RATCH

RATCHABURI ELECTRICITY GENERATING HOLDING PCL.

Committed
Advanced
Sustainable



ANNUAL REPORT 2017

Vision

To be a leading value-oriented integrated energy company in Asia-Pacific

Mission

- To ensure shareholders' value creation by continuously generating superior financial returns
- To achieve world-class operational excellence and project development
- To be socially and environmentally responsible, conducting business in a fair and sustainable manner and complying with all related laws and regulations
- To provide an enjoyable, secure, and motivating work environment
- To support long-term domestic energy security
- To seek new opportunities and alternatives in related business to generate growth and expand business base for shareholders

Goal

To enhance long-term growth of the business within 2023 by

- Increasing capacity to 10,000 megawatts or equivalent
- Maintaining domestic revenue at no less than 60 percent of the total revenue
- Increasing capacity from renewable energy by no less than 20 percent of the Company's total capacity
- Being an organization that operates under high performance organization principle

Business Strategies

S1 To continuously improve existing projects' potential

S2 To focus on developing new power plant projects in the region that the Company has already operated in

S3 To seek partners for expanding investment in new markets

S4 To add value by expanding investment in related business

S5 To enhance and develop corporate strength



Core Values

R A T C H

Reliability Accountability Trust Challenge Happiness

General Information of the Company



Company's name	: Ratchaburi Electricity Generating Holding Public Company Limited
Registered No.	: 0107543000031
Industry	: Resources
Sector	: Energy and utilities
Nature of Business	: Invest, develop and operate in electricity generating business and related businesses
Establishment	: 7 March 2000
Stock Listed Date	: 13 October 2000
Ticker Symbol	: RATCH
First Trade Date	: 2 November 2000
Registered Capital	: Baht 14,500 million (1,450 million ordinary shares)
Par Value	: Baht 10
Paid-up Capital	: Baht 14,500 million (as of 26 October 2000)

Contact Information

Office Location	: 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000, Thailand Tel. +66 2794 9999, Fax. +66 2794 9998, website: www.ratch.co.th, Email: contactinfo@ratch.co.th
Company Secretary	: Tel. +66 2794 9510, Fax. +66 2794 9888 Ext. 9510, Email: CS@ratch.co.th
Corporate Relations Division	: Tel. +66 2794 9940, Fax. +66 2794 9888 Ext. 9940, Email: PR@ratch.co.th
Internal Audit Division	: Tel. +66 2794 9520, Fax. +66 2794 9888 Ext. 9520, Email: internalaudit@ratch.co.th
Investor Relations Department	: Tel. +66 2794 9841 Fax. +66 2794 9888 Ext. 9841 Email: IR@ratch.co.th
Annual Report Information	: Tel. +66 2794 9510 Fax. +66 2794 9888 Ext. 9510 Email: CS@ratch.co.th
Sustainability Report Information	: Tel. +66 2794 9940, Fax. +66 2794 9888 Ext. 9940 Email: PR@ratch.co.th



Reference Persons

Registrar
Thailand Securities Depository
Company Limited
Stock Exchange of Thailand Building, 1st Floor
93 Ratchadaphisek Road, Din Daeng,
Bangkok 10400
Tel. +66 2009 9999 Fax. +66 2009 9991

Auditor
KPMG Poomchai Audit Limited
Empire Tower, 50th- 51st Floor, No. 1
South Sathorn Road,Yannawa Sathorn,
Bangkok 10120
Tel. +66 2677 2000 Fax. +66 2677 2222

Legal Advisors
Baker & McKenzies Thailand Company Limited
990 Abdulrahim Place, 5th Floor
and 21st- 25th Floor, Rama IV Road, Silom,
Bang Rak, Bangkok 10500
Tel. +66 2636 2000 Fax. +66 2636 2111

Linklaters (Thailand) Limited
87/1 Capital Tower, All Seasons Place,
20th Floor Wireless Road, Lumpini, Pathumwan,
Bangkok 10330
Tel. +66 2305 8000 Fax. +66 2305 8010

Definition

Abbrivated Name	Full Name
The Company	Ratchaburi Electricity Generating Holding Public Company Limited
The Company's Group	Ratchaburi Electricity Generating Holding Public Company Limited, subsidiaries, associates and joint ventures
The Company's Group's Power Plants	
IPPs and SPPs in Thailand	
Ratchaburi Power Plant	Ratchaburi Power Plant, Ratchaburi Electricity Generating Company Limited
Tri Energy Power Plant	Tri Energy Power Plant, Ratchaburi Electricity Generating Company Limited
Ratchaburi Power's Power Plant	Ratchaburi Power's Power Plant, Ratchaburi Power Company Limited
Ratchaburi World SPP Power Plant	Ratchaburi World Cogeneration Company Limited's SPP power plant
Nava Nakorn SPP Power Plant	Nava Nakorn Electricity Generating Company Limited's SPP power plant
Berkprai Cogeneration SPP Power Plant	Berkprai Cogeneration Company Limited's SPP power plant
Renewable Projects in Thailand	
Solarta Solar Power Plant	Solarta Solar Power Plant, Solarta Company Limited
Solar Power Korat 3 Power Plant	Solar Power Korat 3 Power Plant, Solar Power (Korat 3) Company Limited
Solar Power Korat 4 Power Plant	Solar Power Korat 3 Power Plant, Solar Power (Korat 4) Company Limited
Solar Power Korat 7 Power Plant	Solar Power Korat 3 Power Plant, Solar Power (Korat 7) Company Limited
Huay Bong 2 Wind-Turbine Power Plant	Huay Bong 2 Wind-Turbine Power Plant, K. R. Two Company Limited
Huay Bong 3 Wind-Turbine Power Plant	Huay Bong 3 Wind-Turbine Power Plant, First Korat Wind Company Limited
Songkhla Biomass Power Plant	Songkhla Biomass Power Plant, Songkhla Biomass Company Limited
International Projects	
Nam Ngum 2 Hydroelectric Power Plant	Nam Ngum 2 Hydroelectric Power Plant, Nam Ngum 2 Power Company Limited
RATCH Australia Power Plant	RATCH-Australia Corporation Limited's power plants
Hongsa Thermal Power Plant	Hongsa Thermal Power Plant, Hongsa Power Company Limited
Xe-Pian Xe-Namnoy Hydroelectric Power Plant	Xe-Pian Xe-Namnoy Hydroelectric Power Plant, Xe-Pian Xe-Namnoy Power Company Limited
Fangchenggang II Nuclear Power Plant	Fangchenggang II Nuclear Power Plant, Guangxi Fangchenggang Nuclear Power (II) Company Limited
Riau Combined-Cycle Power Plant	Riau Combined-Cycle Power Plant, PT Medco Ratch Power Riau

Related Business	
MRT Pink Line Project	MRT Pink Line Project (Khae Rai - Min Buri), Northern Bangkok Monorail Company Limited
MRT Yellow Line Project	MRT Yellow Line Project (Lat Phrao - Samrong), Eastern Bangkok Monorail Company Limited

Other Organizations	
SEC	Securities and Exchange Commission
EGAT	Electricity Generating Authority of Thailand
MEA	Metropolitan Electricity Authority
PEA	Provincial Electricity Authority
SET	Stock Exchange of Thailand
MRTA	Mass Rapid Transit Authority of Thailand
IOD	Thai Institute of Directors Association
TSD	Thailand Securities Depository Company Limited
BTS	BTS Group Holdings Public Company Limited
STEC	Sino-Thai Engineering and Construction Public Company Limited

Technical Terms	
Listed Company	A company whose ordinary shares are listed in the Stock Exchange of Thailand
PDP	Power Development Plan
IPP	Independent Power Producer
SPP	Small Power Producer
VSPP	Very Small Power Producer

Top 10 Major Shareholders

as of 5 September 2017 book closing date

No.	Shareholder	Number of Shares	%
1	Electricity Generating Authority of Thailand	652,500,000	45.00
2	Thai NVDR Company Limited	275,020,737	18.97
3	Social Security Office	55,676,700	3.84
4	LITTLEDOWN NOMINEES LIMITED	47,637,000	3.29
5	EGAT Saving and Credit Cooperative Limited	41,387,200	2.85
6	AIA TH-EQ3-P	32,125,400	2.22
7	Mr. Min Tieanworn	15,500,000	1.07
8	STATE STREET BANK EUROPE LIMITED	11,464,990	0.79
9	CHASE NOMINEES LIMITED	10,629,255	0.73
10	Thanachart Prime Low Beta	8,308,500	0.57
	Total	**1,150,249,782**	**79.33**
	Other Shareholders	299,750,218	20.67
	Grand Total	**1,450,000,000**	**100.00**

Remarks

1. List of Shareholders was compiled by Thailand Securities Depository Company Limited, the Company's registrar.
2. Electricity Generating Authority of Thailand is a state enterprise operating in electricity business and related businesses, including investing with other in operating such businesses, and is a major shareholder of the Company with 6 representatives sitting in the Company's 12-member Board of Directors.
3. Thai NVDR Company Limited is a company that is 99.99 percent owned by the SET, operating business by automatically issuing Non-Voting Depository Receipts (NVDRs), which are securities listed in the SET, to investors then using the income from the sale of NVDR to invest in the underlying Thai stock, which was a security listed in the SET. NVDR holders receive the same financial benefits as they would receive if they directly invested in listed shares, but they do not have voting rights in shareholders' meetings. (For more information, please visit the SET's website: www.set.or.th.)

   As of 9 September 2016, the details of investors who held NVDR which used the Company's shares as underlying stock is as follows:

No.	Investor	NDVR Issues	% of Underlying Stock
1	NORTRUST NOMINEES LTD-CL AC	176,154,900	12.15
2	NORTRUST NOMINEES LIMITED-THE NORTHERN TRUST COMPANY RE IEDU UCITS CLIENTS 10 PCT ACCOUNT	17,768,200	1.23
3	MR. COLIN PETROULAS	14,500,000	1.00
4	HSBC (SINGAPORE) NOMINEES PTE LTD	11,502,500	0.79
5	STATE STREET BANK EUROPE LIMITED	8,390,250	0.58
6	CHASE NOMINEES LIMITED	7,842,277	0.54

4. As of 5 September 2017, there were 98 foreign shareholders out of the total 19,310 shareholders. The foreign shareholders held 138,281,359 shares or equivalent to 9.54 percent of the total shares, not exceeding the limit in the Company's Articles of Association which states, "Non-Thai shareholders shall not exceed 25 percent of the total shares sold."
5. As of 6 March 2017, the Company has 18,175 shareholders that fit the Free Float criteria or equivalent to 37.38 percent of the total shares.



Board of Directors



Mr. Sutat Patmasiriwat

- EGAT's Representative Director
- Chairman
- Chairman of the Investment Committee

Mr. Chuan Sirinunporn

- EGAT's Representative Director
- Chairman of the Corporate Governance and Social Responsibility Committee
- Member of the Human Resources and Remuneration Committee

Mr. Samack Chouvaparnante

- Independent Director
- Chairman of the Risk Management Committee



Mr. Witoon Kulcharoenwirat

- EGAT's Representative Director
- Chairman of the Human Resources and Remuneration Committee
- Member of the Investment Committee

Mr. Chartchai Rojanaratanangkule

- Independent Director
- Chairman of the Audit Committee
- Member of the Corporate Governance and Social Responsibility Committee

Mrs. Siriporn Luangnual

- Independent Director
- Member of the Audit Committee

Board of Directors



Miss Prapa Puranachote

- Independent Director
- Member of the Audit Committee



Mr. Viboon Rerksirathai

- EGAT's Representative Director
- Member of the Risk Management Committee
- Member of the Investment Committee



Mr. Thaworn Ngamganokwan

- EGAT's Representative Director
- Member of the Human Resources and Remuneration Committee
- Member of the Investment Committee



Mr. Veerasak Pungrassamee

- Independent Director
- Member of the Risk Management Committee

Mr. Prapon Kitichantaropas

- Independent Director
- Member of the Corporate Governance and Social Responsibility Committee

Mr. Kijja Sripatthangkura

- EGAT's Representative Director and Executive Director
- Chief Executive Officer
- Secretary to the Board of Directors

Executive Team and Company Secretary



Mr. Kijja Sripatthangkura
- Chief Executive Officer

Mr. Peerawat Pumthong
- Chief Business Development Officer

Mr. Raluke Satayaporn
- Chief Project Development Officer



Mrs. Wadeerat Charoencoop
- Executive Vice President - Financial

Mr. Sakchai Sripetch
- Senior Vice President – Head of Financial Planning and Management Division

Mrs. Supatra Thongkarn
- Senior Vice President - Head of General Accounting Division



Mr. Somnuk Jindasup

- Chief Asset Management Officer

Mrs. Sunee Rajatamutha

- Chief Financial Officer

Mr. Prayut Thongsuwan

- Executive Vice President - Corporate Administration



Miss Chatuporn Laohapiboonratana

- Vice President - Head of Tax Management and General Ledger Division

Miss Suwannee Sirisajjawat

- Vice President - Head of Accounting Control and Analysis Division

Mr. Somboon Kositvanich

- Senior Vice President - Head of Internal Audit Division

Mr. Sommai Poosanachakorn

- Company Secretary

Committed




With strong commitment to sustainably and stably grow
the business, we focus on optimizing
human resources and assets to achieve excellence
and attain our goals.

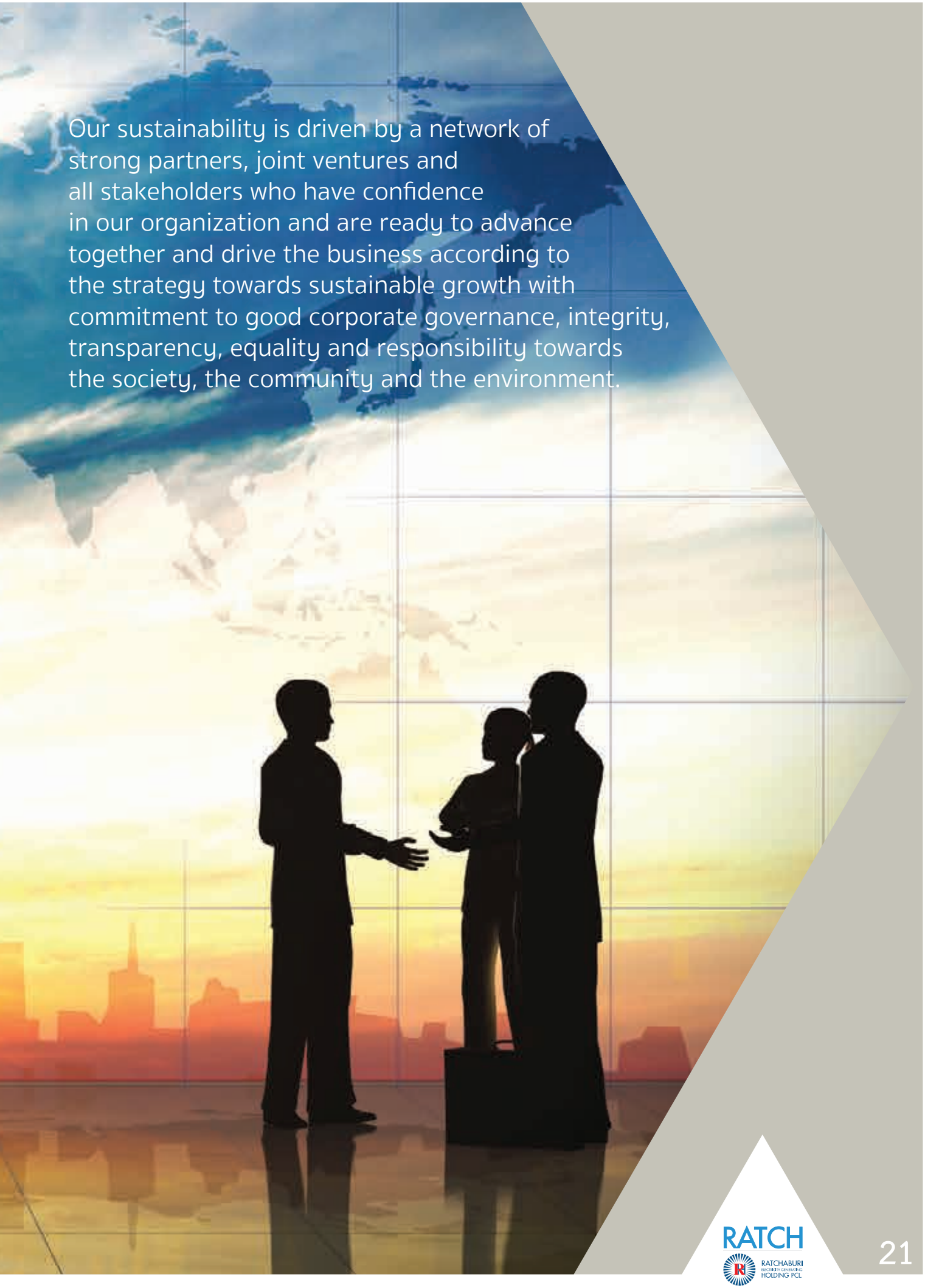
Advanced




With our strength and readiness,
we have never stopped seeking new opportunities
for investments in energy related businesses
and infrastructure projects with high potential
for growth that will create more value
to our investment, especially in the neighboring
countries and Asia-Pacific.

