176
Disposals	-	-	(1,578)	(46,444)	(12,675)	-	(60,697)
Adjust exchange rate	-	(3,026)	(818,310)	(114)	-	-	(821,450)
At 31 December 2014	-	89,027	10,570,660	318,788	38,775	-	11,017,250
<i>Net book value</i>							
At 1 January 2013	1,338,467	407,752	15,699,371	319,234	14,249	7,609	17,786,682
At 31 December 2013 and 1 January 2014	1,307,112	393,037	13,679,736	282,183	8,147	24,771	15,694,986
At 31 December 2014	1,415,122	363,860	12,433,751	256,094	5,274	6,109	14,480,210

* Described in Note 14.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Separate financial statements

	Land	Buildings and building improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Construction in progress	Total
Cost						
At 1 January 2013	295,993	301,486	396,970	26,807	4,381	1,025,637
Additions	-	-	3,342	-	41,043	44,385
Transfers	-	8,150	18,159	-	(26,309)	-
Disposals	-	-	(548)	-	-	(548)
At 31 December 2013 and 1 January 2014	295,993	309,636	417,923	26,807	19,115	1,069,474
Additions	-	-	9,324	960	8,551	18,835
Transfers	-	-	27,666	-	(27,666)	-
Disposals	-	-	(7,974)	(7,139)	-	(15,113)
At 31 December 2014	295,993	309,636	446,939	20,628	-	1,073,196
Accumulated depreciation						
At 1 January 2013	-	659	100,091	14,029	-	114,779
Depreciation charge for the year	-	12,085	67,178	5,362	-	84,625
Disposals	-	-	(354)	-	-	(354)
At 31 December 2013 and 1 January 2014	-	12,744	166,915	19,391	-	199,050
Depreciation charge for the year	-	12,385	71,118	4,596	-	88,099
Disposals	-	-	(6,845)	(7,139)	-	(13,984)
At 31 December 2014	-	25,129	231,188	16,848	-	273,165
Net book value						
At 1 January 2013	295,993	300,827	296,879	12,778	4,381	910,858
At 31 December 2013 and 1 January 2014	295,993	296,892	251,008	7,416	19,115	870,424
At 31 December 2014	295,993	284,507	215,751	3,780	-	800,031

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2014 amounted to Baht 4,224 million and Australian Dollars 29 million. (As at 31 December 2013: Baht 3,266 million and Australian Dollars 22 million).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

14 Intangible assets

	Consolidated financial statements					
	Right to use electrical transmission line	Software licences	License on project development (in thousand Baht)	Goodwill from business acquisition	Right to power purchase agreement	Total
Cost						
At 1 January 2013	29,697	36,021	665,512	752,913	6,602,463	8,086,606
Additions	-	29,955	-	-	-	29,955
Disposals	-	(1,932)	-	-	-	(1,932)
Adjust exchange rate	-	(4,787)	-	10,829	(552,949)	(546,907)
At 31 December 2013 and 1 January 2014	29,697	59,257	665,512	763,742	6,049,514	7,567,722
Additional from						
Business acquisitions	-	16,181	-	-	-	16,181
Additions	-	47,972	-	-	-	47,972
Disposals	-	(2,629)	-	(117,086)	-	(119,715)
Adjust exchange rate	-	(26,407)	-	2,244	(463,200)	(487,363)
At 31 December 2014	29,697	94,374	665,512	648,900	5,586,314	7,024,797
Accumulated Amortisation and impairment						
At 1 January 2013	9,780	22,981	-	-	1,633,111	1,665,872
Amortisation charge for the year	3,712	6,017	-	-	297,384	307,113
Adjust exchange rate	-	1,813	-	-	(139,507)	(137,694)
At 31 December 2013 and at 1 January 2014	13,492	30,811	-	-	1,790,988	1,835,291
Additional from						
Business acquisitions	-	6,615	-	-	-	6,615
Amortisation charge for the year	3,712	16,547	-	-	295,267	315,526
Allowance from impairment	-	-	-	375,367	-	375,367
Disposals	-	(1,208)	-	-	-	(1,208)
Adjust exchange rate	-	(2,034)	-	-	(160,312)	(162,346)
At 31 December 2014	17,204	50,731	-	375,367	1,925,943	2,369,245
Net book value						
At 1 January 2013	19,917	13,040	665,512	752,913	4,969,352	6,420,734
At 31 December 2013 and at 1 January 2014	16,205	28,446	665,512	763,742	4,258,526	5,732,431
At 31 December 2014	12,493	43,643	665,512	273,533	3,660,371	4,655,552

During year 2014, the Group has assessed and recognised the impairment losses on goodwill and on property, plant and equipment of a renewable power plant in oversea because of the current trading performance declining amounting to Baht 375.37 million and Baht 134.18 million, respectively, in the consolidated financial statements for the year ended 31 December 2014.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Separate financial statements		
	Software licences	License on project development (in thousand Baht)	Total
Cost			
At 1 January 2013	17,396	665,512	682,908
Additions	2,337	-	2,337
At 31 December 2013 and 1 January 2014	19,733	665,512	685,245
Additions	1,372	-	1,372
At 31 December 2014	21,105	665,512	686,617
Accumulated amortisation			
At 1 January 2013	14,007	-	14,007
Amortisation charge for the year	1,565	-	1,565
At 31 December 2013 and at 1 January 2014	15,572	-	15,572
Amortisation charge for the year	2,924	-	2,924
At 31 December 2014	18,496	-	18,496
Net book value			
At 1 January 2013	3,389	665,512	668,901
At 31 December 2013 and at 1 January 2014	4,161	665,512	669,673
At 31 December 2014	2,609	665,512	668,121

