

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

Financial statements for the year ended
31 December 2018
and
Independent Auditor's Report

Independent Auditor's Report

To the Shareholders of Ratchaburi Electricity Generating Holding Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries (the "Group") and of Ratchaburi Electricity Generating Holding Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2018, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2018 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Impairment testing of goodwill, right to power purchase agreements and property, plant and equipment particularly the power plants in Australia in the consolidated financial statements and investment in subsidiary in the separate financial statements

Refer to Notes 4, 13, 17 and 18 to the consolidated and separate financial statements.

The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2018, the Group holds significant amounts of goodwill, right to power purchase agreements and property, plant and equipment on the consolidated statement of financial position which contains a net book value of goodwill of Baht 228.71 million and net book value of right to power purchase agreements and property, plant and equipment of Baht 19,976.91 million together representing approximately 20% of total assets. There is a risk that the carrying values of the Group’s goodwill, right to power purchase agreements and property, plant and equipment balances might exceed its recoverable amounts.</p> <p>The Company also has an investment in RH International Corporation Limited (“RHIC”), a subsidiary in Thailand, amounting to Baht 17,650 million which holds, via RH International (Singapore) Corporation Pte. Ltd., investments in the power plants in Australia. The recoverability of the investment in RHIC is a key audit matter because the investments in the power plants in Australia might be impaired.</p> <p>I focused on the estimated value in use of the cash generation units “CGUs” of the operation of the power plants in Australia because the determination of future cash flows and the recoverable amounts are highly judgmental and subject to material uncertainty.</p>	<p>My audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - assessing the Group’s process for identifying indicators of impairment; - assessing the Group’s response to the identified impairment indicators; - understanding process for estimating the impairment; - involving KPMG in Australia to assist in evaluating the appropriateness of discount rates applied, which included comparing the weight average cost of capital with sector averages for the relevant markets in which the Group operate and evaluating the appropriateness of the assumptions applied to key inputs such as contracted revenue, prices, operating costs, inflation rate and long-term growth rates, which included comparing these inputs with externally derived data. In addition, KPMG in Australia performed sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on the CGUs; - assessing the appropriateness of discount rates applied; - involving KPMG in Singapore to evaluate the appropriateness of key assumptions applied in determining the recoverable amounts of the investments in the power generation in Australia, including the consistency of the assumptions with business plans and forecasts used for impairment testing as described in my response above; and - evaluating the adequacy of the financial statement disclosures in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 3 to the financial statements describing the effect of the Group’s adoption from 1 January 2018 of the accounting policy for derivatives and hedge accounting. The corresponding figures presented are based on the audited consolidated financial statements as at and for the year ended 31 December 2017 after making the adjustments described in note 3. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
18 February 2019

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of financial position

Assets	Note	Consolidated financial statements			Separate financial statements	
		31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated) <i>(in Baht)</i>	31 December 2018	31 December 2017
Current assets						
Cash and cash equivalents	7	11,695,247,224	9,287,457,748	9,419,212,345	4,856,977,013	4,240,824,465
Current investments	8	2,229,095,979	723,081,885	3,175,475,498	767,761,092	691,017,686
Derivative assets	3, 35	10,617,674	16,197,018	26,409,455	-	-
Trade account receivable from related party	6, 9	5,226,925,756	6,671,484,944	7,369,136,556	-	-
Trade accounts receivable from other parties	9	404,357,474	113,567,705	195,288,443	-	-
Other current receivables	10	153,382,198	752,490,564	182,323,080	45,572,410	47,508,320
Dividend receivables	6	64,091,160	69,400,000	41,000,000	64,091,160	69,400,000
Advances to and other current receivables from related parties	6, 10	51,983,947	34,091,488	36,363,398	60,266,766	93,025,163
Short-term loans to related party	6	-	-	-	-	2,730,000,000
Current portion of finance lease receivable from related party	6	1,262,817,809	3,554,682,715	3,770,047,948	-	-
Spare parts and supplies	11	1,932,891,676	2,127,420,610	2,053,869,162	-	-
Other current assets		129,493,318	192,252,682	60,306,346	3,990,510	2,344,190
Total current assets		23,160,904,215	23,542,127,359	26,329,432,231	5,798,658,951	7,874,119,824
Non-current assets						
Available for sale investments	8, 35	2,538,933,764	3,195,527,324	3,730,280,429	-	-
Investments in associates	3, 12	1,628,894,504	1,749,698,926	1,892,595,058	764,604,000	764,604,000
Investments in subsidiaries	13	-	-	-	40,690,558,000	40,690,558,000
Investments in joint ventures	3, 12	29,093,246,673	23,566,203,319	22,750,999,065	4,653,056,867	4,280,337,936
Investments in other companies	14	2,442,299,900	762,299,900	62,299,900	2,442,299,900	762,299,900
Other long-term investments	8	113,000,000	386,921,708	434,299,684	113,000,000	383,000,000
Derivative assets	3, 35	226,403,391	127,313,528	462,144,744	-	-
Advance payment for investment	15	696,907,546	692,253,783	-	-	-
Other non-current receivables from related parties	6, 10	9,900,520	7,301,515	5,559,796	16,910,953	8,467,330
Long-term loans to related parties	6	42,493,968	42,813,144	46,947,120	1,266,966,208	1,307,890,317
Land for future development projects	16	318,567,570	309,207,570	309,207,570	305,389,850	305,389,850
Property, plant and equipment	17	19,772,596,299	17,165,150,997	13,806,678,875	551,934,400	574,314,234
Goodwill	18	228,711,902	230,340,735	297,329,455	-	-
Intangible assets	18	2,982,369,630	3,547,219,288	3,932,951,168	7,158,935	6,333,703
Finance lease receivable from related party	6	16,407,697,071	17,670,514,880	21,225,197,596	-	-
Deferred tax assets	19	202,231,833	133,043,088	53,463,264	32,421,563	29,942,221
Other non-current assets	20	1,386,743,167	666,468,865	754,550,482	4,456,998	13,701,458
Total non-current assets		78,090,997,738	70,252,278,570	69,764,504,206	50,848,757,674	49,126,838,949
Total assets		101,251,901,953	93,794,405,929	96,093,936,437	56,647,416,625	57,000,958,773

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of financial position

	Note	Consolidated financial statements			Separate financial statements	
		31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated) <i>(in Baht)</i>	31 December 2018	31 December 2017
Liabilities and equity						
Current liabilities						
Short-term loans from financial institutions		-	-	3,800,000,000	-	-
Derivative liabilities	3, 35	15,428,225	108,762,341	21,255,931	-	-
Trade account payable to related party		-	-	1,002,755	-	-
Trade accounts payable to other parties		4,408,410,900	5,190,051,801	5,552,565,863	-	-
Other current payables	6, 22	1,452,200,529	1,400,852,391	1,254,163,270	364,304,995	236,038,673
Current portion of long-term loans						
from financial institutions	21, 35	939,376,887	2,658,281,083	-	-	-
Debentures due within one year	21, 35	3,471,390,265	-	-	-	-
Current portion of finance lease liabilities	21	843,133	1,358,132	1,272,585	-	-
Current tax payable		87,655,197	89,475,009	116,649,445	-	-
Other current liabilities		61,346,692	201,616,531	142,109,622	22,216,199	20,212,527
Total current liabilities		10,436,651,828	9,650,397,288	10,889,019,471	386,521,194	256,251,200
Non-current liabilities						
Long-term loans from financial institutions	21, 35	12,633,424,933	2,117,415,202	2,567,008,909	-	-
Debentures	21, 35	16,107,244,841	16,139,580,580	17,327,198,043	-	-
Long-term loans from related party	6, 21	-	1,013,802,834	1,029,085,384	-	-
Derivative liabilities	3, 35	358,117,345	3,729,681,353	3,850,989,671	-	-
Other non-current payable to related party	6, 22	-	150,379,622	79,930,550	-	-
Finance lease liabilities	21	1,099,700	1,808,283	3,170,965	-	-
Deferred tax liabilities	3, 19	1,478,915,724	1,703,280,587	1,804,734,444	-	-
Non-current provisions for employee benefits	23	176,809,634	175,687,661	158,706,387	147,677,379	142,292,699
Other long-term provisions		123,621,104	102,878,229	101,425,636	-	-
Total non-current liabilities		30,879,233,281	25,134,514,351	26,922,249,989	147,677,379	142,292,699
Total liabilities		41,315,885,109	34,784,911,639	37,811,269,460	534,198,573	398,543,899
Equity						
Share capital:	24					
Authorised share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Issued and paid-up share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Share premium on ordinary shares	24	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000
Difference arising from common control transaction		-	-	-	221,308,748	221,308,748
Retained earnings						
Appropriated						
Legal reserve	25	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Unappropriated	3	48,502,769,121	46,892,413,182	44,333,862,766	38,432,950,592	38,922,147,414
Other components of equity	3	(6,048,530,277)	(4,690,680,239)	(3,024,206,438)	(22,819,288)	(22,819,288)
Total equity attributable to owners of the parent		59,936,016,844	59,683,510,943	58,791,434,328	56,113,218,052	56,602,414,874
Non-controlling interests	3, 5	-	(674,016,653)	(508,767,351)	-	-
Total equity		59,936,016,844	59,009,494,290	58,282,666,977	56,113,218,052	56,602,414,874
Total liabilities and equity		101,251,901,953	93,794,405,929	96,093,936,437	56,647,416,625	57,000,958,773

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
			(Restated)		
		<i>(in Baht)</i>			
Revenue from sales and rendering of services	6	36,184,135,649	38,000,516,141	-	-
Revenue from finance lease contracts	6	3,335,813,806	3,995,454,342	-	-
Cost of sales and rendering of services	6, 30	(35,170,093,308)	(36,847,369,413)	-	-
Gross profit		4,349,856,147	5,148,601,070	-	-
Management service income	6	238,881,810	244,662,892	394,050,307	412,445,717
Interest income	6	213,402,024	165,956,139	162,273,431	267,385,223
Dividend income	6, 8, 12, 13	186,781,647	188,896,940	3,505,809,648	4,698,176,019
Surplus in liquidating distribution from subsidiary	6	-	-	-	9,816,932
Other income	6, 27	189,058,655	265,684,385	910,475	3,041,172
Administrative expenses	6, 28, 30	(1,593,990,357)	(1,686,260,338)	(1,057,836,703)	(1,050,452,073)
Net foreign exchange gain (loss)		(865,020,604)	452,469,580	(12,058,107)	(133,236,238)
Finance costs	3, 6, 31	(1,014,887,795)	(1,587,247,955)	-	(39,593,407)
Share of profit of associates and joint ventures	3, 12	4,735,464,876	3,595,403,560	-	-
Profit before income tax expense		6,439,546,403	6,788,166,273	2,993,149,051	4,167,583,345
Tax expense	3, 32	(870,579,572)	(872,995,667)	(2,345,873)	(1,120,307)
Profit for the year		5,568,966,831	5,915,170,606	2,990,803,178	4,166,463,038
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations	3	(193,945,285)	(1,154,563,534)	-	-
Losses on remeasuring available for sale investments		(645,982,541)	(387,611,588)	-	-
Cash flow hedges - effective portion of changes in fair value	3	(126,375,121)	(305,477,127)	-	-
Share of other comprehensive income (expense) of associates and joint ventures	3, 12	146,746,318	139,308,956	-	-
Total items that will be reclassified subsequently to profit or loss		(819,556,629)	(1,708,343,293)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains on remeasurements of defined benefit plans	23	1,748,023	-	-	-
Share of other comprehensive income (expense) of associates and joint ventures	12	(1,018,225)	-	-	-
Total items that will not be reclassified to profit or loss		729,798	-	-	-
Other comprehensive income (expense) for the year, net of tax		(818,826,831)	(1,708,343,293)	-	-
Total comprehensive income (expense) for the year		4,750,140,000	4,206,827,313	2,990,803,178	4,166,463,038
Profit (loss) attributable to:					
Owners of the parent		5,587,601,852	6,038,550,416	2,990,803,178	4,166,463,038
Non-controlling interests		(18,635,021)	(123,379,810)	-	-
Profit for the year		5,568,966,831	5,915,170,606	2,990,803,178	4,166,463,038
Total comprehensive income (expense) attributable to:					
Owners of the parent		4,722,186,347	4,372,076,615	2,990,803,178	4,166,463,038
Non-controlling interests		27,953,653	(165,249,302)	-	-
Total comprehensive income (expense) for the year		4,750,140,000	4,206,827,313	2,990,803,178	4,166,463,038
Basic earnings per share (in Baht)	3, 33	3.85	4.16	2.06	2.87

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements												
		Retained earnings				Other components of equity								
								Share of other comprehensive income (expense) of associates and joint ventures		Losses on remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating reserve on foreign operations	Available-for-sale investments	Cash flow hedges reserves	Share of other comprehensive income (expense) of associates and joint ventures	Losses on remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity	
<i>(in Baht)</i>														
Year ended 31 December 2017														
	14,500,000,000	1,531,778,000	1,450,000,000	47,375,153,080	(2,698,569,683)	188,554,581	-	(7,714,835)	(17,727,278)	(2,535,457,215)	62,321,473,865	131,294,261	62,452,768,126	
3	-	-	-	(3,041,290,314)	(2,232,018)	-	59,584,263	(546,101,468)	-	(488,749,223)	(3,530,039,537)	(640,061,612)	(4,170,101,149)	
	14,500,000,000	1,531,778,000	1,450,000,000	44,333,862,766	(2,700,801,701)	188,554,581	59,584,263	(553,816,303)	(17,727,278)	(3,024,206,438)	58,791,434,328	(508,767,351)	58,282,666,977	
3d	-	-	-	(3,480,000,000)	-	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)	
Comprehensive income for the year														
	-	-	-	6,038,550,416	-	-	-	-	-	-	6,038,550,416	(123,379,810)	5,915,170,606	
	-	-	-	-	(1,173,789,467)	(387,611,588)	(244,381,702)	139,308,956	-	(1,666,473,801)	(1,666,473,801)	(41,869,492)	(1,708,343,293)	
	-	-	-	6,038,550,416	(1,173,789,467)	(387,611,588)	(244,381,702)	139,308,956	-	(1,666,473,801)	4,372,076,615	(165,249,302)	4,206,827,313	
	14,500,000,000	1,531,778,000	1,450,000,000	46,892,413,182	(3,874,591,168)	(199,057,007)	(184,797,439)	(414,507,347)	(17,727,278)	(4,690,680,239)	59,683,510,943	(674,016,653)	59,009,494,290	

