**Note Contents**

1. General information
2. Basis of preparation of the interim financial statements
3. Related parties
4. Other investments
5. Trade accounts receivable
6. Investments in associates and joint ventures
7. Investments in subsidiaries
8. Investments in other companies
9. Advance payment for investment
10. Property, plant and equipment
11. Interest-bearing liabilities
12. Changes in liabilities arising from financing activities
13. Segment information
14. Income tax expense
15. Basic earnings per share
16. Financial instruments
17. Commitments with non-related parties
18. Events after the reporting period

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Audit Committee, as appointed by the Board of Directors of the Company on 14 May 2018.

# 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 period was Electricity Generating Authority of Thailand (“EGAT”) (45% shareholding), which was incorporated in Thailand.

The principal businesses of the Company are the investing in companies, whose objectives are to generate and sell electricity. Details of the Company’s subsidiaries, associates and joint ventures as at 31 March 2018 and 31 December 2017 were as follows:

|  |  | **Country of** | **Ownership interest** | |
| --- | --- | --- | --- | --- |
| **Name of entities** | **Type of business** | **incorporation** | **(%)** | |
|  |  |  | 31  March | 31 December |
|  |  |  | 2018 | 2017 |
| ***Direct subsidiaries*** |  |  |  |  |
| Ratchaburi Electricity | Generating and selling | Thailand | 99.99 | 99.99 |
| Generating Company Limited | electricity and investing in |  |  |  |
|  | the power energy business |  |  |  |
|  |  |  |  |  |
| Ratchaburi Energy | Developing and operating | Thailand | 99.99 | 99.99 |
| Company Limited | power plant and investing in |  |  |  |
|  | the power energy business |  |  |  |
|  |  |  |  |  |
| RATCH-Lao Services | Providing operation and | Lao PDR | 99.99 | 99.99 |
| Company Limited | maintenance services |  |  |  |
|  |  |  |  |  |
| RH International | Investing in the power | Thailand | 99.99 | 99.99 |
| Corporation Limited | energy business |  |  |  |
|  |  |  |  |  |
| RATCH O&M | Providing operation and | Thailand | 99.99 | 99.99 |
| Company Limited | maintenance services |  |  |  |
|  |  |  |  |  |
| Ratchaburi Alliances | Investing in the power | Thailand | 99.99 | 99.99 |
| Company Limited | energy business |  |  |  |
|  |  |  |  |  |
| ***Indirect subsidiaries*** |  |  |  |  |
| RH International (Mauritius) | Investing in the power | Mauritius | 100 | 100 |
| Corporation Limited | energy business |  |  |  |
|  | internationally |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| ***Indirect subsidiaries*** |  |  |  |  |
| RH International (Singapore) | Investing in the power | Singapore | 100 | 100 |
| Corporation Pte. Ltd. | energy business |  |  |  |
|  | internationally |  |  |  |
|  |  |  |  |  |
| RATCH-Australia Corporation | Developing and operating | Australia | 80 | 80 |
| Limited and its subsidiaries | power plant and |  |  |  |
|  | investing in the power |  |  |  |
|  | energy business |  |  |  |
|  |  |  |  |  |
| RATCH China Power | Investing in the power | Hong Kong | 100 | 100 |
| Company Limited | energy business |  |  |  |
|  | internationally |  |  |  |
|  |  |  |  |  |
| RE Solar 1 Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| CN Biomass Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| PB Biomass Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| LP Biomass Company Limited | Generating and selling | Thailand | 99.99 | 99.99 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| ***Direct associates*** |  |  |  |  |
| First Korat Wind | Generating and selling | Thailand | 20 | 20 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| K.R. TWO Company Limited | Generating and selling | Thailand | 20 | 20 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| ***Direct joint ventures*** |  |  |  |  |
| Chubu Ratchaburi Electric | Providing operation and | Thailand | 50 | 50 |
| Services Company Limited | maintenance services |  |  |  |
|  |  |  |  |  |
| SouthEast Asia Energy Limited | Investing in the power | Thailand | 33.33 | 33.33 |
|  | energy business |  |  |  |
|  |  |  |  |  |
| Nam Ngum 3 Power | Generating and selling | Lao PDR | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Xe-Pian Xe-Namnoy Power | Generating and selling | Lao PDR | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| ***Indirect joint ventures*** |  |  |  |  |
| Ratchaburi Power | Generating and selling | Thailand | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Nava Nakorn Electricity | Generating and selling | Thailand | 40 | 40 |
| Generating Company Limited | electricity and steam |  |  |  |
|  |  |  |  |  |
| Ratchaburi World Cogeneration | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity and steam |  |  |  |
|  |  |  |  |  |
| Solarta Company Limited | Generating and selling | Thailand | 49 | 49 |
|  | electricity |  |  |  |
|  |  |  |  |  |
| Solar Power (Korat 3) | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Solar Power (Korat 4) | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Solar Power (Korat 7) | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Songkhla Biomass | Generating and selling | Thailand | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Songkhla Biofuel | Providing material of | Thailand | 40 | 40 |
| Company Limited | biofuel |  |  |  |
|  |  |  |  |  |
| Berkprai Cogeneration | Generating and selling | Thailand | 35 | 35 |
| Company Limited | electricity and steam |  |  |  |
|  |  |  |  |  |
| Hongsa Power | Generating and selling | Lao PDR | 40 | 40 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |
| Phu Fai Mining | Coal mining and trading | Lao PDR | 37.50 | 37.50 |
| Company Limited |  |  |  |  |
|  |  |  |  |  |
| PT Medco Ratch Power Riau | Generating and selling | Republic of | 49 | 49 |
|  | electricity | Indonesia |  |  |
|  |  |  |  |  |
| ***Subsidiary of a direct*** |  |  |  |  |
| ***joint venture*** |  |  |  |  |
| Nam Ngum 2 Power | Generating and selling | Lao PDR | 25 | 25 |
| Company Limited | electricity |  |  |  |
|  |  |  |  |  |

# Basis of preparation of the interim financial statements

* 1. *Statement of compliance*

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2017) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended 31 December 2017.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

In addition to the above new and revised TFRS, the FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these interim financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

* TAS 11 (revised 2017) *Construction Contracts,*
* TAS 18 (revised 2017) *Revenue*,
* TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services,*
* TFRIC 13 (revised 2017) *Customer Loyalty Programmes,*
* TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate,* and
* TFRIC 18 (revised 2017) *Transfers of Assets from Customers.*

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the consolidated and separate financial statements.

* 1. *Functional and presentation currency*

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

* 1. *Use of judgements and estimates*

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

*Measurement of fair values*

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

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

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

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

* *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
* *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
* *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in measuring fair values is included in note 16 - financial instruments.

# Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group 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 and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries, associates, joint ventures, key management and other related parties were as follows:

| **Name of entities** | **Country of incorporation/ nationality** | **Nature of relationships** |
| --- | --- | --- |
|  |  |  |
| Electricity Generating Authority of | Thailand | Major shareholder, some common directors |
| Thailand |  |  |
|  |  |  |
| Ratchaburi Electricity Generating | Thailand | Direct subsidiary, 99.99% shareholding |
| Company Limited |  |  |
|  |  |  |
| Ratchaburi Energy Company Limited | Thailand | Direct subsidiary, 99.99% shareholding |
|  |  |  |
| RATCH-Lao Services Company Limited | Lao PDR | Direct subsidiary, 99.99% shareholding |
|  |  |  |
| RH International Corporation Limited | Thailand | Direct subsidiary, 99.99% shareholding |
|  |  |  |
| RATCH O&M Company Limited | Thailand | Direct subsidiary, 99.99% shareholding |
|  |  |  |
| Ratchaburi Alliances Company Limited | Thailand | Direct subsidiary, 99.99% shareholding |
|  |  |  |
| RH International (Mauritius)  Corporation Limited | Mauritius | Indirect subsidiary, 100% shareholding  by a direct subsidiary |
|  |  |  |
| RH International (Singapore)  Corporation Pte. Ltd. | Singapore | Indirect subsidiary, 100% shareholding  by an indirect subsidiary |
|  |  |  |
| RATCH-Australia Corporation Limited | Australia | Indirect subsidiary, 80% shareholding  by an indirect subsidiary,  some common directors |
|  |  |  |
| RATCH China Power Limited | Hong Kong | Indirect subsidiary, 100% shareholding  by an indirect subsidiary |
|  |  |  |
| RE Solar 1 Company Limited | Thailand | Indirect subsidiary, 99.99% shareholding  by a direct subsidiary |
|  |  |  |
| CN Biomass Company Limited | Thailand | Indirect subsidiary, 99.99% shareholding  by a direct subsidiary |
|  |  |  |
| PB Biomass Company Limited | Thailand | Indirect subsidiary, 99.99% shareholding  by a direct subsidiary |
|  |  |  |
| LP Biomass Company Limited | Thailand | Indirect subsidiary, 99.99% shareholding  by a direct subsidiary |
|  |  |  |
| First Korat Wind Company Limited | Thailand | Direct associate, 20% shareholding |
|  |  |  |
| K.R. TWO Company Limited | Thailand | Direct associate, 20% shareholding |
|  |  |  |
| Perth Power Partnership (Kwinana) | Australia | Indirect associate, 30% shareholding  by an indirect subsidiary |
| Chubu Ratchaburi Electric Services | Thailand | Direct joint venture, 50% shareholding |
| Company Limited |  |  |
|  |  |  |
| SouthEast Asia Energy Limited | Thailand | Direct joint venture, 33.33% shareholding |
|  |  |  |
| Nam Ngum 3 Power Company Limited | Lao PDR | Direct joint venture, 25% shareholding |
|  |  |  |
| Xe-Pian Xe-Namnoy Power  Company Limited | Lao PDR | Direct joint venture, 25% shareholding |
|  |  |  |
| Ratchaburi Power Company Limited | Thailand | Indirect joint venture, 25% shareholding  by a direct subsidiary |
|  |  |  |
| Nava Nakorn Electricity Generating  Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Ratchaburi World Cogeneration  Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Solarta Company Limited | Thailand | Indirect joint venture, 49% shareholding  by a direct subsidiary |
|  |  |  |
| Solar Power (Korat 3) Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Solar Power (Korat 4) Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Solar Power (Korat 7) Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Songkhla Biomass Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Songkhla Biofuel Company Limited | Thailand | Indirect joint venture, 40% shareholding  by a direct subsidiary |
|  |  |  |
| Berkprai Cogeneration Company Limited | Thailand | Indirect joint venture, 35% shareholding  by a direct subsidiary |
|  |  |  |
| Hongsa Power Company Limited | Lao PDR | Indirect joint venture, 40% shareholding  by an indirect subsidiary,  some common directors |
|  |  |  |
| Phu Fai Mining Company Limited | Lao PDR | Indirect joint venture, 37.50% shareholding  by an indirect subsidiary,  some common directors |
|  |  |  |
|  |  |  |
|  |  |  |
| PT Medco Ratch Power Riau | Republic of Indonesia | Indirect joint venture, 49% shareholding  by an indirect subsidiary,  some common directors |
|  |  |  |
| Nam Ngum 2 Power Company Limited | Lao PDR | Subsidiary of a direct joint venture,  75% shareholding by a direct joint venture |
|  |  |  |
| Broadspectrum Pty Limited | Australia | Related party of an indirect subsidiary,  20% shareholding of an indirect subsidiary |
|  |  |  |
| Key management personnel | Thai | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group. |