15 Deferred tax

Deferred tax assets and liabilities are included in the statement of financial position as at 31 December as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2014	2013 (Restated)	2014	2013 (Restated)
		(in thousand Baht)		
Total	7,455,989	6,410,661	(9,169,698)	(9,721,424)
Set off of tax	(7,404,372)	(6,394,836)	7,404,372	6,394,836
Net deferred tax assets (liabilities)	51,617	15,825	(1,765,326)	(3,326,588)

	Separate financial statements			
	Assets		Liabilities	
	2014	2013 (in thousand Baht)	2014	2013
Total	18,819	15,825	-	-
Set off of tax	-	-	-	-
Net deferred tax assets (liabilities)	18,819	15,825	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Movements in deferred tax assets and liabilities during the years were as follows:

	Consolidated financial statements				
			(Charged) / credited to:		
	At 1 January 2014	Acquisitions through business acquisition	Profit or loss	Exchange differences	At 31 December 2014
	(in thousand Baht)				
Deferred tax assets					
Allowance for obsolescence and declining in value of spare parts and supplies	122,072	60,064	40,628	-	222,764
Property, plant and equipment	5,230,138	1,556,836	(657,348)	-	6,129,626
Provision for employee benefits	18,920	-	3,099	-	22,019
Finance leases liabilities	33	-	37	-	70
Losses carry forward	1,039,498	-	155,698	(113,686)	1,081,510
Total	6,410,661	1,616,900	(457,886)	(113,686)	7,455,989
Deferred tax liabilities					
Depreciation and amortization	(2,814,938)	-	(17,269)	222,825	(2,609,382)
Finance lease receivable	(6,738,975)	(324,534)	739,832	-	(6,323,677)
Others	(167,511)	-	(88,105)	18,977	(236,639)
Total	(9,721,424)	(324,534)	634,458	241,802	(9,169,698)

	Consolidated financial statements				
	(Charged) / credited to:				
	At 1 January 2013	Profit or loss	Other comprehensive income (in thousand Baht)	Exchange differences	At 31 December 2013
<i>Deferred tax assets</i>					
Allowance for obsolescence of spare parts and supplies	112,738	9,334	-	-	122,072
Property, plant and equipment	5,688,211	(458,073)	-	-	5,230,138
Provision for employee benefits	17,221	1,699	-	-	18,920
Finance leases liabilities	(76)	109	-	-	33
Deferred expenses	151,599	(142,512)	-	(9,087)	-
Losses carry forward	1,042,324	93,860	-	(96,686)	1,039,498
Total	7,012,017	(495,583)	-	(105,773)	6,410,661
<i>Deferred tax liabilities</i>					
Available for sale security	(93,635)	-	93,635	-	-
Depreciation and amortization	(3,214,955)	142,280	-	257,737	(2,814,938)
Finance lease receivable	(7,057,541)	318,566	-	-	(6,738,975)
Others	(70,877)	(112,143)	-	15,509	(167,511)
Total	(10,437,008)	348,703	93,635	273,246	(9,721,424)

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Separate financial statements		
	(Charged) / credited to:		
	At 1 January 2014	Profit or loss (in thousand Baht)	At 31 December 2014
Deferred tax assets			
Provision for employee benefits	15,825	2,994	18,819
Total	15,825	2,994	18,819

	Separate financial statements		
	(Charged) / credited to:		
	At 1 January 2013	Profit or loss (in thousand Baht)	At 31 December 2013
Deferred tax assets			
Provision for employee benefits	13,462	2,363	15,825
Total	13,462	2,363	15,825

Deferred tax assets had not been recognised as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(in thousand Baht)			
Temporary differences	3,924	3,089	3,089	3,089
Losses carry forward	408,302	90,104	140,964	74,979
Total	412,226	93,193	144,053	78,068

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

16 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Development costs - Nam Ngum 3 Project	139,051	139,051	139,051	139,051
Development costs for renewable energy project	315,429	446,591	-	-
Deferred expense under contractual service agreement	1,045,923	964,574	-	-
Advance for paid-up capital	-	138,868	-	138,868
Others	27,961	41,304	4,313	4,289
Total	1,528,364	1,730,388	143,364	282,208

Hydro Power Plant Project, Nam Ngum 3

During year 2008, the Company entered into a Shareholders Agreement with the other three shareholders, GMS Lao Company Limited, Marubeni Corporation, and Lao Holding State Enterprise, to develop and operate the Hydro Power Plant Project, Nam Ngum 3 Power Company Limited was established under the policies and laws of Lao PDR. The Company hold 25% of such company's ordinary shares.

During year 2013, the Project cannot get approval of Ministry of Planning and Investment of Lao PDR to extend the concession for development which had been expired on 29 March 2013 as result of the changes in the Energy Development Plan of Lao PDR. The Project is in process of negotiation with the Lao Government to transfer and sell the assets and the ultimate outcome cannot presently be determined. Therefore, the asset's recoverable amount has been estimated and impairment loss amounting to Baht 315 million was recognised in the administrative expense for the year ended 31 December 2013. As at 31 December 2014, the Company is negotiating to reimburse the development costs from Lao PDR.