Sustainable




Our sustainability is driven by a network of
strong partners, joint ventures and
all stakeholders who have confidence
in our organization and are ready to advance
together and drive the business according to
the strategy towards sustainable growth with
commitment to good corporate governance, integrity,
transparency, equality and responsibility towards
the society, the community and the environment.

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Message from the Chairman



Dear shareholders and stakeholders,

Positive economic trend has become clearer in 2017 with national GDP expanded at 3 percent which is an increase from the previous year and is faster than forecast. This is in line with higher consumption in the private sector. In 2018, the Fiscal Policy Office expected national economy to continue to grow at 3.8 percent. Another factor clearly reflects strong investors' confidence is SET Index which grew from 2016 by over 13 percent in 2017 and made a new record high in the Stock Exchange of Thailand's 43-year history when the market resumed on the first trading day of 2018. On 16 June 2017, the Stock Exchange of Thailand announced the list of securities used as base for SET50 and SET100 Indices calculation and the list included RATCH as one of the securities used to calculate both SET50 and SET100 Indices. Furthermore, the Company was also chosen as Thailand Sustainability Investment 2017 for the 3rd consecutive year by the Stock Exchange of Thailand, which underlines the Company's strength and investors' confidence.

Despite all these sucesses, the Company has never stopped strengthening and developing capability in the organization in order to achieve continuous growth and the goal to be a leading value-oriented integrated energy company in Asia-Pacific. Our key strategies remain center around adding value to our business to promote continuous growth, optimizing our assets, and developing new power plants in Thailand and other countries. Furthermore, the Company seeks new partners to expand our business opportunity in the power business and also seeks new opportunities and alternatives in other related businesses. These strategies will continuously create the highest financial return, which also add value to our shareholders and support the Company's sustainability.

In 2017, the Company's commercially operating power plants have a combined capacity of 6,496 MW. Such power plants includes Ratchaburi Power Plant, Tri Energy Power Plant, Ratchaburi Power's Power Plant, Ratchaburi World SPP Power Plant, Nava Nakorn SPP Power Plant, Huay Bong 2 and 3 Wind-Turbine Power Plants, Solarta Power Plant, Solar Power Korat 3, 4 and 7 Power Plants, Songkhla Biomass Power Plant, as well as Nam Ngum 2 Hydroelectric Power Plant, and Hongsa Thermal Power Plant in Lao PDR, and thermal and wind-turbine power plants in Australia. The Company also has other related businesses, including power plant operations and management services by Chubu Ratchaburi Electric Services Company Limited and RATCH-Lao Services Company Limited. These power plants and related businesses generated Baht 45,573 million revenue to the Company in 2017.

In addition, there are power plant projects and other businesses that are under construction and development, which account for the equivalent of 884 MW installed capacity. Such projects include: Mount Emerald Wind Farm, Collinsville Solar Farm, System Restart Service by Kemerton Power Plant in Australia, all three of which will be completed and start commercial operations in 2018; Xe-Pian Xe-Namnoy Hydroelectric Power Plant in Lao PDR and Berkprai Cogeneration SPP Power Plant in Ratchaburi, which are scheduled for completion and commercial operation in 2019; the MRT Pink Line Project (Khae Rai - Min Buri), and the MRT Yellow Line Project (Lat Phrao - Samrong) which are scheduled for completion and commercial operations in 2021; and Fangchenggang II Nuclear Power Plant in the People's Republic of China and the Riau Combined Cycle Power Plant in the Republic of Indonesia, which are scheduled to be completed and begin commercial operation in 2021.

In terms of 2017 operating result, the Company continued to generate satisfactory profit, which strongly reflects our capacity to carefully invest in efficient and effective projects and strengthen our financial position. In 2017, the Company and subsidiaries have a total income of Baht 46,438 million and profit of Baht 6,107 million, which is around the same level to those of the previous year.

Another clear testimony of our strong financial position and careful investment is the corporate credit rating which is maintained at "AAA" level, the highest corporate credit rating level, according to TRIS Rating with "stable" trend. This confirms the Company's leadership as the country's largest private power producer with stable cash flow from power plant investment, a strong portfolio of power purchasers who have high financial credibility, and close relations with Electricity Generating Authority of Thailand. In addition, the "Stable" credit rating trend reflects firm cash flow from our investment in power plant with long-term power purchase agreement. It is expected that our debt to equity ratio to be maintained at an appropriate level when considering our growth and investment plan.

As for good corporate governance, the Company continues to adhere to good corporate governance principle while focusing on creating sustainable value to our business, operating business with responsibility towards society and the environment, operating with ethics, integrity and transparency, as well as equitably treatment to all stakeholders. With such commitment and practice, the Company was rated "Excellence" in the corporate governance report assessment from Corporate Governance Report of Thai Listed Companies 2017 Project held by the Stock Exchange of Thailand in cooperation with the Securities and Exchange Commission, and Thai Institute of Directors Association. The Company's total score is 93, which is higher than the average scoring of 80 of all the 620 participating listed companies. We also received the Sustainability Report Award 2017 for the 5th consecutive year from the CSR Club, the Thai Listed Company Association in cooperation with SEC and Thaipat Institute.

In terms of social and environmental care, the Company continues to keep our focus on this area and introduces it through various projects and activities such as Love Forests and Community Project, Carbon Sink and Biodiversity Study in Community Forests Project, Community Energy Project, @CareLine Happy Community Network Project, Happy Elderly, Healthy Thailand Project, Pumaree - Women's Power Protecting the Environment Project, volunteer and employee activities. These projects cover various areas such as energy conservation, efficient resource optimization, community forest development to increase carbon sink and reduce Global Warming, health care promotion for the elderly, safety and health awareness raising for young people and promotion of sharing spirit and social responsibility among employees.

On behalf of the Board of Directors, the executives and employees, I wish to express my sincerest appreciation to the shareholders and stakeholders for your continuous support. We strongly believe that the operations under our preset strategies will enable the Company to grow and achieve our vision of being a leader in value-oriented energy company in Asia-Pacific in the near future.



(Mr. Sutat Patmasiriwat)
Chairman of the Board of Directors
31 December 2017



Board of Directors' Report on Its Responsibility to Financial Report

The Public Company Act 2535 (B.E.), the Accounting Act 2543 (B.E.), the Securities and Stock Exchange Act 2535 (B.E.) and the Securities and Exchange Commission's Announcement on the Rules, Conditions and Procedure of Financial Information and Company Performance Disclosure require the Board of Directors to prepare financial statements to describe the Company's financial position, operating performance and cash flow in the previous year in an accurate, reasonable and transparent manner for the benefit of the shareholders and general investors.

The consolidated and separate financial statements for the year ended on 31 December 2017 have been audited by the Auditor, KPMG Phoomchai Audit Limited. The Board of Directors provided information and documents to enable the Auditor to examine and express his opinion in conformity with generally accepted auditing standards. His opinion appears in Independent Auditor's Report in this annual report.

In this regard, the Board of Directors has appointed the Audit Committee to review the accounting policies and the quality of the financial report, the internal control system, and internal audit. The opinions of the Audit Committee also appeared in the Audit Committee's Report in this Annual Report.

The Board of Directors has provided for and maintained the appropriate and efficient internal control system to reasonably ensure that the financial report is free from material misstatement, whether due to fraud or error.

Based on the internal control system sufficiency evaluation in five areas namely organizational structure and environment, risk management, control activities, information and communication, and operation monitoring activities; the Board of Directors found that the overall internal control system was satisfactory and could reasonably ensure that the consolidated and the separate financial statements for the year ended 31 December 2017 were reliable and prepared in conformity with financial reporting standards and in compliance with law and all relevant regulations.

(Mr. Sutat Patmasiriwiat)
Chairman of the Board of Directors

(Mr. Kijja Sripatthangkura)
Chief Executive Officer



Audit Committee's Report

The Audit Committee of Ratchaburi Electricity Generating Holding Public Company Limited (the "Company") comprises 3 independent directors, namely (1) Mr. Chartchai Rojanaratanangkule as the Chairman of the Audit Committee, (2) Miss Prapa Puranachote, and (3) Mrs. Siriporn Luangnual, as the Audit Committee members. The three members have been serving the Audit Committee with Mr. Somboon Kositvanich, Senior Vice President - Head of Internal Audit Division, serving as the secretary.

During 2017, changes were made to the Audit Committee by the Board of Directors' resolution No. 4/2017 on 26 April 2017 which appointed Mr. Chartchai Rojanaratanangkule as the Chairman of the Audit Committee, replacing Mr. Chavalit Pichalai, and appointed Mr. Danai Egkamol as the Audit Committee member, replacing Miss Piyathida Praditbatuga; and by the Board of Directors' resolution No. 12/2560 on 18 December 2016, which appointed Mrs. Siriporn Luangnual as the Audit Committee member replacing Mr. Danai Egkamol who vacated his position due to death.

All members of the Audit Committee have complete qualifications of Independent Director and Audit Committee members as stated in the Company's regulation on the Board of Directors 2560 (B.E.) and the Company's regulation on the Audit Committee 2551 (B.E.). Both of which are compliant with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

In 2017, the Audit Committee held 9 meetings, including one meeting between the Committee and the auditors without the presence of the Management. (Details on each Committee member's meeting attendance appeared in the Meeting Attendance Table in the Management Structure Section.) The Management of the Company and its subsidiaries and the auditors participated in all the meetings to present information, listen to opinions and suggestions that are useful to the Company's operations. The results of each meeting were presented to boards of directors of the Company and its subsidiaries for their acknowledgment.

In the past year, significant activities of the Audit Committee can be summarized as follows:

- Reviewing quarterly and annual financial statements of the Company and its subsidiaries to ensure their correctness, completeness and credibility before presenting them to their respective board of directors.
- Reviewing the sufficiency of the internal control system to ensure the Company's

effective and efficient operations, enabling the Company to achieve its goals.

- Ensuring that the Company fully conforms to securities and exchange law, rules and regulations of the Stock Exchange of Thailand, and laws related to the Company's business.

- Reviewing items that may involve conflict of interest and ensuring that they comply with laws and regulations issued by the Capital Market Supervisory Board and related organization. Connected transactions or items that may involve conflict of interest were reported to the Audit Committee for approval before it was forwarded to the Board of Directors for consideration. The Management reported major transactions to the Audit Committee for its acknowledgment on quarterly basis.

- Overseeing the accounting system and financial reports to ensure appropriate internal control system in the entire operation process, covering risks related to corruption and fraud, and ensuring that the control system is completely and efficiently implemented

- Reviewing information on risk management system based on the report received from the Risk Management Working Team. Significant risks related to the Company's business are reported in this Annual Report.

- Reviewing the internal audit activities by approving annual audit plan to ensure efficiency and effectiveness, approving annual audit plan, acknowledging the audit report, and providing opinions on effective internal control to prevent or reduce possible risks, as well as making recommendations and giving guidelines for implementation, monitoring and improvement in order to to secure appropriate and effective internal control activities.

In summary, the Audit Committee considered that the financial statements of the Company and its subsidiaries clearly meet with generally accepted accounting standard, that the information disclosure is sufficient, accurate, complete and credible, that the internal control is efficient and sufficient, and has clear separation of authority and duty. No substantial weakness or deficiency of the internal control system was found and there was no observation or any issue related to fraud and corruption. The operations of the Company and its subsidiaries fully comply with the laws regulating the Securities and the Stock Exchange of Thailand, regulations of the Stock Exchange of Thailand and other related laws. This opinion is also consistent with the auditor's assessment.

The Audit Committee approved and appointed Mr. Vairoj Jindamaneepitak (Registration No. 3565) or Mr. Charoen Phosamritlert (Registration No. 4068) or Mr. Waiyawat Kosamarnchaiyakij (Registration No. 6333) of KPMG Poomchai Audit Limited as the auditor of the Company and its subsidiaries in 2018. The total audit fee is Baht 2,570,0000 (excluding out-of-pocket expenses), Baht 1,080,000 of which is the Company's audit fee (excluding out-of-pocket expenses which will be charged at actual expenses but not exceeding Baht 40,000). The Audit Committee submitted the matter to the Board of Directors to further propose to the shareholders at the shareholders' annual general meeting.



(Mr. Chartchai Rojanaratanangkule)
Chairman of the Audit Committee
31 December 2017

Financial Highlight

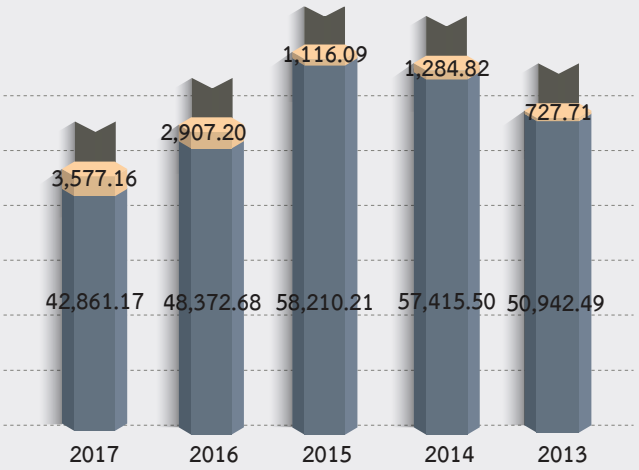
		2017	2016	2015	2014	2013
Profit and Loss Statement						
Total revenue	Million Baht	46,438.33	51,279.88	59,326.30	58,700.32	51,670.20
Earning before interest, taxes, depreciation, amortization (EBITDA) *	Million Baht	9,218.09	9,323.54	8,644.78	10,175.05	10,351.25
The Company's profit for the year	Million Baht	6,106.70	6,165.72	3,187.87	6,279.03	6,514.12
Statement of Financial Position						
Assets	Million Baht	94,224.83	96,391.09	92,605.05	96,235.04	93,874.50
Liabilities	Million Baht	30,943.65	33,938.32	32,185.21	35,035.64	34,748.03
Shareholders' equity	Million Baht	63,281.18	62,452.77	60,419.84	61,199.40	59,126.47

		2017	2016	2015	2014	2013
Information about ordinary shares						
Book value per share	Baht	43.63	42.98	41.51	41.92	40.20
Earning per share	Baht	4.21	4.25	2.20	4.33	4.49
Paid dividend per share	Baht	2.40**	2.35	2.27	2.27	2.27
Dividend payment ratio	%	56.99	55.27	103.25	52.42	50.53
Share price at the end of the year	Baht	54.25	50.00	47.50	58.75	49.00
Financial ratios (excluding the effect of exchange rate)						
Current ratio	Times	2.47	2.42	2.23	1.96	1.06
Profit to total revenue (excluding fuel cost)	%	36.65	40.85	30.28	36.03	37.11
Return on equity ratio	%	9.00	9.81	7.48	9.96	10.44
Return on total assets ratio	%	5.80	6.26	4.61	6.09	6.09
EBITDA to total assets	%	9.67	9.87	9.16	10.70	10.61
Total debt to equity ratio	Times	0.49	0.54	0.53	0.57	0.59
Net debt to equity ratio	Times	0.19	0.19	0.16	0.13	0.22
Finance lease receivables	Million Baht	3,920.38	3,313.03	3,552.83	3,815.00	1,592.83

Remark : * *Excluding impact from exchange rate and changes to finance lease receivables*

** *Proposed for shareholders' consideration in the Shareholders' Annual General Meeting Year 2561 (B.E.) to be held on 5 April 2018*