The pricing policies for transactions with related parties are explained further below:

|  |  |  |
| --- | --- | --- |
| **Transactions** |  | **Pricing policies** |
| Revenue from sales of electricity |  | Contractually agreed price |
| Operation and maintenance service income |  | Contractually agreed price |
| Revenue from finance lease contracts |  | Contractually agreed price |
| Management service income |  | Contractually agreed price |
| Purchase of goods/ raw materials |  | Contractually agreed price |
| Operation and maintenance service fee |  | Contractually agreed price |
| Interest income |  | Contractually agreed rate |
| Other income |  | Contractually agreed price |
| Rental income |  | Contractually agreed price |
| Interest expense |  | Contractually agreed rate |

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

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Three-month period ended 31 March*** | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Major shareholder** |  |  |  |  |  |  |  |
| Revenue from sales of electricity | 7,523,864 |  | 8,172,100 |  | - |  | - |
| Operation and maintenance service income | 12,406 |  | 12,574 |  | - |  | - |
| Revenue from finance lease contracts | 885,232 |  | 1,056,212 |  | - |  | - |
| Purchase of electricity | 43,380 |  | 57,406 |  | - |  | - |
| Operation and maintenance service fee | 293,820 |  | 298,831 |  | - |  | - |
| Management service of fuel | 532 |  | 531 |  | - |  | - |
| Other service fee | 364 |  | 2,095 |  | 24 |  | 2,028 |
|  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Management service income | - |  | - |  | 42,145 |  | 37,785 |
| Interest income | - |  | - |  | 23,803 |  | 58,470 |
| Dividend income | - |  | - |  | 361,379 |  | 1,035,185 |
| Surplus in liquidating distribution from |  |  |  |  |  |  |  |
| subsidiary | - |  | - |  | - |  | 9,800 |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Management service income | 547 |  | 522 |  | 547 |  | 522 |
|  |  |  |  |  |  |  |  |
| **Joint ventures** |  |  |  |  |  |  |  |
| Management service income | 58,801 |  | 60,129 |  | 58,801 |  | 60,129 |
| Interest income | 270 |  | 360 |  | 270 |  | 360 |
| Dividend income | - |  | - |  | 15,000 |  | - |
| Rental income | 3,017 |  | 3,017 |  | - |  | - |
| Other income | 8,460 |  | 8,869 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related party** |  |  |  |  |  |  |  |
| Interest expense | 17,703 |  | 19,294 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel compensation** |  |  |  |  |  |  |  |
| Short-term employee benefits | 40,520 |  | 47,980 |  | 22,980 |  | 20,431 |
| Post-employment benefits | 1,900 |  | 5,710 |  | 751 |  | 3,598 |
| Other long-term benefits | 200 |  | 525 |  | 83 |  | 369 |
| **Total key management personnel compensation** | **42,620** |  | **54,215** |  | **23,814** |  | **24,398** |

Balances as at 31 March 2018 and 31 December 2017 with related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Trade account receivable from***  ***related party*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Major Shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority of Thailand | 7,027,223 |  | 6,731,131 |  | - |  | - |
|  | **7,027,223** |  | **6,731,131** |  | **-** |  | **-** |
| *Less* allowance for doubtful accounts | (57,245) |  | (59,646) |  | - |  | - |
| **Net** | **6,969,978** |  | **6,671,485** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| Reversal of doubtful debts expense for the: |  |  |  |  |  |  |  |
| - Three-month period ended 31 March | **(2,401)** |  | **-** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Dividend receivables*** | Consolidated  financial statements | | |  | Separate  financial statements | | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December | |
|  | 2018 |  | 2017 |  | 2018 |  | | 2017 |
|  | *(in thousand Baht)* | | | | | | | |
| **Direct associates** |  |  |  |  |  |  | |  |
| First Korat Wind Company Limited | - |  | 36,000 |  | - |  | | 36,000 |
| K.R. TWO Company Limited | - |  | 33,400 |  | - |  | | 33,400 |
| **Total** | **-** |  | **69,400** |  | **-** |  | | **69,400** |

| ***Advances to and other current receivables***  ***from related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Major Shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority of Thailand | 729 |  | 1,573 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Direct subsidiaries** |  |  |  |  |  |  |  |
| Ratchaburi Electricity Generating |  |  |  |  |  |  |  |
| Company Limited | - |  | - |  | 33,926 |  | 28,205 |
| Ratchaburi Energy Company Limited | - |  | - |  | 32 |  | 238 |
| RH International Corporation Limited | - |  | - |  | 241 |  | 963 |
| RATCH-Lao Services Company Limited | - |  | - |  | 1,005 |  | - |
| Ratchaburi Alliances Company Limited | - |  | - |  | 32 |  | 128 |
|  |  |  |  |  |  |  |  |
| **Indirect subsidiaries** |  |  |  |  |  |  |  |
| RH International (Singapore) |  |  |  |  |  |  |  |
| Corporation Pte. Ltd. | - |  | - |  | 10,470 |  | 43,898 |
| RATCH-Australia Corporation Limited | - |  | - |  | 382 |  | - |
|  |  |  |  |  |  |  |  |
| **Direct associates** |  |  |  |  |  |  |  |
| First Korat Wind Company Limited | 98 |  | 96 |  | 98 |  | 96 |
| K.R. TWO Company Limited | 98 |  | 96 |  | 98 |  | 96 |
|  |  |  |  |  |  |  |  |
| **Direct joint ventures** |  |  |  |  |  |  |  |
| Chubu Ratchaburi Electric Services |  |  |  |  |  |  |  |
| Company Limited | 920 |  | 915 |  | 920 |  | 915 |
| SouthEast Asia Energy Limited | - |  | 270 |  | - |  | 270 |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |
| Company Limited | 10,574 |  | 11,150 |  | 10,574 |  | 11,150 |
|  |  |  |  |  |  |  |  |
| **Indirect joint ventures** |  |  |  |  |  |  |  |
| Ratchaburi Power Company Limited | 7,164 |  | 12,868 |  | - |  | - |
| Nava Nakorn Electricity Generating |  |  |  |  |  |  |  |
| Company Limited | 973 |  | 1,018 |  | 973 |  | 1,018 |
| Solarta Company Limited | 1,689 |  | 1,610 |  | 1,689 |  | 1,610 |
| Songkhla Biomass Company Limited | 192 |  | 181 |  | 192 |  | 181 |
| Berkprai Cogeneration Company Limited | 1,544 |  | - |  | 1,544 |  | - |
| Hongsa Power Company Limited | 4,062 |  | 4,257 |  | 4,062 |  | 4,257 |
| PT Medco Ratch Power Riau | 55 |  | 57 |  | - |  | - |
| **Total** | **28,098** |  | **34,091** |  | **66,238** |  | **93,025** |
|  |  |  |  |  |  |  |  |