Renewable energy projects

The Group is developing the generating and selling projects from renewable energy in Australia.

17 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Current</i>				
Short-term loans from financial institutions	2,300,000	8,224,215	-	-
Notes payable	2,500,000	1,550,000	-	-
Current portion of debentures				
net of deferred financing fees – non secured	721,334	4,960,007	-	-
Current portion of finance lease liability	1,609	1,515	-	-
Total current interest-bearing liabilities	5,522,943	14,735,737	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Non-current				
Long-term loans from related party (Note 6)	1,095,465	1,186,297	-	-
Long-term loans from financial institutions net of deferred financing fees - non secured	1,705,096	1,154,384	1,200,000	1,200,000
Debentures net of deferred financing fees - non secured	13,972,087	5,384,767	-	-
Financial lease liability	2,028	3,554	-	-
Total non-current interest-bearing liabilities	<u>16,774,676</u>	<u>7,729,002</u>	<u>1,200,000</u>	<u>1,200,000</u>

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

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Within one year	5,521,334	14,734,222	-	-
After one year but within five years	11,564,916	1,875,718	1,200,000	1,200,000
More than five years	5,207,732	5,849,730	-	-
Total	<u>22,293,982</u>	<u>22,459,670</u>	<u>1,200,000</u>	<u>1,200,000</u>

As at 31 December 2014, Ratchaburi Electricity Generating Company Limited, a subsidiary, had outstanding short-term loans from a financial institution amounting to Baht 2,300 million which bear interests at the rate of 2.30% - 2.40% per annum and will be repayable within the 1st quarter of 2015.

As at 31 December 2014, the Ratchaburi Electricity Generating Company Limited, a subsidiary, issued bills of exchange totalling Baht 2,500 million to various financial institutions which bear interests at the rate of 2.44%-2.58% per annum and will be repayable within 188 days. Moreover, such subsidiary is able to issue the unsecured short-term bills of exchange up to a value of Baht 5,000 million within one year from 22 August 2014 to 21 August 2015.

On 18 March 2011, Ratchaburi Electricity Generating Company Limited, a subsidiary, issued the debentures totalling Baht 13,286 million which bear interest at the rates as stipulated in each tranche. Such debentures are unsubordinated, unsecured, and with the non-holder representative for a 4-year period. The debentures are repayable on a quarterly basis starting from the 1st quarter of 2012 to 1st quarter 2015. As at 31 December 2014, such subsidiary had outstanding debentures which were not redeemed totalling to Baht 721.40 million.

On 28 April 2014, RH International (Singapore) Corporation PTE., Ltd, an indirect subsidiary, completed its issuance and offering of five-year senior notes of U.S. Dollars 300 million or equivalent to Baht 9,711.99 million which bear interest at the fixed rate 3.50% per annum and will be due in 2019. The issue of the notes is guaranteed by the Company.

On 24 April 2014, RH International (Singapore) Corporation PTE., Ltd, an indirect subsidiary, had outstanding debentures amounting to JPY 15,000 million or equivalent to Baht 4,433.52 million for a 15-year period which bear interest at the fixed rate of 2.72% per annum. Such debentures are unsubordinated, unsecured but to be guarantee by the company and will be due in 2026.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

On 22 May 2013, RATCH-Australia Corporation Limited entered into a senior syndicated facility loan with the financial institutions amounting to Australian Dollars 100 million which bears interest at the floating rate of Bank Bill Swap Bid Rate (BBSY) plus fixed margin per annum. As at 31 December 2014, such indirect subsidiary has outstanding long-term loan from the financial institutions amounting to Australian Dollars 20 million or equivalent to Baht 505.12 million.

The Group/ Company has to comply with certain conditions in accordance with those agreements including maintaining certain key financial ratios.

18 Other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Other accounts payable					
to related parties	6	112,428	149,262	17,769	16,733
Finance cost payable		266,823	222,864	12,429	12,429
Other accounts payable and other accrued expenses		726,035	415,960	202,105	175,560
Total		1,105,286	788,086	232,303	204,722

19 Employee benefit obligations

Employee benefit obligations as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Current (included in other payables)</i>				
Unused vacation leave	<u>12,648</u>	<u>14,417</u>	<u>5,443</u>	<u>5,685</u>
<i>Non current</i>				
Post-employment benefit	<u>106,271</u>	<u>92,276</u>	<u>88,652</u>	<u>73,442</u>

Movement in the employee benefit obligations for the years ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Unused vacation leave</i>				
At 1 January	14,417	13,940	5,685	5,326
Increase	346	3,374	54	2,218
Decrease	(1,567)	(2,288)	(296)	(1,859)
Adjust exchange rate	(548)	(609)	-	-
At 31 December	12,648	14,417	5,443	5,685

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>Post-employment benefit</i>				
At 1 January	92,276	84,716	73,442	61,987
Additional from business acquisitions	7,466	-	-	-
Current service costs and interest	17,530	18,439	15,210	14,448
Benefits paid by the plan	(10,332)	(4,623)	-	(3,069)
Actuarial (gain) loss and others	(307)	(5,813)	-	76
Adjust exchange rate	(362)	(443)	-	-
At 31 December	106,271	92,276	88,652	73,442

Expense recognised in administrative expense for the years ended 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Unused vacation leave	346	3,374	54	2,218
Post-employment benefit	17,530	18,439	15,210	14,448
Total	17,876	21,813	15,264	16,666