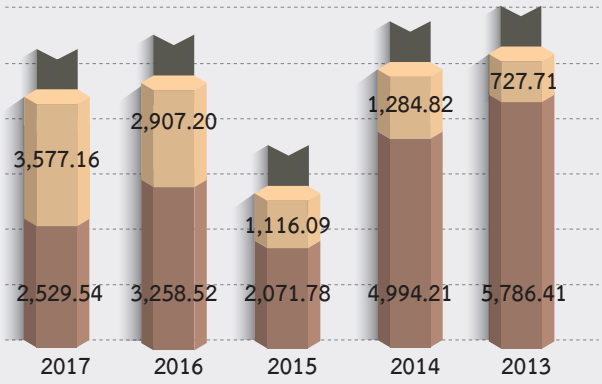
Total Revenue (Million Baht)



Profit sharing from investment in subsidiaries and joint ventures

Revenue from the Company and subsidiaries

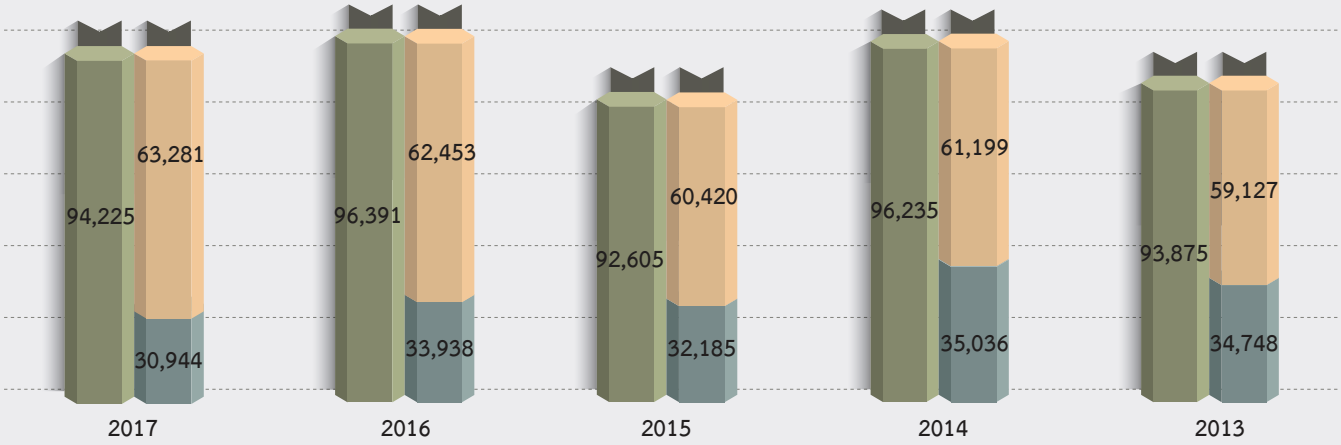
The Company's Profit (Million Baht)



Profit sharing from investment in subsidiaries and joint ventures

Profit from the Company and subsidiaries

Statement of Financial Position (Million Baht)

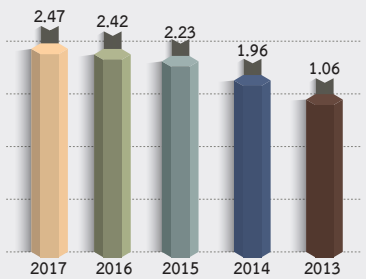


Assets

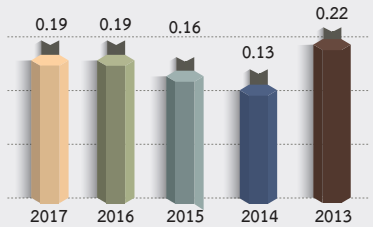
Liabilities

Shareholders' equity

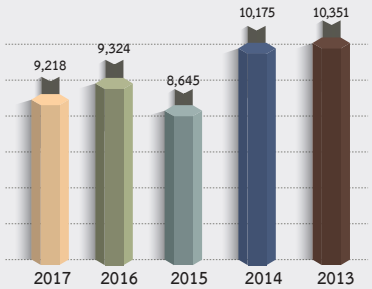
Current Ratio (Times)



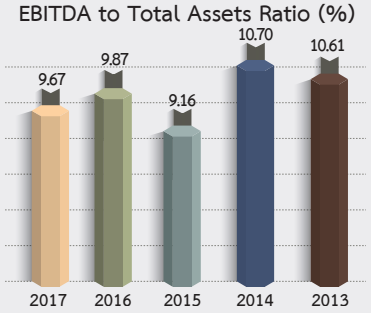
Net Debt to Equity Ratio (Times)



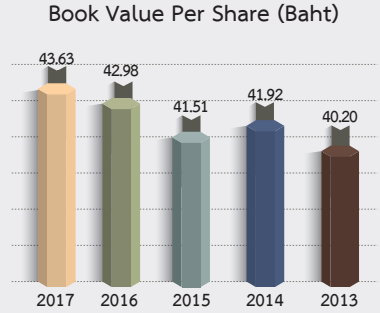
EBITDA (Million Baht)



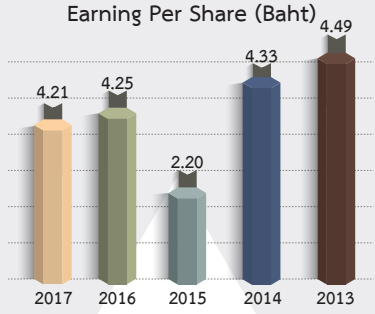
EBITDA to Total Assets Ratio (%)



Book Value Per Share (Baht)



Earning Per Share (Baht)





Operating Performance and Significant Changes

As of 31 December 2017, the Company's attribution production capacity is equivalent to 7,379.13 MW comprising

1. Fifteen Commercially Operating Power Plants		2. Six Power Plant Projects under Development and Construction	
Power Plants	Attribution Installed Capacity (MW)	Construction Projects	Attribution Installed Capacity or Equivalent (MW)
IPPs and SPPs in Thailand sorted by power producer type			
1) IPPs			
1. Ratchaburi	3,645.00	-	-
2. Tri Energy	720.00		
3. Ratchaburi Power's	372.50		
2) SPPs			
1. Ratchaburi World SPP	93.60	1. Berkprai Cogeneration SPP	34.73
2. Nava Nakorn SPP	55.65		
Total	**4,886.75**	**Total**	**34.73**
Renewable Projects in Thailand sorted by type of renewable energy			
1) Solar Power			
1. Solarta Solar Power	20.73	-	-
2. Solar Power Korat 3	2.88		
3. Solar Power Korat 4	2.88		
4. Solar Power Korat 7	2.88		
2) Wind-Turbine Power			
1. Huay Bong 2 Wind-Turbine	20.70	-	-
2. Huay Bong 3 Wind-Turbine	20.70		
3) Biomass Power			
1. Songkhla Biomass	3.96	-	-
Total	**74.73**	**Total**	-
International Projects			
1) Lao PDR			
1. Nam Ngum 2 Hydroelectric Power	153.75	1. Xe-Pian Xe-Namnoy Hydroelectric Power Plant	102.50
2. Hongsa Thermal Power	751.20		
2) Australia			
1. RATCH Australia	514.72	1. RATCH Australia	178.36
- Townsville	187.20	- Mount Emerald Wind Farm	144.36
- Kemerton	246.40	- Collinsville Solar Farm	34.00
- BP Kwinana	28.32		
- Starfish Hill Wind - Turbine	26.40		
- Toora Wind - Turbine	16.80		
- Windy Hill Wind - Turbine	9.60		
3) People's Republic of China			
-		1. Fangchenggang II Nuclear	236.00
4) Republic of Indonesia			
-		1. Riau Combined-Cycle	141.03
Total	**1,419.67**	**Total**	**657.89**
Related Business			
1. Investment in EDL-Generation Public Company	114.36	1. Investment in the MRT Pink Line and Yellow Line Projects	191.00
Total	**114.36**	**Total**	**191.00**
Grand total	**6,495.51**	**Grand total**	**883.62**

To achieve the long-term goal of increasing production capacity to the equivalent of 10,000 MW by 2023 and optimize its assets to maintain revenue growth, the Company focuses in its investment expansion and management of existing assets, including IPPs and SPPs in Thailand, renewable projects in Thailand, international projects and related businesses, to strengthen and stabilize its business foundation. This will enable the Company to achieve strong performance and generate satisfactory return for shareholders.

Electricity Generating Business

1. IPPs and SPPs in Thailand

• **Commercially operating power plants** sorted by power producer type as follows:

1) IPPs

• Ratchaburi Power Plant has successfully managed power plant operations and maintenance business with 89.16 percent availability, 1.0360 times of CAH Index, 1.0066 times of Fuel Ratio, and has continually maintained occupational health, safety and environment standard in accordance with the standards (OHSAS 18001:2007 and ISO 14001:2004.)

• Tri Energy Power Plant has successfully managed power plant operations and maintenance business with 96.46 percent availability, 1.000 times of CAH Index, 1.0220 times of fuel ratio. The plant also maintained the occupational health, safety and environment standard in accordance with the OHSAS 18001:2007, ISO 14001:2004 and ISO 9001:2008 standards.

• Ratchaburi Power's Power Plant operations and maintenance business has 91.20 percent availability, 1.0000 times of CAH Index and 1.0200 times of fuel ratio. The plant has achieved international standards for electricity generation efficiency and safety. In 2017, Ratchaburi Power's Power Plant changed cooling fans at each of the Power Plant Unit 1 and 2's cooling towers to the higher performance one as part of its contribution to energy conservation. The project, which continued from 2016, resulted in significant energy saving of over 25 percent in comparison to the old cooling fan, or equivalent to 337,500 units per year. In terms of safety, the Company concentrated on enhancing workplace safety, encouraging employees and outsider operating in the plant to strictly follow the safety regulations. The Company consequently achieved more than 5 million accumulated work hours - person of zero-accident that causes absenteeism. In addition, it received Outstanding Corporate in Occupational Safety, Health and Workplace Environment National Level for the consecutive 1-4 Years (Gold Level) from the Department of Labour Protection and Welfare, certificate for zero-accident campaign from the Ministry of Labour, and certificate for standard for preventing and resolving narcotic drugs issues in the organization for the organization for the 4th consecutive year from Ratchaburi Provincial Office of Labour Protection and Welfare.

2) SPPs

• Ratchaburi World SPP Power Plant was established in order to operate SPP cogeneration power plant using natural gas for fuel. The power plant comprises 2 units with total installed capacity of 234.00 MW. Both units have already been completed and started commercial operation and sell electricity to EGAT on 1 November 2014 and 1 March 2015 respectively. Ratchaburi Electricity Generating Company Limited holds 40 percent stake in the company.

In 2017, Ratchaburi World Cogeneration Company Limited has a strong performance and paid Baht 375 million dividend to its shareholders. Ratchaburi World SPP Power Plant has complied with local and international quality system, safety and environmental standards and has therefore received many awards. They include the Green Industry Award Level 2 - Green Activity from the Ministry of Industry, Zero Accident Campaign – Basic Level from Thailand Institute of Occupational Safety and Health (Public Organization) and an ISO 9001:2015 certification.

- Nava Nakorn SPP Power Plant is a small power producer with firm (25 years) cogeneration contract. Commencing commercial operation on 3 June 2016, and it sells 90 MW electricity to the EGAT. Other 35 MW electricity and 30 tons per hour of steam are sold to industrial plants in Nava Nakorn Industrial Promotion Zone. It has achieved over 97.50 percent Availability Payment.

2. Renewable Projects in Thailand

- Commercially operating power plants sorted by type of renewable energy

1) Solar Power

- Solar Power Korat 3 Power Plant, in which Ratchaburi Energy Company Limited holds 40 percent stake, reported strong performance in 2017 and paid Baht 41,525,000 dividend to the shareholders of Solar Power (Korat 3) Company Limited.
- Solar Power Korat 4 Power Plant, in which Ratchaburi Energy Company Limited holds 40 percent stake, reported strong performance in 2017 and paid Baht 28,094,250 dividend to the shareholders of Solar Power (Korat 4) Company Limited.
- Solar Power Korat 7 Power Plant, in which Ratchaburi Energy Company Limited holds 40 percent stake, reported strong performance in 2017 and paid Baht 35,296,250 dividend to the shareholders of Solar Power (Korat 7) Company Limited.
- Solarta Power Plant, in which Ratchaburi Energy Company Limited holds 49 percent stake, reported strong performance in 2017 and paid Baht 121,000,000 dividend to the shareholders of Solarta Company Limited.

2) Wind Power

- Huay Bong 2 Wind-Turbine Power Plant, in which Ratchaburi Electricity Generating Holding Public Company Limited holds 20 percent stake, reported strong performance in 2017 and paid Baht 650,000,000 dividend to the shareholders of K. R. Two Company Limited.
- Huay Bong 3 Wind-Turbine Power Plant, in which Ratchaburi Electricity Generating Holding Public Company Limited holds 20 percent stake, reported strong performance in 2017 and paid Baht 930,000,000 dividend to shareholders of First Korat Wind Company Limited.

3) Biomass

- **Songkhla Biomass Power Plant** has been operating and transmitting electricity to PEA on 9 November 2015. Its equivalent availability factor (EAF) at the end of 2017 was 84.10 percent. The plant has been certified for ISO 9001:2015 on 30 March 2017 and for the Carbon Credit (for CDM Programme of Activities) on 18 May 2018.

3. International Projects

• Commercially operating power plants sorted by locations are:

1) Lao PDR

• Nam Ngum 2 Hydroelectric Power Plant paid 2017 interim dividend of Baht 240,045,250 to the Company through SouthEast Asia Energy Limited, in which the Company holds 33.33 percent stake. Nam Ngum 2 Power Company Limited achieved "A" credit rating from TRIS Rating, and was successful in offering Baht 6,000 debenture to financial institutions. The debenture was issued to raise funds to partially repay financial institutions for debts of Nam Ngum 2 Hydroelectric Power Plant, enabling the company to lower financial cost and reduce risk from interest rate fluctuation. The power plant also received ISO 9001:2015 certificate.

• Hongsa Thermal Power Plant has already commenced commercial operation for all 3 units since 2 June 2015, 2 November 2015 and 2 March 2016 respectively. In 2017, the power plant maintained Equivalent Availability Factor (EAF) at 80.84 percent which is better than the previous year, and the total net generation was maintained at no less than 11,391 GWh.

2) Australia

Power plants under the management of RATCH-Australia Corporation Limited, an indirect subsidiary in which the Company holds 80 percent stake, has already commenced operations for 6 power plants including 3 wind-turbine power plants with combined attribution production capacity of 52.80 megawatts and 3 natural gas fired power plants with combined attribution production capacity of 461.92 megawatts.

In 2017, Kemerton Power Plant has entered into an agreement for Ancillary Service Deed System Restart Service. The diesel generator unit for black start was installed as an ancillary service according to the amendment to the existing power purchase agreement. This enables the power plant to have higher income from Availability Payment from the ancillary service deed system restart service. 4 sets of 1,760 kW diesel generators with combined installed capacity of 7 megawatts will be installed and are expected to start commercial operations in December 2018.

• Projects under construction and development

1. IPPs and SPPs in Thailand – SPP namely

• Berkprai Cogeneration SPP Power Plant received construction license (Or 1), plant operation license (Ror Ngor 4) and electricity generation license in November 2017. The construction contract was signed with 3 main contractors, including power plant construction contractor, gas pipeline and control station construction contractor, and electricity transmission construction contractor. The power plant is now under construction, including piling, ground work and others. Equipment, materials and machinery procurement is also under way.

2. International Projects

1) Lao PDR

• Xe-Pian Xe-Namnoy Hydroelectric Power Plant has already completed the construction of the Xe-Pian Dam and Xe-Namnoy Dam. The two dams started holding water in April 2017. At present, water turbine, generators and high-voltage transmission lines between Pakse Station in Laos PDR and Ubon Ratchathani 1 Station in Thailand are being

installed. The project is 82 percent completed and expected to start commercial operation in 2019.

2) Republic of Indonesia

• Riau Combined-Cycle Power Plant is located in Riau province on the east of Sumatra Island in the Republic of Indonesia. The 20-year power purchase agreement is signed with Perusahaan Listrik Negara on 7 April 2017. At present, the project is working on environmental impact assessment and seeking project funding.