| ***Loans to related parties*** | **Interest**  **rate** | | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 | 31 | 31 |  | 31 |  | 31 |  | 31 |
|  | March | December | March |  | December |  | March |  | December |
|  | 2018 | 2017 | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(% per annum)* | | *(in thousand Baht)* | | | | | | |
| ***Short-term loans*** |  |  |  |  |  |  |  |  |  |
| **Direct subsidiary** |  |  |  |  |  |  |  |  |  |
| Ratchaburi Electricity | 2.10 | 2.45 and |  |  |  |  |  |  |  |
| Generating Company Limited |  | 2.48 | - |  | - |  | 1,800,000 |  | 2,730,000 |
|  |  |  | **-** |  | **-** |  | **1,800,000** |  | **2,730,000** |
| *Less* allowance for doubtful accounts | |  | - |  | - |  | - |  | - |
| **Short-term loans to related party-net** | |  | **-** |  | **-** |  | **1,800,000** |  | **2,730,000** |
|  |  |  |  |  |  |  |  |  |  |
| ***Long-term loans*** |  |  |  |  |  |  |  |  |  |
| **Direct subsidiaries** |  |  |  |  |  |  |  |  |  |
| Ratchaburi Energy |  |  |  |  |  |  |  |  |  |
| Company Limited | 4.00 | 4.00 | - |  | - |  | 203,000 |  | 203,000 |
| RATCH-Lao Services |  |  |  |  |  |  |  |  |  |
| Company Limited | 3.65 | 3.65 | - |  | - |  | 1,014,321 |  | 1,062,077 |
|  |  |  |  |  |  |  |  |  |  |
| **Direct joint venture** |  |  |  |  |  |  |  |  |  |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |  |  |
| Company Limited | 6.29 | 5.67 | 40,888 |  | 42,813 |  | 40,888 |  | 42,813 |
|  |  |  | **40,888** |  | **42,813** |  | **1,258,209** |  | **1,307,890** |
| *Less* current portion due within one year | | | - |  | - |  | - |  | - |
| allowance for doubtful accounts | | | - |  | - |  | - |  | - |
| **Long-term loans to related parties-net** | | | **40,888** |  | **42,813** |  | **1,258,209** |  | **1,307,890** |
|  | | |  |  |  |  |  |  |  |
| ***Summary of loans to related parties*** | | |  |  |  |  |  |  |  |
| Short-term loans | | | - |  | - |  | 1,800,000 |  | 2,730,000 |
| Long-term loans | | | 40,888 |  | 42,813 |  | 1,258,209 |  | 1,307,890 |
|  | | | **40,888** |  | **42,813** |  | **3,058,209** |  | **4,037,890** |
| *Less* allowance for doubtful accounts | | | - |  | - |  | - |  | - |
| **Total loans to related parties-net** | | | **40,888** |  | **42,813** |  | **3,058,209** |  | **4,037,890** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| Bad and doubtful debts expense for the: |  |  |  |  |  |  |  |
| - Three-month period ended 31 March | **-** |  | **-** |  | **-** |  | **-** |

Movements during the three-month period ended 31 March of loans to related parties were as follows:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans to related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | | | |
|  | 2018 |  | 2017 |  | 2018 |  | | 2017 | |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Short-term loans*** |  |  |  |  |  | |  | |  |
| **Direct subsidiary** |  |  |  |  |  | |  | |  |
| At 1 January | - |  | - |  | 2,730,000 | |  | | 5,400,000 |
| Increase | - |  | - |  | 2,285,000 | |  | | 2,580,000 |
| Decrease | - |  | - |  | (3,215,000) | |  | | (3,780,000) |
| **At 31 March** | **-** |  | **-** |  | **1,800,000** | |  | | **4,200,000** |
|  |  |  |  |  |  | |  | |  |
| ***Long-term loans*** |  |  |  |  |  | |  | |  |
| **Direct subsidiaries** |  |  |  |  |  | |  | |  |
| At 1 January | - |  | - |  | 1,265,077 | |  | | 1,581,209 |
| Exchange rate adjustment | - |  | - |  | (47,756) | |  | | (48,071) |
| **At 31 March** | **-** |  | **-** |  | **1,217,321** | |  | | **1,533,138** |
|  |  |  |  |  |  | |  | |  |
| **Direct joint venture** |  |  |  |  |  | |  | |  |
| At 1 January | 42,813 |  | 46,947 |  | 42,813 | |  | | 46,947 |
| Exchange rate adjustment | (1,925) |  | (1,796) |  | (1,925) | |  | | (1,796) |
| **At 31 March** | **40,888** |  | **45,151** |  | **40,888** | |  | | **45,151** |
|  |  |  |  |  |  | |  | |  |
| **Total long-term loans to related parties** |  |  |  |  |  | |  | |  |
| At 1 January | 42,813 |  | 46,947 |  | 1,307,890 | |  | | 1,628,156 |
| Exchange rate adjustment | (1,925) |  | (1,796) |  | (49,681) | |  | | (49,867) |
| **At 31 March** | **40,888** |  | **45,151** |  | **1,258,209** | |  | | **1,578,289** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Finance lease receivable from related party* | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Major Shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority of Thailand | **20,351,361** |  | **21,225,198** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | | | | | | | | | |
|  | Portion due  within one year | | |  | Portion due  after one year | | | |  | | Total | | | | |
|  | 31 March |  | 31 December |  | 31 March |  | | 31 December |  | | 31 March |  | | 31 December | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 | | |  | 2018 | |  | | 2017 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| Receivable under |  |  |  |  |  |  |  | | |  |  | |  | |  |
| finance lease contracts | 6,031,953 |  | 6,642,158 |  | 28,011,599 |  | 29,098,300 | | |  | 34,043,552 | |  | | 35,740,458 |
| *Less* unearned interest |  |  |  |  |  |  |  | | |  |  | |  | |  |
| income | (2,956,558) |  | (3,087,475) |  | (10,735,633) |  | (11,427,785) | | |  | (13,692,191) | |  | | (14,515,260) |
|  | **3,075,395** |  | **3,554,683** |  | **17,275,966** |  | **17,670,515** | | |  | **20,351,361** | |  | | **21,225,198** |
| *Less* allowance for |  |  |  |  |  |  |  | | |  |  | |  | |  |
| doubtful accounts | - |  | - |  | - |  | - | | |  | - | |  | | - |
| **Receivable under** |  |  |  |  |  |  |  | | |  |  | |  | |  |
| **finance lease** |  |  |  |  |  |  |  | | |  |  | |  | |  |
| **contracts-net** | **3,075,395** |  | **3,554,683** |  | **17,275,966** |  | **17,670,515** | | |  | **20,351,361** | |  | | **21,225,198** |

As at 31 March 2018 and 31 December 2017, the gross receivable and interest under finance lease contracts were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | |
|  | 31 March 2018 | | |  | 31 December 2017 | | |
|  | Receivable and |  | Receivable |  | Receivable and |  | Receivable |
|  | interest |  | under finance |  | interest |  | under finance |
|  | under finance |  | lease contracts |  | under finance |  | lease contracts |
|  | lease contracts |  | -net |  | lease contracts |  | -net |
|  | *(in thousand Baht)* | | | | | | |
| Portion due within one year | 6,031,953 |  | 3,075,395 |  | 6,642,158 |  | 3,554,683 |
| Portion due after one year |  |  |  |  |  |  |  |
| but within five years | 17,982,813 |  | 9,909,845 |  | 18,373,611 |  | 9,915,207 |
| Portion due after five years | 10,028,786 |  | 7,366,121 |  | 10,724,689 |  | 7,755,308 |
|  | **34,043,552** |  | **20,351,361** |  | **35,740,458** |  | **21,225,198** |
| *Less* unearned interest income | (13,692,191) |  |  |  | (14,515,260) |  |  |
| **Receivable under finance** |  |  |  |  |  |  |  |
| **lease contracts-net** | **20,351,361** |  |  |  | **21,225,198** |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Other non-current receivables***  ***from related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Direct subsidiaries** |  |  |  |  |  |  |  |
| Ratchaburi Energy Company Limited | - |  | - |  | 2,091 |  | 89 |
| RATCH-Lao Services Company Limited | - |  | - |  | 10,284 |  | 1,077 |
|  |  |  |  |  |  |  |  |
| **Direct joint venture** |  |  |  |  |  |  |  |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |
| Company Limited | 7,572 |  | 7,301 |  | 7,572 |  | 7,301 |
| **Total** | **7,572** |  | **7,301** |  | **19,947** |  | **8,467** |

| ***Other payables to related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| ***Current*** |  | | | | | | |
| **Major Shareholder** |  |  |  |  |  |  |  |
| Electricity Generating Authority |  |  |  |  |  |  |  |
| of Thailand | 42,936 |  | 69,017 |  | 24 |  | 181 |
|  |  |  |  |  |  |  |  |
| **Direct subsidiaries** |  |  |  |  |  |  |  |
| Ratchaburi Electricity |  |  |  |  |  |  |  |
| Generating Company Limited | - |  | - |  | 275 |  | 242 |
| RATCH-Lao Services |  |  |  |  |  |  |  |
| Company Limited | - |  | - |  | 2,580 |  | 2,387 |
|  |  |  |  |  |  |  |  |
| **Indirect subsidiary** |  |  |  |  |  |  |  |
| RH International (Singapore) |  |  |  |  |  |  |  |
| Corporation Pte. Ltd. | - |  | - |  | 2,166 |  | 2,978 |
|  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |
| **Indirect joint venture** |  |  |  |  |  |  |  |
| Ratchaburi Power Company |  |  |  |  |  |  |  |
| Limited | 17,593 |  | 15,194 |  | 13,068 |  | 13,686 |
| **Total** | **60,529** |  | **84,211** |  | **18,113** |  | **19,474** |
|  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |
| **Other related party** |  |  |  |  |  |  |  |
| Broadspectrum Pty Limited | **158,668** |  | **150,380** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Long-term loans from***  ***related party*** | **Interest**  **rate** | | | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 |  | 31 | 31 |  | 31 |  | 31 |  | 31 |
|  | March |  | December | March |  | December |  | March |  | December |
|  | 2018 |  | 2017 | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(% per annum)* | | | *(in thousand Baht)* | | | | | | |
| **Other related party** |  |  |  |  |  |  |  |  |  |  |
| Broadspectrum Pty Limited | 7.29 |  | 7.15 | 954,066 |  | 1,013,803 |  | - |  | - |
| *Less* current portion of long-term loans | |  |  | - |  | - |  | - |  | - |
| **Net** | | | | **954,066** |  | **1,013,803** |  | **-** |  | **-** |