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(%)</i>			
Discount rate	4.3	4.3	4.3	4.3
Future salary increases	5 and 8	5 and 8	8	8

Assumptions regarding future mortality are based on published statistics and mortality tables, discount rate of long-term government bond yield.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

20 Share capital

	Par value per share (in Baht)	2014 Number Baht (thousand shares / thousand Baht)	2013 Number Baht
<i>Authorised</i>			
At 1 January			
- ordinary shares	10	1,450,000	14,500,000
At 31 December			
- ordinary shares		1,450,000	14,500,000
<i>Issued and paid up</i>			
At 1 January			
- ordinary shares	10	1,450,000	14,500,000
At 31 December			
- ordinary shares		1,450,000	14,500,000

21 Additional paid-in capital and reserves

Share premium

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

Legal reserve

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

22 Segment reporting

Segment information is presented in respect of the Group's business under management approach with primary format, business segments, is based on the Group's management and internal reporting structure.

In 2013, the Group previously presented the business segment consisting of Electricity Generating, Operation and Maintenance and Others. In the 1st quarter of 2014, the Group has redefined its business strategy and the presentation of business segment was changed to four segments as follows:

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Segment information – Principle business

	Domestic Electricity Generating		Renewable Energy		International Power Projects		Others		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	<i>(in thousand Baht)</i>									
Revenue from sale and rendering of services	46,839,660	40,903,791	63,318	55,919	2,499,036	2,611,023	-	-	49,402,014	43,570,733
Revenue from finance lease contracts	5,567,738	5,448,868	-	-	-	-	-	-	5,567,738	5,448,868
Cost of sale and rendering of services	<u>(46,056,969)</u>	<u>(39,019,870)</u>	<u>(52,539)</u>	<u>(55,188)</u>	<u>(1,804,174)</u>	<u>(1,984,758)</u>	<u>-</u>	<u>-</u>	<u>(47,913,682)</u>	<u>(41,059,816)</u>
Gross profit	6,350,429	7,332,789	10,779	731	694,862	626,265	-	-	7,056,070	7,959,785
Management service income	-	-	-	-	2,358	4,669	285,435	232,570	287,793	237,239
Dividend income	-	-	-	-	235,951	220,903	-	-	235,951	220,903
Interest income	104,785	62,253	5,134	12,156	77,057	218,302	80,842	118,644	267,818	411,355
Gain on sale of other long-term receivable	-	-	-	-	-	645,830	-	-	-	645,830
Gain on bargain purchase	-	-	-	-	-	-	797,293	-	797,293	-
Other income	355,871	61,653	264	201	480,488	295,920	20,276	49,794	856,899	407,568
Administrative expenses	(259,117)	(227,884)	(151,398)	(12,521)	(820,390)	(355,509)	(975,739)	(1,143,063)	(2,206,644)	(1,738,977)
Gain (loss) on exchange rate	(190)	(2,059)	3	52	341,970	617,228	6,203	88,892	347,986	704,113
Finance costs	(237,098)	(363,093)	-	-	(1,232,434)	(1,221,516)	(48,921)	(48,780)	(1,518,453)	(1,633,389)
Share of profit (loss) of jointly-controlled entities and associates	<u>687,571</u>	<u>500,622</u>	<u>470,023</u>	<u>403,889</u>	<u>107,351</u>	<u>(164,111)</u>	<u>19,877</u>	<u>(12,689)</u>	<u>1,284,822</u>	<u>727,711</u>
Profit (loss) before income tax expense	7,002,251	7,364,281	334,805	404,508	(112,787)	887,981	185,266	(714,632)	7,409,535	7,942,138
(Income tax expense) reverse	<u>(1,251,545)</u>	<u>(1,339,394)</u>	<u>-</u>	<u>(78)</u>	<u>(20,826)</u>	<u>(96,131)</u>	<u>2,993</u>	<u>2,362</u>	<u>(1,269,378)</u>	<u>(1,433,241)</u>
Profit (loss) for the year	<u>5,750,706</u>	<u>6,024,887</u>	<u>334,805</u>	<u>404,430</u>	<u>(133,613)</u>	<u>791,850</u>	<u>188,259</u>	<u>(712,270)</u>	<u>6,140,157</u>	<u>6,508,897</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

Total assets of each business unit as at 31 December 2014 and 2013 were as follow:

	Domestic Electricity Generating	Renewable Energy	International Power Projects	Others	Total
			<i>(in thousand Baht)</i>		
31 December 2014	54,917,774	2,337,089	31,864,202	7,155,971	96,235,036
31 December 2013	54,975,287	2,806,680	29,915,118	6,177,410	93,874,495

Geographical information

In presenting geographical information, revenue is based on the geographical location of customers and assets are based on the geographical location of the assets.

	Revenues		Assets	
	2014	2013	2014	2013
		<i>(Restated)</i>		<i>(Restated)</i>
		<i>(in thousand Baht)</i>		
Thailand	52,470,717	46,408,578	64,579,126	67,349,438
Australia	2,284,053	2,406,641	18,719,047	20,358,800
Other countries	214,982	204,382	12,936,863	6,166,257
Total	<u>54,969,752</u>	<u>49,019,601</u>	<u>96,235,036</u>	<u>93,874,495</u>

Major customer

Revenue from one customer of the Group's electricity generating represents approximately Baht 52,425 million (2013: 46,371 million) of the Group's total revenue.