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements														
		Retained earnings				Other components of equity										
								Share of other comprehensive income (expense) of associates and joint ventures		Gains (losses) on remeasurements of defined benefit plans		Total equity attributable to owners of the parent		Non-controlling interests		Total equity
Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating reserve on foreign operations	Available-for-sale investments	Cash flow hedges reserves	Share of other comprehensive income (expense) of associates and joint ventures	Gains (losses) on remeasurements of defined benefit plans	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity			
														(in Baht)		
Year ended 31 December 2018																
	Balance at 1 January 2018 - as reported	14,500,000,000	1,531,778,000	1,450,000,000	50,001,853,281	(3,993,601,895)	(199,057,007)	-	(7,956,875)	(17,727,278)	(4,218,343,055)	63,265,288,226	15,890,094	63,281,178,320		
	Impact of changes in accounting policies	3	-	-	(3,109,440,099)	119,010,726	-	(184,797,439)	(406,550,471)	-	(472,337,184)	(3,581,777,283)	(689,906,747)	(4,271,684,030)		
	Balance at 1 January 2018 - restated	14,500,000,000	1,531,778,000	1,450,000,000	46,892,413,182	(3,874,591,169)	(199,057,007)	(184,797,439)	(414,507,346)	(17,727,278)	(4,690,680,239)	59,683,510,943	(674,016,653)	59,009,494,290		
Transactions with owners, recorded directly in equity																
<i>Contributions by and distributions to owners of the parent</i>																
	Dividends to owners of the Company	34	-	-	(3,480,000,000)	-	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)		
<i>Changes in ownership interests in subsidiaries</i>																
	Acquisition of non-controlling interests without a change in control	5	-	-	(497,245,913)	(492,434,533)	-	-	-	-	(492,434,533)	(989,680,446)	646,063,000	(343,617,446)		
	Total transactions with owners, recorded directly in equity		-	-	(3,977,245,913)	(492,434,533)	-	-	-	-	(492,434,533)	(4,469,680,446)	646,063,000	(3,823,617,446)		
Comprehensive income for the year																
	Profit or loss		-	-	5,587,601,852	-	-	-	-	-	-	5,587,601,852	(18,635,021)	5,568,966,831		
	Other comprehensive income (expense)		-	-	-	(231,864,141)	(645,982,541)	(135,044,939)	145,728,093	1,748,023	(865,415,505)	(865,415,505)	46,588,674	(818,826,831)		
	Total comprehensive income (expense) for the year		-	-	5,587,601,852	(231,864,141)	(645,982,541)	(135,044,939)	145,728,093	1,748,023	(865,415,505)	4,722,186,347	27,953,653	4,750,140,000		
	Balance at 31 December 2018		14,500,000,000	1,531,778,000	1,450,000,000	48,502,769,121	(4,598,889,843)	(845,039,548)	(319,842,378)	(268,779,253)	(15,979,255)	(6,048,530,277)	59,936,016,844	-	59,936,016,844	

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

	Separate financial statements						Other components of equity	Total equity
	Note	Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Retained earnings			
					Legal reserve <i>(in Baht)</i>	Unappropriated		
Year ended 31 December 2017								
Balance at 1 January 2017		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,235,684,376	(22,819,288)	55,915,951,836
Dividends to owners of the Company	34	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Comprehensive income for the year								
Profit		-	-	-	-	4,166,463,038	-	4,166,463,038
Other comprehensive income (expenses)		-	-	-	-	-	-	-
Total comprehensive income (expenses) for the year		-	-	-	-	4,166,463,038	-	4,166,463,038
Balance at 31 December 2017		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,922,147,414	(22,819,288)	56,602,414,874

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

	Separate financial statements						Other components of equity	Total equity
	Note	Issued and paid-up share capital	Share premium	Difference arising from common control transaction	Retained earnings			
					Legal reserve <i>(in Baht)</i>	Unappropriated		
Year ended 31 December 2018								
Balance at 1 January 2018		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,922,147,414	(22,819,288)	56,602,414,874
Dividends to owners of the Company	34	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Comprehensive income for the year								
Profit		-	-	-	-	2,990,803,178	-	2,990,803,178
Other comprehensive income (expenses)		-	-	-	-	-	-	-
Total comprehensive income (expenses) for the year		-	-	-	-	2,990,803,178	-	2,990,803,178
Balance at 31 December 2018		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,432,950,592	(22,819,288)	56,113,218,052

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
			(Restated)		
		(in Baht)			
Cash flows from operating activities					
Profit for the year		5,568,966,831	5,915,170,606	2,990,803,178	4,166,463,038
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
Tax expense	3, 32	870,579,572	872,995,667	2,345,873	1,120,307
Finance costs	3, 21, 31	1,014,887,795	1,587,247,955	-	39,593,407
Depreciation	17	904,965,662	998,539,292	28,242,446	78,371,755
Amortisation	18	279,051,893	302,311,055	2,715,168	1,707,141
Impairment losses on goodwill	18	-	40,832,250	-	-
Unrealised (gain) loss on exchange		714,640,152	(311,905,721)	8,214,647	106,729,043
(Gain) loss on fair value adjustment of debt securities held for trading	8	845,628	(2,856,047)	1,222,339	(2,425,920)
Fair value adjustment of finance lease receivable from related party		(100,209,572)	(150,330,587)	-	-
Share of profit of associates and joint ventures, net of tax	3, 12	(4,735,464,876)	(3,595,403,560)	-	-
(Reversal of) doubtful debts expenses	6, 9	(55,939,976)	55,939,976	-	-
Losses on spare parts and supplies devaluation	11	50,236,177	53,277,154	-	-
(Reversal of) losses on fuel oil devaluation	11	25,510,148	(49,403,716)	-	-
Impairment losses on land for future development projects	16	20,580,000	-	-	-
(Gain) loss on write-off and disposal of equipment		3,378,350	(78,574)	2,439	(19,387)
Dividend income	6, 8, 12, 13	(186,781,647)	(188,896,940)	(3,505,809,648)	(4,698,176,019)
Interest income		(213,402,024)	(165,956,139)	(162,273,431)	(267,385,223)
Gains on disposal of interest in joint ventures		-	(27,874,453)	-	-
Write-off withholding tax deducted at source		86,011,949	6,895,459	3,717,128	6,871,214
		4,247,856,062	5,340,503,677	(630,819,861)	(567,150,644)
<i>Changes in operating assets and liabilities</i>					
Trade account receivable from related party		1,500,499,163	637,809,585	-	-
Trade accounts receivable from other parties		(302,554,494)	78,820,585	-	-
Other current receivables		(34,132,955)	(597,688,466)	(111,669)	(2,657,598)
Advances to and other current receivables from related parties		(467,589)	2,214,264	14,865,933	(18,623,390)
Finance lease receivable from related party		3,654,892,287	3,920,378,536	-	-
Spare parts and supplies		89,310,028	(81,686,188)	-	-
Other current assets and other non-current assets		(134,871,611)	48,163,599	7,749,340	121,418,477
Trade account payable to related party		-	(1,002,755)	-	-
Trade accounts payable to other parties		(771,252,737)	(360,188,889)	-	-
Other current payables and other non-current payables		35,011,501	323,584,729	125,128,647	16,081,152
Other current liabilities		(131,910,589)	56,586,138	1,195,443	(3,379,785)
Non-current provisions for employee benefits		3,320,930	17,051,454	5,384,680	11,216,276
Long-term provisions		24,776,893	2,958,826	-	-
Net cash generated from (used in) operating		8,180,476,889	9,387,505,095	(476,607,487)	(443,095,512)
Taxes paid		(1,011,912,705)	(1,180,087,921)	(3,298,465)	(6,777,759)
Net cash from (used in) operating activities		7,168,564,184	8,207,417,174	(479,905,952)	(449,873,271)

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2018	2017	2018	2017
			(Restated)		
		<i>(in Baht)</i>			
Cash flows from investing activities					
Net cash payment for acquisition of non-controlling interests	4	(343,617,447)	-	-	-
Net cash inflow (outflow) in current investments		(1,202,965,746)	2,462,249,660	222,034,255	2,289,263,925
Proceeds from repayment of short-term loans to related party	6	-	-	10,510,000,000	13,520,000,000
Short-term loans to related party	6	-	-	(7,780,000,000)	(10,850,000,000)
Proceeds from repayment of long-term loans to related parties	6	-	-	32,722,253	213,579,698
Proceeds from sale of interest in joint ventures		-	334,595,926	-	-
Payment for investments in joint ventures	12	(3,071,288,172)	(1,004,837,127)	(372,718,931)	(651,646,239)
Payment for investments in other companies	14	(1,680,000,000)	(700,000,000)	(1,680,000,000)	(700,000,000)
Net cash outflow in advance for investment	15	(69,988,190)	(708,033,340)	-	-
Net cash inflow (outflow) in other long-term investments		(30,000,000)	40,000,000	(30,000,000)	40,000,000
Proceeds from sale of equipment		6,363,043	97,307	-	36,946
Payment for acquisition of property, plant and equipment		(5,383,365,509)	(4,569,714,088)	(3,930,050)	(6,363,500)
Payment for acquisition of intangible assets		(7,344,660)	(169,929,363)	(3,315,400)	(2,822,000)
Dividends received		2,568,129,010	2,532,102,208	3,511,118,488	4,669,776,019
Interest received		198,941,389	177,596,391	169,339,656	357,338,119
Net cash from (used in) investing activities		(9,015,136,282)	(1,605,872,426)	4,575,250,271	8,879,162,968
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		-	1,300,000,000	-	1,300,000,000
Repayment of short-term loans from financial institutions		-	(5,100,000,000)	-	(5,100,000,000)
Proceeds from long-term loans from financial institutions	21	11,854,067,364	2,247,613,119	-	-
Repayment of long-term loans from financial institutions	21	(2,449,689,806)	-	-	-
Repayment of long-term loans from related party	6, 21	(950,432,881)	-	-	-
Proceeds from issue of debentures	21	9,375,570,283	-	-	-
Transaction costs from issue of debentures	21	(33,774,118)	-	-	-
Payment to repurchase the debentures	21	(6,112,471,580)	-	-	-
Repayment of unwinding derivatives		(3,058,600,602)	-	-	-
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	21	(1,244,834)	(1,225,696)	-	-
Dividend paid to owners of the Company		(3,479,191,771)	(3,478,901,111)	(3,479,191,771)	(3,478,901,111)
Finance costs paid		(1,354,409,942)	(1,397,887,344)	-	(15,992,403)
Net cash from (used in) financing activities		3,789,822,113	(6,430,401,032)	(3,479,191,771)	(7,294,893,514)
Net increase in cash and cash equivalents, before effect of exchange rates		1,943,250,015	171,143,716	616,152,548	1,134,396,183
Effect of exchange rate changes on cash and cash equivalents		464,539,461	(302,898,313)	-	-
Net increase (decrease) in cash and cash equivalents		2,407,789,476	(131,754,597)	616,152,548	1,134,396,183
Cash and cash equivalents at 1 January		9,287,457,748	9,419,212,345	4,240,824,465	3,106,428,282
Cash and cash equivalents at 31 December		11,695,247,224	9,287,457,748	4,856,977,013	4,240,824,465

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 18 February 2019.

1 General information

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

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

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

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

Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2018	2017
<i>Direct subsidiaries</i>				
Ratchaburi Electricity Generating Company Limited	Generating and selling electricity and investing in the power energy business	Thailand	99.99	99.99
Ratchaburi Energy Company Limited	Developing and operating power plant and investing in the power energy business	Thailand	99.99	99.99
RATCH-Lao Services Company Limited	Providing operation and maintenance services	Lao PDR	99.99	99.99
RH International Corporation Limited	Investing in the power energy business	Thailand	99.99	99.99
RATCH O&M Company Limited	Providing operation and maintenance services	Thailand	99.99	99.99
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	99.99	99.99
<i>Indirect subsidiaries</i>				
RH International (Mauritius) Corporation Limited	Investing in the power energy business internationally	Mauritius	100	100

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Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2018	2017
<i>Indirect subsidiaries</i>				
RH International (Singapore) Corporation Pte. Ltd.	Investing in the power energy business internationally	Singapore	100	100
RATCH-Australia Corporation Pty. Ltd. and its subsidiaries	Developing and operating power plant and investing in the power energy business	Australia	100	80
RATCH China Power Company Limited	Investing in the power energy business internationally	Hong Kong	100	100
RE Solar 1 Company Limited	Generating and selling electricity	Thailand	99.99	99.99
CN Biomass Company Limited	Generating and selling electricity	Thailand	99.99	99.99
PB Biomass Company Limited	Generating and selling electricity	Thailand	99.99	99.99
LP Biomass Company Limited	Generating and selling electricity	Thailand	99.99	99.99
<i>Direct associates</i>				
First Korat Wind Company Limited	Generating and selling electricity	Thailand	20	20
K.R. TWO Company Limited	Generating and selling electricity	Thailand	20	20
<i>Indirect associates</i>				
Solar Power (Korat 3) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 4) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 7) Company Limited	Generating and selling electricity	Thailand	40	40
<i>Direct joint ventures</i>				
Chubu Ratchaburi Electric Services Company Limited	Providing operation and maintenance services	Thailand	50	50

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2018	2017
<i>Direct joint ventures</i>				
SouthEast Asia Energy Limited	Investing in the power energy business	Thailand	33.33	33.33
Nam Ngum 3 Power Company Limited (In process of liquidation)	Generating and selling electricity	Lao PDR	25	25
Xe-Pian Xe-Namnoy Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<i>Indirect joint ventures</i>				
Ratchaburi Power Company Limited	Generating and selling electricity	Thailand	25	25
Nava Nakorn Electricity Generating Company Limited	Generating and selling electricity and steam	Thailand	40	40
Ratchaburi World Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	40	40
Berkprai Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	35	35
Solarta Company Limited	Generating and selling electricity	Thailand	49	49
Songkhla Biomass Company Limited	Generating and selling electricity	Thailand	40	40
Songkhla Biofuel Company Limited	Providing material of biofuel	Thailand	40	40
Hongsa Power Company Limited	Generating and selling electricity	Lao PDR	40	40
Phu Fai Mining Company Limited	Coal mining and trading	Lao PDR	37.50	37.50
PT Medco Ratch Power Riau	Generating and selling electricity	Republic of Indonesia	49	49
Fareast Renewable Development Pte. Ltd.	Investing in the power energy business internationally	Singapore	50	-

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Name of entities	Type of business	Country of incorporation	Ownership interest (%)	
			2018	2017
<i>Subsidiary of a direct joint venture</i>				
Nam Ngum 2 Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<i>Subsidiary of an indirect joint venture</i>				
PT Bajradaya Sentranusa	Generating and selling electricity	Republic of Indonesia	26.61	-

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of new and revised TFRS which are not yet effective for current periods. The Group has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in Note 38.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Derivatives	Fair value
Available for sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 4 (m)

(c) Functional and presentation currency

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

(d) Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

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(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

Note 6 Leases: whether an arrangement containing a lease.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities within the year ending 31 December 2019 is included in the following notes:

Note 12	Acquisition of joint venture: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis;
Note 18	Impairment test: key assumptions underlying recoverable amounts;
Note 19	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
Note 23	Measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

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

The Group has an 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.