Movements during the three-month period ended 31 March of long-term loans from related party were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Long-term loans from related party*** | Consolidated  **financial statements** | | |  | Separate  **financial statements** | | |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Other related party** |  | | | | | | |
| At 1 January | 1,013,803 |  | 1,029,085 |  | - |  | - |
| Exchange rate adjustment | (59,737) |  | 17,501 |  | - |  | - |
| **At 31 March** | **954,066** |  | **1,046,586** |  | **-** |  | **-** |

***Significant agreements with related parties***

***Short-term loan to related party***

As at 31 March 2018, the Company had outstanding balance of loan to Ratchaburi Electricity Generating Company Limited, a direct subsidiary, amounting to Baht 1,800 million which bears interest at the rate of 2.10 per annum and will be due in the 3rd quarter of 2018.

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

As at 31 March 2018, the Company had outstanding balance of loans to Ratchaburi Energy Company Limited, a direct subsidiary, amounting to Baht 203 million which bear interest at the rate of 4.00 per annum and will be due at call. 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.

As at 31 March 2018, the Company had the outstanding balance of loans to RATCH-Lao Services Company Limited, a direct subsidiary, amounting to U.S. Dollars 32.75 million or equivalent to Baht 1,014.32 million which bear interest at the rate of 3.65 per annum. Principle and interest will be due as stipulated in the agreement. The Company has no intention to recall such loans from the subsidiary within one year. Therefore, the Company classified the balance of such loans as long-term loans.

As at 31 March 2018, the Company had outstanding balance of loans to Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, in proportion of investment of 25%, amounting to U.S. Dollars 1.32 million or equivalent to Baht 40.89 million which bear interest at the rate of 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. Such loan agreement determined the repayment term of principal and interest within 27 years commencing from such joint venture made the first drawdown of loans from financial institutions on 5 February 2014 and when the outstanding of unpaid-up share capital under Lao Holding State Enterprise, the shareholder of such joint venture, fully paid share capital.

***Long-term loans from related party***

As at 31 March 2018, RATCH-Australia Corporation Limited, an indirect subsidiary, had outstanding balance of long-term loans with Broadspectrum Pty Limited, other related party, amounting to Australian Dollars 39.74 million or equivalent to Baht 954.07 which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus fixed margin per annum. Broadspectrum Pty Limited held 20% of the shares of RATCH-Australia Corporation Limited as at that date. Subsequently on 3 May 2018, RH International (Singapore) Corporation Ptd. Ltd., an indirect subsidiary, acquired the remaining 20% of the share capital of RATCH-Australia Corporation Limited from Broadspectrum Pty Limited and repaid all outstanding long-term loans to Broadspectrum Pty Limited.

***Power Purchase Agreement***

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

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

***Operation and Maintenance Agreement***

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

***Fuel Management Service Agreement***

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

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

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

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

***Management Service Agreement***

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

***Service for Operation and Maintenance Agreement***

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

***Construction Supervision Contractor Service Agreement***

On 28 November 2013, the Company entered into a Construction Supervision Contractor Service Agreement with Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, to provide control and management services for the construction of Xe-Pian Xe-Namnoy Hydroelectric Power Plant located in Champasak district and Attapeu district, Lao PDR, for a period of 64 months with service fee U.S. Dollars 10.96 million.

***Agreement 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 a Shareholders Agreement to set up Chubu Ratchaburi Electric Services Company Limited, a direct joint venture. Under the terms of the Shareholders Agreement, if Chubu Ratchaburi Electric Services Company Limited requires additional funding exceeding its authorised share capital, the Company agreed to provide financial support in the form of shareholders’ loans or the provision of shareholders guarantees to Chubu Ratchaburi Electric Services Company Limited in proportion of investment of 50%. The agreement does not specify the amount of financial support. As at 31 March 2018, the Company has not provided any loans or guarantees under the agreement.

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

On 9 October 2017, the Company entered into a Sponsor Support Agreement with Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, investments in other companies. The Company agreed to provide financial support in the form of shareholders’ loans or the provision of shareholders guarantee in proportion of investment of 10%. The agreement does not specify the amount of financial support. As at 31 March 2018, the Company has not provided any loans or guarantees under the agreement.

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

The Company entered into a Share Purchase Agreement related to purchase of the share capital of two associates with a local company to purchase the issue share capital of the associates. Under the terms of the agreement, the Company have to comply with the conditions of the dividends as stipulated in the agreement.

# Other investments

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| ***Current investments*** |  |  |  |  |  |  |  |
| Short-term deposits at financial |  |  |  |  |  |  |  |
| institutions | - |  | 200,000 |  | - |  | 200,000 |
| Debt securities held for trading | 495,577 |  | 493,082 |  | 463,409 |  | 461,018 |
| Other debt securities held to maturity | 30,000 |  | 30,000 |  | 30,000 |  | 30,000 |
|  | **525,577** |  | **723,082** |  | **493,409** |  | **691,018** |
|  |  |  |  |  |  |  |  |
| ***Other long-term investments*** |  |  |  |  |  |  |  |
| Equity securities available for sale | 2,871,019 |  | 3,195,527 |  | - |  | - |
| Other debt securities held to maturity | 386,748 |  | 386,922 |  | 383,000 |  | 383,000 |
|  | **3,257,767** |  | **3,582,449** |  | **383,000** |  | **383,000** |
| **Total** | **3,783,344** |  | **4,305,531** |  | **876,409** |  | **1,074,018** |

Movements during the three-month period ended 31 March of marketable equity and debt securities were as follows:

|  | Consolidated  financial statements | | |  | Separate  financial statements | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2018 |  | 2017 |  | 2018 |  | | 2017 |
|  | *(in thousand Baht)* | | | | | | | |
| ***Current investments*** |  | | | | | | | |
| **Debt securities held for trading** |  |  |  |  |  |  |  | |
| At 1 January | 493,082 |  | 482,476 |  | 461,018 |  | 447,856 | |
| Purchases during the period | 61,265 |  | 93,612 |  | 61,265 |  | 93,612 | |
| Sales during the period | (59,412) |  | (94,877) |  | (59,413) |  | (91,891) | |
| Valuation adjustment | 642 |  | 499 |  | 539 |  | 398 | |
| **At 31 March** | **495,577** |  | **481,710** |  | **463,409** |  | **449,975** | |
|  |  |  |  |  |  |  |  | |
| ***Other long-term investments*** |  |  |  |  |  |  |  | |
| **Equity securities available for sale** |  |  |  |  |  |  |  | |
| At 1 January | 3,195,527 |  | 3,730,280 |  | - |  | - | |
| Valuation adjustment | (324,508) |  | 122,173 |  | - |  | - | |
| **At 31 March** | **2,871,019** |  | **3,852,453** |  | **-** |  | **-** | |

# Trade accounts receivable

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| Related party (Note 3) | 7,027,223 |  | 6,731,131 |  | - |  | - |
| Other parties | 184,975 |  | 113,568 |  | - |  | - |
| **Total** | **7,212,198** |  | **6,844,699** |  | **-** |  | **-** |
| *Less* allowance for doubtful accounts | (57,245) |  | (59,646) |  | - |  | - |
| **Net** | **7,154,953** |  | **6,785,053** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| Reversal of doubtful debts expense for the: |  |  |  |  |  |  |  |
| - Three-month period ended 31 March | **(2,401)** |  | **-** |  | **-** |  | **-** |

