

(Translation)

RH 530 / 2014

November 13, 2014

Subject : Interim Financial Statements for the three-month and nine-month periods ended September 30, 2014

To: President
The Stock Exchange of Thailand

Reference : The Stock Exchange of Thailand's regulation in 2001 on preparation and submission of financial statements and transactions relating to financial position and operating results of listed companies

Attachments : A copy of interim financial statements and independent auditor's report for the three-month and nine-month periods ended September 30, 2014 of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Ratchaburi Electricity Generating Holding Public Company Limited ("the Company"), are pleased to submit herewith the interim financial statements for the three-month and nine-month periods ended September 30, 2014 and independent auditor's report on review of interim financial information, compared with the financial statements for the three-month and nine-month periods ended September 30, 2013, as shown in the attachment.

The operating result according to the consolidated financial statements of the Company and its subsidiaries for the 3rd quarter of 2014 showed the profit of Baht 1,954.10 million or Baht 1.35 per share, decreasing by Baht 135.81 million or 6.5 per cent, compared to the profit of Baht 2,089.91 million or Baht 1.44 per share of the 3rd quarter of 2013 (restated). The significant transactions in this period were as follows:-

1. Change in Thai Financial Reporting Standard

According to the Federation of Accounting Professions which required listed companies to prepare financial statements in accordance with Thai Financial Reporting Standard ("TFRS"), the Company including its subsidiaries (Ratchaburi Electricity Generating Co., Ltd. and Tri Energy Co., Ltd.) and jointly-controlled entity (Ratchaburi Power Company Limited) have adopted TFRIC no.4 "Determining whether an Arrangement Contains a Lease" that requires TAS 17 "Leases" to be applied since January 1, 2014 onward. This resulted in the change in presentation of financial statements, as follow:-

1.1 Statements of Comprehensive Income

The Availability Payment ("AP") in terms of debt financing charge and equity financing charge would be recorded as revenue from financial leases. In the 3rd quarter of 2014, the Company recorded the revenue from financial leases in the amount of Baht 1,387.02 million.

Still, the recognition of AP in terms of charging for operation and maintenance, reimbursement, other costs and energy payment would be unchanged.

1.2 Statement of Financial Position

Some spare parts and supplies, property plant and equipment and intangible assets would be recorded as financial lease receivables. As at September 30, 2014, the Company recorded financial lease receivables in the amount of Baht 32,584.02 million. In addition, deferred tax assets decreased in the amount of Baht 157.82 million while deferred tax liabilities increased in the amount of Baht 22.62 million. Also, the retained earnings increased in the amount of Baht 3,053.09 million.

Unit : Million Baht

Description	TFRIC4	Previous Method	Increase/ (Decrease)
Statements of comprehensive income for the 3rd quarter of 2014			
Revenue from sale and rendering of services	14,120.80	16,563.52	(2,442.72) (1)
Revenue from financial leases	1,387.02	-	1,387.02
Cost of sale and rendering of services	13,183.52	13,935.70	(752.18) (2)
Administrative expenses	509.84	515.62	(5.78)
Share of profit of jointly-controlled and associate entities	339.75	396.41	(56.66)
Income tax expense	327.17	411.15	(83.98)
Profit for the period attributable to owner of the Company	1,954.10	2,224.52	(270.42)
Statement of financial position as at September 30, 2014			
Financial lease receivables	32,584.02	-	32,584.02
Spare parts and supplies/ Property, plant and equipment/ Intangible assets	22,546.05	51,703.78	(29,157.73)
Investments in jointly-controlled entities	10,481.45	10,674.20	(192.75)
Deferred tax assets	18.51	176.33	(157.82)
Deferred tax liabilities	1,744.43	1,721.80	22.63
Unappropriated retained earnings	44,492.82	41,439.73	3,053.09
Total assets / Total liabilities and equity	98,307.70	95,231.98	3,075.72

(1) This difference would be recognized as revenue from financial leases.

(2) The difference was the depreciation of power plants and equipment, which would be recorded as financial lease receivables in the statement of financial position.

2. Revenue from sale and rendering of services (excluded fuel costs)

Revenue from sale and rendering of services (excluded fuel costs at Baht 11,966.42 million) for the 3rd quarter of 2014 was Baht 2,154.38 million, increasing by Baht 172.13 million or 8.7 per cent from Baht 1,982.25 million in the 3rd quarter of 2013. The main reasons were the shutdown for planned maintenance of Ratchaburi Plants in the 3rd quarter of 2014 was less than in the same period of the previous year, as well as, the Tri Energy Plant was entirely transferred to Ratchaburi Electricity Co., Ltd. increased Availability Payment and Energy Payment in the total amount of Baht 121.75 million and Baht 84.63 million, respectively.