3) Australia

• Mount Emerald Wind Farm is a large wind farm in Queensland. It has attribution production capacity of 144.36 MW. The power plant successfully signed Financial Agreement; Engineering, Procurement and Construction Agreement; Warranty, Operation, and Maintenance Agreement; electricity transmission agreement and achieved financial close at the end of 2016. At present, more than 60 percent of the project is completed and it is now installing wind turbines. It is expected to commence commercial operation in September 2018.

• Collinsville Solar Farm has a production capacity of 42.50 MW. It was granted AUD 9.50 million subsidy from the Australian Renewable Energy Agency. The project signed power purchase agreement with Braemar Power Projects on 13 March 2017, including LGC contract for 70 percent of the project's total capacity until 31 December 2030 or approximately 12.5 years. It also achieved financial close on 5 May 2017. The project is 60 percent completed and is installing solar panels. Commercial operation is expected to begin in July 2018.



Related Business

The Company continues to operate related business through its subsidiaries, associates and joint ventures in order to enhance its capability and drive overall growth of the Company's Group. Related businesses are power plant operations and maintenance services, gas turbine maintenance services, coal mining, fuel supplies, and other business as follows:

1) Power plant operations and maintenance services

• RATCH O&M Company Limited provides power plant operations and maintenance services to SPPs in which it invests. It has registered capital of Baht 10 million.

• RATCH-Lao Services Company Limited. The Company established RATCH-Lao Services Company Limited's office in Vientiane, Lao PDR to support its investment in Lao PDR with a goal to strengthen good relationship, promotes investment and project development in Lao PDR, focusing in investment in projects that will create mutual benefits for both countries.

• Chubu Ratchaburi Electric Services Company Limited: The Company jointly invested with Chubu Electric Power (Thailand) Company Limited, currently renamed to Jera Power (Thailand) Company Limited, each with 50 percent stake in Chubu Ratchaburi Electric Services Company Limited who has agreement with Ratchaburi Power Company Limited to provide operation and maintenance services starting from 2008 to its power plant with production capacity of 1,400 MW (2 x 700 MW) according to the 12-year power purchase agreement. EGAT is hired as a subcontractor for the operation and maintenance services of such power plant.

In 2017, Chubu Ratchaburi Electric Services Company Limited fully complied with the power plant operations and maintenance service agreement for Ratchaburi Power Company Limited and completed its service as stated in the agreement, maintained Availability Payment and energy efficiency as planned.

• EGAT Diamond Service Company Limited: The Company established the joint venture EGAT Diamond Service with an aim to provide gas turbine maintenance service in Asian countries. Shareholders in EGAT Diamond Service Company Limited comprise EGAT holding 45 percent, Mitsubishi Heavy Industries, Ltd. holding 30 percent (currently transferred all stakes to Mitsubishi Hitachi Power Systems Asia Pacific Ptd. Ltd.), Mitsubishi Corporation holding 15 percent and the Company holding 10 percent. The joint venture has significantly reduced time and expenses related to gas turbine maintenance as power plants do not have to send the equipment for maintenance overseas. This has increased readiness and availability payment. In addition, high technology transfer is achieved, enabling human resources in Thailand to upgrade their skills and become more self-sustained in the future.

In 2017, EGAT Diamond Service Company Limited has improved its capacity in combustor basket, turbine blade, turbine vane, ring segment and transition piece maintenance. It also received ISO 9001:2015 certification for maintenance service quality and certification for service quality from Mitsubishi Hitachi Power Systems, Ltd.

2) Fuel supply

• Songkhla Biofuel Company Limited provides fuel supply for Songkhla Biomass Power Plant. The Company holds stake in this company through Ratchaburi Energy Company Limited.

3) Other business

• MRT Pink Line Project (Khae Rai–Min Buri) and MRT Yellow Line Project (Lat Phrao–Samrong): Concession agreement was signed with MRTA for 33 years 3 months. Civil works agreement, mechanical engineering service agreement and train purchase agreement and loan agreements for both projects have been signed. The construction site for the projects' routes is being transferred from MRTA.

Management of the business in which the Company invests or has joint ventures

The Company's Board of Directors has assigned its directors and executives to sit in the Board of Directors and the Management of the companies it has invested in from the development and construction period through to commercial operation period. This is to ensure that the operations of those businesses are in line with the Company's policy, achieve the Company's long-term goals and that the assets of the Company's Group are managed to their full potential.

Financial Management

- The Company has invested USD 18.98 million in equity of Xe-Pian Xe-Namnoy Company Limited, representing USD 62.25 million in accumulated equity.

- The Company invested in the MRT Pink Line and the MRT Yellow Line Projects through 10 percent shareholding with 100 percent paid-up capital in both joint ventures namely Northern Bangkok Monorail Company Limited, totalling Baht 350 million and Eastern Bangkok Monorail totalling Baht 350 million.

- The Company invested in Riau Combined-Cycle Power Plant operated by PT Medco Ratch Power Riau, Republic of Indonesia. The Company invested through RH International (Singapore) Corporation Pte. Limited, its indirect subsidiary. The first equity payment was called at 25 percent or IDR 1,475 million and the Company made advance payment for shares totalling USD 20.83 million to open the Project Development Cost Account according to the power purchase agreement.

- The Company invested Baht 465.85 million in Berkprai Cogeneration SPP Power Plant which is operated by Berkprai Cogeneration Company Limited, a joint venture in which it holds 35 percent stake through Ratchaburi Electricity Generating Company Limited, its subsidiary.

- The Company invested USD 400 million in Mount Emerald Wind Farm in Australia through RATCH-Australia Corporation Limited, its indirect subsidiary.

- The Company invested AUD 95 million in Collinsville Solar Farm in Australia through RATCH-Australia Corporation Limited, its indirect subsidiary.

- The Company manages cash balance by considering the overall benefit of the Company's Group, including deposit and loans. It also considers liquidity in providing loans to the Company's Group within the framework of financial management approved by the Board of Directors. The overall return rate for 2017 for both short and long term investment is higher than the reference market rate.

• Credit rating: Standard and Poor's and Moody's Investor Service have maintain credit rating for the Company at BBB+ and Baa1 respectively, which are the same as the country's credit rating level.

Corporate Management

The rapid global development has a significant impact on business competition landscape and environment, especially in human resources related issue. Many organizations feel the effects from aging society, shortage of skilled labor or fast labor move, young generation's new perception towards permanent employment, the use of robot and AI to replace human and the use of digital system to replace or assist in daily operations.

The Company understands and gives high importance to efficient and effective organizational management that enables it to move fast in correspondent with the changing capital structure and disruptive technology. In 2017, the Company gave more weight to factors such as economy, society and environment which are affected by the rapid changes. These factors are used to support policy forming and designing corporate policy to improve corporate operation efficiency that also supports the rapid changes and the corporate strategies. The Company has formulated strategies to increase efficiency and competitiveness as follows:

1. Developing to be a High Performance Organization (HPO) within 2023: HPO focuses on the analysis of the Company's competency in corporate strategy formulation, organization structure, work process, personnel and technological innovation. HPO is used as international-standard tool to manage internal system and drive the organization towards its goal to be High Performance Organization and achieve international standard. In 2017, the Company analyzed its organization in cooperation with experts and found that its status is Level 2 "Transformational". The Company then set the task priority and drew a clear High Performance Organization Roadmap to improve efficiency in 6 areas as follows:

1) High Performance Organization with focus on corporate capability in strategic planning, organizational structure, work process, personnel and innovations to enhance corporate capability towards excellence.

2) Sustainable Growth with focus on sustainable development and management process in the organization.

3) Partnership & Stakeholder Engagement with focus on participation and engagement of stakeholders both within and outside of the organization.

4) Productivity through People with focus on the personnel's individual performance. The Company identifies, analyzes and develops its people to ensure they have similar or higher standard compared to leading companies in the same business.

5) Innovative Organization with focus on innovation and technology development that supports productivity and internal operations.

6) Flexible & Adaptable to Change with focus on change management and changes in practice to better embrace the rapid changes. From 2018-2020, the Company will implement the organizational development plan by considering the urgency of each issue, monitoring and reporting in order to achieve the Level 3 status of High Performance Organization according to HPO standard by 2020 and become a High Performance Organization by 2023.

2. Improvement of HR Information System: The Company has developed MyHR system to support human resource operations. The system is an integrated information database for human resources management, covering information such as work experience and trainings. The information is stored in the central database, enabling the Company to increase human resources management efficiency, develop better training roadmap and drawing human resources development plan that best supports the corporate and business goals and competitiveness strategies. The MyHR system also helps improve performance appraisal and employees capability in line with the Company's business goal and fair to all employees. KPI are also designed to support corporate goal at all divisions, departments and individual levels.

3. Career Development and Career Path Roadmap: The Company specified job family and job group in order to design appropriate and concrete knowledge, capability and competency of its employees to match and support their career path.

4. Employee Engagement Survey: Believing that good employee engagement will lead to good performance, the Company therefore cooperated

with an expert in conducting the first employee engagement survey in 2017. The results were used in improving related work process to increase engagement level.

5. Review and Improvement of Crisis Management Plan (CMP) and Crisis Communication Plan (CCP): The Company cooperated with crisis management expert in studying and assessing risk factors and possible direct and indirect impact on its business. The impact is divided into economic, social, communal, environmental and corporate reputational category. In 2017, the Company reviewed its CMP and CCP and set up a Crisis Management Team and conducted exercises as planned. The Company also prepared a study on Emergency Response Plan of the Company and representative companies in the Company's Group to integrate all 3 related plans in order to draw a Business Continuity Plan (BCP) in 2018. The BCP will be used as a framework for crisis and issue management guideline that mitigate and limit damages from possible impact from uncontrolled events that affect its business in a sustainable manner.

6. Knowledge Management: In 2017, the Company developed and tested the Knowledge Center SharePoint, an Internet-based database used for knowledge management. The system stores information, lessons and work experience from executives and experts in power industry and project management obtained from discussions and seminar held for focus group. Topics shared by internal and external experts and other information include power industry business, power plant maintenance, asset management efficiency improvement, organizational risk and risk management, power business related knowledge, innovation, disruptive technology and knowledge about startup businesses are collected in this database. The shared knowledge is collected, sorted and prepared in different formats, including text file, image files and video and stored in the Company's central knowledge system. This promotes learning among its employees, known as KM Community, as they can have access to information, share knowledge and experience through the system.

7. Increasing a high level executive position at Executive Vice-President level to oversee related and new business development, which is a key strategy for the Company in increasing competitiveness and growth.

8. Remuneration system improvement: the Company surveyed and improved its remuneration system to maintain competitiveness in the labor market with the similar business sector and size. Attractive remuneration is also a key factor in maintaining quality personnel and attracting new people with high capability to join the Company.

9. Nomination of successor for high level executives, and executives and directors of the Company's affiliates that is in line with position, capacity, and retirement period of executives in both short and long term. The Company continuously seeks successors and talents in order to develop their capabilities, which enables the Company to appropriately replace the vacant positions. In the short term, the Company has prepared new executives who will replace those who will retire in 2017 and 2018.



Significant changes and development

2017

April

- The Company entered into a joint venture with PT Medco Power Sentral Sumatra, holding 49 percent and 51 percent stake respectively, to develop the Riau Combined-Cycle Power Plant in the Republic of Indonesia. Both parties have established a joint venture called PT Medco Power Riau. On 7 April 2017, important agreements were signed. The agreements are Sponsor Agreement between PT Medco Power Indonesia and the Company; and Power Purchase Agreement between PT PLN (PERSERO), the purchaser, and PT Medco Ratch Power Riau, the sellers.

- The Company and "BSR Joint Venture", a joint venture formed by Ratchaburi Electricity Generating Holding Public Company Limited (the "Company"), BTS Group Holdings Public Company Limited ("BTS") and Sino-Thai Engineering and Construction Public Company Limited ("STEC") each holding 10 percent, 75 percent and 15 percent stake respectively, have established 2 joint venture companies namely Northern Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited on 12 June 2017. The two joint venture companies signed investment agreement for the extension of the MRT Pink Line Project (Khae Rai - Min Buri) and the MRT Yellow Line Project (Lat Phrao - Samrong) with the Mass Rapid Transit Authority of Thailand ("MRTA") on 16 June 2017. Details were sequentially disclosed and submitted to the Stock Exchange of Thailand. The Company will complete legal procedure related to this business in the future.

May

- RATCH-Australia Collinsville Solar PV Pty Ltd., a subsidiary of RATCH-Australia Corporation Limited has reached an agreement and signed financial agreement with Clean Energy Finance Corporation for AUD 57 million. The funding will be used in the construction and development of the Collinsville Solar Farm Project in Australia.

August

- Ratchaburi Energy Company Limited and RH International (Singapore) Corporation Pte. Limited sold their entire shareholdings or 60 percent ordinary shares in Oversea Green Energy Company Limited (totalling 1,260,000 shares, valuing at Baht 10 each, with 100-percent paid up shares totalling 60,000 shares, and 75 percent paid shares totalling 1,200,000 shares) and RICI International Investment Company Limited (totalling 9,510,060 shares with 100-percent paid up shares in SGD totalling 60 shares and 9,510,000 shares in USD) to the existing

shareholder, Premier Solution Company Limited and Chow International Company Limited respectively. The total sales were equivalent to Baht 354.50 million, which is the paid-up share value plus opportunity costs of Baht 10 million as earlier agreed. Such sales resulted in the termination of joint investment in Iwaki-Fukushima and Ueda Solar Power Plants in Japan.

September

- Tri Energy Company Limited registered its complete liquidation.

October

- Berkprai Cogeneration Company Limited made full capital call of Baht 1,231 million, bringing its paid-up capital to Baht 1,331 million or 100 percent. Payment had been called since September 2016 depending on the necessity in the construction and development of Berkprai Cogeneration SPP Power Plant in accordance with the scheduled plan. Ratchaburi Electricity Generating Company Limited's investment is 35 percent or totalling Baht 465.85 million (46.585 million shares.)
- RATCH-Australia Kemerton Pty Ltd entered into an agreement for the Ancillary Service Deed System Restart Service of Kemerton Power Plant in Australia with Electricity Generation and Retail Corporation Trading as Synergy. Both will jointly provide ancillary service deed system restart service for Australian Energy Market Operator for 10 years. It will be done in a form of back-to-back contract between RATCH-Australia Kemerton Pty Ltd and Electricity Generation and Retail Corporation Trading as Synergy and between Electricity Generation and Retail Corporation Trading as Synergy and Australian Energy Market Operator. The service will increase value to the power plant's assets by installing 4 sets of 1,760 kW diesel generators which account for the total of 7 MW installed capacity. It is expected to commence commercial operation in December 2018. As a result, RATCH-Australia Kemerton Pty Ltd will have higher Availability Payment from this additional service.

December

- RATCH-Lao Services Company Limited has entered into the Contract for Operation and Maintenance Services for Hongsa Mine Mouth Power Project with EGAT (the Company's major shareholder) to support human resources for the operation and maintenance service. The contract's value is Baht 135 million, and the contract period is 35 months starting from 1 December 2017 and ending on 31 October 2020. The fee will be paid on monthly basis. This is a connected transaction with normal trading condition. The Board of Directors approved the connected transaction according to the Audit Committee's opinion. At the Board of Directors' meeting on this issue, the directors who are representatives of EGAT, which is the major shareholder of the Company and a connected party, did not attend the meeting and did not have the voting right.

2018

January

- KK Power Company Limited, a joint venture company in the Kingdom of Cambodia in which the Company held 50 percent of its paid-up registered capital, registered its dissolution and complete liquidation in accordance with the law of the Kingdom of Cambodia. This is because such joint venture company did not have any business transaction. The dissolution of such joint venture company does not have any effect on the Company's operations.



Investment Committee's Report

As of 31 December 2017, Ratchaburi Electricity Generating Public Company Limited's (the "Company") Investment Committee comprises 4 members appointed by the Board of Directors, namely (1) Mr. Sutat Patmasiriwat, Chairman of the Investment Committee; (2) Mr. Witoon Kulcharoenwirat, (3) Mr. Thaworn Ngamganokwan and (4) Mr. Viboon Rerksirathai, the Investment Committee members. Mr. Peerawat Pumthong, Chief Business Development Officer serves as the secretary. During 2017, there were changes to the Investment Committee according to the Board of Directors' resolution No. 1/2017 made on 25 January 2017, appointing Mr. Kijja Sripatthangkura as the Committee member, replacing Mr. Ratanachai Namwong; the Board of Directors' resolution No. 4/2017 made on 26 April 2017 appointing Mr. Thaworn Ngamganokwan as the Committee member, replacing Mr. Kijja Sripatthangkura and the Board of Directors' resolution No. 9/2017 appointing Mr. Viboon Rerksirathai as the Committee member, replacing Mr. Suthon Boonprasong. In 2017, the Investment Committee held five meetings and all four committee members attended every meeting.