Aging analyses for trade accounts receivable were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  | 31 March |  | 31 December |  | 31 March |  | 31 December |
|  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| **Related party** |  |  |  |  |  |  |  |
| Within credit terms | 6,707,453 |  | 6,437,590 |  | - | - | - |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 30,706 |  | 34,598 |  | - | - | - |
| 3-6 months | 47,683 |  | 74,280 |  | - | - | - |
| 6-12 months | 107,219 |  | 97,805 |  | - | - | - |
| Over 12 months | 134,162 |  | 86,858 |  | - | - | - |
|  | **7,027,223** |  | **6,731,131** |  | **-** | **-** | **-** |
| *Less* allowance for doubtful accounts | (57,245) |  | (59,646) |  | - | - | - |
|  | **6,969,978** |  | **6,671,485** |  | **-** | **-** | **-** |
|  |  |  |  |  |  |  |  |
| **Other parties** |  |  |  |  |  |  |  |
| Within credit terms | 184,975 |  | 113,568 |  | - |  | - |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | - |  | - |  | - |  | - |
| 3-6 months | - |  | - |  | - |  | - |
| 6-12 months | - |  | - |  | - |  | - |
| Over 12 months | - |  | - |  | - |  | - |
|  | **184,975** |  | **113,568** |  | **-** |  | **-** |
| *Less* allowance for doubtful accounts | - |  | - |  | - |  | - |
|  | **184,975** |  | **113,568** |  | **-** |  | **-** |
| **Net** | **7,154,953** |  | **6,785,053** |  | **-** |  | **-** |

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

# Investments in associates and joint ventures

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| ***Three-month period ended 31 March*** | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | 25,889,838 |  | 25,429,303 |  | 5,044,942 |  | 4,393,296 |
| Share of net profits of associates and |  |  |  |  |  |  |  |
| joint ventures | 845,819 |  | 526,705 |  | - |  | - |
| Share of other comprehensive |  |  |  |  |  |  |  |
| income (expense) of joint ventures | (61) |  | 120 |  | - |  | - |
| Additions investments in |  |  |  |  |  |  |  |
| joint venture | 86,487 |  | 243,648 |  | 86,487 |  | 243,648 |
| Dividend income | (355,000) |  | (550,022) |  | - |  | - |
| Exchange rate adjustment | (725,329) |  | (594,455) |  | - |  | - |
| Others | 4,867 |  | - |  | - |  | - |
| **At 31 March** | **25,746,621** |  | **25,055,299** |  | **5,131,429** |  | **4,636,944** |

Investments in associates and joint ventures as at 31 March 2018 and 31 December 2017, and dividend income from those investments for the three-month periods ended 31 March were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | |
|  | Ownership  interest | | Paid-up capital | | Cost | | |  | Equity | | |  | Dividend income for  the three-month | | |
|  | 31 | 31 | 31 | 31 | 31 |  | 31 |  | 31 |  | 31 |  | periods ended | | |
|  | March | December | March | December | March |  | December |  | March |  | December |  | 31 March | | |
|  | 2018 | 2017 | 2018 | 2017 | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(%)* | | *(in thousand Baht)* | | | | | | | | | | | | |
| ***Direct associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| First Korat Wind |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 20 | 20 | 1,996,020 | 1,996,020 | 399,204 |  | 399,204 |  | 518,124 |  | 491,947 |  | - |  | - |
| K.R. TWO Company Limited | 20 | 20 | 1,827,000 | 1,827,000 | 365,400 |  | 365,400 |  | 433,067 |  | 414,281 |  | - |  | - |
|  |  |  |  |  | **764,604** |  | **764,604** |  | **951,191** |  | **906,228** |  | **-** |  | **-** |
| ***Indirect associate*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Perth Power Partnership |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (Kwinana)\* | 24 | 24 | 2,311,167 | 2,311,167 | 618,531 |  | 618,531 |  | 464,825 |  | 484,099 |  | - |  | - |
|  |  |  |  |  | **618,531** |  | **618,531** |  | **464,825** |  | **484,099** |  | **-** |  | **-** |
| **Total** |  |  |  |  | **1,383,135** |  | **1,383,135** |  | **1,416,016** |  | **1,390,327** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Direct joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Chubu Ratchaburi Electric |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Services Company Limited | 50 | 50 | 20,000 | 20,000 | 10,000 |  | 10,000 |  | 65,179 |  | 77,035 |  | 15,000 |  | - |
| SouthEast Asia Energy |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited | 33.33 | 33.33 | 6,606,750 | 6,606,750 | 2,202,250 |  | 2,202,250 |  | 2,673,791 |  | 2,627,317 |  | - |  | - |
| Nam Ngum 3 Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 25 | 25 | 1,808 | 1,808 | 452 |  | 452 |  | - |  | - |  | - |  | - |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 25 | 25 | 8,616,490 | 8,270,543 | 2,154,123 |  | 2,067,636 |  | 1,885,642 |  | 1,981,631 |  | - |  | - |
|  |  |  |  |  | **4,366,825** |  | **4,280,338** |  | **4,624,612** |  | **4,685,983** |  | **15,000** |  | **-** |

\* 30% shareholding by an indirect subsidiary.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | |
|  | Ownership  interest | | Paid-up capital | | Cost | | |  | Equity | | |  | Dividend income for  the three-month | | | |
|  | 31 | 31 | 31 | 31 | 31 |  | 31 |  | 31 |  | 31 |  | periods ended | | | |
|  | March | December | March | December | March |  | December |  | March |  | December |  | 31 March | | | |
|  | 2018 | 2017 | 2018 | 2017 | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 | |  | 2017 |
|  | *(%)* | | *(in thousand Baht)* | | | | | | | | | | | | | |
| ***Indirect joint ventures*** | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Ratchaburi Power |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |
| Company Limited | 25 | 25 | 7,325,000 | 7,325,000 | 1,831,250 |  | 1,831,250 |  | 3,752,693 |  | 3,709,390 |  | | - |  | 200,000 |
| Nava Nakorn Electricity |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Generating Company |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Limited | 40 | 40 | 1,525,000 | 1,525,000 | 610,000 |  | 610,000 |  | 832,277 |  | 784,841 |  | - | |  | - |
| Ratchaburi World |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Cogeneration |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 2,500,000 | 2,500,000 | 1,000,000 |  | 1,000,000 |  | 1,209,568 |  | 1,242,432 |  | 100,000 | |  | 50,000 |
| Solarta Company Limited | 49 | 49 | 1,100,000 | 1,100,000 | 545,960 |  | 545,960 |  | 1,212,487 |  | 1,162,565 |  | - | |  | 34,496 |
| Solar Power (Korat 3) |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 188,750 | 188,750 | 75,500 |  | 75,500 |  | 134,242 |  | 127,295 |  | - | |  | 4,379 |
| Solar Power (Korat 4) |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 199,250 | 199,250 | 79,700 |  | 79,700 |  | 138,180 |  | 131,450 |  | - | |  | 1,674 |
| Solar Power (Korat 7) |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 188,750 | 188,750 | 75,500 |  | 75,500 |  | 133,210 |  | 125,800 |  | - | |  | 3,473 |
| Songkhla Biomass |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 246,000 | 246,000 | 98,400 |  | 98,400 |  | 141,413 |  | 135,104 |  | - | |  | 16,000 |
| Songkhla Biofuel |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 1,000 | 1,000 | 400 |  | 400 |  | 351 |  | 351 |  | - | |  | - |
| Berkprai Cogeneration |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 35 | 35 | 1,331,000 | 1,331,000 | 465,850 |  | 465,850 |  | 457,173 |  | 457,605 |  | - | |  | - |
| Hongsa Power |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 40 | 40 | 32,324,715 | 32,324,715 | 12,929,886 |  | 12,929,886 |  | 11,387,392 |  | 11,664,456 |  | 240,000 | |  | 240,000 |
| Phu Fai Mining |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |
| Company Limited | 37.50 | 37.50 | 1,679 | 1,679 | 630 |  | 630 |  | 307,007 |  | 272,239 |  | - | |  | - |
| PT Medco Ratch Power Riau | 49 | 49 | 7,762 | 7,762 | 3,803 |  | 3,803 |  | - |  | - |  | - | |  | - |
|  |  |  |  |  | **17,716,879** |  | **17,716,879** |  | **19,705,993** |  | **19,813,528** |  | **340,000** | |  | **550,022** |
| **Total** |  |  |  |  | **22,083,704** |  | **21,997,217** |  | **24,330,605** |  | **24,499,511** |  | **355,000** | |  | **550,022** |

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | |
|  | Ownership interest | | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | Dividend income for  the three-month | | |
|  | 31 | 31 | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | periods ended | | |
|  | March | December | March |  | December |  | March |  | December |  | March |  | December |  | March |  | December |  | 31 March | | |
|  | 2018 | 2017 | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(%)* | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Associates*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| First Korat Wind |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 20 | 20 | 1,996,020 |  | 1,996,020 |  | 399,204 |  | 399,204 |  | - |  | - |  | 399,204 |  | 399,204 |  | - |  | - |
| K.R. TWO Company Limited | 20 | 20 | 1,827,000 |  | 1,827,000 |  | 365,400 |  | 365,400 |  | - |  | - |  | 365,400 |  | 365,400 |  | - |  | - |
| **Total** |  |  |  |  |  |  | **764,604** |  | **764,604** |  | **-** |  | **-** |  | **764,604** |  | **764,604** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Joint ventures*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Chubu Ratchaburi Electric |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Services Company Limited | 50 | 50 | 20,000 |  | 20,000 |  | 10,000 |  | 10,000 |  | - |  | - |  | 10,000 |  | 10,000 |  | 15,000 |  | - |
| 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 |  | - |  | - |
| Nam Ngum 3 Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 25 | 25 | 1,808 |  | 1,808 |  | 452 |  | 452 |  | - |  | - |  | 452 |  | 452 |  | - |  | - |
| Xe-Pian Xe-Namnoy Power |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 25 | 25 | 8,616,490 |  | 8,270,543 |  | 2,154,123 |  | 2,067,636 |  | - |  | - |  | 2,154,123 |  | 2,067,636 |  | - |  | - |
| **Total** |  |  |  |  |  |  | **4,366,825** |  | **4,280,338** |  | **-** |  | **-** |  | **4,366,825** |  | **4,280,338** |  | **15,000** |  | **-** |