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Further information about the assumptions made in measuring fair values is included in the following notes:

Note 12	Acquisition of joint venture;
Note 16	Land for future development projects; and
Note 35	Financial instruments.

3 Changes in accounting policies

Except as described below, the accounting policies applied in these financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017.

From 1 January 2018, the Group adopted accounting policy for *derivatives and hedge accounting*. The changes have been applied retrospectively.

(a) Derivatives

Derivatives are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivatives are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see accounting policy 3 (b)).

The fair value of interest rate swaps is based on broker quotes at the reporting date. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

(b) Hedging

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion is recognised immediately in profit or loss.

When a hedged forecast transaction occurs and results in the recognition of a financial asset or financial liability, the gain or loss recognised in other comprehensive income does not adjust the initial carrying amount of the asset or liability but remains in equity and is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

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For hedges of forecast transactions that result in the recognition of a non-financial asset or non-financial liability, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss consistently with the recognition of gains and losses on the asset or liability as a reclassification adjustment.

Discontinuing hedge accounting

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument existing in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is recognised in profit or loss immediately.

The impacts to the financial statements are summary as follows:

	Consolidated financial statements		
	As previously reported	Adjustment	As restated
		<i>(in thousand Baht)</i>	
Statement of financial position			
At 1 January 2017			
Assets			
Derivative assets	-	488,554	488,554
Investments in associates	1,907,692	(15,097)	1,892,595
Investments in joint ventures	23,521,611	<u>(770,612)</u>	22,750,999
Total		<u>(297,155)</u>	
Liabilities			
Derivative liabilities	-	3,872,246	3,872,246
Deferred tax liabilities	1,804,034	701	1,804,735
Total		<u>3,872,947</u>	
Equity			
Retained earnings - unappropriated	47,375,153	(3,041,291)	44,333,862
Other components of equity			
- Translating reserve on foreign operations	(2,698,570)	(2,232)	(2,700,802)
- Cash flow hedges reserves	-	59,584	59,584
- Share of other comprehensive income (expense) of associates and joint ventures	(7,715)	<u>(546,102)</u>	(553,817)
		(3,530,041)	
Non-controlling interests	131,294	<u>(640,061)</u>	(508,767)
Total		<u>(4,170,102)</u>	
At 31 December 2017			
Assets			
Derivative assets	-	143,511	143,511
Investments in associates	1,774,872	(25,173)	1,749,699
Investments in joint ventures	24,114,966	<u>(548,763)</u>	23,566,203
Total		<u>(430,425)</u>	

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	Consolidated financial statements		
	As previously reported	Adjustment <i>(in thousand Baht)</i>	As restated
Liabilities			
Derivative liabilities	-	3,838,444	3,838,444
Deferred tax liabilities	1,700,465	2,815	1,703,280
Total		<u>3,841,259</u>	
Equity			
Retained earnings - unappropriated	50,001,853	(3,109,440)	46,892,413
Other components of equity			
- Translating reserve on foreign operations	(3,993,602)	119,011	(3,874,591)
- Cash flow hedges reserves	-	(184,798)	(184,798)
- Share of other comprehensive income (expense) of associates and joint ventures	(7,957)	<u>(406,551)</u>	(414,508)
		(3,581,778)	
Non-controlling interests	15,890	<u>(689,906)</u>	(674,016)
Total		<u>(4,271,684)</u>	
Statement of comprehensive income			
For the year ended 31 December 2017			
Finance costs	(1,502,502)	(84,746)	(1,587,248)
Share of profit (loss) of associates and joint ventures	3,577,164	18,239	3,595,403
Tax expense	(870,895)	<u>(2,101)</u>	(872,996)
Total		<u>(68,608)</u>	
Exchange differences on translating foreign operations	(1,287,514)	132,951	(1,154,563)
Cash flow hedges - effective portion of changes in fair value	-	(305,477)	(305,477)
Share of other comprehensive income (expense) of associates and joint ventures	(242)	<u>139,551</u>	139,309
Total items that will be reclassified subsequently to profit or loss		<u>(32,975)</u>	
Other comprehensive income (expense) for the year, net of tax	<u>(1,675,368)</u>	<u>(32,975)</u>	<u>(1,708,343)</u>
Total comprehensive income (expense) for the year	<u>4,308,410</u>	<u>(101,583)</u>	<u>4,206,827</u>
Basic earnings per share (in Baht)	<u>4.21</u>	<u>(0.05)</u>	<u>4.16</u>

The effect of the adoption of such accounting policies to the consolidated financial statements as at 31 December 2018 are as follows: total assets decreased by Baht 86.47 million, total liabilities increased by Baht 376.24 million and total equity decreased by Baht 462.71 million. Profit and total comprehensive income for the year ended 31 December 2018 increased by Baht 3,558.77 million and Baht 3,808.97 million, respectively. (Total equity as at 31 December 2017 also decreased Baht 4,271.68 million.)

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4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

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

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

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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Transactions eliminated on consolidation

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

(b) Foreign currencies

Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

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

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

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

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the exchange rates at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

(c) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and saving accounts and highly liquid short-term investments.

(d) Trade and other accounts receivable

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

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

(e) Spare parts and supplies

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

Spare parts comprises fuel oil and supplies which are used for specific equipment in the power plant.

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

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

The allowance for obsolescence of spare parts is calculated from the balances of spare parts at the end of year on a straight-line basis to write-down the spare parts over the remaining useful lives of power plants.

(f) Investments

Investments in associates, subsidiaries and joint ventures

Investments in associates, subsidiaries and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

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

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

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

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

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

Disposal of investments

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

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

(g) *Property, plant and equipment*

Recognition and measurement

Owned assets

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

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

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

Any gains and losses on disposal of item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

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Leased assets

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

Subsequent costs

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

Depreciation

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

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

Buildings and structures	20 - 40	years
Building improvements	5	years
Power plants, substation and transmission systems	4 - 45	years
Operating and maintenance equipment	5	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

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

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

(h) *Intangible assets*

Goodwill

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

Other intangible assets

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

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Subsequent expenditure

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

Amortisation

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

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

The estimated useful lives for the current and comparative periods are as follows:

Software licences	3 - 10	years
Licenses on project development	25	years
Right to power purchase agreements	20 - 25	years

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

(i) *Project development expenditure*

Project development expenditure is recognised in profit or loss as incurred. Project development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to use or sell the asset. The expenditure capitalised includes borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated impairment losses. Capitalised development expenditure will be amortised when it is available for use in the manner intended.

(j) *Impairment*

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

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

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Calculation of recoverable amount

The recoverable amount of held to maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

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

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

Reversals of impairment

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

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

(k) *Interest-bearing liabilities*

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

(l) *Trade and other accounts payable*

Trade and other accounts payable are stated at cost.

(m) *Employee benefits*

Defined contribution plan

Defined contribution plan is post-employment benefit plan which the Group contributes a fixed amount to another entity ("Provident Fund") and has no legal or constructive obligation to pay the additional contributions. Obligations for contributions to defined contribution plan are expensed in profit or loss as the related service is provided by the employee.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Provisions

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

(o) Revenue

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

Revenue from sales of electricity

Revenue from sales of electricity are recognised in profit or loss based on the units of electricity delivered at the agreed rates.

Revenue from rendering of services

Revenue from rendering of services are recognised in profit or loss when the services are provided.

Revenue from finance lease contracts

Revenue from finance lease contracts are recognised in profit or loss by using the effective interest rate method over the period of the power purchase agreements.

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Rental income

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

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognised in profit or loss as it accrues.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(q) Financing fees

Financing fees are recognised initially at cost and presented as deferred financing fees and amortised on the effective interest rate method over the period of the long-term loan agreements and capitalised as cost of an asset during the construction period. After construction completed, amortisation are recognised in profit or loss. Deferred financing fees are part of borrowing costs and are presented deduction from long-term loans.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(s) Other expenses

Other expenses are recognised in profit or loss as it accrues.

(t) Income tax

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

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

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

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Basic earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(v) Segment reporting

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

5 Acquisitions of non-controlling interests

In May 2018, the Group acquired an additional 20% interest in RATCH-Australia Corporation Pty. Ltd. for Australian Dollars 14.29 million (paid to the existing shareholder amounting to Australian Dollars 6.89 million or equivalent to Baht 166.52 million and related transaction costs amounting to Australian Dollars 7.40 million or equivalent to Baht 177.10 million), increasing its ownership from 80% to 100%.

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The following summarises the effect of the change in the Group's ownership interests in RATCH-Australia Corporation Pty. Ltd.:

	<i>(in thousand Baht)</i>
Carrying amount of non-controlling interests acquired	(153,629)
Less consideration paid to non-controlling interests	<u>(343,617)</u>
Decrease in equity attributable to owners of the Group from additional investments in subsidiary	<u><u>(497,246)</u></u>

6 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	Thailand	Major shareholder, some common directors
Ratchaburi Electricity Generating Company Limited	Thailand	Direct subsidiary, 99.99% shareholding
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 Pty. Ltd.	Australia	Indirect subsidiary, 100% shareholding by an indirect subsidiary, some common directors
RATCH China Power Limited	Hong Kong	Indirect subsidiary, 100% shareholding by an indirect subsidiary

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the year ended 31 December 2018

Name of entities	Country of incorporation/ nationality	Nature of relationships
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
Solar Power (Korat 3) Company Limited	Thailand	Indirect associate, 40% shareholding by a direct subsidiary
Solar Power (Korat 4) Company Limited	Thailand	Indirect associate, 40% shareholding by a direct subsidiary
Solar Power (Korat 7) Company Limited	Thailand	Indirect associate, 40% shareholding by a direct subsidiary
Perth Power Partnership (Kwinana)	Australia	Indirect associate, 30% shareholding by an indirect subsidiary
Chubu Ratchaburi Electric Services Company Limited	Thailand	Direct joint venture, 50% shareholding
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, some common directors
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Name of entities	Country of incorporation/ nationality	Nature of relationships
Berkprai Cogeneration Company Limited	Thailand	Indirect joint venture, 35% shareholding by a direct subsidiary
Solartha Company Limited	Thailand	Indirect joint venture, 49% 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
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
Fareast Renewable Development Pte. Ltd.	Singapore	Indirect joint venture, 50% 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
PT Bajradaya Sentranusa	Republic of Indonesia	Subsidiary of an indirect joint venture, 53.21% shareholding by an indirect 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 Group acquired an additional 20% interest in an indirect subsidiary from Broadspectrum Pty Limited in May 2018.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

The pricing policies for transactions 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 years ended 31 December with related parties were as follows:

<i>Year ended 31 December</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Major Shareholder				
Revenue from sales of electricity	33,951,586	35,625,780	-	-
Operation and maintenance service income	50,900	50,877	-	-
Revenue from finance lease contracts	3,335,814	3,995,454	-	-
Purchase of electricity	171,836	204,404	-	-
Operation and maintenance service fee	1,184,010	1,239,799	-	-
Management service of fuel	2,137	2,128	-	-
Other service fee	3,902	9,947	2,617	7,287
Subsidiaries				
Management service income	-	-	155,168	167,783
Interest income	-	-	76,573	157,998
Dividend income	-	-	3,193,828	4,107,131
Surplus in liquidating distribution from subsidiaries	-	-	-	9,817
Associates				
Management service income	2,188	2,145	2,188	2,145
Dividend income	-	-	95,683	316,000
Joint ventures				
Management service income	236,371	241,827	236,371	241,827
Interest income	2,599	1,742	2,599	1,742
Dividend income	-	-	216,298	275,045
Rental income	12,067	12,067	-	-
Other income	34,247	38,705	-	-
Other related party				
Interest expense	23,716	75,168	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Key management personnel compensation				
Short-term employee benefits	159,877	167,566	82,004	77,678
Post-employment benefits	7,937	12,091	3,004	5,635
Other long-term benefits	1,509	2,807	331	1,477
Total key management personnel compensation	169,323	182,464	85,339	84,790

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

<i>Trade accounts receivable from related party</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	5,226,926	6,731,131	-	-
	5,226,926	6,731,131	-	-
Less allowance for doubtful accounts	-	(59,646)	-	-
Net	5,226,926	6,671,485	-	-
 (Reversal of) doubtful debts expense for the year	 (55,940)	 55,940	 -	 -

<i>Dividend receivables</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Direct associates				
First Korat Wind Company Limited	-	36,000	-	36,000
K.R. TWO Company Limited	64,091	33,400	64,091	33,400
Total	64,091	69,400	64,091	69,400

<i>Advances to and other current receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	1,618	1,573	-	-
Direct subsidiaries				
Ratchaburi Electricity Generating Company Limited	-	-	9,019	28,205
Ratchaburi Energy Company Limited	-	-	54	238
RH International Corporation Limited	-	-	984	963
RATCH O&M Company Limited	-	-	64	-
Ratchaburi Alliances Company Limited	-	-	161	128

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the year ended 31 December 2018

<i>Advances to and other current receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Indirect subsidiaries				
RH International (Mauritius) Corporation Limited	-	-	121	-
RH International (Singapore) Corporation Pte. Ltd.	-	-	28,788	43,898
RATCH-Australia Corporation Pty. Ltd.	-	-	417	-
RATCH China Power Limited	-	-	121	-
RE Solar 1 Company Limited	-	-	64	-
CN Biomass Company Limited	-	-	64	-
PB Biomass Company Limited	-	-	64	-
LP Biomass Company Limited	-	-	64	-