23 Other income

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		<i>(in thousand Baht)</i>		
Reversal of provision for the deferred consideration payable and reimbursement the project development	440,236	-	-	-
Revenue from insurance claims	188,875	41,399	-	-
Compensation from operation and maintenance agreement of power plant	116,516	38,016	-	-
Revenue from terminate of coal sales agreement	-	101,113	-	-
Compensation from pollution reduction	-	128,218	-	-
Others	111,272	98,822	20,276	49,794
Total	<u>856,899</u>	<u>407,568</u>	<u>20,276</u>	<u>49,794</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

24 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(Restated)		
		(in thousand Baht)		
Personnel	628,491	558,958	417,595	344,318
Administrative	471,129	435,340	252,733	242,696
Loss on impairment in goodwill	375,367	-	-	-
Consulting and professional fees	207,310	140,141	148,019	60,951
Loss on impairment in property, plant and equipment	134,176	-	-	-
Loss on disposal of investment	131,175	-	-	-
Depreciation and amortization	119,950	103,144	91,023	86,190
Public relation	78,785	86,718	55,358	63,668
Premise tax	32,092	29,375	807	49
Donation	24,914	27,404	12,075	15,696
Loss on disposal of spare parts and equipment	3,256	27,741	872	170
Loss on impairment in investment and project development cost	-	330,156	-	330,446
Total	2,206,645	1,738,977	978,482	1,144,184

25 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(in thousand Baht)		
Management				
Directors' remuneration	14,511	15,816	8,824	8,399
Wages and salaries	102,278	92,455	32,435	59,624
Contribution to defined benefit plans	8,324	7,155	2,308	4,861
Others	58,020	59,054	45,774	48,817
	<u>183,133</u>	<u>174,480</u>	<u>89,341</u>	<u>121,701</u>
Other employees				
Wages and salaries	298,241	272,505	203,170	143,034
Contribution to defined benefit plans	18,267	11,260	15,310	10,652
Others	128,850	100,713	109,774	68,931
	<u>445,358</u>	<u>384,478</u>	<u>328,254</u>	<u>222,617</u>
Total	628,491	558,958	417,595	344,318

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

26 Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TAS and TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(Restated)		
	<i>(in thousand Baht)</i>			
Fuel costs	42,313,431	35,734,639	-	-
Operation and maintenance service fee	1,673,491	1,583,457	-	-
Depreciation and amortization	1,595,044	1,479,833	91,023	86,190
Spare parts and repair expenses	1,467,625	1,505,625	-	-
Other costs	692,638	582,240	-	-
Administrative expenses	662,566	519,860	266,487	258,609
Employee benefit expenses	628,491	558,958	417,595	344,318
Impairment losses on goodwill	375,367	-	-	-
Insurance premium	291,403	277,166	-	-
Consulting and professional fees	207,310	140,141	148,019	60,951
Impairment losses on property, plant and equipment	134,176	-	-	-
Public relation	78,785	86,718	55,358	63,669
Impairment losses on investment and project development cost	-	330,156	-	330,446

27 Finance costs

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Related party					
- Interest expense	6	94,744	104,196	-	-
Other parties					
- Interest expense		1,373,411	1,529,361	48,921	48,780
- Amortisation of financing fees		50,298	416,553	-	-
- Amortisation of fair value		-	(416,720)	-	-
Total		1,518,453	1,633,390	48,921	48,780

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

28 Income tax expense

Income tax recognised in profit or loss

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2014	2013 (Restated) (in thousand Baht)	2014	2013
Current tax expense					
Current year		1,460,455	1,291,011	-	-
Over provided in prior years		<u>(14,506)</u>	<u>(4,650)</u>	<u>-</u>	<u>-</u>
		1,445,949	1,286,361	-	-
Deferred tax expense					
Movements in temporary differences	15	<u>(176,572)</u>	<u>146,879</u>	<u>(2,994)</u>	<u>(2,363)</u>
Total income tax expense		<u>1,269,377</u>	<u>1,433,240</u>	<u>(2,994)</u>	<u>(2,363)</u>

Reconciliation of effective tax rate

		Consolidated financial statements			
		2014		2013 (Restated)	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>		<i>Rate (%)</i>	
Profit before total income tax expense			<u>7,409,534</u>		<u>7,942,138</u>
Income tax using the Thai corporation tax rate	20		<u>1,481,907</u>	20	<u>1,588,428</u>
Effect from income not subject to tax-dividend income			(2,300,656)		(1,131,829)
Effect from expense not deductible for tax purposes and income and expense recognised in the different period between accounting and tax			(49,186)		14,200
Over provided in prior years			(14,506)		(4,561)
Current year losses for which no deferred tax asset was recognised			113,230		69,699
Derecognition of previously recognised unutilised tax losses			(68,252)		-
Effect of the different basis of income tax calculation in other countries			<u>2,106,840</u>		<u>897,303</u>
Total	17		<u>1,269,377</u>	18	<u>1,433,240</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Separate financial statements			
		2014		2013
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>11,651,701</u>		<u>4,793,197</u>
Income tax using the Thai corporation tax rate	20	2,330,340	20	958,639
Effect from income not subject to tax-dividend income		(2,202,475)		(1,036,795)
Effect from expense not deductible for tax purposes and income and expense recognised in the different period between accounting and tax		(137,381)		8,610
Current year losses for which no deferred tax asset was recognised		69,522		67,183
Derecognition of previously recognised unutilised tax losses		(63,000)		-
Total	-	(2,994)	-	(2,363)

Income tax rate reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively. Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

The Group/Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2014 and 2013 in accordance with the clarification issued by the FAP in 2012.