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

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

During the three-month period ended 31 March 2018, a joint venture called for additional paid-up share capital. The Company paid for such share capital in proportion of investment as follows:

|  |  |  |
| --- | --- | --- |
| **Name of entity** | **Description** | **Amount** |
|  |  | *(in million Baht)* |
| ***Direct joint venture*** |  |  |
| Xe-Pian Xe-Namnoy Power  Company Limited | Called for additional paid-up  share capital | 86.49 |

# Investments in subsidiaries

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | Separate  **financial statements** | | |
| ***Three-month period ended 31 March*** |  |  |  | 2018 |  | 2017 |
|  |  |  |  | *(in thousand Baht)* | | |
|  |  |  |  |  | | |
| At 1 January |  |  |  | 40,690,558 |  | 40,690,558 |
| Acquisitions |  |  |  | - |  | - |
| **At 31 March** |  |  |  | **40,690,558** |  | **40,690,558** |

During the three-month period ended 31 March 2018 there were no acquisitions and disposals of investments in subsidiaries.

Investments in subsidiaries as at 31 March 2018 and 31 December 2017, and dividend income from those investments for the three-month periods ended 31 March were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | |
|  | Ownership interest | |  | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | Dividend income for  the three-month | | |
|  | 31 | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | 31 |  | periods ended | | |
|  | March | December |  | March |  | December |  | March |  | December |  | March |  | December |  | March |  | December |  | 31 March | | |
|  | 2018 | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(%)* | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Ratchaburi Electricity |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Generating Company |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Limited | 99.99 | 99.99 |  | 21,900,000 |  | 21,900,000 |  | 21,900,000 |  | 21,900,000 |  | - |  | - |  | 21,900,000 |  | 21,900,000 |  | 361,379 |  | 835,185 |
| 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 |  | 17,650,000 |  | 17,650,000 |  | 17,650,000 |  | 17,650,000 |  | - |  | - |  | 17,650,000 |  | 17,650,000 |  | - |  | - |
| RATCH O&M |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 99.99 | 99.99 |  | 2,500 |  | 2,500 |  | 2,500 |  | 2,500 |  | - |  | - |  | 2,500 |  | 2,500 |  | - |  | - |
| Ratchaburi Alliances |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Company Limited | 99.99 | 99.99 |  | 420,200 |  | 420,200 |  | 420,200 |  | 420,200 |  | - |  | - |  | 420,200 |  | 420,200 |  | - |  | 200,000 |
| **Total** |  |  |  |  |  |  |  | **40,690,558** |  | **40,690,558** |  | **-** |  | **-** |  | **40,690,558** |  | **40,690,558** |  | **361,379** |  | **1,035,185** |

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

# Investments in other companies

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| ***Three-month period ended 31 March*** | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | |
| At 1 January | 762,300 |  | 62,300 |  | 762,300 |  | 62,300 |
| Additions investments | 200,000 |  | - |  | 200,000 |  | - |
| **At 31 March** | **962,300** |  | **62,300** |  | **962,300** |  | **62,300** |

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

During the three-month period ended 31 March 2018, the other companies increased in share capital and called for additional paid-up share capital. The Company paid for such share capital in proportion of investments as follows:

|  |  |  |
| --- | --- | --- |
| **Name of entities** | **Description** | **Amount** |
|  |  | *(in million Baht)* |
| Northern Bangkok Monorial  Company Limited | Increased in share capital and additional paid-up share capital | 100.00 |
| Eastern Bangkok Monorail  Company Limited | Increased in share capital and additional paid-up share capital | 100.00 |

# Advance payment for investment

On 8 May 2017, Ministry of Energy and Mineral Resources of the Republic of Indonesia (MEMR), approved a Power Purchase Agreement between PT PLN (PERSESO) and PT Medco Ratch Power Riau (“MRPR”), an indirect joint venture, to develop Riau Combined-Cycle Power Plant Project in Republic of Indonesia, whereby the agreement subject to MRPR open the Project Development Cost Account by the given period as stipulated in the agreement. Subsequently on 19 May 2017, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, made a payment to MRPR for open the Project Development Cost Account as stipulated in the agreement, amounting to U.S. Dollars 20.83 million, in proportion of investment of 49%.

As at 31 March 2018, the Group recognised such amount as advance payment for investment in the consolidated statement of financial position and will recognise as investment in joint venture when the paid-up share capital is called from MRPR.

# Property, plant and equipment

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

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statement** | | | | | | | | | | |
| ***Three-month period ended 31 March*** | 2018 | | | | |  | 2017 | | | | |
|  | Acquisitions and  transfers in  - at cost |  | Disposals  and transfers  out - net  book value |  | Exchange rate adjustment |  | Acquisitions and  transfers in  - at cost |  | Disposals  and transfers  out - net  book value |  | Exchange rate adjustment |
|  | *(in thousand Baht)* | | | | | | | | | | |
| Land | - |  | - |  | (13,242) |  | 8,875 |  | - |  | 3,580 |
| Buildings, structures and building improvements | - |  | - |  | (2,928) |  | 95 |  | - |  | 1,041 |
| Power plants, substation |  |  |  |  |  |  |  |  |  |  |  |
| & transmission systems and |  |  |  |  |  |  |  |  |  |  |  |
| operating & maintenance equipment | 14,807 |  | - |  | (556,908) |  | 22,893 |  | - |  | 177,746 |
| Furniture, fixtures and office equipment | 313 |  | (2) |  | (112) | 3 | 4,187 |  | - |  | 50 |
| Vehicles | - |  | - |  | - |  | - |  | - |  | - |
| Assets under construction and installation | 2,736,505 |  | (855) |  | (386,416) |  | 837,718 |  | (21,497) |  | 4,709 |
| **Total** | **2,751,625** |  | **(857)** |  | **(959,606)** |  | **873,768** |  | **(21,497)** |  | **187,126** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | |
| ***Three-month period ended 31 March*** | 2018 | | |  | 2017 | | |
|  | Acquisitions and  transfers in  - at cost |  | Disposals  and  transfers  out - net  book value |  | Acquisitions  and  transfers in  - at cost |  | Disposals  and  transfers  out - net  book value |
|  | *(in thousand Baht)* | | | | | | |
| Furniture, fixtures and office | 40 |  | (2) |  | 2,393 |  | - |
| equipment |
| Assets under construction and | - |  | - |  | 1,360 |  | (3,030) |
| installation |
| **Total** | **40** |  | **(2)** |  | **3,753** |  | **(3,030)** |

# Interest-bearing liabilities

As at 31 March 2018, RATCH-Australia Corporation Limited, an indirect subsidiary, had outstanding current portion of long-term loans from financial institutions in Australia amounting to Australian Dollars 100 million or equivalent to Baht 2,400.41 million which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and will be repayable in May 2018 *(31 December 2017: Australian Dollars 100 million or equivalent to Baht 2,550.71 million).*

As at 31 March 2018, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, had outstanding debentures which are unsecured and unsubordinated debentures without a debenture holders’ representative in the name-registered certificate amounting to Baht 2,000 million which bear interest at the fixed rate of 3.50% per annum. Such debentures have a period of 7 years and will be due for redemption in year 2022 *(31 December 2017: Baht 2,000 million).*

On 27 March 2018, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, repurchased part of the debentures named “US$ 300,000,000 3.50% notes due 2019” (“the existing debentures”) which bear interest at the fixed rate of 3.50% per annum and with a maturity of 2019 amounting to U.S. Dollars 193 million. The remaining balance of these debentures is U.S. Dollars 107 million. The Group recognised a loss on repurchase of debentures amounting to U.S. Dollars 2.51 million or equivalent to Baht 78.44 million which amount was recognised as part of finance costs in the consolidated statement of comprehensive income for the three-month period ended 31 March 2018. On the same date, such indirect subsidiary completed the issuance of new debentures named “US$ 300,000,000 4.50% notes due 2028” (“the new debentures”) which bear interest at the fixed rate of 4.50% per annum and with a maturity of 2028 and placed these new debentures with investors for an amount of U.S. Dollars 300 million. As at 31 March 2018, the Group had outstanding debentures amounting to U.S. Dollars 407 million or equivalent to Baht 12,711.34 million. All debentures are guaranteed by the Company. *(31 December 2017: U.S. Dollars 300 million or equivalent to Baht 9,804.27 million).*

As at 31 March 2018, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding which are unsecured and unsubordinated debentures amounting to Japan Yen 15,000 million or equivalent to Baht 4,408.37 million which bear interest at the fixed rate of 2.72% per annum. Such debentures have a period of 15 years which will be due for redemption in year 2026. The Company has guaranteed the repayment of such debentures *(31 December 2017: Japan Yen 15,000 million or equivalent to Baht 4,353.10 million).*

As at 31 March 2018, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 166.78 million or equivalent to Baht 4,003.34 million which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and will be repayable within 5 years during December 2018 to November 2023 *(31 December 2017: Australian Dollars 86.38 million or equivalent to Baht 2,203.30 million).*