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	10,986	11,150	10,986	11,150

Indirect joint ventures

Ratchaburi Power Company Limited	12,403	12,868	-	-
Nava Nakorn Electricity Generating Company Limited	1,038	1,018	1,038	1,018
Berkprai Cogeneration Company Limited	1,029	-	1,029	-
Solarta Company Limited	1,696	1,610	1,696	1,610
Songkhla Biomass Company Limited	192	181	192	181
Hongsa Power Company Limited	4,225	4,257	4,225	4,257
PT Medco Ratch Power Riau	17,681	57	-	-
Total	51,984	34,091	60,267	93,025

Loans to related parties

	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Direct subsidiary						
Ratchaburi Electricity Generating Company Limited	-	2.45 and 2.48	-	-	-	2,730,000
			-	-	-	2,730,000
Less allowance for doubtful accounts			-	-	-	-
Short-term loans to related party-net			-	-	-	2,730,000

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017	2018	2017
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Long-term loans						
Direct subsidiaries						
Ratchaburi Energy Company Limited	4.00	4.00	-	-	175,000	203,000
RATCH-Lao Services Company Limited	3.65	3.65	-	-	1,049,472	1,062,077
Direct joint venture						
Xe-Pian Xe-Namnoy Power Company Limited	6.58	5.67	42,494	42,813	42,494	42,813
			42,494	42,813	1,266,966	1,307,890
<i>Less current portion due within one year allowance for doubtful accounts</i>			-	-	-	-
Long-term loans to related parties-net			42,494	42,813	1,266,966	1,307,890
Summary of loans to related parties						
Short-term loans			-	-	-	2,730,000
Long-term loans			42,494	42,813	1,266,966	1,307,890
			42,494	42,813	1,266,966	4,037,890
<i>Less allowance for doubtful accounts</i>			-	-	-	-
Total loans to related parties-net			42,494	42,813	1,266,966	4,037,890
Bad and doubtful debts expense for the year			-	-	-	-

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

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Short-term loans				
Direct subsidiary				
At 1 January	-	-	2,730,000	5,400,000
Increase	-	-	7,780,000	10,850,000
Decrease	-	-	(10,510,000)	(13,520,000)
At 31 December	-	-	-	2,730,000
Long-term loans				
Direct subsidiaries				
At 1 January	-	-	1,265,077	1,581,209
Decrease	-	-	(32,722)	(213,580)
Exchange rate adjustment	-	-	(7,883)	(102,552)
At 31 December	-	-	1,224,472	1,265,077

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Long-term loans				
Direct joint venture				
At 1 January	42,813	46,947	42,813	46,947
Exchange rate adjustment	(319)	(4,134)	(319)	(4,134)
At 31 December	<u>42,494</u>	<u>42,813</u>	<u>42,494</u>	<u>42,813</u>
Total long-term loans to related parties				
At 1 January	42,813	46,947	1,307,890	1,628,156
Decrease	-	-	(32,722)	(213,580)
Exchange rate adjustment	(319)	(4,134)	(8,202)	(106,686)
At 31 December	<u>42,494</u>	<u>42,813</u>	<u>1,266,966</u>	<u>1,307,890</u>

<i>Finance lease receivable from related party</i>	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			

Major Shareholder

Electricity Generating Authority
of Thailand

	<u>17,670,515</u>	<u>21,225,198</u>	<u>-</u>	<u>-</u>
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	2018		2017		2017	
	Portion due within one year	Portion due after one year	Portion due within one year	Portion due after one year	Total	Total
	<i>(in thousand Baht)</i>					
Receivables under finance lease contracts	3,952,243	6,642,158	25,146,057	29,098,300	29,098,300	35,740,458
Less unearned interest income	<u>(2,689,425)</u>	<u>(3,087,475)</u>	<u>(8,738,360)</u>	<u>(11,427,785)</u>	<u>(11,427,785)</u>	<u>(14,515,260)</u>
	<u>1,262,818</u>	<u>3,554,683</u>	<u>16,407,697</u>	<u>17,670,515</u>	<u>17,670,515</u>	<u>21,225,198</u>
Less allowance for doubtful accounts	-	-	-	-	-	-
Receivable under finance lease contracts-net	<u>1,262,818</u>	<u>3,554,683</u>	<u>16,407,697</u>	<u>17,670,515</u>	<u>17,670,515</u>	<u>21,225,198</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2018

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

	Consolidated financial statements			
	2018	2017	2018	2017
	Receivable and interest under finance lease contracts	Receivable under finance lease contracts -net <i>(in thousand Baht)</i>	Receivable and interest under finance lease contracts	Receivable under finance lease contracts -net
Portion due within one year	3,952,243	1,262,818	6,642,158	3,554,683
Portion due after one year but within five years	17,254,194	10,363,312	18,373,611	9,915,207
Portion due after five years	7,891,863	6,044,385	10,724,689	7,755,308
	29,098,300	17,670,515	35,740,458	21,225,198
<i>Less unearned interest income</i>	<i>(11,427,785)</i>		<i>(14,515,260)</i>	
Receivable under finance lease contracts-net	17,670,515		21,225,198	

***Other non-current receivables
from related parties***

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Direct subsidiaries				
Ratchaburi Energy Company Limited	-	-	3,605	89
RATCH-Lao Services Company Limited	-	-	3,405	1,077
Direct joint venture				
Xe-Pian Xe-Namnoy Power Company Limited	9,901	7,301	9,901	7,301
Total	9,901	7,301	16,911	8,467

Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current				
Major Shareholder				
Electricity Generating Authority of Thailand	40,958	69,017	703	181
Direct subsidiaries				
Ratchaburi Electricity Generating Company Limited	-	-	310	242
RATCH-Lao Services Company Limited	-	-	-	2,387
Indirect subsidiaries				
RH International (Singapore) Corporation Pte. Ltd.	-	-	-	2,978
RATCH-Australia Corporation Pty. Ltd.	-	-	2,508	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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<i>Other payables to related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Indirect joint venture				
Ratchaburi Power Company Limited	15,187	15,194	13,679	13,686
Total	56,145	84,211	17,200	19,474

Non-current

Other related party

Broadspectrum Pty Limited	-	150,380	-	-
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<i>Long-term loans from related party</i>	Interest rate		Consolidated		Separate	
	2018	2017	financial statements		financial statements	
	<i>(% per annum)</i>		2018	2017	2018	2017
	<i>(in thousand Baht)</i>					
Other related party						
Broadspectrum Pty Limited	-	7.15	-	1,013,803	-	-
Less current portion of long-term loans			-	-	-	-
Long-term loans from related party-net			-	1,013,803	-	-

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

<i>Long-term loans from related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	1,013,803	1,029,085	-	-
Decrease	(950,433)	-	-	-
Exchange rate adjustment	(63,370)	(15,282)	-	-
At 31 December	-	1,013,803	-	-

Significant agreements with related parties

Long-term loans to related parties

As at 31 December 2018, the Company had outstanding balance of loans to Ratchaburi Energy Company Limited, a direct subsidiary, amounting to Baht 175 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 December 2018, the Company had outstanding balance of loans to RATCH-Lao Services Company Limited, a direct subsidiary, amounting to U.S. Dollars 32.60 million or equivalent to Baht 1,049.47 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.

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As at 31 December 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 42.49 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.

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). Availability Payment (AP) covers the 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. 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, Energy Efficiency Ratio and Consumer Price Index.

On 1 August 2014, Ratchaburi Electricity Generating Company Limited, a direct subsidiary, obtained the transfer of right in a Power Purchase Agreement with EGAT from a subsidiary which was dissolved in year 2014. Such agreement dated on 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 such subsidiary. The initial value of the agreement is approximately Baht 16,608.16 million, which will be adjusted by the annual Consumer Price Index.

Fuel Management Service Agreement

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

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Land Lease Agreement and Common Facility Agreement

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

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

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.

Operation and Maintenance Service 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 such subsidiary will recruit and provide qualified personnel according to the number and qualifications specified in the agreement for operation and maintenance of Hongsa Thermal Power Plant located in Lao PDR. Subsequently on 22 November 2017, RATCH-Lao Services Company Limited entered into new Operation and Maintenance Service 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 in proportion of investment of 50%. The agreement does not specify the amount of financial support. As at 31 December 2018, the Company has not provided any loans or guarantees under the agreement.

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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 December 2018, the Company has not provided any loans or guarantees under the agreement.

Obligations related to the Share Purchase Agreement

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

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash on hand	341	279	30	30
Cash at banks - current accounts	2,991,887	3,342,076	750	55
Cash at banks - savings accounts	1,266,441	1,490,103	456,197	625,739
Highly liquid short-term investments	<u>7,436,578</u>	<u>4,455,000</u>	<u>4,400,00</u>	<u>3,615,000</u>
Cash and cash equivalents in the statement of financial position	11,695,247	9,287,458	4,856,977	4,240,824
Bank overdrafts used for cash management purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in the statement of cash flows	<u>11,695,247</u>	<u>9,287,458</u>	<u>4,856,977</u>	<u>4,240,824</u>

8 Other investments

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
Short-term deposits at financial institutions	1,425,000	200,000	-	200,000
Debt securities held for trading	500,202	493,082	467,761	461,018
Other debt securities held to maturity	<u>303,894</u>	<u>30,000</u>	<u>300,000</u>	<u>30,000</u>
	<u>2,229,096</u>	<u>723,082</u>	<u>767,761</u>	<u>691,018</u>
<i>Other long-term investments</i>				
Equity securities available for sale	2,538,934	3,195,527	-	-
Other debt securities held to maturity	<u>113,000</u>	<u>386,922</u>	<u>113,000</u>	<u>383,000</u>
	<u>2,651,934</u>	<u>3,582,449</u>	<u>113,000</u>	<u>383,000</u>
Total	<u>4,881,030</u>	<u>4,305,531</u>	<u>880,761</u>	<u>1,074,018</u>

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As at 31 December 2018, other long-term investments held to maturity, with a carrying amount of Baht 113.00 million (2017: Baht 386.92 million) have annual interest rates of from 3.00% to 3.05% (2017: 0.5% to 5.2%) and mature within 2 to 4 years.

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current investments				
Debt securities held for trading				
At 1 January	493,082	482,475	461,018	447,856
Purchases during the year	284,219	181,654	284,219	181,654
Sales during the year	(276,253)	(173,903)	(276,253)	(170,918)
Valuation adjustment	(846)	2,856	(1,223)	2,426
At 31 December	500,202	493,082	467,761	461,018
Other long-term investments				
Equity securities available for sale				
At 1 January	3,195,527	3,730,280	-	-
Valuation adjustment	(656,593)	(534,753)	-	-
At 31 December	2,538,934	3,195,527	-	-

Dividend income from equity securities available for sale

During the year 2018, the Group had received dividend income in the proportion of investment in equity securities available for sale amounting to Baht 186.78 million (2017: Baht 188.90 million).

9 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Related party (Note 6)	5,226,926	6,731,131	-	-
Other parties	404,357	113,568	-	-
Total	5,631,283	6,844,699	-	-
Less allowance for doubtful accounts	-	(59,646)	-	-
Net	5,631,283	6,785,053	-	-
(Reversal of) doubtful debts expense for the year	(55,940)	55,940	-	-

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Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Related party				
Within credit terms	5,226,926	6,437,590	-	-
Overdue:				
Less than 3 months	-	34,598	-	-
3-6 months	-	74,280	-	-
6-12 months	-	97,805	-	-
Over 12 months	-	86,858	-	-
	5,226,926	6,731,131	-	-
Less allowance for doubtful accounts	-	(59,646)	-	-
	5,226,926	6,671,485	-	-
Other parties				
Within credit terms	273,604	113,568	-	-
Overdue:				
Less than 3 months	73,799	-	-	-
3-6 months	56,954	-	-	-
6-12 months	-	-	-	-
Over 12 months	-	-	-	-
	404,357	113,568	-	-
Less allowance for doubtful accounts	-	-	-	-
	404,357	113,568	-	-
Net	5,631,283	6,785,053	-	-

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

10 Other receivables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	6	61,885	41,392	77,178	101,492
Other parties					
Prepaid expenses		69,491	95,064	11,774	11,219
Insurance claim receivable		-	599,152	-	-
Others		83,891	58,275	33,798	36,289
		153,382	752,491	45,572	47,508
Total		215,267	793,883	122,750	149,000
Less allowance for doubtful accounts		-	-	-	-
Net		215,267	793,883	122,750	149,000
Current		205,366	786,582	105,839	140,533
Non-current		9,901	7,301	16,911	8,467
Total		215,267	793,883	122,750	149,000

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11 Spare parts and supplies

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Fuel oil	1,197,775	1,211,235	-	-
Spare parts and supplies	1,683,131	1,805,925	-	-
Spare parts and supplies in transit	3,350	106,230	-	-
Total	2,884,256	3,123,390	-	-
<i>Less</i> allowance for obsolescence of spare parts and suppliers	(925,799)	(995,915)	-	-
allowance for decline in value of fuel oil	(25,565)	(54)	-	-
Net	1,932,892	2,127,421	-	-
Spare parts and supplies recognised as an expense in 'cost of sales':				
- Cost	118,089	425,842	-	-
- Write-down to net realisable value	75,746	61,934	-	-
- Reversal of write-down	-	(58,060)	-	-
Net	193,835	429,716	-	-

12 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(Restated)</i>			
	<i>(in thousand Baht)</i>			
At 1 January	25,315,902	24,643,594	5,044,942	4,393,296
Share of net profits of associates and joint ventures	4,735,465	3,595,403	-	-
Share of other comprehensive income (expense) of associates and joint ventures	145,728	139,309	-	-
Addition investments in joint ventures	3,071,288	1,004,837	372,719	651,646
Disposal of investments in joint ventures	-	(308,644)	-	-
Write-off investment in joint venture	-	(15,156)	-	(15,446)
Reversal of allowance for impairment	-	15,156	-	15,446
Dividend income	(2,372,274)	(2,371,606)	-	-
Exchange rate adjustment	(167,297)	(1,393,662)	-	-
Others	(6,671)	6,671	-	-
At 31 December	30,722,141	25,315,902	5,417,661	5,044,942

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Investments in associates and joint ventures as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

	Ownership interest		Paid-up capital		Consolidated financial statements			Equity	Dividend income	
	2018	2017	2018	2017	2018	Cost 2017	2018	2017 (Restated)	2018	2017
	(%)		<i>(in thousand Baht)</i>							
Direct associates										
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	415,025	486,558	57,141	186,000
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	373,245	408,738	38,542	130,000
					764,604	764,604	788,270	895,296	95,683	316,000
Indirect associates										
Solar Power (Korat 3) Company Limited *	40	40	188,750	188,750	75,500	75,500	138,242	122,773	14,043	16,610
Solar Power (Korat 4) Company Limited *	40	40	199,250	199,250	79,700	79,700	145,667	126,486	9,405	11,238
Solar Power (Korat 7) Company Limited *	40	40	188,750	188,750	75,500	75,500	137,044	121,045	14,344	14,119
Perth Power Partnership (Kwinana)	30	24	2,311,167	2,311,167	618,531	618,531	419,671	484,099	55,673	103,304
					849,231	849,231	840,624	854,403	93,465	145,271
Total					1,613,835	1,613,835	1,628,894	1,749,699	189,148	461,271
Direct joint ventures										
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	71,384	77,035	22,500	35,000
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	2,832,873	2,627,317	193,798	240,045
Nam Ngum 3 Power Company Limited	25	25	1,808	1,808	452	452	-	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	9,761,419	8,270,543	2,440,355	2,067,636	2,268,588	1,912,671	-	-
					4,653,057	4,280,338	5,172,845	4,617,023	216,298	275,045

*The Group reclassified these investments from investments in joint ventures to investments in associates.