29 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, Ratchaburi Energy Company Limited, a subsidiary, has been granted privileges by the Board of Investment for Flared gas fuelled small power plant project. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations (27 June 2007 for BOI no.2222(2)/2549 and 2 December 2010 for BOI no.1091(2)/2553 and 26 January 2012 for BOI no.1362(2)/2554) which is not exceed 100% of investment excluded cost of land and working capital).

As promoted company, the subsidiary must comply with certain terms and conditions prescribed in the promotional certificates.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

30 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2014 and 2013 were based on the net profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(Restated)			
	(in thousand Baht / thousand shares)			
Net profit attributable to equity holders of the Company (basic)	6,279,035	6,514,116	11,654,694	4,795,559
Number of ordinary shares outstanding	1,450,000	1,450,000	1,450,000	1,450,000
Earnings per share (basic) (in Baht)	4.33	4.49	8.04	3.31

31 Dividends

At the Board of Directors meeting of the Company held on 18 August 2014, the Board approved the appropriation of interim dividend of Baht 1.10 per share, totaling Baht 1,595 million. The interim dividend was paid to shareholders in September 2014.

At the annual general meeting of the shareholders of the Company held on 28 March 2014, the shareholders approved the appropriation of dividend of Baht 2.27 per share, totaling Baht 3,292 million, from the net profit of 2013 after deducting the interim dividends of Baht 1.10 per share, totalling Baht 1,595 million, paid to shareholders in September 2013 from the net profit for the six-month period ended 30 June 2013. The balance of dividend amounted to Baht 1,697 million which was paid to shareholders in April 2014.

At the Board of Directors meeting of the Company held on 19 August 2013, the Board approved the appropriation of interim dividend of Baht 1.10 per share, totaling Baht 1,595 million. The interim dividend was paid to shareholders in September 2013.

At the annual general meeting of the shareholders of the Company held on 28 March 2013, the shareholders approved the appropriation of dividend of Baht 2.27 per share, totaling Baht 3,292 million, from the net profit of 2012 after deducting the interim dividends of Baht 1.10 per share, totaling Baht 1,595 million, paid to shareholders in September 2012 from the net profit for the six-month period ended 30 June 2012. The balance of dividend amounted to Baht 1,697 million which was paid to shareholders in April 2013.

32 Financial instruments

Financial risk management policies

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

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

Capital management

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

Interest rate risk

Interest rate risk arises from the fluctuations in market interest rates, which may have negative effect on current future operations of the Group. Management believes that exposure to interest rate risk is minimal because the floating interest rate according to the condition in long-term loans agreement and debentures (note 17) are included in the availability payment as specified in the Power Purchase Agreement (note 6). Therefore, the Group does not enter into a hedging agreement to protect against such risk.

The effective interest rates of loans to and loans from related parties at 31 December 2014 and 2013 and the periods in which those liabilities mature or re-price were disclosed in note 6.

The effective interest rates of interest-bearing liabilities at 31 December 2014 and 2013 and the periods in which those liabilities mature or re-price were disclosed in note 17.

Foreign currency risk

At 31 December, the Group and the Company were exposed to foreign currency risk of significant transactions as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
<i>United States Dollars</i>				
Long-term loans to related parties	43,196	-	944,178	1,172,862
Debentures	9,859,821	-	-	-
<i>Lao Kip</i>				
Short-term deposits at financial institution	41,000	41,000	-	-
Equity securities available for sale	3,575,434	2,997,896	-	-
<i>Australian Dollars</i>				
Long-term loans from related party	1,095,465	1,186,178	-	-
<i>Singapore Dollars</i>				
Short-term loans from financial institutions	-	6,724,215	-	-
<i>Japan Yen</i>				
Debentures	4,112,267	4,639,038	-	-
Gross balance sheet exposure	18,727,183	15,588,327	944,178	1,172,862

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The Group has concentrations of credit risk since most of its revenues are contracted under long-term agreements with a small number of parties. However counterparties are generally government authorities and large public or private corporations and the risk perceived is low.

Liquidity risk

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

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held to maturity and available for sale, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values of financial asset and liabilities, together with the carrying values shown in the balance sheets at 31 December, were as follows:

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying value (in thousand Baht)	Fair value	Carrying value
2014				
Asset				
Current				
Held for trading securities	435,851	435,851	399,695	399,695
Non-current				
Equity securities available for sale	3,575,434	3,575,434	-	-
Total	4,011,285	4,011,285	399,695	399,695
Liabilities				
Current				
Debentures	729,837	721,334	-	-
Non-current				
Long-term loans from financial institutions	1,228,466	1,200,000	1,228,466	1,200,000
Debentures	14,473,289	13,972,087	-	-
Total	16,431,592	15,893,421	1,228,466	1,200,000
2013				
Asset				
Current				
Held for trading securities	445,634	445,634	405,262	405,262
Non-current				
Equity securities available for sale	2,997,896	2,997,896	-	-
Total	3,443,530	3,443,530	405,262	405,262
Liabilities				
Current				
Debentures	4,989,452	4,960,007	-	-
Non-current				
Long-term loans from financial institutions	1,204,542	1,154,384	1,204,542	1,200,000
Debentures	5,572,568	5,384,767	-	-
Total	11,766,562	11,499,158	1,204,542	1,200,000

33 Commitments with non-related parties

Power Purchase Agreement

On 8 February 2011, Ratchaburi Energy Company Limited, a subsidiary, entered into the 3.6 Megawatts Power Purchase Agreement with Provincial Electricity Authority (“PEA”) for the period of 5 years. The contract can be extended for a period of 5 years subject to the provision of written notice to the counterparty.