The Investment Committee is appointed by the Board of Directors and has the responsibility and authority to screen, question and provide recommendation to the Management's proposal on investment in green field and brown field projects and M&A for both power plant projects and related businesses. Important tasks in 2017 included formulating investment strategies, goals, plans, budget and return on investment and other benefits from investment in various projects to support the Company's production capacity expansion and growth and to ensure that investment projects are connected with and support corporate policy and investment targets. Such consideration is based on the worthiness of return on investment and the Company's ability to manage related risk factors to remain within the acceptable levels.

In the Investment Committee's meeting, the discussion, question and opinion provision were made independently and based on the Company's benefits. The Committee has also monitored, followed up and appraised the performance of the projects the Company has invested in to ensure that the return on investment is as planned. The Committee also plays a significant role in preventing and solving problems that might affect project development and operations. The Investment Committee considered that the Company's investment decision was prudently and carefully made based on both in-depth and breadth analysis by internal and external experts under the good corporate governance principle to ensure continuous and stable growth of the Company.

(Mr. Sutat Patmasiriwat)
Chairman of the Investment Committee
31 December 2017





Nature of Business

Established on 7 March 2000 with registered capital of Baht 14,500 million, the Company was listed on the Stock Exchange of Thailand on 2 November 2000 with ticker symbol "RATCH". Electricity Generating Authority of Thailand (EGAT) is the major shareholder with 45 percent stake in the Company. The Company operates as a holding company. Its main activity is investing in other companies in energy and related busineses in Thailand and other countries with the goal to achieve sustainable growth by adhering to corporate governance principle with transparency and no corruption.

We are part of Thailand's economy

Originated from the government's power plant privatization plan, the Company was set up to raise funds from the private sector through the Stock Exchange of Thailand to support national development. The Company is the largest private power producer with its attribution installed capacity accounting for 30 percent of the total production capacity among all IPPs. At present, the Company's market capitalization is Baht 78,663 million.

Nowadays, electricity generating business is more competitive than in the past, especially in the renewable energy segment since the technologies are easily accessible, cheap and supported by the government. In addition, Thailand's high electricity reserve has limited domestic investment opportunity. To support the goal under the 12th National Economic and Social Development Plan (2017-2021) and the Energy 4.0 Policy, the Company strongly commits to increasing domestic competitiveness and driving economic expansion through improvement of its asset efficiency and seeking new opportunity to expand business in Thailand and foreign countries. The investment ranges from power, fuel, renewable energy, infrastructure and other businesses that will bring innovations and new technologies that best address future demand.

Reach full potential of existing portfolio

As of 31 December 2017, the Company's attribution production capacity from commercially operating power plants was 6,495.51 MW. To maintain revenue growth, the Company has regularly improved its power plants availability and maintained those power plants as scheduled.

1. IPPs and SPPs in Thailand

Most of the IPPs and SPPs are located in the west of the country. They contribute significantly to the security of the country's electricity system through EGAT's transmission network. Power plants in the western region transmit electricity to the central, west and upper south of Thailand where electricity supply shortage was experienced. The Company also considered investment in projects with different types of fuel, including natural gas, oil and coal, to mitigate risk related to fuel, enhance the Company's healthy growth and the country's electricity system stability. As of 31 December 2017, the Company's attribution installed capacity from commercially operating IPPs and SPPs in Thailand totalling 4,886.75 MW, representing 66.22 percent of the Company's total capacity.

2. Renewable Projects in Thailand

In support of the government's policy to promote renewable energy and with the Company's strong commitment to social and environmental responsibility and participation in solving climate change and global warming, the Company has emphasized more in renewable energy investment, focusing on solar power, wind power and biomass power. As of 31 December 2017, the Company's total renewable energy power attribution production capacity that has already been transmitted to the system was 74.73 MW.

3. International Projects

The Company has expanded its business to international market to operate and seek opportunities to invest in power business and related businesses. At present, important investment bases are Lao PDR and Australia with the combine attribute production capacity of 1,419.67 MW.





4. Related Business

Throughout its entire operations, the Company has been seeking opportunity to develop related and other businesses through its subsidiaries, associates and joint ventures in Thailand and other countries to increase value to its business in the long term. These businesses include power plant operation and maintenance, coal mining, gas turbine maintenance and others. The investment is categorized by type of business as follows:

4.1 Power plant operations and maintenance services through RATCH O&M Company Limited, RATCH-Lao Services Company Limited and Chubu Electric Services Company Limited.

4.2 Gas turbine maintenance services through EGAT Diamond Service Company Limited.

4.3 Coal mining through Phu Fai Mining Company Limited which supplies fuel to Hongsa Power Company Limited.

4.4 Fuel sourcing services through Songkhla Biofuel Company Limited to supply fuel to Songkhla Biomass Company Limited.

4.5 Securities investment by purchasing shares in EDL-Generation Public Company Limited ("EDL-Gen"), a listed company on Lao Securities Exchange, through RATCH-Lao Services Company Limited (totalling 94.85 million shares or 5.65 percent) and RH International (Singapore) Corporation Pte. Limited (totalling 74.93 million shares or 4.46 percent.) The grand total is 169.78 million shares representing 10.11 percent. The Company's total attribution installed capacity from the investment in EDL-Gen is 114.36 MW.

4.6 Electric train services through BSR Joint Venture, a joint investment among the Company, BTS Group Holdings Public Company Limited and Sino-Thai Engineering and Construction Public Company Limited. The joint ventuer won concession from Mass Rapid Transit Authority of Thailand for the development of the MRT Pink Line Project (Khae Rai – Min Buri) and the MRT Yellow Line Project (Lat Phrao - Samrong). The Company's investment in these projects are equivalent to the attribution capacity of 191 MW.

Lead attractive power projects in established markets

Considering Thailand's high potential as an energy hub of the region due to its strategic location, potential for growth of neighboring countries and the government's investment promotion policy, the Company has increased its overseas investment for sustainable growth. The major investments are still in Thailand and CLMV countries (Kingdom of Cambodia, Lao PDR, Republic of the Union of Myanmar and Socialist Republic of Vietnam). Source of investment capital for these projects are the Company's cash flow and loan from domestic and international financial institutes.

Extend partnership for penetrating new markets

To maintain and strengthen its business foundation, the Company and its partners have invested in projects in foreign countries which are far from Thailand but have high potential. These markets, being considered new investment sources, are Republic of Korea (South Korea), Japan, Republic of the Philippines, People's Republic of China and Republic of Indonesia, for example. The Company has achieved satisfactory success as it was selected to operate new projects and establish joint ventures. However, investment in a foreign country with different social and cultural condition needs careful and cautious investment. The Company, therefore, selected low risk projects with appropriate returns. Investment capital in these projects is from the Company's cash flow and loan from financial institutes. Some of the loans are in foreign currency. In this regards, the Company has to be very careful and mitigate risks from foreign exchange rate fluctuation through the use of financial tools.

Capture higher value-added business

Technology advancement and disruption today have affected people's lives in both positive and negative ways. At the same time, it creates both opportunity and threat for many businesses. Believing there is opportunity in such challenges, the Company has continuously sought opportunities and adjusted itself to the changes. Business trend and opportunities have been carefully explored and the Company is considering investment in various startup projects. One of the latest investment opportunities is the investment in the MRT Pink Line and Yellow Line Projects.

Investors may find more information from the Form 56-1 as published on the Company's website: www.ratch.co.th and the SEC's website: www.sec.or.th.

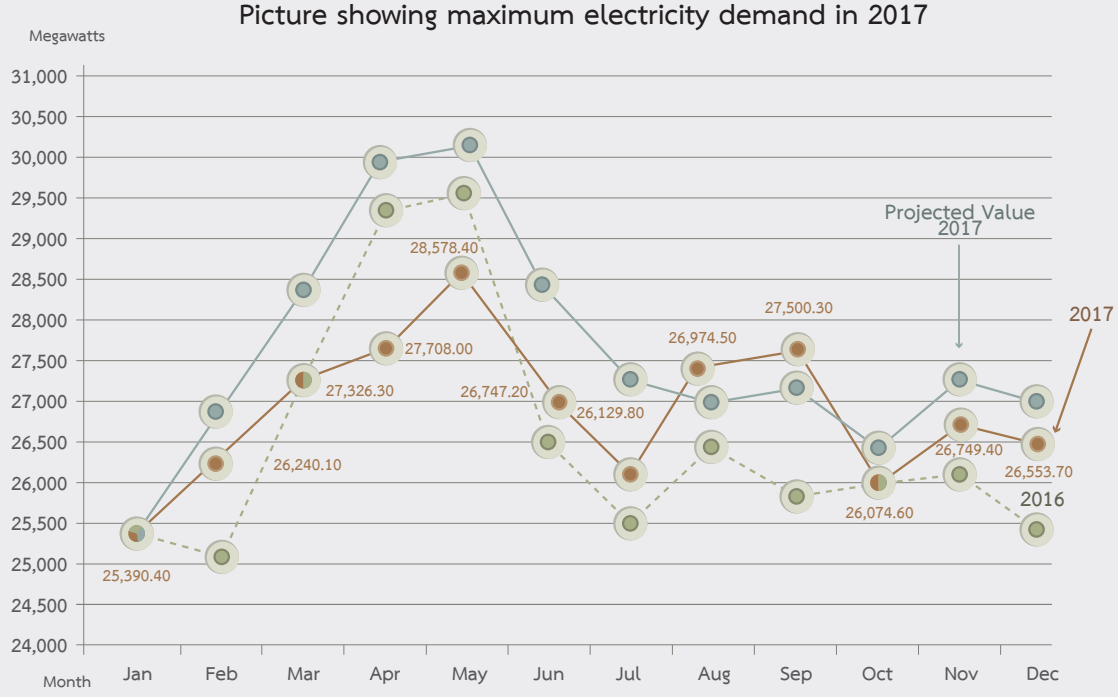


Industry and Competition Conditions

1. Domestic Industry and Competition Conditions

The maximum electricity demand in the Electricity Generating Authority of Thailand (EGAT)'s system in 2017 was 28,578.40 MW on 4 May 2017 at 14.20 hours, which was lower than the peak demand in 2016 of 29,618.80 MW or 3.50 percent or 1,040.40 MW. The country's maximum electricity demand in the 3 systems (including VSPP) was 30,303.40 MW, a reduction of 2.20 percent from that in 2016 which was 30,972.70 MW, representing 669.30 MW reduction. The country's maximum electricity demand this year was lower due to the lower temperature as the arrival of monsoon season caused the rains to arrive faster than normal.

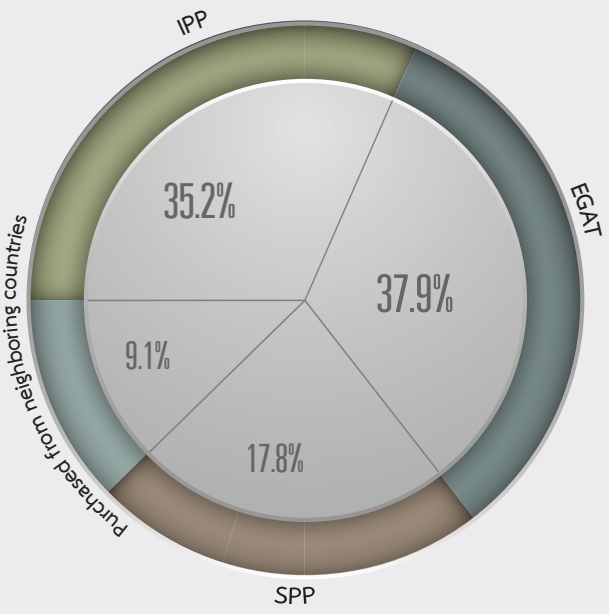
Picture showing maximum electricity demand in 2017



Source: www.egat.co.th, Electricity Generating Authority of Thailand

The system's total installed capacity as of 31 December 2017 was 42,433.25 MW, which equals the capacity of the past months. Out of this, 16,071.13 MW (37.90 percent) were generated by EGAT. The rest was purchased from IPPs totalling 14,948.50 MW (35.20 percent), from SPPs totalling 7,536.02 MW (17.80 percent) and from neighboring countries totalling 3,877.60 MW (9.10 percent) respectively. The production capacity in the system increased from the previous month due to the purchase of electricity of 370 MW from SPPs

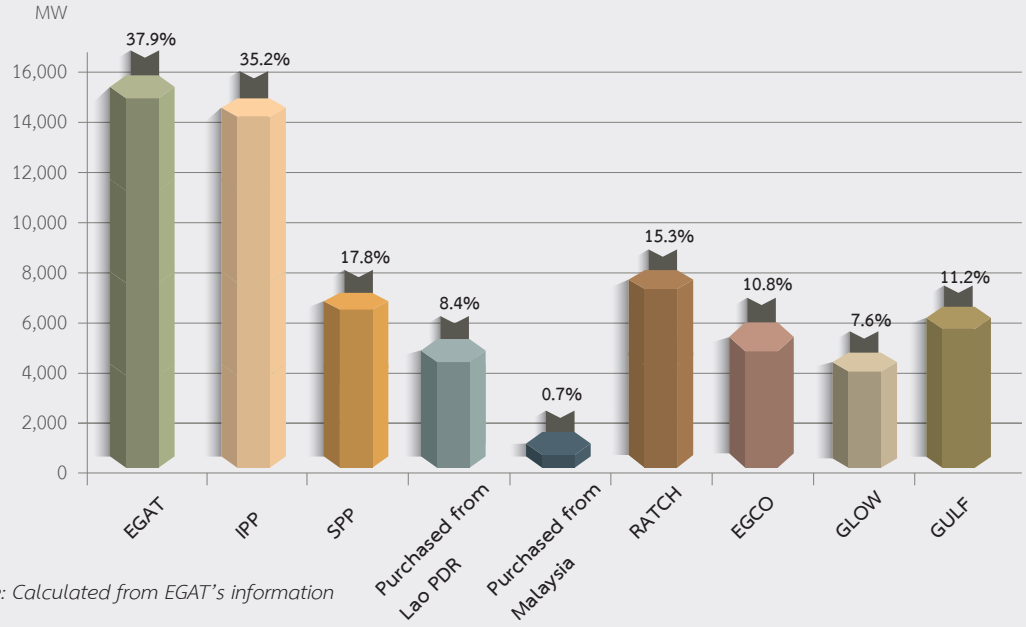
Picture showing installed capacity as of 31 December 2017



Source: Calculated from EGAT's information

As of 31 December 2017, the Company's attribution installed capacity in the system was 15.3 percent, followed by GULF, EGCO and GLOW representing 11.2 percent, 10.8 percent and 7.6 percent as shown in the picture.

Picture showing installed capacity of the system as of 31 December 2017



Source: Calculated from EGAT's information

Thailand's oil and electricity consumption report prepared by the Office of Energy Policy and Planning, Ministry of Energy, showed that the electricity production capacity in the first 10 months of 2017 was 169,409 GWh, increasing by 0.95 percent from the same period in the previous year. The main reason of the slight increase was the high base of the previous year and the increasing trend of self generation and direct purchase without using EGAT's system. Natural gas, which is the main fuel for electricity generation, accounts for 60.23 percent of all fuel consumed while renewable energy (including hydropower) accounts for 9.48 percent.