3. Cost of sales (excluded fuel costs)

Cost of sales (excluded fuel costs at Baht 11,966.42 million) for the 3rd quarter of 2014 was Baht 1,217.10 million, decreasing by Baht 120.68 million or 9.0 per cent from Baht 1,337.78 million in the 3rd quarter of 2013. The main reason was, spare part expenses of Ratchaburi Plants decreased in the amount of Baht 118.42 million since the shutdown for planned maintenance in the 3rd quarter of 2014 was less than in the same period of the previous year.

4. Other income

Other income for the 3rd quarter of 2014 was Baht 26.07 million, decreasing by Baht 51.33 million or 66.3 per cent from Baht 77.40 million in the 3rd quarter of 2013. The main reason was, in the 3rd quarter of 2013, RATCH-Australia Corporation Co., Ltd., a subsidiary in Australia, received a compensation for cancellation of Coal Sale Agreement in the amount of Baht 49.46 million.

5. Administrative expenses

Administrative expenses for the 3rd quarter of 2014 were Baht 509.84 million, increasing by Baht 132.55 million or 99.0 per cent from Baht 377.29 million in the 3rd quarter of 2013. The main reason was the loss on disposal of the investment in Sustainable Energy Corporation Co., Ltd., an indirect subsidiary which develops of a wind farm project in Phetchabun Province, in the amount of Baht 142.11 million.

6. Finance costs

Finance costs for the 3rd quarter of 2014 were Baht 407.68 million, increasing by Baht 49.30 million or 13.8 per cent from Baht 358.38 million in the 3rd quarter of 2013. The main reason was the finance costs of RH International (Singapore) Corporation Pte. Ltd., a subsidiary in Singapore, increased in the amount of Baht 65.98 million due to the issuance of USD 300 million debentures on April 28, 2014.

7. Share of profits in jointly-controlled and associated entities

Share of profits in jointly-controlled and associated entities for the 3rd quarter of 2014 was Baht 339.75 million, decreasing by Baht 87.78 million or 20.5 per cent from Baht 427.53 million in the 3rd quarter of 2013. The main reasons were the operating results of the following jointly-controlled entities.

7.1 The share profit of SouthEast Asia Energy Ltd., in the portion of 33.33 per cent, decreased in the amount of Baht 72.08 million due to the lower of water level in Nam Ngum 2 Dam, compared with that of the same period of the previous year, resulted in the decrease in electricity generation.

7.2 The share loss of Hongsa Power Co., Ltd., in the portion of 40 per cent, increased in the amount of Baht 51.06 million since the project is under construction. However, Hongsa Plants are expected to begin Commercial Operation Date in June and November 2014.

7.3 The share profit of Ratchaburi Power Co., Ltd., in the portion of 25 per cent, increased in the amount of Baht 49.33 million. The main reason was the revenue from sale of Ratchaburi Power Plant, in the portion of 25 per cent, increased in the amount of Baht 67.06 million.

8. Income tax expense

Income tax expense in the 3rd quarter of 2014 was Baht 327.17 million, increasing by Baht 74.04 million or 29.3 per cent from Baht 253.13 million in the 3rd quarter of 2013. The main reason was the income tax expense of Ratchaburi Electricity Generating Co., Ltd. increased due to the increase in its profit. Also, the income tax of Tri Energy Co., Ltd. was consolidated in the amount of Baht 16.24 million. In addition, the income tax benefit of RATCH-Australia Corporation Co., Ltd. decreased in the amount of Baht 24.04 million.

The operating result of the Company and its subsidiaries for nine-month period ended September 30, 2014 showed the profit of Baht 6,167.29 million or Baht 4.25 per share, increasing by Baht 575.08 million or 10.3 per cent compared to the Baht 5,592.21 million of the same period in 2013.

The financial position of the Company and its subsidiaries as at September 30, 2014 showed total assets in the amount of Baht 98,307.70 million, increasing by Baht 4,433.20 million or 4.7 per cent from Baht 93,874.50 million as at December 31, 2013.

Please be informed accordingly.

Sincerely yours,

(Mr. Wutthichai Tankuranand)

Chief Finance Officer

Acting for Chief Executive Officer

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