As at 31 March 2018, RATCH-Australia Collinsville Solar PV Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 23.33 million or equivalent to Baht 559.97 million which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and will be repayable within 5 years during June 2018 to December 2023 *(31 December 2017: Australian Dollars 1.74 million or equivalent to Baht 44.38 million).*

As at 31 March 2018, the Group had unutilised credit facilities totalling Baht 26,000 million, U.S. Dollars 535 million and Australian Dollars 121.95 million *(31 December 2017: Baht 26,000 million, U.S. Dollars 530 million and Australian Dollars 223.93 million).*

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

# Changes in liabilities arising from financing activities

|  |  |  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Loans |  | Debentures |  | Finance lease  liabilities |  | Total |
|  |  |  | *(in thousand Baht)* | | | | | | |
| Balance at 1 January 2018 |  |  | 5,789,499 |  | 16,139,581 |  | 3,166 |  | 21,932,246 |
| Changes from financing cash flows |  |  | 2,448,128 |  | 3,263,100 |  | (698) |  | 5,710,530 |
| The effect of changes in foreign exchange rates |  |  | (341,140) |  | (378,727) |  | - |  | (719,867) |
| Other non-cash movement |  |  | (2,261) |  | 57,272 |  | (194) |  | 54,817 |
| **Balance at 31 March 2018** |  |  | **7,894,226** |  | **19,081,226** |  | **2,274** |  | **26,977,726** |

# Segment information

The Group has 4 reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s reportable segments.

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Information about reportable segments*** | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | |
|  | **Domestic Electricity Generating** | | |  | **Renewable Energy** | | | **International Power Projects** | | | |  | **Others** | | |  | **Total** | | |
| ***Three-month period ended 31 March*** | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
|  |  | | | | | | | | | | | | | | | | | | |
| Revenue from sales and  rendering of services | 7,523,864 |  | 8,172,100 |  | - |  | - |  | 569,898 |  | 625,954 |  | - |  | - |  | 8,093,762 |  | 8,798,054 |
| Revenue from finance lease contracts | 885,232 |  | 1,056,212 |  | - |  | - |  | - |  | - |  | - |  | - |  | 885,232 |  | 1,056,212 |
| Cost of sales and rendering of services | (7,397,495) |  | (8,026,941) |  | - |  | - |  | (336,900) |  | (385,102) |  | - |  | - |  | (7,734,395) |  | (8,412,043) |
| ***Gross profit*** | **1,011,601** |  | **1,201,371** |  | **-** |  | **-** |  | **232,998** |  | **240,852** |  | **-** |  | **-** |  | **1,244,599** |  | **1,442,223** |
| Management service income | - |  | - |  | - |  | - |  | - |  | - |  | 59,500 |  | 60,800 |  | 59,500 |  | 60,800 |
| Interest income | 2,275 |  | 4,487 |  | 15 |  | 25 |  | 8,386 |  | 10,508 |  | 21,414 |  | 32,181 |  | 32,090 |  | 47,201 |
| Other income | 18,177 |  | 99,847 |  | 103 |  | 115 |  | 1,290 |  | 954 |  | 917 |  | 436 |  | 20,487 |  | 101,352 |
| Administrative expenses | (70,731) |  | (66,115) |  | (1,268) |  | (171) |  | (62,943) |  | (95,563) |  | (270,687) |  | (273,880) |  | (405,629) |  | (435,729) |
| Net foreign exchange gain (loss) | 24,111 |  | 18,395 |  | - |  | - |  | (364,547) |  | 219,410 |  | (3,663) |  | (4,803) |  | (344,099) |  | 233,002 |
| Finance costs | (16,153) |  | (16,174) |  | - |  | - |  | (418,607) |  | (368,603) |  | - |  | (15,595) |  | (434,760) |  | (400,372) |
| Share of profit of associates and |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| joint ventures | 157,443 |  | 188,126 |  | 122,271 |  | 140,475 |  | 562,961 |  | 183,495 |  | 3,144 |  | 14,609 |  | 845,819 |  | 526,705 |
| ***Profit (loss) before income tax expense*** | **1,126,723** |  | **1,429,937** |  | **121,121** |  | **140,444** |  | **(40,462)** |  | **191,053** |  | **(189,375)** |  | **(186,252)** |  | **1,018,007** |  | **1,575,182** |
| (Tax expense) income | (232,767) |  | (271,034) |  | - |  | - |  | 4,501 |  | 22,971 |  | (785) |  | 1,005 |  | (229,051) |  | (247,058) |
| ***Profit (loss) for the period*** | **893,956** |  | **1,158,903** |  | **121,121** |  | **140,444** |  | **(35,961)** |  | **214,024** |  | **(190,160)** |  | **(185,247)** |  | **788,956** |  | **1,328,124** |

# Income tax expense

Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Group’s consolidated effective tax rate in respect of continuing operations for the three-month period ended 31 March 2018 was 22.50% *(31 March 2017: 15.68%).* This change in effective tax rate was caused mainly by the different treatment for accounting and taxation purposes of certain items of income.

# Basic earnings per share

The calculation of basic earnings per share for the three-month periods ended 31 March 2018 and 2017 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| ***Three-month period ended 31 March*** | 2018 |  | 2017 |  | 2018 |  | 2017 |
|  | *(in thousand Baht/ thousand shares)* | | | | | | |
| **Profit for the period attributable to** |  |  |  |  |  |  |  |
| **ordinary shareholders**  **of the Company (basic)** | **816,690** |  | **1,358,438** |  | **182,459** |  | **892,197** |
| **Number of ordinary shares outstanding** | **1,450,000** |  | **1,450,000** |  | **1,450,000** |  | **1,450,000** |
| **Earnings per share (basic) *(in Baht)*** | **0.56** |  | **0.94** |  | **0.13** |  | **0.62** |

# Financial instruments

***Carrying amounts and fair values***

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

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **31 March 2018** |  |  |  |  |  |  |  |  |  |
| ***Financial assets measured***  ***at fair value*** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Debt securities held for trading | 495,577 |  | - |  | 495,577 |  | - |  | 495,577 |
|  |  |  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |  |  |
| Available-for-sale investments | 2,871,019 |  | 2,871,019 |  | - |  | - |  | 2,871,019 |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **31 March 2018** |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities not measured at fair value*** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Current portion of |  |  |  |  |  |  |  |  |  |
| long-term loans from |  |  |  |  |  |  |  |  |  |
| financial institutions | (2,565,489) |  | - |  | (2,565,489) |  | - |  | (2,565,489) |
|  |  |  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |  |  |
| Long-term loans from |  |  |  |  |  |  |  |  |  |
| financial institutions | (4,374,671) |  | - |  | (4,374,671) |  | - |  | (4,374,671) |
| Debentures | (19,081,226) |  | - |  | (20,029,157) |  | - |  | (20,029,157) |
|  |  |  |  |  |  |  |  |  |  |
| ***Derivative contracts\**** |  |  |  |  |  |  |  |  |  |
| Foreign currency |  |  |  |  |  |  |  |  |  |
| forward contracts | - |  | - |  | 6,702 |  | - |  | 6,702 |
| Interest rate swap and |  |  |  |  |  |  |  |  |  |
| cross currency swap contracts | - |  | - |  | 188,905 |  | - |  | 188,905 |
|  |  |  |  |  |  |  |  |  |  |
| Foreign currency |  |  |  |  |  |  |  |  |  |
| forward contracts | - |  | - |  | (29,581) |  | - |  | (29,581) |
| Interest rate swap and |  |  |  |  |  |  |  |  |  |
| cross currency swap contracts | - |  | - |  | (3,374,377) |  | - |  | (3,374,377) |
|  |  |  |  |  |  |  |  |  |  |
| **31 December 2017** |  |  |  |  |  |  |  |  |  |
| ***Financial assets measured***  ***at fair value*** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Debt securities held for trading | 493,082 |  | - |  | 493,082 |  | - |  | 493,082 |
|  |  |  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |  |  |
| Available-for-sale investments | 3,195,527 |  | 3,195,527 |  | - |  | - |  | 3,195,527 |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities not measured*** |  |  |  |  |  |  |  |  |  |
| ***at fair value*** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Current portion of |  |  |  |  |  |  |  |  |  |
| long-term loans from |  |  |  |  |  |  |  |  |  |
| financial institutions | (2,658,281) |  | - |  | (2,658,281) |  | - |  | (2,658,281) |
|  |  |  |  |  |  |  |  |  |  |
| ***Non-current*** |  |  |  |  |  |  |  |  |  |
| Long-term loans from |  |  |  |  |  |  |  |  |  |
| financial institutions | (2,117,415) |  | - |  | (2,117,415) |  | - |  | (2,117,415) |
| Debentures | (16,139,581) |  | - |  | (16,915,170) |  | - |  | (16,915,170) |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **31 December 2017** |  |  |  |  |  |  |  |  |  |
| ***Derivative contracts\**** |  |  |  |  |  |  |  |  |  |
| Foreign currency |  |  |  |  |  |  |  |  |  |
| forward contracts | - |  | - |  | 14,555 |  | - |  | 14,555 |
| Interest rate swap and |  |  |  |  |  |  |  |  |  |
| cross currency swap contracts | - |  | - |  | 126,794 |  | - |  | 126,794 |
|  |  |  |  |  |  |  |  |  |  |
| Foreign currency |  |  |  |  |  |  |  |  |  |
| forward contracts | - |  | - |  | (106,172) |  | - |  | (106,172) |
| Interest rate swap and |  |  |  |  |  |  |  |  |  |
| cross currency swap contracts | - |  | - |  | (3,836,087) |  | - |  | (3,836,087) |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | |
|  | Carrying amount |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **31 March 2018** |  |  |  |  |  |  |  |  |  |
| ***Financial assets measured  at fair value*** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Debt securities held for trading | 463,409 |  | - |  | 463,409 |  | - |  | 463,409 |
|  |  |  |  |  |  |  |  |  |  |
| **31 December 2017** |  |  |  |  |  |  |  |  |  |
| ***Financial assets measured  at fair value*** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Debt securities held for trading | 461,018 |  | - |  | 461,018 |  | - |  | 461,018 |