Table showing monthly fuel and electricity consumption in October 2017

Unit: gigawatt hour (GWh)

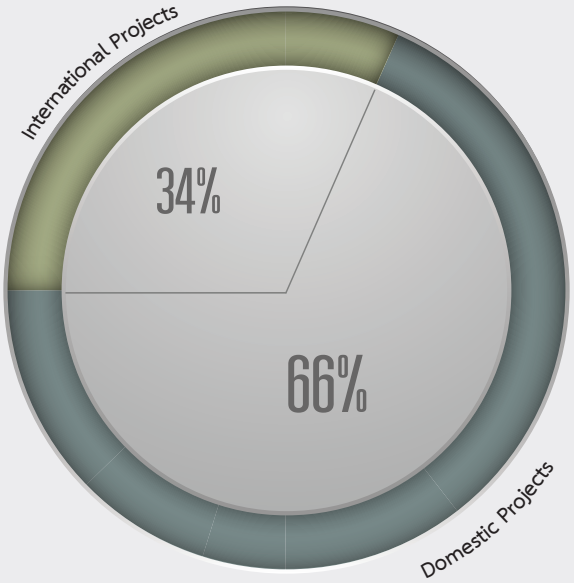
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total (Jan-Oct)	Total (Jan-Dec)
2013	14,275	14,505	16,369	15,325	16,748	15,386	15,363	15,475	14,921	15,040	14,642	13,130	153,433	181,205
2014	13,424	13,622	16,534	15,865	17,224	16,200	16,168	15,863	15,658	15,757	15,323	14,386	156,315	186,024
2015	14,095	14,000	16,842	15,952	17,706	16,832	16,717	16,341	15,994	16,209	16,015	15,487	160,687	192,189
2016	15,351	14,648	17,693	17,523	18,536	16,734	16,737	17,269	16,529	16,809	16,333	15,405	167,829	199,567
2017	15,502	14,907	18,024	16,872	17,923	17,222	17,022	17,691	17,411	16,835			169,409	
△ (%) from the same period in the previous year	0.98	1.77	1.87	-3.72	-3.31	2.91	1.70	2.45	5.33	0.16			0.94	
△ (%) from the previous month	0.63	-3.84	20.91	-6.39	6.23	-3.91	-1.16	3.93	-1.59	-3.31				

Source: www.eppo.go.th, Office of Energy Policy and Planning, Ministry of Energy

Remark: including VSPP

The Company has invested domestically and internationally with a goal to become a leading value-oriented energy company in Asia Pacific. Based on this vision, the Company has a policy to increase investment in international market, focusing on both power plant using fossil fuel and renewable energy, as well as other businesses related to electricity generation and energy. At present, apart from its business in Thailand, the Company operates projects in Lao PDR, Australia, People's Republic of China and Republic of Indonesia and is studying possibility to invest in new markets, including neighboring countries (Republic of the Union of Myanmar, Kingdom of Cambodia and Socialist Republic of Vietnam) and other countries in ASEAN and Asia-Pacific.

Picture showing the proportion of Company's domestic and international projects



2. Industry and Competition Conditions in Asia-Pacific

The Ministry of Energy proposed to the National Energy Policy Council (NEPC) a new Power Development Plan (PDP 2015) which is based on electricity demand and production capacity that addresses the changes in the industry. Under this plan, more focus is placed on renewable energy, and the electricity transmission line construction plan is included. The Company has closely monitored the progress of the plan so as to seek new investment opportunity. At the same time, the Company has closely monitored the movement in other countries, especially in Asia-Pacific region, to find opportunity to invest in high potential markets and support overall company growth.

2.1 Japan

After the fear from Fukushima crisis was lessened, the anti-nuclear power plant movement became weaker. It is forecasted that the industrial sector in Japan continues to use nuclear power to lower electricity costs which will also subsidize cost from renewable energy power plants. The Company also has a policy to increase renewable energy to one fourth of the total production capacity in the future.

2.2 People's Republic of China

The Chinese government's pollution reduction policy and the agreement on global warming has encouraged the People's Republic of China to gear more towards nuclear power plant rather than coal-fired power plants. According to the power plant development plan 2016 - 2020, a 58 GW nuclear power plant will be available in 2020, 160 GW power plants in 2030, and 240 GW power plants in 2050. This means 6-8 new nuclear power plants will be built per annum. However, coal-fired power plants will remain in use but with more efficient production system.

2.3 Australia

Australia is geographically ideal location of renewable energy power plants, especially wind power and solar power. The country has strong wind and high light intensity and is a leader in solar cell technology. The Australian government has a goal to have 33,000 GWh renewable energy power plant by 2020, meaning that there will be construction of renewable energy power plant for 6,500 GWh in the next five years.

2.4 Republic of the Philippines

The Republic of the Philippines has strong capacity in hydroelectric and geothermal power plant but lack stability in fossil energy. There has been high fuel import from other countries, therefore, the government promotes renewable energy electricity generation by setting a plan to have 50 percent of the total power plants operate on renewable energy by 2030. However, due to the lack of basic infrastructure that supports investment, the government still allows the opportunity for investment in other type of power plants, such as coal-fired power plants.

2.5 Republic of Indonesia

Power industry in the Republic of Indonesia centers around coal-fired power plant because of abundant resources which means low production costs. The government, however, announced a policy to promote renewable energy with an aim to increase the proportion of renewable energy to 19 percent in 2019 and 23 percent in 2025 according to the global warming reduction agreement.

2.6 Republic of Singapore

Most of the energy used in the Republic of Singapore's power plant is natural gas, representing 95 percent of the total energy used. Singapore imports natural gas mainly from the Federation of Malaysia and the Republic of Indonesia. The country plans to increase capacity of LNG receiving station to 11 million tons per year according to increasing electricity demand. At the 35th ASEAN Ministers on Energy Meeting held in Manila, Republic of the Philippines, a cooperation on energy integration agreement



was signed. According to the ASEAN Power Grid Phase 2, from 2020 onward, the Republic of Singapore will buy electricity from Lao PDR and transmit through Thai and Malaysian transmission system.

2.7 Federation of Malaysia

The Federation of Malaysia tends to increase electricity generation from coal due to lower cost. The government also wants to lower dependence on natural gas in electricity generation.

2.8 Negara Brunei Darussalam

Negara Brunei Darussalam is rich of natural gas and therefore relies mainly on this type of fuel. The country has a plan to increase renewable energy in power production to 10 percent by 2035.

2.9 Kingdom of Cambodia

The Kingdom of Cambodia plans to increase production capacity from natural gas-fired power plant to 50 percent by 2030. Although electricity generation from coal and hydropower is lower, they remain high at present.

2.10 Lao PDR

Lao PDR's power development plan 2016 - 2025 continues to focus mainly on hydropower. The power system will be supported by other type of power plants to increase the system stability. Électricité du Laos (EDL) has set a strategy to purchase electricity from other countries and resell to its neighboring countries.



2.11 Republic of the Union of Myanmar

According to power development plan, the Republic of the Union of Myanmar focuses mainly on generating electricity from hydropower, similar to Lao PDR, because of the abundant resource. The country also plans to build more coal-fired power plants to increase stability in dry season.

2.12 Socialist Republic of Vietnam

The Socialist Republic of Vietnam's power plant development plan identifies the increase in thermal power plants, such as coal and natural gas which will use more advanced technology to reduce pollution emission to the environment. The country also announced the goal to increase power production from renewable energy to 22 percent, including wind power, solar power and biomass.

Investment Structure

RATCH
RATCHABURI ELECTRICITY GENERATING HOLDING PCL.

IPPs and SPPs in Thailand

99.99% Ratchaburi Electricity Generating Company Limited

- 40% Nava Nakorn Electricity Generating Company Limited
- 40% Ratchaburi World Cogeneration Company Limited
- 35% Berkprai Cogeneration Company Limited

99.99% Ratchaburi Alliances Company Limited

- 25% Ratchaburi Power Company Limited

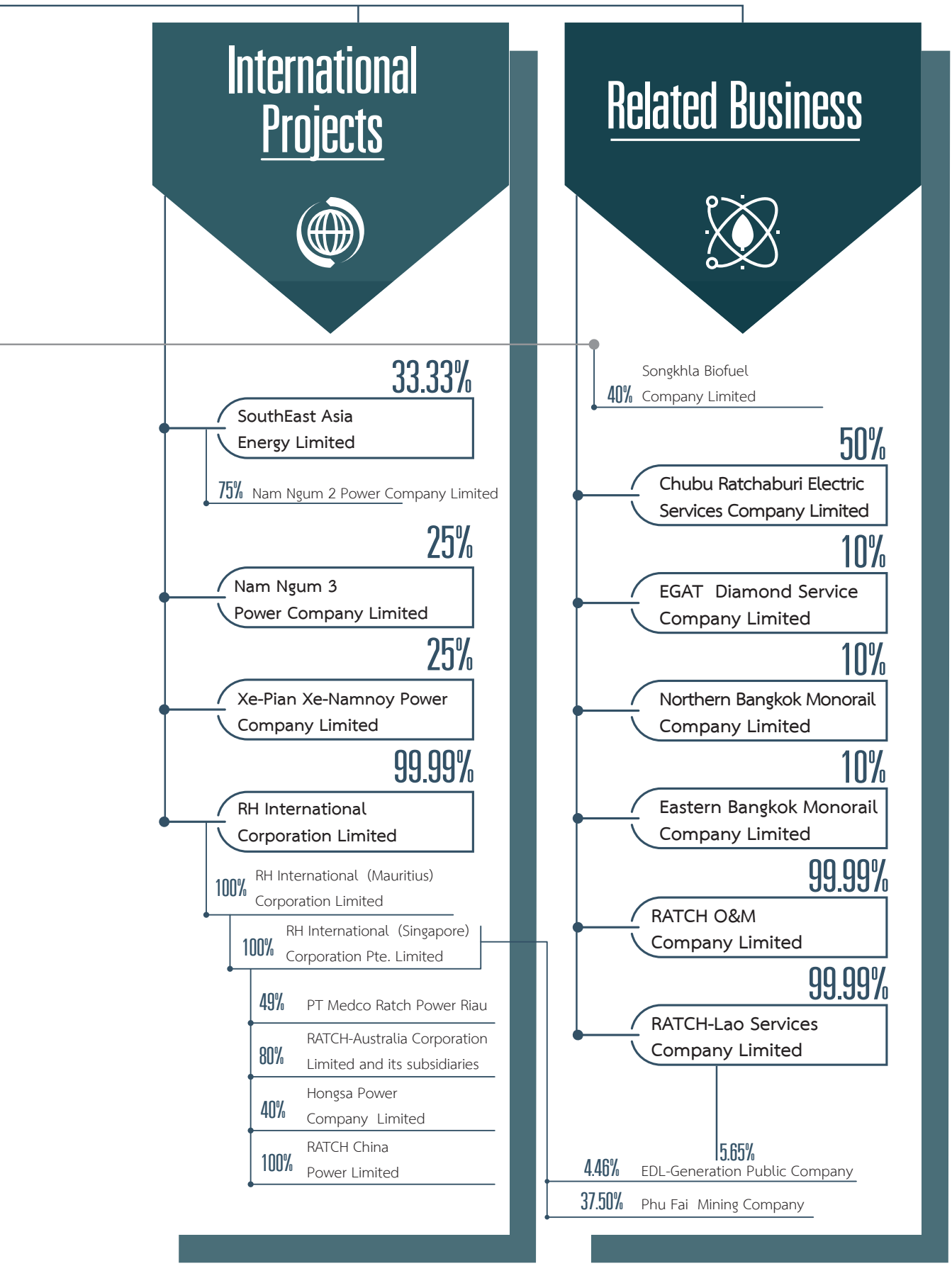
Renewable Projects in Thailand

99.99% Ratchaburi Energy Company Limited

- 99.99% RE Solar 1 Company Limited
- 99.99% LP Biomass Company Limited
- 99.99% CN Biomass Company Limited
- 99.99% PB Biomass Company Limited
- 49% Solarta Company Limited
- 40% Songkhla Biomass Company Limited
- 40% Solar Power (Korat 3) Company Limited
- 40% Solar Power (Korat 4) Company Limited
- 40% Solar Power (Korat 7) Company Limited

20% K. R. Two Company Limited

20% First Korat Wind Company Limited


International Projects
33.33%
SouthEast Asia Energy Limited
75% Nam Ngum 2 Power Company Limited
25%
Nam Ngum 3 Power Company Limited
25%
Xe-Pian Xe-Namnoy Power Company Limited
99.99%
RH International Corporation Limited
100% RH International (Mauritius) Corporation Limited
100% RH International (Singapore) Corporation Pte. Limited
49% PT Medco Ratch Power Riau
80% RATCH-Australia Corporation Limited and its subsidiaries
40% Hongsa Power Company Limited
100% RATCH China Power Limited
Related Business
40% Songkhla Biofuel Company Limited
50%
Chubu Ratchaburi Electric Services Company Limited
10%
EGAT Diamond Service Company Limited
10%
Northern Bangkok Monorail Company Limited
10%
Eastern Bangkok Monorail Company Limited
99.99%
RATCH O&M Company Limited
99.99%
RATCH-Lao Services Company Limited
5.65%
4.46% EDL-Generation Public Company
37.50% Phu Fai Mining Company

List of changes in the Company's Group's investment structure

International Projects

1. RH International (Singapore) Corporation Pte. Limited sold its entire shareholding (60 percent) in RICI International Investment Pte. Limited to the existing shareholder.
2. The Company made 49 percent investment in PT Medco Ratch Power Riau to develop Riau Combined-Cycle Power Plant Project.
3 KK Power Company Limited, a joint venture which the Company held 50 percent stake, has been dissolved and liquidated in accordance with law of the Kingdom of Cambodia.

Related Business

1. Ratchaburi Energy Company Limited sold its entire shareholding (60 percent) in Oversea Green Energy Company Limited to the existing shareholder.
2 The Company made 10 percent investment in Northern Bangkok Monorail Company Limited to participate in the development of the MRT Pink Line Project.
3. The Company made 10 percent investment in Eastern Bangkok Monorail Company Limited to participate in the development of the MRT Yellow Line Project.

The Company's Group comprises subsidiaries, associates and joint ventures as follows:

14 Subsidiaries

Company's Name - Address	Shareholding (%)	Type of Business	Registered capital	Ordinary shares	Par value	Paid-up capital
1. Ratchaburi Electricity Generating Company Limited 128 Moo 6, Phikulthong, Muang, Ratchaburi 70000 Tel. : +66 2978 5111-9 +66 3236 5740 Ext. 3210 Fax. : +66 2978 5110 +66 3236 5740 Ext. 3204 Location of Branch 2 39 Moo 5, Ratchaburi-HuayPhai Road, Hin Kong, Muang, Ratchaburi 70000 Tel. : +66 3271 9000 Fax. : +66 3271 9090	99.99	Produce and sell electricity and invest in electricity related business	Baht 21,900 million	2,190 million shares	Baht 10	Baht 21,900 million
2. Ratchaburi Alliances Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99	Invest in electricity related business	Baht 420.20 million	42.02 million shares	Baht 10	Baht 420.20 million
3. Ratchaburi Energy Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99	Develop and operate power plants and invest in Electricity related business	Baht 640 million	64 million shares	Baht 10	Baht 640 million
4. RH International Corporation Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99	Invest in electricity related business	Baht 17,650 million	1,765 million shares	Baht 10	Baht 17,650 million
5. RATCH O&M Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99	Provide power plant operation and maintenance services	Baht 10 million	1 million shares	Baht 10	Baht 2.5 million
6. RATCH-Lao Services Company Limited 187 Unit 12, Ban Ponesa-ad, Saysetha, Viantiane, Lao PDR Tel. : +856 21 454 074 Fax. : +856 21 454 075	99.99	Provide power plant operation and maintenance services	USD 2.5 million	2.5 million shares	USD 1	USD 2.5 million

Subsidiaries

Company's Name - Address	Shareholding (%)	Type of Business	Registered capital	Ordinary shares	Par value	Paid-up capital
7. RE Solar 1 Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99 (Held by Ratchaburi Energy Company Limited)	Producing and selling electricity	Baht 100 million	10 million shares	Baht 10	Baht 25 million
8. CN Biomass Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99 (Held by Ratchaburi Energy Company Limited)	Producing and selling electricity	Baht 20 million	2 million shares	Baht 10	Baht 5 million
9. PB Biomass Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99 (Held by Ratchaburi Energy Company Limited)	Producing and selling electricity	Baht 20 million	2 million shares	Baht 10	Baht 5 million
10. LP Biomass Company Limited 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2794 9999 Fax. : +66 2794 9998	99.99 (Held by Ratchaburi Energy Company Limited	Producing and selling electricity	Baht 20 million	2 million shares	Baht 10	Baht 5 million
11. RH International (Mauritius) Corporation Limited 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius	100 (Held by RH International Corporation Limited)	Invest in electricity related business in foreign countries	USD 524.13 million	524.13 million shares	USD 1	USD 524.13 million
12. RH International (Singapore) Corporation Pte. Limited 8 Marina Boulevard #05-02 Marina Bay Financial Centre Tower 1, Singapore 018981	100 (Held by RH International (Mauritius) Corporation Limited)	Invest in electricity related business in foreign countries	USD 523.83 million	523.83 million shares	USD 1	USD 523.83 million or equivalent
13. RATCH China Power Limited 1401 Hutchison House 10, Harcout Road, Hong Kong	100 (Held by RH International (Singapore) Corporation Pte. Limited)	Invest in electricity generating business in foreign countries	USD 12,000	12,000 shares	USD 1	USD 12,000
14. RATCH-Australia Corporation Limited Level 7, 111 Pacific Highway, North Sydney, NSW 2060, Australia Tel. : +61 2 8913 9400 Fax. : +61 2 8913 9423	80 (Held by RH International (Singapore) Corporation Pte. Limited)	Develop and operate power plant and invest in electricity related businesses	AUD 159.38 million	15.99 million shares	AUD 10 million	AUD 159.38 million