On 17 September 2010, Ratchaburi Energy Company Limited, a subsidiary, entered into the 0.9 Megawatts Power Purchase Agreement with Provincial Electricity Authority (“PEA”) for the period of 5 years. The contract can be extended for a period of 5 years subject to the provision of written notice to the counterparty.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Operation and Maintenance Agreement

On 21 November 2014, Ratchaburi Energy Company Limited, a subsidiary, entered into an Operation and Maintenance Agreement with a service provider having operation service fee of approximately Baht 6.03 million per year. The agreement is effective for a period of 1 year ending 31 December 2015.

On 30 June 2000, Tri Energy Company Limited, a subsidiary, entered into an Operation and Maintenance Agreement with a supplier. According to the agreement, such supplier will act as an operator to perform the operation and maintenance of the power plant. The agreement is effective for a period of 20 years commencing the first commercial operation date which was 1 July 2000. Such subsidiary shall pay the operator in an amount set forth in accordance with the agreement. On 1 August 2014, Tri Energy Company Limited transferred its entire business including Operation and Maintenance Agreement with a supplier to Ratchaburi Electricity Generating Company Limited (as described in Note 5).

Fuel Purchase Agreements

On 27 October 2000, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a 25-year Gas Sales Agreement with PTT Public Company Limited (“PTT”) whereby PTT will supply natural gas to the subsidiary at an agreed quantity and price.

On 1 June 2004, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a 3-year Diesel Purchase Agreement with PTT Public Company Limited (“PTT”), which can be extended for a period of one year until the end of contract. However, without the six-month advance written notice designated the intention to terminate the contract from PTT, PTT would sell diesel to the subsidiary at the agreed quantity and price as stated in the contract.

On 17 January 2006, Ratchaburi Energy Company Limited, a subsidiary, entered into a Gas Sales Agreement (gas is a by-product from crude oil production) with PTTEP Siam Company Limited and PTT Exploration and Production Public Company Limited for its 2 Megawatts power plant project (PTO-A) and 0.9 Megawatts power plant project (PTO-A (EX)) with the initial price of Baht 26.65 per 1 million B.T.U. for 8 years from the dates of commencement of commercial operation, which were 27 June 2007 and 2 December 2010, respectively.

On 29 June 2011, Ratchaburi Energy Company Limited, a subsidiary, entered into a Gas Sales Agreement (gas is a by-product from crude oil production) with PTTEP Siam Company Limited and PTT Exploration and Production Public Company Limited for its 3.6 Megawatts power plant project (STN-A) with the initial price of Baht 29.50 per 1 million B.T.U. for 8 years from the date of commencement of commercial operation which was 26 January 2012.

On 22 May 1997 Tri Energy Company Limited, a subsidiary, entered into a 20-year Gas Sales Agreement with PTT Public Company Limited (“PTT”) commencing the first commercial operation date which was 1 July 2000 whereby PTT will supply natural gas to the subsidiary at an agreed quantity and price. On 1 August 2014, Tri Energy Company Limited transferred its entire business including Gas Sales Agreement with PTT to Ratchaburi Electricity Generating Company Limited (as described in Note 5).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

Contractual Service Agreement

On 29 December 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a Contractual Service Agreement for the Combined Cycle Generating Power Plant between the subsidiary and the Consortium of General Electric International Operations Co., Inc. and GE Energy Parts, Inc. The agreement is effective from the agreement date until the end of the operation of gas turbine according to Power Purchase Agreement in year 2027 with a total contract price of US Dollars 428.60 million with adjustments as conditions specified in the agreement. During 1st quarter 2014, parties reduced price and conditions into amendment which has been effective since February 2014, made the total contract price amounting to U.S Dollar 418.21 million. As at 31 December 2014, such subsidiary has outstanding commitments amounting to U.S Dollars 213.43 million (*As at 31 December 2013: U.S. Dollar 232.20 million*).

In addition, in accordance with the agreement, the subsidiary is required to open a letter of credit amounting to U.S. Dollars 6 million. As at 31 December 2014 the company had an unused letter of credit amounting to U.S. Dollars 6 million (*As at 31 December 2013: U.S. Dollars 6 million*).

Forward contracts

As at 31 December 2014, Ratchaburi Electricity Generating Company Limited, a subsidiary, had outstanding forward contracts with a branch of foreign bank to buy U.S.Dollars 10 million or equivalent to Baht 329.05 million (*As at 31 December 2013: U.S. Dollars 15 million or equivalent to Baht 484.2 million*).

As at 31 December 2014, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding forward contracts to sell U.S.Dollars 10 million or equivalent to Baht 329 million (*As at 31 December 2013: U.S. Dollars 15 million or equivalent to Baht 488.7 million*).

Letter of Guarantee

As at 31 December 2014, the Company and subsidiaries had commitments from letter of guarantee issued by financial institutions for compliance with agreement conditions amounting to Baht 94.06 million and U.S. Dollars 1.09 million. (*As at 31 December 2013: Baht 93.01 million and U.S. Dollars 1.09 million*).