\* The following table shows a reconciliation from the opening balances to the closing balances of fair values of the foreign currency forward contracts, interest rate swap and cross currency swap contracts during the three-month period ended 31 March 2018.

|  |  |
| --- | --- |
| *Movement of cumulative fair values* | Consolidated  **financial statements** |
|  | *(in thousand Baht)* |
| ***Gain*** |  |
| At 1 January 2018 | 141,349 |
| Increase | 54,258 |
| **At 31 March 2018** | **195,607** |
|  |  |
| ***Loss*** |  |
| At 1 January 2018 | (3,942,259) |
| Decrease | 538,301 |
| **At 31 March 2018** | **(3,403,958)** |

***Foreign currency forward contracts***

As at 31 March 2018, the Group entered into various foreign currency forward contracts with financial institutions to manage exposure of fluctuations in foreign currency risk relate to purchases. The Group had outstanding foreign currency forward contracts to buy Euro 3.53 million and U.S. Dollars 26.31 million with Australian Dollars 40.90 million or equivalent to Baht 981.74 million. Such contracts will mature during April 2018 to June 2018 *(31 December 2017: Euro 11.32 million and U.S. Dollars 65.94 million equivalent to Australian Dollars 105.33 million or equivalent to Baht 2,686.61 million)*.

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

As at 31 March 2018, the Group entered into various interest rate swap and cross currency swap contracts with financial institutions to manage exposure of fluctuations in interest rates and foreign currency risk on borrowings. The notional amounts of the outstanding interest rate swap and cross currency swap contracts as at 31 March 2018 comprise Baht currency totalling Baht 1,000 million, U.S. Dollars currency totalling U.S. Dollars 200 million, Japan Yen currency totalling Japan Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 903.07 million *(31 December 2017: Baht currency totalling Baht 1,000 million, U.S. Dollars currency totalling U.S. Dollars 200 million, Japan Yen currency totalling Japan Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 873.59 million).* All counterparties agree to pay the interest and the principle amount in accordance with the terms and conditions specified in the contracts.

**Measurement of fair values**

***Valuation techniques and significant unobservable inputs***

The following tables show the valuation techniques used in measuring Level 2 fair values at 31 March 2018 and 31 December 2017 for financial instruments measured at fair value in the statement of financial position and disclose at fair value, as well as the significant unobservable inputs used. Related valuation processes are described in note 2 (c).

**Financial instruments measured at fair value**

| **Type** |  | **Valuation technique** |
| --- | --- | --- |
| Debt securities held  for trading |  | *Market comparison/discounted cash flow:* The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor. |

**Financial instruments disclosed at fair value**

| **Type** |  | **Valuation technique** |
| --- | --- | --- |
| Foreign currency forward contracts |  | *Forward pricing:* The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. |

**Financial instruments disclosed at fair value**

|  |  |  |
| --- | --- | --- |
| **Type** |  | **Valuation technique** |
| Interest rate swap contracts |  | *Swap models:* The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices. |
| Cross currency swap contracts |  | *Black-Scholes model/ Discounted cash flows* |

**Financial instruments not measured at fair value**

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

# Commitments with non-related parties

***Operation and Maintenance Agreement***

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

***Fuel Purchase Agreements***

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

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

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

***Contractual Service Agreement***

On 29 December 2005, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Contractual Service Agreement for the Combined Cycle power plants with the Consortium of General Electric International Operations Company Inc. and GE Energy Parts, Inc. The agreement is effective from the agreement date until the end of the operation of gas turbine according to the Power Purchase Agreement in year 2027 with a total value of the agreement is U.S. Dollars 428.60 million. Subsequently in year 2014, both parties agreed to reduce price and amend the conditions in the agreement which has been effective in February 2014. The total value of the agreement is U.S. Dollars 418.21 million. As at 31 March 2018, such subsidiary had outstanding commitments amounting to U.S. Dollars 156.41 million *(31 December 2017: U.S. Dollars 161.74 million).*

In addition, in accordance with the agreement, such subsidiary is required to open a letter of credit amounting to U.S. Dollars 6 million. As at 31 March 2018, such subsidiary had an unused letter of credit amounting to U.S. Dollars 6 million *(31 December 2017: U.S. Dollars 6 million).*

***Generator Rotor Lease Agreement***

On 1 December 2015, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, entered into a Generator Rotor Lease Agreement for the Combined Cycle power plants with General Electric International Operations Company Inc. The agreement is effective from the agreement date until June 2020 with a total value of the agreement is U.S. Dollars 2.10 million. Such direct subsidiary has made advance payment under the terms of the agreement amounting to U.S. Dollars 1.00 million. In year 2017, both parties agreed to reduce price and amend the conditions in the agreement which has been effective in October 2017. The total value of the agreement is U.S. Dollars 1.98 million. As at 31 March 2018, such direct subsidiary had outstanding commitments amounting to U.S. Dollars 0.61 million *(31 December 2017: U.S. Dollars 0.67 million).*

***Letter of guarantee***

As at 31 March 2018, the Company and its subsidiaries had commitments from letter of guarantee issued by financial institutions for the Company and its subsidiaries to comply with the conditions in the agreements in the amount of Baht 94.41 million, U.S. Dollars 21.92 million and Australian Dollars 0.30 million *(31 December 2017: Baht 95.36 million, U.S. Dollars 21.92 million and Australian Dollars 0.30 million).*

As at 31 March 2018, the Company and its subsidiaries had commitments from Standby Letter of Credit issued by financial institutions for Debt Service Reserve Guarantee and equity contribution in joint ventures in the amount of Baht 1,629.40 million and U.S. Dollars 24.50 million *(31 December 2017: Baht 1,457.66 million and U.S. Dollars 24.00 million)*.

***Capital commitment***

As at 31 March 2018, the Company had outstanding capital commitments amounting to Baht 2.34 million *(31 December 2017: Baht 0.36 million).*

As at 31 March 2018, RATCH-Australia Corporation Limited and its subsidiaries, an indirect subsidiary, had outstanding capital commitments according to the significant agreements in proportion of investments under the Engineering Procurement & Construction Contracts for Wind Farm, Solar Power and Gas Turbine and other service agreements amounting to U.S. Dollars 11.01 million, Australian Dollars 92.04 million and Euro 3.53 million *(31 December 2017: U.S. Dollars 61.21 million, Australian Dollars 119.84 million and Euro 11.32 million).*

***Pledge of share certificate agreements***

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

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

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

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

***Significant litigation***

In the 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 defenses. Therefore, the Company does not record a contingent liability in respect of this case. As at 31 March 2018, this case is under the consideration of the Court.

# Events after the reporting period

At the annual general meeting of the shareholders of the Company held on 5 April 2018, the shareholders approved the appropriation of dividend of Baht 2.40 per share, totalling Baht 3,480 million, from the net profit of 2017 after deducting the interim dividend of Baht 1.15 per share, totalling Baht 1,667.50 million, paid to shareholders in September 2017 from the net profit for the six-month period ended 30 June 2017. The net amount of such dividend amounting to Baht 1,812.50 million was paid to shareholders in April 2018.

On 10 April 2018, the Company paid for the additional paid-up capital of Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, amounting to U.S. Dollars 0.81 million or equivalent to Baht 24.98 million, in the proportion of investment of 25%.

On 20 April 2018, RH International (Singapore) Corporation Ptd. Ltd., an indirect subsidiary,  
entered into a Securities Sale Deed with Broadspectrum Pty Limited to acquire 20% of the shares of RATCH-Australia Corporation Limited held by Broadspectrum Pty Limited and as part of the repayment of the outstanding long-term loans from Broadspectrum Pty Limited including related rights under the terms of the agreement for an amount of Australian Dollars 53.50 million. Subsequently on 3 May 2018, RH International (Singapore) Corporation Ptd. Ltd. acquired such shares from Broadspectrum Pty Limited and repaid such outstanding long-term loans to Broadspectrum Pty Limited.

On 3 May 2018, RATCH-Australia Corporation Limited, an indirect subsidiary, entered into a Credit Facility Agreement with financial institutions in Australia amounting to Australian Dollars 312 million which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and will be repayable within 5 years during October 2018 to May 2023. Subsequently, such subsidiary entered into new interest rate swap contracts and also terminated some existing interest rate swap contracts.