Subsidiaries, associates and joint ventures totalling 24 companies

Company's Name - Address	Shareholding (%)	Type of Business	Registered capital	Ordinary shares	Par value	Paid-up capital
1. Chubu Ratchaburi Electric Services Company Limited 128 Moo 6, Tambon Pikulthong, Amphur Mueang, Ratchaburi 70000 Tel. : +66 2978 5180, +66 3236 5740 Ext. 3210 Fax. : +66 2978 5126, +66 3236 5740 Ext. 3204	50	Provide power plant operation and maintenance services	Baht 20 million	0.40 million shares	Baht 50	Baht 20 million
2. PT Medco Ratch Power Riau The Energy Building, 50th Floor, SCBD Lot 11A, Jl. Jendral Sudirman Kav. 52-53, Jakarta 12190, Indonesia	49 (Held by RH International (Singapore) Corporation Pte. Limited)		IDR 12,000 million	12 million shares	IDR 1,000	IDR 3,000 million
3. SouthEast Asia Energy Limited 587 Viriyathavorn, 20th Floor, Suthisarnvinijchai Road, Din Daeng, Din Daeng, Bangkok 10400 Tel. : +66 2275 4873 Fax. : +66 2691 8307	33.33	Invest in electricity related businesses	Baht 6,606.75 million	660.675 million shares	Baht 10	6,606.75 million
4. Nam Ngum 3 Company Limited 093,Unit 07, Kamphengmeaung Road, Vienchaleun Village, Saysetha District, Vientiane, Lao PDR Tel: +856 21 412 639 Fax: +856 21 412 644	25	Produce and sell electricity	USD 0.30 million	0.003 million shares	USD 100	USD 0.06 million
5. Xe-Pian Xe-Namnoy Power Company Limited Capital Tower, 6th Floor, 23 Singha Road, Ban Nong Bon, Saysettha, Vientiane Capital City, Lao PDR Tel. : +856 21 455 025 Fax. : +856 21 455 025	25	Produce and sell electricity	USD 306 million	3.06 million shares	USD 100	USD 189.61 million
6. First Korat Wind Company Limited 87 M Thai Tower, All Seasons Place, 27th Floor, Wireless Road, Lumpini Bangkok, Pathumwan Bangkok 10330 Tel. : +66 2654 1155-8 Fax. : +66 2654 1159	20	Produce and sell electricity	Baht 1,996.02 million	199.602 million shares	Baht 10	Baht 1,996.02 million
7. K. R. Two Company Limited 87 M Thai Tower, All Seasons Place, 27th Floor, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Tel. : +66 2654 1155-8 Fax. : +66 2654 1159	20	Produce and sell electricity	Baht 1,827 million	182.70 million shares	Baht 10	Baht 1,827 million

Subsidiaries, associates and joint ventures totalling

Company's Name - Address	Shareholding (%)	Type of Business	Registered capital	Ordinary shares	Par value	Paid-up capital
8. Ratchaburi World Cogeneration Company Limited 155/115 Ratchaburi Industrial Estate, Moo 4 Chet Samian, Potharam, Ratchaburi 70120 Tel. : +66 3237 5869 Fax. : +66 3237 5870 Branch Office (1) 155/116 Ratchaburi Industrial Estate, Moo 4 Chet Samian, Potharam, Ratchaburi 70120 Branch Office (2) 155/117 Ratchaburi Industrial Estate, Moo 4 Chet Samian, Potharam, Ratchaburi 70120	40 (Held by Ratchaburi Electricity Generating Company Limited)	Produce and sell electricity and steam	Baht 2,500 million	250 million shares	Baht 10	Baht 2,500 million
9. Nava Nakorn Electricity Generating Company Limited 111 Moo 20 Paholyothin Road, Khlong Nueng, Khlong Luang, Pathumthani	40 (Held by Ratchaburi Electricity Generating Company Limited)	Produce and sell electricity and steam	Baht 1,550 million	150 million shares	Baht 10	Baht 1,525.01 million
10. Berkprai Cogeneraion Company Limited 302 S&A Building, 2nd Floor, Silom Road, Suriwong, Bang Rak, Bangkok Tel. : +66 2978 5380 Fax. : +66 2978 5080 Ext. 5380	35 (Held by Ratchaburi Electricity Generating Company Limited)	Produce and sell electricity and steam	Baht 1,331 million	133.10 million shares	Baht 10	Baht 1,331 million
11. Solarta Company Limited 8/8 Moo 2 Bangkhen, Muang, Nonthaburi 11000 Tel. : +66 2978 5200 Fax. : +66 2978 5080 Ext. 5200	49 (Held by Ratchaburi Energy Company Limited)	Produce and sell electricity	Baht 1,320 million	13.20 million shares	Baht 100	Baht 1,100 million
12. Solar Power (Korat 3) Company Limited 333/22 Sukhumvit 55, Sukhumvit Road, Khlong Tan Nua, Wattana, Bangkok 10110 Tel. : +66 2712 7374-6, +66 2185 2342-3 Fax. : +66 2712 7378, +66 2185 2344	40 (Held by Ratchaburi Energy Company Limited	Produce and sell electricity	Baht 188.75 million	18.875 million shares	Baht 10	Baht 188.75 million

Subsidiaries, associates and joint ventures totalling

Company's Name - Address	Shareholding (%)	Type of Business	Registered capital	Ordinary shares	Par value	Paid-up capital
13. Solar Power (Korat 4) Company Limited 333/22 Sukhumvit 55, Sukhumvit Road, Khlong Tan Nua, Wattana, Bangkok 10110 Tel. : +66 2712 7374-6, +66 2185 2342-3 Fax. : +66 2712 7378, +66 2185 2344	40 (Held by Ratchaburi Energy Company Limited)	Produce and sell electricity	Baht 199.25 million	19.925 million shares	Baht 10	Baht 199.25 million
14. Solar Power (Korat 7) Company Limited 333/22 Sukhumvit 55, Sukhumvit Road, Khlong Tan Nua, Wattana, Bangkok 10110 Tel. : +66 2712 7374-6, +66 2185 2342-3 Fax. : +66 2712 7378, +66 2185 2344	40 (Held by Ratchaburi Energy Company Limited)	Produce and sell electricity	Baht 188.75 million	18.875 million shares	Baht 10	Baht 188.75 million
15. Songkhla Biomass Company Limited 56 Moo 3 Khun Tat Wai, Jana, Songkhla Tel. : +66 7489 0754-5 Fax. : +66 7489 0757	40 (Held by Ratchaburi Energy Company Limited	Produce and sell electricity	Baht 246 million	2.46 million shares	Baht 100	Baht 246 million
16. Songkhla Biofuel Company Limited 1842 Krungthep-Nonthaburi Road, Wongsawang, Bang Sue, Bangkok 10800 Tel. : +66 2910 9700 Fax. : +66 2910 9713	40 (Held by Ratchaburi Energy Company Limited)	Biomass sourcing	Baht 1 million	0.01 million shares	Baht 100	Baht 1 million
17. Ratchaburi Power Company Limited 1828 Sukhumvit Road, Bang Chak, Phra Khanong, Bangkok 10260 Tel. : +66 2311 5111 Fax. : +66 2332 3882	25 (Held by Ratchaburi Alliances Company Limited)	Produce and sell electricity	Baht 7,325 million	73.25 million shares	Baht 100	Baht 7,325 million
18. Nam Ngum 2 Power Company Limited 215 Lan Chang Road, Ban Chiang Yuen, Chantamoon, Vientaine, Lao PDR Tel. : +856 21 251 718 Fax. : +856 21 252 060	25 (Held by SouthEast Asia Energy Limited	Produce and sell electricity	Baht 8,809 million	0.881 million shares	Baht 10	Baht 8,809 million

Subsidiaries, associates and joint ventures totalling

Company's Name - Address	Shareholding (%)	Type of Business	Registered capital	Ordinary shares	Par value	Paid-up capital
19. Hongsa Power Company Limited Sikhottabong, Vientiane Capital City, Lao PDR Tel. : +856 21 223 911 Fax. : +856 21 222 089	40 (Held by RH International (Singapore) Corporation Pte. Limited)	Produce and sell electricity	USD 927 million	92.70 million shares	USD 10	USD 927 million
20. Phu Fai Mining Company Limited Sikhottabong, Vientiane Capital City, Lao PDR Tel. : +856 21 223 911 Fax. : +856 21 222 089	37.50 (Held by RH International (Singapore) Corporation Pte. Limited)	Produce and sell coal	USD 0.05 million	0.005 million shares	USD 10	USD 0.05 million
21. EGAT Diamond Service Company Limited 56/25 Moo 20, Khlong Nueng, Khlong Luang, Pathumthani 12120 Tel. : +66 2529 0808 Fax. : +66 2529 0900	10	Provide gas turbine maintenance services	Baht 623 million	6.23 million shares	Baht 100	Baht 623 million
22. Northern Bangkok Monorail Company Limited 21 Soi Choey Phuang, Vibhavadi Rangsit Road, Chom Phol, Chatuchak, Bangkok	10	Provide transport, cargo and passenger transport by electric train systems, and transport related activities	Baht 3,500 million	35 million shares	Baht 100	Baht 3,500 million
23. Easthern Bangkok Monorail Company Limited 21 Soi Choey Phuang, Vibhavadi Rangsit Road, Chom Phol, Chatuchak, Bangkok	10	Provide transport, cargo and passenger transport by electric train system services, and transport related activities	Baht 3,500 million	35 million shares	Baht 100	Baht 3,500 million
24. EDL-Generation Public Company Lao-Thai Friendship Road, Thongkang Village, Sisatanark District, P.O.Box 2392 Vientiane Lao PDR Tel: +856 21 316 141 Fax: +856 21 316 142 Website: www.edlgen.com.la	10.11 (Held by RATCH-Lao Services Company Limited (5.65%) Company Limited and RH International (Singapore) Corporation Pte. Limited (4.46%)	Produce and sell electricity	LAK6,717,214.79 million	1,679.304 million shares	LAK 4,000	LAK6,717,214.79 million



Revenue Structure and Dividend Payment Policy

Revenue structure of the Company, subsidiaries, associates and joint ventures

The Company's main source of revenue is the sales of electricity generated by Ratchaburi Electricity Generating Company Limited, a subsidiary, to EGAT under the 25-year power purchase agreement (PPA). Ratchaburi Power Plant's and Tri Energy Power Plant's revenue structure includes 3 main parts as follows:

1. Availability Payment (AP)

AP covers the entire fixed operating costs, such as maintenance expenses and management expenses. Generally, AP depends on the power plant's readiness to produce and distribute electricity according to EGAT's requirement.

2. Energy Payment (EP)

EP is received after electricity is generated and transmitted to the EGAT's transmission system.

EP comprises two major parts:

1) Fuel Payment
2) Variable Operating and Maintenance Payment

3. Finance Lease

Revenue from finance lease covers availability payment in the loan and shareholders' return part.

It is recorded under effective interest rate method, which is according to the Thai Financial Reporting Interpretation Committee standard No.4 (TFRIC 4).

In addition to the main revenue from electricity sold by Ratchaburi Power Plant, the Company has consolidated electricity sales from RATCH-Australia Corporation Limited (RAC), a subsidiary located in Australia whose main income is from the long-term PPA for its thermal power plants and wind power plants. The basic revenue structure according to the long-term PPA for the thermal power plants includes:

1. Capacity Charge covering the total investment including maintenance costs and actual capacity availability in electricity generation and distribution as stated in the PPA.
2. Energy Charge which is received when electricity is produced. This includes fuel payment and variable operating and maintenance payment.

RAC's wind power plants' income from electricity sales is calculated by electricity generated times price per unit.

In addition, the Company recognizes share of profit from joint ventures which invest in electricity generating business with other partners as follows:

1. Hongsa Power Company Limited, in which the Company's subsidiary, RH International (Singapore) Corporation Pte. Limited, holds 40 percent stake, has a 25-year power purchase agreement with EGAT. Electricity sales income comprises 3 parts: Availability Payment, Energy Payment, and Finance Lease, which is similar to the basic incomes of Ratchaburi Electricity Generating Company Limited. At present, The Unit 1, Unit 2 and Unit 3 of Hongsa Thermal Power Plant have begun commercial operations and transmitted electricity to EGAT since 2 June 2015 and 2 November 2015 and 2 March 2016 respectively.

2. Ratchaburi Power Company Limited whose 25 percent stake is held by Ratchaburi Alliances Company Limited, the Company's subsidiary, has electricity sales from the 2 units of combined cycled power plant. The sales income can be divided into 3 parts, which are Availability Payment, Energy Payment and Finance Lease, similar to the basic incomes of Ratchaburi Electricity Generating Company Limited.

3. Ratchaburi World Cogeneration Company Limited, in which Ratchaburi Electricity Generating Company Limited, the Company's subsidiary, holds 40 percent stake, has a 25-year firm cogeneration PPA with EGAT. The Unit 1 and Unit 2 of Ratchaburi World Power Plant commenced commercial operations and transmitted electricity to EGAT on 1 November 2014 and 1 March 2015 respectively.

4. Nava Nakorn Electricity Generating Company Limited, in which Ratchaburi Electricity Generating Company Limited, the Company's subsidiary, holds 40 percent stake, operates Nava Nakorn SPP Power Plant with a 25-year firm cogeneration PPA with EGAT. Nava Nakorn SPP Power Plant commenced commercial operation on 3 June 2016.

5. SouthEast Asia Energy Limited in which the Company holds 33.33 percent stake received income from sales of electricity



generated by the Nam Ngum 2 Hydroelectric Power Plant in Lao PDR with a 25-year PPA with EGAT starting from its initial operation date on 26 March 2011.

6. Solarta Company Limited whose 49 percent stake is held by Ratchaburi Energy Company Limited, the Company's subsidiary, operates 8 solar power plants. It has non-firm PPA for very small power producer (VSPP) with Provincial Electricity Authority (PEA) and receives adder of Baht 8 per unit from the Electricity Development Fund, Office of Energy Regulatory Commission (OERC) for 10 years.

7. First Korat Wind Company Limited (Huay Bong 3 Wind-Turbine Power Plant) and K. R. Two Company Limited (Huay Bong 2 Wind-Turbine Power Plant), in both of which the Company holds 20 percent stake, operate wind farms. They have non-firm PPAs for small power producer (SPP) with EGAT and received adder of Baht 3.5 per unit for 10 years from the Electricity Development Fund. The electricity sales income can be divided into 3 parts: Energy Payment, Adder and wholesale Ft, similar to that of Solarta Company Limited.

8. Solar Power (Korat 3) Company Limited, Solar Power (Korat 4) Company Limited and Solar Power (Korat 7) Company Limited, in all of which Ratchaburi Energy Company Limited, the Company's subsidiary, holds 40 percent stake, generate electricity from solar power. They have non-firm PPAs for VSPP with PEA and received adder of Baht 8 per unit from the Electricity Development Fund for 10 years. Its electricity sales income can be divided into 3 parts: Energy Payment, Adder and wholesale Ft, similar to that of Solarta Company Limited.

9. Songkhla Biomass Company Limited, in which Ratchaburi Energy Company Limited, the Company's subsidiary, holds 40 percent stake, operates biomass power plant which is fueled by bark and bara rubber roots. Located in Jana district in Songkhla province, it has a 5-year power purchase agreement with the PEA, which will be automatically renewed every 5 years (totalling 20 years.) Songkhla Biomass Power Plant has commenced commercial operation since 9 November 2015.

10. Chubu Ratchaburi Electric Services Company Limited in which the Company holds 50 percent stake, receives income from providing operating and maintenance services under the 14-year contract for Ratchaburi Power Company Limited's Power Plant.