As at 31 December 2014, the Company and subsidiary had commitments from Standby Letter of Credit issued by financial institutions for Debt Service Reserve Guarantee and equity contribution in jointly-controlled entities amounting to Baht 105.43 million and U.S. Dollars 204.74 million respectively. (*As at 31 December 2013: U.S. Dollars 204.2 million*).

Capital commitment

As at 31 December 2014, the Company had outstanding capital commitments amounting to Baht 3.59 million (*As at 31 December 2013: Baht 4.48 million*).

As at 31 December 2014, Hongsa Power Company Limited, a jointly-controlled entity, had outstanding capital commitment on the significant agreement in the investment proportion under Construction Agreement for a Power Plant, Dam and water pipelines Project and other services that are not recognised amounting to Baht 16,830.08 million and U.S. Dollars 121.81 million (*As at 31 December 2013: Baht 20,348.50 million and U.S. Dollars 270.59 million*).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

As at 31 December 2014, Ratchaburi World Cogeneration Company Limited, a jointly-controlled entity of the subsidiary, had outstanding capital commitment on the significant agreement in the investment proportion under Technical Consulting Agreement and Construction Agreement for a Power Plant Project amounting to Baht 135.02 million and U.S. Dollars 6.53 million (*As at 31 December 2013: Baht 395.18 million and U.S. Dollars 26.38 million*).

As at 31 December 2014, Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity, had outstanding capital commitment on the significant agreement in the investment proportion under Technical Consulting Agreement and Construction Agreement for a hydroelectric power plant Project and other service agreement amounting to U.S. Dollars 142.81 million (*As at 31 December 2013: U.S. Dollars 178.07 million*).

As at 31 December 2014, Nava Nakorn Electricity Generating Company Limited, a jointly-controlled entity of the subsidiary, had outstanding capital commitment on the significant agreement in the investment proportion under Technical Consulting Agreement and Construction Agreement for a Power Plant Project amounting to Baht 411.58 million and U.S. Dollars 29.76 million.

Pledge of share agreement

The Group/Company has pledged all of share certificates of Ratchaburi Power Company Limited, Hongsa Power Company Limited, Solarta Company Limited, Solar Power (Korat 3) Company Limited, Solar Power (Korat 4) Company Limited, Solar Power (Korat 7) Company Limited, Ratchaburi World Cogeneration Company Limited, Xe-Pian Xe-Namnoy Power Company Limited and Nava Nakorn Electricity Generating Company Limited, a jointly- controlled entities, as collateral for loans from such a jointly-controlled entities.

The Company has pledged all of share certificates of First Korat Wind Company Limited and K.R.Two Company Limited, associates, as collateral for loans from such associates.

The Company has pledged all of share certificates of SouthEast Asia Energy Limited, a jointly-controlled entity, and such jointly-controlled entity has pledged partially of share certificates of Nam Ngum 2 Power Company Limited, a subsidiary of the jointly-controlled entity, as collateral for loans from such subsidiary of the jointly-controlled entity.

Significant litigation

During year 2014, the 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 does not record a contingent liability in respect of this case. As at 31 December 2014, this case is under the consideration of the Court.

34 Events after the reporting period

On 15 January 2015, the Company paid for the additional paid-up capital of Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity, the Company paid for the additional paid-up capital amounting to U.S. Dollars 0.26 million or equivalent to Baht 8.46 million, in the proportion of investment of 25%.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Notes to the financial statements

On 28 January 2015, Ratchaburi Energy Company Limited, a subsidiary, paid for the additional paid-up capital of Oversea Green Energy Company Limited, a jointly-controlled entity, for 2 million of ordinary shares at par value of Baht 10 per share. Such jointly-controlled entity called for the paid-up share capital at Baht 7.50 per share. Such subsidiary paid for the share capital amounting to Baht 9 million, in proportion to its investment of 60%.

At the Board of Directors' meeting of the Company, held on 24 February 2015, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2014 dividend payment at the rate of Baht 1.17 per share, totalling Baht 3,291.50 million, from the net profit of 2014 after deducting the interim dividends of Baht 1.10 per share, totalling Baht 1,595 million. The balance of dividend amounting to Baht 1,696.50 million is subject to the approval of the Shareholders at the Annual General Meeting on 10 April 2015.

35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below. The Group/Company does not plan to adopt these TFRS early.

TFRS	Topic	Year effective
TFRS 3 (revised 2014)	Business Combinations	2015
TFRS 8 (revised 2014)	Operating Segments	2015
TFRS 10	Consolidated Financial Statements	2015
TFRS 11	Joint Arrangements	2015
TFRS 12	Disclosure of Interests in Other Entities	2015
TFRS 13	Fair Value Measurement	2015
TAS 1 (revised 2014)	Presentation of Financial Statements	2015
TAS 16 (revised 2014)	Property, Plant and Equipment	2015
TAS 18 (revised 2014)	Revenue	2015
TAS 19 (revised 2014)	Employee Benefits	2015
TAS 20 (revised 2014)	Accounting for Government Grants and Disclosure of Government Assistance	2015
TAS 21 (revised 2014)	The Effects of Changes in Foreign Exchange Rates	2015
TAS 27 (revised 2014)	Separate Financial Statements	2015
TAS 28 (revised 2014)	Investments in Associates and Joint Ventures	2015
TFRIC 5(revised 2014)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2015

The Group/Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.