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	Ownership interest		Paid-up capital		Consolidated financial statements				Dividend income	
	2018	2017	2018	2017	2018	Cost 2017	2018	Equity 2017 (Restated)	2018	2017
	(<i>%</i>)		<i>(in thousand Baht)</i>							
Indirect joint ventures										
Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	3,670,968	3,714,259	225,000	450,000
Nava Nakorn Electricity Generating Company Limited	40	40	1,550,000	1,525,000	620,000	610,000	735,578	703,321	144,000	-
Ratchaburi World Cogeneration Company Limited	40	40	2,500,000	2,500,000	1,000,000	1,000,000	1,283,102	1,242,432	200,000	150,000
Berkprai Cogeneration Company Limited	35	35	1,331,000	1,331,000	465,850	465,850	433,236	432,625	-	-
Solarta Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	1,314,475	1,162,565	37,730	59,290
Songkhla Biomass Company Limited	40	40	246,000	246,000	98,400	98,400	149,162	135,104	20,000	16,000
Songkhla Biofuel Company Limited	40	40	1,000	1,000	400	400	342	352	-	-
Hongsa Power Company Limited	40	40	32,324,715	32,324,715	12,929,886	12,929,886	13,517,057	11,286,283	981,600	960,000
Phu Fai Mining Company Limited	37.50	37.50	1,679	1,679	630	630	109,864	272,239	358,498	-
PT Medco Ratch Power Riau	49	49	7,762	7,762	3,803	3,803	50,901	-	-	-
Fareast Renewable Development Pte. Ltd.	50	-	2,849,190	-	2,688,569	-	2,655,717	-	-	-
Total					20,184,748	17,486,179	23,920,402	18,949,180	1,966,828	1,635,290
					24,837,805	21,766,517	29,093,247	23,566,203	2,183,126	1,910,335

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

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	Ownership interest		Paid-up capital		Cost		Separate financial statements Impairment		At cost-net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)											
Associates												
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	-	-	399,204	399,204	57,141	186,000
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	-	-	365,400	365,400	38,542	130,000
Total					764,604	764,604	-	-	764,604	764,604	95,683	316,000
Joint ventures												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	22,500	35,000
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	193,798	240,045
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	9,761,419	8,270,543	2,440,355	2,067,636	-	-	2,440,355	2,067,636	-	-
Total					4,653,057	4,280,338	-	-	4,653,057	4,280,338	216,298	275,045

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

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During the year ended 31 December 2018, there were the following acquisitions and additional paid-up share capital and increase in share capital of investments in joint ventures:

Investment in Fareast Renewable Development Pte. Ltd.

On 6 December 2018, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, has purchased the existing ordinary shares and the additional ordinary shares of Fareast Renewable Development Pte. Ltd. (“FRD”), incorporated in Singapore, from Fareast Green Energy Pte. Ltd., the existing shareholder, in order to participate in the operation of Asahan-1 Hydroelectric Power Plant (“Asahan-1”) in the Republic of Indonesia, which operated by PT Bajradaya Sentranusa (“BDSN”) in proportion of investment of 50% of issued and paid-up share capital, for a consideration of U.S. Dollars 81.92 million or equivalent to Baht 2,688.57 million. As a result, FRD became a joint venture of the Group.

After such transactions are completed, the shareholder structure of FRD comprises the Group 50% and Fareast Green Energy Pte. Ltd. 50%. The shareholder structure of BDSN comprises FRD 53.21% (the Group held an indirect investment through RHIS and FRD at approximately 26.61%) and minority interest 46.79%.

Asahan-1 is a run-of-river Hydroelectric Power Plant with the generation capacity of 180 Megawatts. It is located in Asahan River, North Sumatra Province in the Republic of Indonesia. It has commenced commercial operation since January 2011 and has a power purchase agreement with PT PLN (Persero) (“PLN”) for a period of 30 years ending on 31 December 2040.

Management believes that the investment in such joint venture will enable the Group to benefit greatly from the expansion of investments in the Republic of Indonesia in the future.

Identifiable assets acquired and liabilities assumed

	Carrying amounts	Fair value adjustments	Fair value
		<i>(in thousand Baht)</i>	
Cash and cash equivalents	966,272	-	966,272
Derivative assets	148,336	-	148,336
Trade and other receivables	435,994	-	435,994
Property, plant and equipment	1,738	-	1,738
Finance lease receivable	13,289,782	5,268,430	18,558,212
Loans	(6,584,524)	-	(6,584,524)
Trade and other payables	(308,886)	-	(308,886)
Current tax payable	(11,690)	-	(11,690)
Deferred tax liabilities	(1,219,308)	(1,477,340)	(2,696,648)
Non-current provisions for employee benefits	(11,098)	-	(11,098)
Other long-term provisions	(772,298)	640,932	(131,366)
Net identifiable assets acquired and liabilities assumed	5,934,318	4,432,022	10,366,340
Non-controlling interests	(3,295,254)	(1,885,958)	(5,181,212)
Net	2,639,064	2,546,064	5,185,128
Interest acquired (%)			50

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	Carrying amounts	Fair value adjustments	Fair value
		<i>(in thousand Baht)</i>	
Fair values of identifiable assets acquired and liabilities assumed			2,592,564
Goodwill arising from the acquisition			<u>95,092</u>
Total consideration - paid			<u>2,687,656</u>

An independent appraiser has been appointed to determine the fair value of the business but the report of the appraiser is not yet completed as at the date of approval of these consolidated financial statements. Accordingly, the fair value of assets acquired and liabilities assumed have been provisionally determined at the acquisition date.

In accordance with TFRS3, management is required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Investment in Asia Water Sole Co., Ltd.

On 19 December 2018, RATCH-Lao Services Company Limited, a direct subsidiary, entered into a sales and purchase agreement of shares in Asia Water Sole Co., Ltd., incorporated in Lao PDR, with a local company in Lao PDR to acquire 40% of the registered shares for U.S. Dollars 5.80 million to operate the Sandin Water Supply Project in Lao PDR. Under the agreement, the payment terms of purchase shares were separated into 2 portions (1st payment 10% and last payment 90%). Subsequently, on 3 January 2019, such subsidiary paid the 1st payment for advance payment in proportion of investment amounting to U.S. Dollars 0.58 million or equivalent to Baht 18.92 million. The last payment is expected to be paid in February 2019. As a result, such company became a joint venture of the Group.

Additional paid-up share capital and increase in share capital

During the year ended 31 December 2018, joint ventures called for additional paid-up share capital and increase in share capital. The Group paid for such share capital in the proportion of investments as follows:

Name of entities	Description	Amount
		<i>(in million Baht)</i>
<i>Direct joint venture</i>		
Xe-Pian Xe-Namnoy Power Company Limited	Called for additional paid-up share capital	372.72
<i>Indirect joint ventures</i>		
Nava Nakorn Electricity Generating Company Limited	Called for additional paid-up share capital	10.00
Fareast Renewable Development Pte. Ltd.	Called for increase in share capital	2,688.57

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Progress of Saddle Dam D collapsed

On 23 July 2018, the Saddle Dam D of Xe-Pian Xe-Namnoy Hydroelectric Power Project, located in Champasak district, Lao PDR, of Xe-Pain Xe-Namnoy Power Company Limited, a direct joint venture, collapsed. The Saddle Dam fractured which caused the water flow to the downstream area. The joint venture evacuated the people residing around the affected area for safety. The project also has a standard insurance package in accordance with the loan agreement, including all risk insurance for construction, third-party liability insurance, and delay start-up insurance. The costs incurred as a result of the collapse are primarily the responsibility of the contractor in charge of engineering, procurement and construction (EPC). Currently, the joint venture, together with its insurers is in the process of assessing the situation and the Government of Lao PDR appointed National Investigation Committee to investigate such situation which expect to finish in year 2019.

Dissolution of joint venture

At the extraordinary shareholders' meeting of Nam Ngum 3 Power Company Limited, a direct joint venture, held on 31 July 2018, the shareholders approved to dissolution of such joint venture. Subsequently on 12 September 2018, such joint venture registered the dissolution with Ministry of Industry and Trade of Lao PDR. As at 31 December 2018, the liquidation has been under process.

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Joint ventures

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in these companies.

	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2018	2017 (Restated)	2018	2017 (Restated)
	<i>(in thousand Baht)</i>			
Revenue	17,757,595	19,446,516	22,127,588	21,171,673
Profit from continuing operations	726,836	1,328,860 ^a	7,800,048	5,183,567 ^a
Other comprehensive income (loss)	-	-	410,631	348,877
Total comprehensive income (loss) (100%)	726,836	1,328,860	8,210,679	5,532,444
Group's interest (%)	25	25	40	40
Group's share of total comprehensive income (expense)	181,709	332,215	3,284,272	2,212,978
Current assets	9,194,217	8,968,822 ^b	21,088,038	19,674,684 ^b
Non-current assets	9,852,677	11,130,511	94,463,710	95,400,049
Current liabilities	(4,724,342)	(4,491,964) ^c	(8,568,213)	(7,758,292) ^c
Non-current liabilities	(1,065,237)	(2,262,462) ^d	(70,843,788)	(76,987,790) ^d
Net assets (100%)	13,257,315	13,344,907	36,139,747	30,328,651
Group's share of net assets	3,314,329	3,336,227	14,455,899	12,131,460
Exchange differences on translating in the consolidated financial statements and others	356,639	378,032	(938,842)	(845,177)
Carrying amount of interest in joint ventures	3,670,968	3,714,259	13,517,057	11,286,283

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	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2018	2017 (Restated)	2018	2017 (Restated)
	<i>(in thousand Baht)</i>			
Remark:				
a. Includes:				
– depreciation and amortisation	876,445	885,000	189,285	121,618
– interest expense	162,334	212,824	5,287,634	3,208,298
– income tax expense	232,252	362,998	-	-
b. Includes cash and cash equivalents	3,582,625	3,398,448	8,786,011	8,222,195
c. Includes current financial liabilities (excluding trade and other payables and provisions)	1,343,672	1,671,030	5,814,742	5,386,243
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,023,670	2,224,361	70,419,435	76,684,096

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Immaterial associates and joint ventures

The following is summarised financial information for the Group's interest in immaterial associates and joint ventures based on the amounts reported in the Group's consolidated financial statements:

	Immaterial associates		Immaterial joint ventures	
	2018	2017	2018	2017
		(Restated)		(Restated)
	<i>(in thousand Baht)</i>			
Carrying amount of interests in immaterial associates and joint ventures	1,628,894	1,749,699	11,905,222	8,565,661
Group's share of:				
- Profit from continuing operations	119,793	327,669	1,313,943	862,092
- Other comprehensive income (expense)	-	(3)	(18,524)	(239)
- Total comprehensive income (expense)	<u>119,793</u>	<u>327,666</u>	<u>1,295,419</u>	<u>861,853</u>

13 Investments in subsidiaries

	Separate financial statements	
	2018	2017
	<i>(in thousand Baht)</i>	
At 1 January	40,690,558	40,690,558
Additions investment	-	-
At 31 December	<u>40,690,558</u>	<u>40,690,558</u>

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Investments in subsidiaries as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)		<i>(in thousand Baht)</i>									
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	2,968,828	3,657,131
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	225,000	450,000
Total					40,690,558	40,690,558	-	-	40,690,558	40,690,558	3,193,828	4,107,131

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

* Please see note to the financial statement 18 - Impairment testing for CGUs containing goodwill.

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

At the Board of Directors meeting of RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, held on 30 October 2018, the Board approved to increase the authorised share capital from Australian Dollars 312.65 million (*comprising 197.58 million ordinary shares*) to Australian Dollars 327.65 million (*comprising 337.19 million ordinary shares*) by issuance of new ordinary shares totalling 139.61 million shares. Subsequently on 27 December 2018, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, paid for share capital totalling Australian Dollars 15 million or equivalent to Baht 342.97 million, in the proportion of investment of 100%.

14 Investments in other companies

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
		<i>(in thousand Baht)</i>		
At 1 January	762,300	62,300	762,300	62,300
Addition investments	1,680,000	700,000	1,680,000	700,000
At 31 December	<u>2,442,300</u>	<u>762,300</u>	<u>2,442,300</u>	<u>762,300</u>

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Investments in other companies as at 31 December 2018 and 2017, and dividend income from those investments for the years then ended, were as follows:

	Consolidated financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	(%)											
Other companies												
EGAT Diamond Service Company Limited	10	10	623,000	623,000	62,300	62,300	-	-	62,300	62,300	-	-
Northern Bangkok Monorail Company Limited	10	10	11,800,000	3,500,000	1,180,000	350,000	-	-	1,180,000	350,000	-	-
Eastern Bangkok Monorail Company Limited	10	10	12,000,000	3,500,000	<u>1,200,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>	<u>350,000</u>	<u>-</u>	<u>-</u>
Total					<u>2,442,300</u>	<u>762,300</u>	<u>-</u>	<u>-</u>	<u>2,442,300</u>	<u>762,300</u>	<u>-</u>	<u>-</u>

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Increase in share capital and additional paid-up share capital

During the year ended 31 December 2018, 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 <i>(in million Baht)</i>
Northern Bangkok Monorail Company Limited	Increased in share capital and additional paid-up share capital	830.00
Eastern Bangkok Monorail Company Limited	Increased in share capital and additional paid-up share capital	850.00

15 Advance payment for investment

On 8 May 2017, Ministry of Energy and Mineral Resources of the Republic of Indonesia, 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 the Republic of Indonesia. Under the agreement, MRPR need to open the Project Development Cost Account to fulfill the condition precedent of the Power Purchase Agreement 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 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%.

During the year 2018, the Group received back the advance payment amounting to U.S. Dollars 19.85 million from MRPR due to the process of opening the Project Development Cost Account is completed. Subsequently, the Group made an additional advance payment to MRPR for use in project development amounting to U.S. Dollars 20.50 million.

As at 31 December 2018, the Group had outstanding balance of advance payment for investment amounting to U.S. Dollars 21.48 million or equivalent Baht 696.91 million.

16 Land for future development projects

At 31 December 2018, the Group has land for future development projects comprise the 317 rai located in Pathum Thani province, the 19 rai located in Nakhorn Sri Thammarat province and the 52 rai located in Petchaburi province with a net book value of Baht 318.57 million. The Group is considering the future development plan but not yet finalised.

However, the Group engaged an external independent property valuers to determine the market value of such land during 2018 by using the Market comparison approach (Market approach). The book value of land located in Petchaburi province is higher than the recoverable amount because some areas were eroded by sea. The Group has recognised impairment loss of such land Baht 20.58 million during 2018.

Measurement of fair value

Fair value hierarchy

The fair value of land for future development projects was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group’s land for future development projects on a regular basis.

The fair value measurement for land for future development projects has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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17 Property, plant and equipment

	Consolidated financial statements						Total
	Land	Buildings, structures and building improvements	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	
Cost							
At 1 January 2017	1,355,876	488,717	24,507,744	581,915	19,966	1,119,131	28,073,349
Additions	8,989	-	191,057	4,611	-	4,379,543	4,584,200
Transfers	-	6,696	227,151	3,156	-	(237,003)	-
Disposals	-	(6,540)	(3,370)	(2,723)	-	(1,700)	(14,333)
Effect of movements in exchange rates	(3,685)	(1,790)	(345,875)	(83)	-	(80,726)	(432,159)
At 31 December 2017 and 1 January 2018	1,361,180	487,083	24,576,707	586,876	19,966	5,179,245	32,211,057
Additions	-	29,667	3,165,204	8,025	-	2,179,401	5,382,297
Transfers	-	-	4,527,870	4,884	-	(4,532,754)	-
Disposals	-	-	(17,969)	(6,429)	-	-	(24,398)
Reclassify	(29,940)	-	-	-	-	-	(29,940)
Effect of movements in exchange rates	(23,281)	(13,035)	(2,588,787)	(555)	-	(660,386)	(3,286,044)
At 31 December 2018	1,307,959	503,715	29,663,025	592,801	19,966	2,165,506	34,252,972

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	Consolidated financial statements						
	Land	Buildings, structures and building improvements	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment <i>(in thousand Baht)</i>	Vehicles	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>							
At 1 January 2017	-	144,448	13,643,142	459,646	19,434	-	14,266,670
Depreciation charge for the year	-	23,954	897,554	76,776	255	-	998,539
Disposals	-	(139)	(3,369)	(2,701)	-	-	(6,209)
Effect of movements in exchange rates	-	(1,082)	(211,957)	(55)	-	-	(213,094)
At 31 December 2017 and 1 January 2018	-	167,181	14,325,370	533,666	19,689	-	15,045,906
Depreciation charge for the year	-	23,740	855,324	25,646	255	-	904,965
Disposals	-	-	(8,038)	(6,419)	-	-	(14,457)
Effect of movements in exchange rates	-	(7,412)	(1,448,256)	(370)	-	-	(1,456,038)
At 31 December 2018	-	183,509	13,724,400	552,523	19,944	-	14,480,376
<i>Net book value</i>							
At 1 January 2017	1,355,876	344,269	10,864,602	122,269	532	1,119,131	13,806,679
At 31 December 2017 and 1 January 2018	1,361,180	319,902	10,251,337	53,210	277	5,179,245	17,165,151
At 31 December 2018	1,307,959	320,206	15,938,625	40,278	22	2,165,506	19,772,596

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The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2018 amounted to Baht 628.89 million and Australian Dollars 71.46 million (2017: Baht 573.65 million and Australian Dollars 62.38 million).

Security

As at 31 December 2018, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, has mortgaged land, buildings and power plants and has pledged power plant's equipment of 4 power plants with a net book value of Australian Dollars 686.57 million or equivalent to Baht 15,698.35 million (2017: Australian Dollars 100 million or equivalent to Baht 2,550.71 million) as collateral for long-term loans from financial institutions (see Note 21).

	Separate financial statements					Total
	Land	Buildings, structures and building improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
Cost						
At 1 January 2017	295,993	309,636	454,770	960	1,670	1,063,029
Additions	-	-	3,066	-	1,360	4,426
Transfers	-	-	1,330	-	(1,330)	-
Disposals	-	-	(914)	-	(1,700)	(2,614)
At 31 December 2017 and 1 January 2018	295,993	309,636	458,252	960	-	1,064,841
Additions	-	-	5,865	-	-	5,865
Disposals	-	-	(5,445)	-	-	(5,445)
At 31 December 2018	295,993	309,636	458,672	960	-	1,065,261
Depreciation						
At 1 January 2017	-	49,901	362,592	559	-	413,052
Depreciation charge for the year	-	12,386	65,794	192	-	78,372
Disposals	-	-	(897)	-	-	(897)
At 31 December 2017 and 1 January 2018	-	62,287	427,489	751	-	490,527
Depreciation charge for the year	-	12,385	15,665	192	-	28,242
Disposals	-	-	(5,442)	-	-	(5,442)
At 31 December 2018	-	74,672	437,712	943	-	513,327
Net book value						
At 1 January 2017	295,993	259,735	92,178	401	1,670	649,977
At 31 December 2017 and 1 January 2018	295,993	247,349	30,763	209	-	574,314
At 31 December 2018	295,993	234,964	20,960	17	-	551,934

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2018 amounted to Baht 385.85 million (2017: Baht 354.41 million).

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18 Goodwill and intangible assets

	Consolidated financial statements				
	Software licences	Licenses on project development	Goodwill from business acquisition <i>(in thousand Baht)</i>	Right to power purchase agreements	Total
<i>Cost</i>					
At 1 January 2017	125,267	716,614	672,697	5,586,981	7,101,559
Additions	15,427	-	-	-	15,427
Effect of movements in exchange rates	1,062	(62,996)	(26,157)	(82,970)	(171,061)
At 31 December 2017 and 1 January 2018	141,756	653,618	646,540	5,504,011	6,945,925
Additions	7,570	-	-	-	7,570
Effect of movements in exchange rates	(5,737)	(4,622)	(1,629)	(570,171)	(582,159)
At 31 December 2018	143,589	648,996	644,911	4,933,840	6,371,336
<i>Amortisation and impairment losses</i>					
At 1 January 2017	82,669	33,996	375,367	2,379,246	2,871,278
Amortisation charge for the year	11,153	27,150	-	264,008	302,311
Impairment losses	-	-	40,832	-	40,832
Effect of movements in exchange rates	(860)	(3,994)	-	(41,202)	(46,056)
At 31 December 2017 and at 1 January 2018	92,962	57,152	416,199	2,602,052	3,168,365
Amortisation charge for the year	9,842	25,848	-	243,362	279,052
Effect of movements in exchange rates	(5,356)	(293)	-	(281,514)	(287,163)
At 31 December 2018	97,448	82,707	416,199	2,563,900	3,160,254
<i>Net book value</i>					
At 1 January 2017	42,598	682,618	297,330	3,207,735	4,230,281
At 31 December 2017 and at 1 January 2018	48,794	596,466	230,341	2,901,959	3,777,560
At 31 December 2018	46,141	566,289	228,712	2,369,940	3,211,082

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	Separate financial statements
	Software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2017	24,407
Additions	4,492
At 31 December 2017 and 1 January 2018	28,899
Additions	3,540
At 31 December 2018	32,439
<i>Amortisation</i>	
At 1 January 2017	20,858
Amortisation charge for the year	1,707
At 31 December 2017 and at 1 January 2018	22,565
Amortisation charge for the year	2,715
At 31 December 2018	25,280
<i>Net book value</i>	
At 1 January 2017	3,549
At 31 December 2017 and at 1 January 2018	6,334
At 31 December 2018	7,159

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs. The balance of goodwill as at 31 December 2018 and 2017 mainly came from Toora Wind Farm in Australia.

The recoverable amounts of goodwill, right to power purchase agreements and property, plant and equipment in Australia (CGU) were based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the power plants in Australia.

The key assumptions used in the estimation of value in use included the discount rates which was a post-tax measure based on the rate of 7-year historic of average 10-year government bonds from Reserve Bank Australia (RBA) defined as a risk free rate, in line with the principle underlying the Capital Asset Pricing Model (CAPM) theory with debt leveraging of 60% for Thermal power plants and 50% for Wind Farms and the future cash flows were prepared using the external information, which included sales volumes, prices, operating costs, inflation rate and long-term growth rates based on estimate throughout the remaining period of the power purchase agreements.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. The key assumptions used in the estimation of value in use are set out below:

	Consolidated financial statements	
	2018	2017
	(%)	
Discount rate - Thermal power plants	6.37	6.48
Discount rate - Wind Farms	6.16	6.43

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The discount rates were a post-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of the specific CGU.

Revenue projection

The total revenue projections for the power plant assets have been determined in accordance with the power purchase agreements applying the revenue projections from external information for the post power purchase agreement periods. The assumptions included tariff from thermal power plants and wind farms, carbon credit prices, nature gas prices, electricity demands, exchange rates, inflation rates and other related factors.

The impairment testing has been prepared by the management of RATCH-Australia Corporation Pty. Ltd. ("RAC") from the information as specified in the power purchase agreements with the counterparties while estimating revenue and expenses from the external source and other related factors and conservative approach are used when preparing the testing. The RAC's management have also conducted many sensitivity tests from the most conservative approach to more aggressive assumptions. There were no impairment loss recognised for any RAC's assets.

19 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2018	2017 (Restated)	2018	2017 (Restated)
	<i>(in thousand Baht)</i>			
Total	4,961,187	5,707,095	(6,237,871)	(7,277,333)
Set off of tax	(4,758,955)	(5,574,052)	4,758,955	5,574,052
Net deferred tax assets (liabilities)	<u>202,232</u>	<u>133,043</u>	<u>(1,478,916)</u>	<u>(1,703,281)</u>

	Separate financial statements			
	Assets		Liabilities	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Total	32,422	29,942	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	<u>32,422</u>	<u>29,942</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements				At 31 December 2018
	At 1 January 2018	(Charged) / credited to:			
(Restated)	Profit or loss	Other comprehensive income	Exchange differences		
	<i>(in thousand Baht)</i>				
<i>Deferred tax assets</i>					
Allowance for obsolescence of spare parts and supplies and allowance for decline in value of fuel oil	272,465	16,228	-	(4,144)	284,549
Property, plant and equipment	4,814,444	(627,393)	-	(73,452)	4,113,599
Finance leases liabilities	135	1	-	-	136
Provisions for employee benefits	34,727	2,400	-	-	37,127
Loss carry forward	479,409	(8,254)	-	(47,501)	423,654
Others	105,915	8,266	-	(12,059)	102,122
Total	5,707,095	(608,752)	-	(137,156)	4,961,187
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(2,751,729)	109,917	-	256,268	(2,385,544)
Finance lease receivable from related party	(4,245,039)	710,937	-	-	(3,534,102)
Derivatives	(2,815)	108	-	14	(2,693)
Others	(277,750)	(90,172)	-	52,390	(315,532)
Total	(7,277,333)	730,790	-	308,672	(6,237,871)
Net	(1,570,238)	122,038	-	171,516	(1,276,684)

	Consolidated financial statements				At 31 December 2017
	At 1 January 2017	(Charged) / credited to:			
(Restated)	Profit or loss	Other comprehensive income	Exchange differences		(Restated)
	<i>(in thousand Baht)</i>				
<i>Deferred tax assets</i>					
Allowance for obsolescence of spare parts and supplies and allowance for decline in value of fuel oil	272,249	859	-	(643)	272,465
Property, plant and equipment	5,452,335	(626,529)	-	(11,362)	4,814,444
Finance leases liabilities	117	18	-	-	135
Provisions for employee benefits	31,875	2,852	-	-	34,727
Loss carry forward	481,096	5,281	-	(6,968)	479,409
Others	55,239	49,829	-	847	105,915
Total	6,292,911	(567,690)	-	(18,126)	5,707,095

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	Consolidated financial statements				At 31 December 2017 (Restated)
	At 1 January 2017 (Restated)	(Charged) / credited to:			
		Profit or loss	Other comprehensive income	Exchange differences	
					At 31 December 2017 (Restated)
					At 31 December 2017 (Restated)
<i>(in thousand Baht)</i>					
Deferred tax liabilities					
Property, plant and equipment	(2,893,123)	95,243	-	46,151	(2,751,729)
Finance lease receivable from related party	(4,999,049)	754,010	-	-	(4,245,039)
Derivatives	(700)	(2,101)	-	(14)	(2,815)
Others	(151,310)	(124,521)	-	(1,919)	(277,750)
Total	<u>(8,044,182)</u>	<u>722,631</u>	<u>-</u>	<u>44,218</u>	<u>(7,277,333)</u>
Net	<u>(1,751,271)</u>	<u>154,941</u>	<u>-</u>	<u>26,092</u>	<u>(1,570,238)</u>

	Separate financial statements			
	(Charged)/ credited to:			
	At 1 January 2018	Profit or loss	Other comprehensive income	At 31 December 2018
<i>(in thousand Baht)</i>				
Deferred tax assets				
Provisions for employee benefits	29,942	2,479	-	32,421
Total	<u>29,942</u>	<u>2,479</u>	<u>-</u>	<u>32,421</u>

	Separate financial statements			
	(Charged)/ credited to:			
	At 1 January 2017	Profit or loss	Other comprehensive income	At 31 December 2017
<i>(in thousand Baht)</i>				
Deferred tax assets				
Provisions for employee benefits	27,593	2,349	-	29,942
Total	<u>27,593</u>	<u>2,349</u>	<u>-</u>	<u>29,942</u>

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<i>(in thousand Baht)</i>				
Tax losses	<u>544,984</u>	<u>472,786</u>	<u>308,163</u>	<u>214,809</u>

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As at 31 December 2018, the Group recognised deferred tax assets of Baht 423.65 million from cumulative tax losses of an indirect subsidiary in overseas. The Group's management has estimated future taxable profits and they considered it probable that future taxable profits would be available against which such losses can be used. The tax losses in such country has unlimited and no expiration date, therefore, the related deferred tax assets are recognised.

20 Other non-current assets

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Deferred expenses for generator connection and access services	633,937	-	-	-
Deferred expenses under contractual service agreement	505,139	453,486	-	-
Development costs of renewable energy projects	225,006	179,087	-	-
Development costs-Nam Ngum 3 project	-	9,271	-	9,271
Others	22,661	24,625	4,457	4,430
Total	<u>1,386,743</u>	<u>666,469</u>	<u>4,457</u>	<u>13,701</u>

Renewable energy projects

The Group is developing projects to generate and selling electricity from renewable energy in Australia.

The Group has capitalised project development costs related to renewable energy projects in Australia as other non-current assets. Such projects have received the development approval from local authorities and the management has determined that these projects are technically and commercially feasible, future economic benefits are probable and total present value of the estimated future cash flows will not be lower than the carrying amount.

Generator Connection and Access agreement

On 26 October 2016, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, entered into a Generator Connection and Access agreement with a company in Australia to join construct a switchyard and a transmission line. Thus, such subsidiary can connect and transmit electricity to a substation for a period of 26 years starting the date specified in the agreement. The total value of such agreement is Australian Dollars 28.18 million which will be amortised over the term of the agreement. As at 31 December 2018, such subsidiary had outstanding deferred expenses for services amounting to Australian Dollars 27.72 million or equivalent to Baht 633.94 million.

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21 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Current				
Current portion of long-term loans from financial institutions net of deferred financing fees-secured	939,377	2,658,281	-	-
Debentures due within one year net of deferred financing fees-unsecured	3,471,390	-	-	-
Current portion of finance lease liabilities	843	1,358	-	-
Total current interest-bearing liabilities	4,411,610	2,659,639	-	-
Non-current				
Long-term loans from financial institutions net of deferred financing fees-secured	12,633,425	2,117,415	-	-
Debentures net of deferred financing fees -unsecured	16,107,245	16,139,581	-	-
Long-term loans from related party (Note 6)-unsecured	-	1,013,803	-	-
Finance lease liabilities	1,100	1,808	-	-
Total non-current interest-bearing liabilities	28,741,770	19,272,607	-	-

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Within one year	4,410,767	2,658,281	-	-
After one year but within five years	6,551,456	13,399,513	-	-
After five years	22,189,214	5,871,286	-	-
Total	33,151,437	21,929,080	-	-

As at 31 December 2018, RATCH-Australia Corporation Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 308.32 million or equivalent to Baht 7,049.62 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 (31 December 2017: Australian Dollars 100 million or equivalent to Baht 2,550.71 million).

As at 31 December 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).

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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 year ended 31 December 2018. On the same date, such 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 December 2018, the Group had outstanding debentures amounting to U.S. Dollars 407 million or equivalent to Baht 13,207.07 million. The repayment of 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 December 2018, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures which are unsecured and unsubordinated amounting to Japan Yen 15,000 million or equivalent to Baht 4,405.06 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 repayment of debentures are guaranteed by the Company (*31 December 2017: Japan Yen 15,000 million or equivalent to Baht 4,353.10 million*).

As at 31 December 2018, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 236.42 million or equivalent to Baht 5,405.66 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 December 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 54.68 million or equivalent to Baht 1,250.35 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 December 2018, the Group had unutilised credit facilities totalling Baht 31,802 million, U.S. Dollars 235 million and Australian Dollars 24.63 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.

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Changes in liabilities arising from financing activities

	Consolidated financial statements			
	Loans	Debentures	Finance lease liabilities	Total
	<i>(in thousand Baht)</i>			
Balance at 1 January 2018	5,789,499	16,139,581	3,166	21,932,246
Changes from financing cash flows	8,453,944	3,229,324	(1,245)	11,682,023
The effect of changes in foreign exchange rates	(488,902)	191,712	-	(297,190)
Other changes:				
Finance lease	-	-	22	22
Other non-cash movement	(181,739)	18,018	-	(163,721)
Balance at 31 December 2018	<u>13,572,802</u>	<u>19,578,635</u>	<u>1,943</u>	<u>33,153,380</u>

22 Other payables

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Related parties	6	<u>56,145</u>	<u>234,591</u>	<u>17,200</u>	<u>19,474</u>
Other parties					
Accrued finance costs		332,814	313,459	-	-
Other payables and accrued expenses		<u>1,063,242</u>	<u>1,003,182</u>	<u>347,105</u>	<u>216,565</u>
Total		<u>1,452,201</u>	<u>1,551,232</u>	<u>364,305</u>	<u>236,039</u>
Current		1,452,201	1,400,852	364,305	236,039
Non-current		-	150,380	-	-
Total		<u>1,452,201</u>	<u>1,551,232</u>	<u>364,305</u>	<u>236,039</u>

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23 Non-current provisions for employee benefits

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Statement of financial position				
Non-current provisions for:				
Post-employment benefits	<u>176,810</u>	<u>175,688</u>	<u>147,677</u>	<u>142,293</u>
<i>Year ended 31 December</i>				
Statement of comprehensive income				
Recognised in profit or loss:				
Post-employment benefits	<u>15,449</u>	<u>23,417</u>	<u>14,942</u>	<u>16,897</u>
Recognised in other comprehensive income:				
Actuarial gain recognised in the year	(1,748)	-	-	-
Effect of movements in exchange rates	<u>(454)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>
	<u>(2,202)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>

Defined benefit plan

The Group operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Movement in the present value of the defined benefit obligations.

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
At 1 January	175,688	158,706	142,293	131,076
Include in profit or loss:				
Current service cost and interest on obligation	15,449	23,417	14,942	16,897
Included in other comprehensive income:				
Actuarial gain	(1,748)	-	-	-
Effect of movements in exchange rates	<u>(454)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>
	<u>(2,202)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>
Other				
Benefits paid	<u>(12,125)</u>	<u>(6,365)</u>	<u>(9,558)</u>	<u>(5,680)</u>
At 31 December	<u>176,810</u>	<u>175,688</u>	<u>147,677</u>	<u>142,293</u>

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Actuarial gain recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Demographic assumption	1,380	-	-	-
Experience adjustment	907	-	-	-
Financial assumption	(539)	-	-	-
Total	1,748	-	-	-

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(%)</i>			
Discount rate	3.18 to 4.5	3.18	3.18	3.18
Future salary growth	4 to 8	4 to 8	6.5 to 8	6.5 to 8
Employee turnover	0 to 15	0 to 10	0 to 10	0 to 10

Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 31 December 2018, the weighted-average durations of the defined benefit obligation were 11.50 and 30.20 years (2017: 11.50 and 31.70 years).

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the provisions of employee benefits by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2018				
Discount rate (1% movement)	(12,884)	15,207	(10,053)	11,738
Future salary growth (1% movement)	17,316	(14,911)	13,515	(11,754)
Employee turnover (20% movement)	(5,988)	6,618	(4,407)	4,773
Improving mortality rate (1% movement)	842	(956)	644	(725)
At 31 December 2017				
Discount rate (1% movement)	(13,372)	15,927	(9,828)	11,482
Future salary growth (1% movement)	16,801	(14,418)	12,235	(10,715)
Employee turnover (20% movement)	(5,635)	6,210	(3,819)	4,130
Improving mortality rate (1% movement)	820	(933)	581	(651)

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Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

On 13 December 2018, the National Legislative Assembly passed a bill amending the Labor Protection Act to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate. The Group will amend its retirement plan in the period in which the amendment will have become law and is announced in the Royal Gazette. As a result of this change, the provision for retirement benefits as at that future period end as well as past service cost recognised during that period in the consolidated and the separate financial statements is estimated to increase by an amount of approximately Baht 32 million and Baht 26 million, respectively.

24 Share capital

	Par value per share (in Baht)	2018		2017	
		Number	Amount	Number	Amount
<i>(thousand shares / thousand Baht)</i>					
<i>Authorised</i>					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
At 31 December					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
At 31 December					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

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

25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

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

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Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available for sale investments

The fair value changes in available for sale investments account within equity comprises the cumulative net change in the fair value of available for sale investments until the investments are derecognised or impaired.

Cash flow hedges

The cash flow hedges account within equity comprises the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

26 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

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Information about reportable segments

	Domestic Electricity Generating		Renewable Energy		International Power Projects		Others		Total	
	2018	2017 (Restated)	2018	2017 (Restated)	2018	2017 (Restated)	2018	2017 (Restated)	2018	2017 (Restated)
	<i>(in thousand Baht)</i>									
Revenue from sales and rendering of services	33,951,585	35,625,780	-	-	2,232,550	2,374,736	-	-	36,184,135	38,000,516
Revenue from finance lease contracts	3,335,814	3,995,454	-	-	-	-	-	-	3,335,814	3,995,454
Cost of sales and rendering of services	<u>(33,746,846)</u>	<u>(35,281,744)</u>	<u>-</u>	<u>-</u>	<u>(1,423,247)</u>	<u>(1,565,625)</u>	<u>-</u>	<u>-</u>	<u>(35,170,093)</u>	<u>(36,847,369)</u>
Gross profit	3,540,553	4,339,490	-	-	809,303	809,111	-	-	4,349,856	5,148,601
Management service income	-	-	-	-	-	-	238,882	244,663	238,882	244,663
Interest income	25,912	15,162	203	131	101,574	41,264	85,713	109,399	213,402	165,956
Dividend income	-	-	-	-	186,782	188,897	-	-	186,782	188,897
Other income	57,200	158,385	401	(4,522)	130,548	108,805	910	3,016	189,059	265,684
Administrative expenses	(210,145)	(288,990)	(5,661)	(536)	(322,059)	(348,197)	(1,056,125)	(1,048,537)	(1,593,990)	(1,686,260)
Net foreign exchange gain (loss)	21,350	53,594	-	-	(885,015)	425,410	(1,356)	(26,534)	(865,021)	452,470
Finance costs	(66,086)	(54,990)	-	-	(948,802)	(1,492,665)	-	(39,593)	(1,014,888)	(1,587,248)
Share of profit of associates and joint ventures	<u>589,990</u>	<u>672,548</u>	<u>300,788</u>	<u>493,306</u>	<u>3,827,838</u>	<u>2,400,609</u>	<u>16,849</u>	<u>28,940</u>	<u>4,735,465</u>	<u>3,595,403</u>
Profit (loss) before income tax expense	3,958,774	4,895,199	295,731	488,379	2,900,169	2,133,234	(715,127)	(728,646)	6,439,547	6,788,166
Tax (expense) income	<u>(789,032)</u>	<u>(931,165)</u>	<u>-</u>	<u>-</u>	<u>(79,189)</u>	<u>59,276</u>	<u>(2,359)</u>	<u>(1,106)</u>	<u>(870,580)</u>	<u>(872,995)</u>
Profit (loss) for the year	3,169,742	3,964,034	295,731	488,379	2,820,980	2,192,510	(717,486)	(729,752)	5,568,967	5,915,171

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Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Revenues		Assets	
	2018	2017	2018	2017 (Restated)
	<i>(in thousand Baht)</i>			
Thailand	37,287,399	39,621,234	51,320,387	52,634,096
Australia	2,181,650	2,323,859	23,824,023	20,831,050
Other countries	50,900	50,877	26,107,492	20,329,260
Total	39,519,949	41,995,970	101,251,902	93,794,406

27 Other income

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Insurance and other compensation	131,938	60,097	-	-
Compensation under the operation and maintenance agreement	-	85,606	-	-
Gain on disposal of investments	-	27,887	-	-
Others	57,121	92,094	910	3,041
Total	189,059	265,684	910	3,041

28 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Employee benefit expenses	724,258	679,691	513,521	466,254
General administrative expenses	417,143	467,101	247,314	237,714
Consultant fees	254,728	266,486	220,685	222,394
Depreciation and amortisation	77,513	131,125	30,958	80,079
Public relation expenses	49,610	52,702	29,868	31,781
Impairment loss of land for future development projects	20,580	-	-	-
Impairment loss of goodwill	-	40,832	-	-
Property tax	26,563	27,874	692	772
Donation	23,595	20,449	14,799	11,458
Total	1,593,990	1,686,260	1,057,837	1,050,452

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29 Employee benefit expenses

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Managements				
Directors' remuneration	10,558	10,228	8,316	8,268
Wages and salaries	102,207	112,562	34,559	32,982
Defined benefit plans	1,509	2,807	331	1,477
Defined contribution plans	7,937	9,167	3,004	2,710
Others	47,112	47,700	39,129	39,353
	169,323	182,464	85,339	84,790
Employees				
Wages and salaries	335,588	317,637	250,844	239,053
Defined benefit plans	18,174	19,158	14,611	15,420
Defined contribution plans	24,337	23,053	21,265	20,055
Others	176,836	137,379	141,462	106,936
	554,935	497,227	428,182	381,464
Total	724,258	679,691	513,521	466,254

Defined contribution plans

The Group in Thailand joined the contribution provident fund established by EGAT for the Group's employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employee at rates ranging from 5% to 15% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

30 Expenses by nature

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

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Fuel costs	30,026,996	31,041,950	-	-
Operation and maintenance service fees	1,569,444	1,558,235	-	-
Repair expenses and spare parts used	1,457,179	1,917,075	-	-
Depreciation and amortisation	1,259,764	1,313,380	30,958	80,079
General administrative expenses	467,301	515,424	262,805	249,944
Employee benefit expenses	724,258	679,691	513,521	466,254
Insurance premium for power plants	371,361	455,624	-	-
Consultant fees	254,728	266,486	220,685	222,394
Public relation expenses	49,610	52,702	29,868	31,781
Others	583,443	733,063	-	-
Total cost of sales and rendering of services and administrative expenses	36,764,084	38,533,630	1,057,837	1,050,452

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31 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017
<i>(in thousand Baht)</i>					
Interest expense:					
Related party	6	23,716	75,168	-	-
Bank loans		1,270,449	1,409,744	-	39,562
Total interest expense		1,294,165	1,484,912	-	39,562
Amortisation of transaction costs capitalised		43,213	17,559	-	-
Change in fair value of derivatives - ineffective portion		(400,933)	84,746	-	-
Loss on repurchase of debentures	21	78,443	-	-	-
Other finance costs		-	31	-	31
Total finance costs		1,014,888	1,587,248	-	39,593

32 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017 (Restated)	2018	2017
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		1,007,467	1,044,681	4,713	3,200
Under (over) provided in prior years		(14,850)	(16,744)	112	269
		992,617	1,027,937	4,825	3,469
Deferred tax expense					
Movements in temporary differences	19	(122,038)	(154,941)	(2,479)	(2,349)
Total income tax expense		870,579	872,996	2,346	1,120

Reconciliation of effective tax rate

	Consolidated financial statements			
	2018		2017 (Restated)	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		6,439,546		6,788,166
Income tax using the Thai corporation tax rate	20	1,287,909	20	1,357,633
Effect of different tax rates in foreign jurisdictions		(69,472)		(19,102)
Income not subject to tax - dividend income		(37,356)		(37,780)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		(424,891)		(533,955)
Recognition of previously unrecognised tax losses		(281)		(296)

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	Consolidated financial statements			
	2018		2017 (Restated)	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Current year losses for which no deferred tax asset was recognised		118,423		122,520
Over provided in prior years		(14,850)		(16,744)
Others		11,097		719
Total	14	870,579	13	872,995

	Separate financial statements			
	2018		2017	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before income tax expense		2,993,149		4,167,583
Income tax using the Thai corporation tax rate	20	598,630	20	833,517
Income not subject to tax - dividend income		(701,162)		(939,635)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		39,185		(3,829)
Current year losses for which no deferred tax asset was recognised		60,868		107,598
Under provided in prior years		112		269
Others		4,713		3,200
Total	0.08	2,346	0.03	1,120

33 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2018 and 2017 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017 (Restated)	2018	2017
	<i>(in thousand Baht/ thousand shares)</i>			
Profit for the year attributable to ordinary shareholders of the Company (basic)	5,587,602	6,038,550	2,990,803	4,166,463
Number of ordinary shares outstanding	1,450,000	1,450,000	1,450,000	1,450,000
Earnings per share (basic) (in Baht)	3.85	4.16	2.06	2.87

34 Dividends

At the Board of Directors meeting of the Company held on 22 August 2018, the Board approved the appropriation of interim dividend of Baht 1.15 per share, totalling Baht 1,667 million. The interim dividend was paid to shareholders in September 2018.

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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 profit from operations of 2017 after deducting the interim dividend of Baht 1.15 per share, totalling Baht 1,667 million, paid to shareholders in September 2017 from the profit from operations for the six-month period ended 30 June 2017. The net amount of such dividend amounting to Baht 1,813 million was paid to shareholders in April 2018.

At the Board of Directors meeting of the Company held on 21 August 2017, the Board approved the appropriation of interim dividend of Baht 1.15 per share, totalling Baht 1,667 million. The interim dividend was paid to shareholders in September 2017.

At the annual general meeting of the shareholders of the Company held on 5 April 2017, the shareholders approved the appropriation of dividend of Baht 2.35 per share, totalling Baht 3,408 million, from the profit from operations of 2016 after deducting the interim dividend of Baht 1.10 per share, totalling Baht 1,595 million, paid to shareholders in September 2016 from the profit from operations for the six-month period ended 30 June 2016. The net amount of such dividend amounting to Baht 1,813 million was paid to shareholders in April 2017.

35 Financial instruments

Financial risk management policies

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

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

Capital management

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

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group has primarily exposed to interest rate risk from its borrowings (see Note 21). The Group mitigates this risk by using derivatives, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

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The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements				Total
		Within 1 year	After 1 year but within 5 years	After 5 years		
<i>(in thousand Baht)</i>						
2018						
Current						
Debt securities held for trading	1.39 to 2.71	318,342	181,860	-		500,202
Other debt securities held to maturity	0.50 to 5.33	303,894	-	-		303,894
Non-current						
Other debt securities held to maturity	3.04 to 3.10	-	113,000	-		113,000
Long-term loans to related party	6.45	-	-	42,494		42,494
Total		622,236	294,860	42,494		959,590
2017						
Current						
Debt securities held for trading	1.04 to 4.30	174,456	318,626	-		493,082
Other debt securities held to maturity	3.82	30,000	-	-		30,000
Non-current						
Other debt securities held to maturity	0.50 to 5.33	-	386,922	-		386,922
Long-term loans to related party	5.46	-	-	42,813		42,813
Total		204,456	705,548	42,813		952,817
	Effective interest rate (% per annum)	Separate financial statements				Total
		Within 1 year	After 1 year but within 5 years	After 5 years		
<i>(in thousand Baht)</i>						
2018						
Current						
Debt securities held for trading	1.39 to 2.71	285,901	181,860	-		467,761
Other debt securities held to maturity	5.33	300,000	-	-		300,000
Non-current						
Other debt securities held to maturity	3.04 to 3.10	-	113,000	-		113,000
Long-term loans to related parties	3.71 to 6.45	164,192	171,770	931,004		1,266,966
Total		750,093	466,630	931,004		2,147,727

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	Effective interest rate (% per annum)	Separate financial statements				Total
		Within 1 year	After 1 year but within 5 years	After 5 years		
2017						
Current						
Debt securities held for trading	1.04 to 4.30	142,392	318,626	-	461,018	
Other debt securities held to maturity	3.82	30,000	-	-	30,000	
Short-term loans to related party	2.45 to 2.48	2,730,000	-	-	2,730,000	
Non-current						
Other debt securities held to maturity	3.04 to 5.33	-	383,000	-	383,000	
Long-term loans to related parties	4.35 to 5.46	210,124	155,047	942,719	1,307,890	
Total		3,112,516	856,673	942,719	4,911,908	

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements				Total
		Within 1 year	After 1 year but within 5 years	After 5 years		
2018						
Current						
Current portion of long-term loans from financial institutions	4.22 to 4.86	939,377	-	-	939,377	
Debentures due within one year	3.42	3,471,390	-	-	3,471,390	
Non-current						
Long-term loans from financial institutions	4.22 to 4.86	-	4,552,451	8,080,974	12,633,425	
Debentures	2.71 to 4.47	-	-	16,107,245	16,107,245	
Total		4,410,767	4,552,451	24,188,219	33,151,437	
2017						
Current						
Current portion of long-term loans from financial institutions	3.85 to 4.83	2,658,281	-	-	2,658,281	
Non-current						
Long-term loans from related party	7.40	-	-	1,013,803	1,013,803	
Long-term loans from financial institutions	3.85	-	1,604,982	512,433	2,117,415	
Debentures	2.71 to 3.56	-	11,794,531	4,345,050	16,139,581	
Total		2,658,281	13,399,513	5,871,286	21,929,080	

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of significant financial assets and liabilities denominated in the following currencies:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
United States Dollars				
Long-term loans to related parties	42,494	42,813	1,091,966	1,104,890
Other current payables	(533,190)	(564,839)	(39,220)	(26,055)
Lao Kip				
Available for sale investments	2,538,934	3,195,527	-	-
Other current payables	(991)	-	(991)	-
Australian Dollars				
Other current payables	(54,199)	(56,295)	(2,379)	-
Japan Yen				
Other current payables	(43,835)	(41,823)	-	-
Debentures	(4,384,489)	(4,345,050)	-	-
Others				
Other current payables	(27)	(695)	(27)	(398)
Gross balance sheet exposure	(2,435,303)	(1,770,362)	1,049,349	1,078,437
Estimated forecast purchases	(237,699)	(2,443,656)	-	-
Gross exposure	(2,673,002)	(4,214,018)	1,049,349	1,078,437
Foreign currency forward contracts	-	2,598,205	-	-
Cross currency swap contracts	4,405,060	4,353,096	-	-
Net exposure	1,732,058	2,737,283	1,049,349	1,078,437

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the Group's major customers are the government, the state enterprise and the large enterprises and low credit risk. Management does not anticipate material losses from its debt collection.

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Liquidity risk

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

Carrying amount and fair values

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

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2018					
<i>Financial assets measured at fair value</i>					
<i>Current</i>					
Debt securities held for trading	500,202	-	500,202	-	500,202
Derivative assets	10,618	-	10,618	-	10,618
<i>Non-current</i>					
Available for sale investments	2,538,934	2,538,934	-	-	2,538,934
Derivative assets	226,403	-	226,403	-	226,403
<i>Financial liabilities measured at fair value</i>					
<i>Current</i>					
Derivative liabilities	(15,428)	-	(15,428)	-	(15,428)
<i>Non-current</i>					
Derivative liabilities	(358,117)	-	(358,117)	-	(358,117)
<i>Financial liabilities not measured at fair value</i>					
<i>Current</i>					
Current portion of long-term loans from financial institutions	(939,377)	-	(939,377)	-	(939,377)
Debentures due within one year	(3,471,390)	-	(3,501,133)	-	(3,501,133)
<i>Non-current</i>					
Long-term loans from financial institutions	(12,633,425)	-	(12,633,425)	-	(12,633,425)
Debentures	(16,107,245)	-	(17,079,688)	-	(17,079,688)

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	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2017 (Restated)					
<i>Financial assets measured at fair value</i>					
<i>Current</i>					
Debt securities held for trading	493,082	-	493,082	-	493,082
Derivative assets	16,197	-	16,197	-	16,197
<i>Non-current</i>					
Available for sale investments	3,195,527	3,195,527	-	-	3,195,527
Derivative assets	127,314	-	127,314	-	127,314
<i>Financial liabilities measured at fair value</i>					
<i>Current</i>					
Derivative liabilities	(108,762)	-	(108,762)	-	(108,762)
<i>Non-current</i>					
Derivative liabilities	(3,729,682)	-	(3,729,682)	-	(3,729,682)
<i>Financial liabilities not measured at fair value</i>					
<i>Current</i>					
Current portion of long-term loans from financial institutions	(2,658,281)	-	(2,658,281)	-	(2,658,281)
<i>Non-current</i>					
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)

	Carrying amount	Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2018					
<i>Financial assets measured at fair value</i>					
<i>Current</i>					
Debt securities held for trading	467,761	-	467,761	-	467,761
31 December 2017					
<i>Financial assets measured at fair value</i>					
<i>Current</i>					
Debt securities held for trading	461,018	-	461,018	-	461,018

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Foreign currency forward contracts

The Group entered into various foreign currency forward contracts with financial institutions to manage exposure of fluctuations in foreign currency risk relate to purchases. As at 31 December 2018, the Group had no outstanding foreign currency forward contracts (*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

The Group entered into various interest rate swap and cross currency swap contracts with financial institutions to manage exposure of fluctuations in interest rates and foreign currency risk on borrowings. The notional amounts of the outstanding interest rate swap and cross currency swap contracts as at 31 December 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 571.84 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 agreed 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 for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used. Related valuation processes are described in Note 2(d).

Financial instruments measured at fair value

Type	Valuation technique
Debt securities held for trading	<i>Market comparison/ discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.
Foreign currency forward contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Interest rate swap contracts	<i>Swap models:</i> 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.

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Type	Valuation technique
Cross currency swap contracts	<i>Black-Scholes model/ discounted cash flows</i>

Financial instruments not measured at fair value

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

36 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 on 30 June 2000 and has a period of 20 years from the date specified in the agreement. Under the terms of the agreement, such service provider will operate and provide maintenance services to the subsidiary. 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 such subsidiary at the agreed quantity and price.

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

On 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 on 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 December 2018, such subsidiary had outstanding commitments amounting to U.S. Dollars 139.84 million (*31 December 2017: U.S. Dollars 161.74 million*).

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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 December 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 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 December 2018, such subsidiary had outstanding commitments amounting to U.S. Dollars 0.37 million (*31 December 2017: U.S. Dollars 0.61 million*).

Letter of guarantee

As at 31 December 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 11.50 million and Australian Dollars 15.24 million (*31 December 2017: Baht 95.36 million, U.S. Dollars 21.92 million and Australian Dollars 0.30 million*).

Standby Letter of Credit

As at 31 December 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 1,600 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 December 2018, RATCH-Australia Corporation Pty. Ltd. and its subsidiaries, an indirect subsidiary, had outstanding capital commitments according to the significant agreements under the Engineering Procurement & Construction Contracts for Wind Farm, Solar Power and Gas Turbine and other service agreements amounting to Australian Dollars 12.29 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

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Limited, a subsidiary of such joint venture, as collateral for loans of Nam Ngum 2 Power Company Limited.

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

The Company has pledged all share certificates of Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited, investments in other companies, as collateral for loans of 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. Subsequently on 25 October 2018, the Court issued a judgement to dismiss the claim made by the Plaintiff for this case.

37 Events after the reporting period

On 11 January 2019, the Company paid for the additional paid-up share capital of Xe-Pain Xe-Namnoy Power Company Limited, a direct joint venture, amounting to U.S. Dollars 0.44 million or equivalent to Baht 14.03 million, in proportion of investment of 25%.

On 12 February 2019, the Company paid for the additional paid-up share capital of Xe-Pain Xe-Namnoy Power Company Limited, a direct joint venture, amounting to U.S. Dollars 0.83 million or equivalent to Baht 25.85 million, in proportion of investment of 25%.

On 5 February 2019, the Company entered into a shareholder with a local company to participate in the underground optic fiber new work project. The counterparties agreed to establish a joint venture in Thailand. The Company will hold investment in proportion of 49%. Therefore, the process is expected to be completed by April 2019.

At the Board of Directors meeting of the Company held on 18 February 2019, the Board approved to submit for approval at the annual general meeting of the shareholders of the Company, the appropriation of 2018 annual dividend at the rate of Baht 2.40 per share, totalling Baht 3,480 million, from the profit from operations of 2018 after deducting the interim dividend of Baht 1.15 per share, totalling Baht 1,667 million. The balance of dividend amounting to Baht 1,813 million is subject to the approval of the shareholders at the annual general meeting on 12 April 2019.

38 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020

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TFRS	Topic	Effective
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* *TFRS - Financial instruments standards*

(a) TFRS 15 Revenue from Contracts with Customers

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.

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

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the consolidated and separate financial statements.

(c) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and separate financial statements.