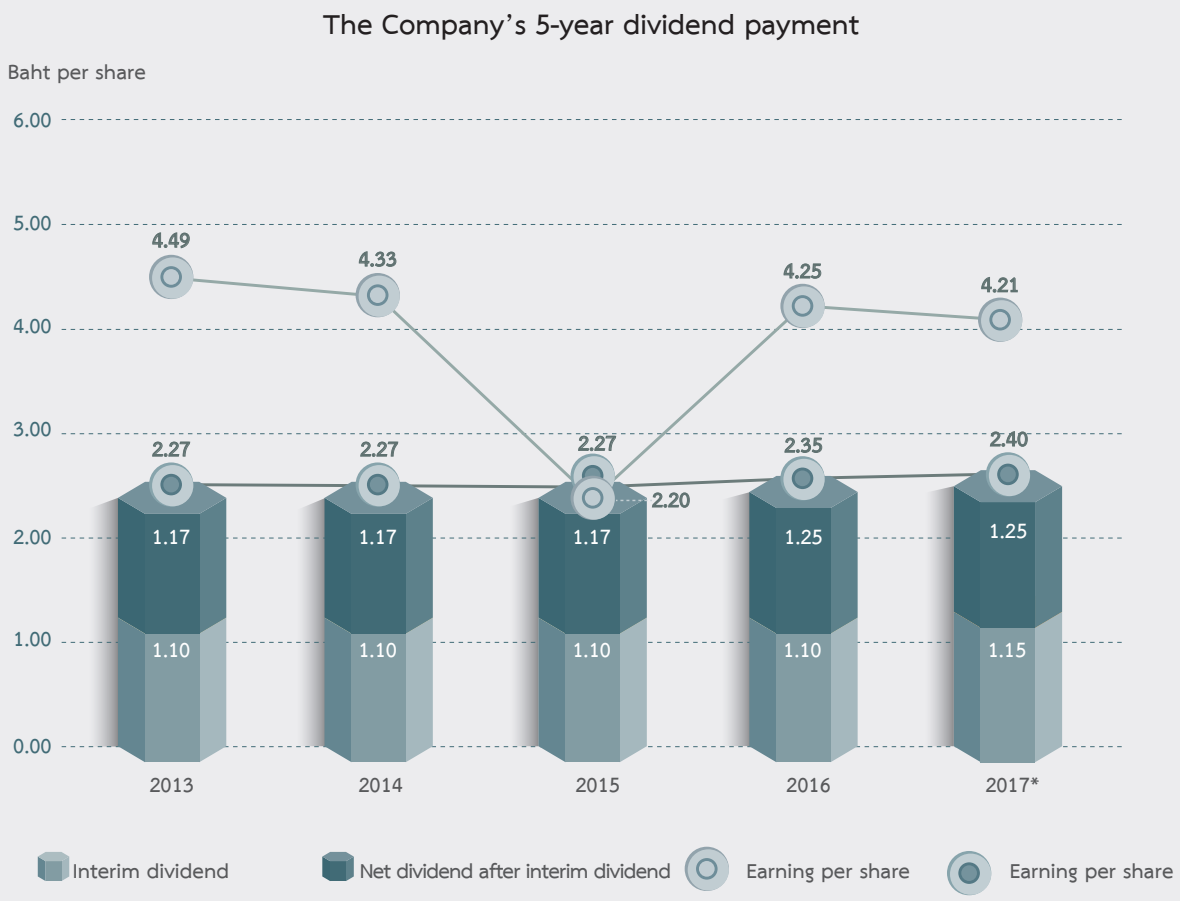
Revenue Structure 2015 - 2017

Types of Revenue	Generated by	Company's Stake (%)	Revenue (Million Baht)					
			2017		2016		2015	
			Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sale and rendering of services								
- AP	Ratchaburi Electricity Generating Company Limited	99.99	3,855.65	8.30	3,296.27	6.43	4,283.88	7.22
- AP	RATCH-Australia Corporation Limited	80.00	1,618.35	3.48	1,616.73	3.15	1,541.28	2.60
- EP	Ratchaburi Electricity Generating Company Limited	99.99	31,770.13	68.41	37,222.24	72.59	45,328.61	76.41
- EP	RATCH-Australia Corporation Limited	80.00	705.51	1.52	712.54	1.39	712.68	1.20
- EP	Ratchaburi Energy Company Limited	99.99	-	-	-	-	66.12	0.11
- O&M	RATCH-Lao Services Company Limited	99.99	50.88	0.11	239.26	0.46	238.87	0.40
Revenue from finance lease contracts	Ratchaburi Electricity Generating Company Limited	99.99	3,995.45	8.60	4,491.34	8.75	5,005.33	8.44
Share of profit (loss) of jointly-controlled and associated entities	Hongsa Power Company Limited	40.00	2,017.80	4.35	1,196.18	2.32	(270.97)	(0.46)
	Ratchaburi Power Company Limited	25.00	332.39	0.72	458.88	0.89	493.50	0.83
	Ratchaburi World Cogeneration Company Limited	40.00	243.10	0.52	231.32	0.45	135.52	0.23
	SouthEast Asia Energy Limited	33.33	240.35	0.52	173.23	0.34	142.84	0.24
	Solarta Company Limited	49.00	196.21	0.42	177.69	0.35	172.29	0.29
	Nava Nakorn Electricity Generating Company Limited	40.00	162.53	0.35	59.27	0.12	(14.74)	(0.02)
	Phu Fai Mining Company Limited	37.50	154.65	0.33	107.05	0.21	25.44	0.04
	First Korat Wind Company Limited	20.00	113.97	0.25	125.66	0.25	109.62	0.18
	K. R. Two Company Limited	20.00	85.90	0.18	102.55	0.20	95.14	0.16
	Pert Power Partnership (Kwinana)	30.00	57.48	0.12	80.27	0.16	80.37	0.14
	Chubu Ratchaburi Electric Services Company Limited	50.00	28.94	0.06	41.76	0.08	9.13	0.02
	Solar Power (Korat 7)	40.00	27.67	0.06	27.51	0.05	24.90	0.04
	Solar Power (Korat 3)	40.00	27.19	0.06	27.36	0.05	24.03	0.04
	Songkhla Biomass Company Limited	40.00	26.92	0.06	47.94	0.09	(13.98)	(0.02)
	Solar Power (Korat 4)	40.00	25.53	0.05	25.55	0.05	23.32	0.04
	Songkhla Biofuel Company Limited	40.00	(0.02)	-	-	-	-	-
	Under Construction Projects							
	Berkprai Cogeneration Company Limited	35.00	(6.43)	(0.01)	(1.61)	-	0.05	-
	PT Medco Ratch Power Riau	49.00	(10.46)	(0.02)	-	-	-	-
	Xe-Pian Xe-Namnoy Power Company Limited	25.00	(152.75)	(0.33)	60.16	0.12	72.04	0.12
	RICI International Investment Pte. Ltd. (Sold 2017)	60.00	3.85	0.01	(37.43)	(0.07)	8.76	0.01
	Oversea Green Energy Company Limited (Sold 2017)	60.00	2.34	0.01	3.86	0.01	(1.21)	-
	Ayudhya Power Company Limited (Liquidated in 2015)	-	-	-	-	-	0.04	-
Management service income	Ratchaburi Electricity Generating Holding Public Company Limited		243.92	0.53	254.86	0.50	254.36	0.43
	RATCH-Lao Services Company Limited	99.99	0.74	-	3.38	0.01	3.74	0.01

Types of Revenue	Generated by	Company's Stake (%)	Revenue (Million Baht)					
			2017		2016		2015	
			Million Baht	%	Million Baht	%	Million Baht	%
Interest income	Ratchaburi Electricity Generating Holding Public Company Limited		109.39	0.24	115.92	0.23	181.18	0.31
	RATCH-Australia Corporation Limited	80.00	34.27	0.07	23.10	0.05	11.32	0.02
	Ratchaburi Electricity Generating Company Limited	99.99	15.12	0.03	15.44	0.03	59.95	0.10
	RH International (Singapore) Corporation Pte. Ltd.	100	4.48	0.01	7.35	0.01	42.89	0.07
	RH International Corporation Limited	99.99	2.49	0.01	2.65	0.01	3.63	0.01
	Ratchaburi Energy Company Limited	99.99	0.14	-	0.40	-	0.57	-
	Ratchaburi Alliances Company Limited	99.99	0.04	-	0.03	-	37.41	0.06
	RH International (Mauritius) Corporation Limited	100	0.02	-	0.02	-	0.11	-
	RATCH O&M Company Limited	99.99	0.01	-	0.01	-	0.01	-
	RATCH-Lao Services Company Limited	99.99	-	-	-	-	1.39	-
	Tri Energy Company Limited	-	-	-	-	-	0.01	-
Dividend income	RATCH-Lao Services Company Limited	99.99	105.47	0.23	114.20	0.22	121.12	0.20
	RH International (Singapore) Corporation Pte. Ltd.	100	83.43	0.18	90.52	0.18	90.95	0.15
Other incomes	Ratchaburi Electricity Generating Company Limited	99.99	153.39	0.33	110.46	0.22	95.82	0.16
	RATCH-Australia Corporation Limited	80.00	108.61	0.23	46.81	0.09	5.43	0.01
	Ratchaburi Electricity Generating Holding Public Company Limited		3.04	0.01	2.32	-	4.47	0.01
	Ratchaburi Energy Company Limited	99.99	0.45	-	6.83	0.01	117.48	0.20
	RATCH-Lao Services Company Limited	99.99	0.19	-	-	-	0.61	-
	Ratchaburi Alliances Company Limited	99.99	-	-	-	-	0.99	-
Total			46,438.33	100.00	51,279.88	100.00	59,326.30	100.00

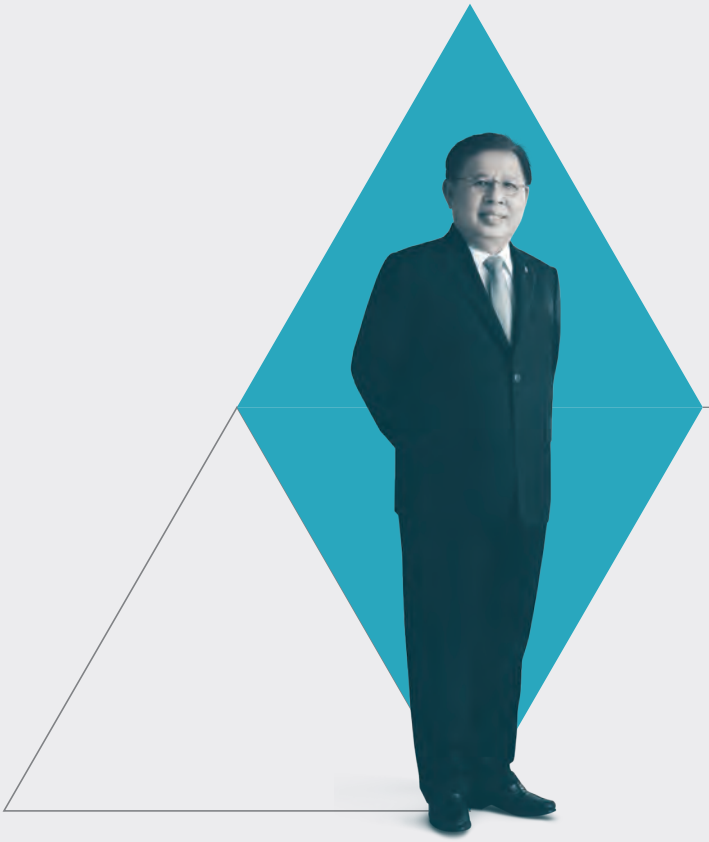
Dividend Payment Policy

The Company has a policy to pay dividend at no less than 40 percent of its total net profit according to the consolidated financial statements after legal reser ve and other reserves. However, such dividend payment also depends on the Company's cash flow.



		2013	2014	2015	2016	2017*
Earning per share	Baht	4.49	4.33	2.20	4.25	4.21
Dividend per share	Baht	2.27	2.27	2.27	2.35	2.40
Interim dividend	*Baht*	*1.10*	*1.10*	*1.10*	*1.10*	*1.15*
Net dividend after interim dividend	*Baht*	*1.17*	*1.17*	*1.17*	*1.25*	*1.25*
Dividend payment ratio	%	50.53	52.42	103.25	55.27	56.99

Remark * An agenda item to be considered at the Shareholders' Annual General Meeting Year 2561 (B.E.) to be held on 5 April 2018. The Company paid interim dividend for the first six month operations of the fiscal year 2017 (January - June 2017) to shareholders at Baht 1.15 per share on 20 September 2017.



Risk Management Committee's Report

The Company has been operating the business with a commitment to creating growth and added value to all stakeholders from the operations of all commercially operating projects of affiliated companies and joint ventures, the monitoring of all projects that are being constructed and the development of new projects in Thailand and other countries.

In operating our business, all have to realize and understand that uncertainties and changes are inevitable. Ever changing situations due to both internal and external factors such as operational process, advanced technology, new project investment, intense competition, changes to related regulations, fuel costs, exchange rate, natural disasters or other incidents, may have impact to our business and cause damages or opportunity loss. Therefore, the Company has to quickly adjust and cope with such changes and risk factors. It is important for all to have knowledge and understanding about the risks on the Company's operations, work and its personnel so that they can cooperate in managing risk and mitigating damages for the Company's benefit. To ensure business growth, it is important to set scope of duty and responsibility related to risk management and promote the culture which all employees are responsible for managing risk related to their job responsibility. This will promote effective development for risk management and create consciousness on risk management which will ensure that business goals will be achieved.

Risks exist in all parts of business operations. While all risks cannot be eliminated, to achieve its business goal, the organization must set risk appetite, raising awareness and understanding to all its people to enable them to identify risks and make timely responses. It will also enable them to assess risks and related returns and integrated risk management to the Company's

operation, which means applying risk management to strategic planning and business plan preparation, decision making process and critical business process to evaluate and have an understanding on positive and negative impact that may arise and manage such events to increase value, reduce damages and uncertainty of the Company's overall operations.

In 2017, the Risk Management Committee and Risk Management Team have prepared the Risk Management Manual to provide a guideline for employees at all levels with information and understanding on risk management standards and criteria. The Company works with concerned organizations in developing the Investment Criteria Platform which also includes assessment of risks across all areas from the project development phase, which also clearly identifies how to calculate hurdle rate covering basic risks in specific country. Such preparation was drawn in support of the Company's business plan which focuses more on overseas business expansion. In addition, the Company's Management and the Risk Management Working Team have jointly prepared the Business Continuity Plan (BCP) to create a risk management plan during time of crisis. This will promote complete, thorough and integrated risk management to affiliates and joint ventures.

The Risk Management Committee and Risk Management Working Team are committed to maintaining and increasing effectiveness in risk management, which will drive the Company to achieve its business goal, stability and sustainability.



(Mr. Samack Chouvaparnante)
Chairman of the Risk
Management Committee
31 December 2017



Risk Factors

The Company and the Board of Directors are aware of the importance of risk management in all aspects to ensure that the business operation is able to achieve its growth target and the vision of being a value-oriented integrated energy company in Asia-Pacific. The Company operates its business with respect to related laws, rules and regulations under supervision of the Risk Management Committee and the Board of Directors. The Risk Management Committee convenes regularly every quarter and may call an urgent meeting in case of unexpected emergency that will seriously affect its operations. In 2017, the Committee held 4 meetings on quarterly basis to screen and review policy and formulate risk management strategies and direction in correspondence with the risk management policy. The Committee assesses, monitors and ensures that risks are maintained at a manageable level and within the framework



and policy approved by the Board of Directors. The Committee regularly reports the operation summary and risk status as well as changes both in project risk assessment and in corporate risk assessment and areas of improvements to the Audit Committee and the Board of Directors who will review and ensure that the practice guideline corresponds well with the policy and strategies.

To ensure close and effective risk monitoring and management, the Risk Management Committee established the Risk Management Working Team, comprising high level executives from all functions with the Chief Asset Management Officer as the Team chairman. The Team is responsible for analyzing and assessing risks and finding the effective, efficient and timely risk management practice that will mitigate risk and reduce possible impact on the Company's operations, income, expenses, corporate image as well as possible impact on the Company's stakeholders. The Team is also responsible for maintaining risks within the acceptable and appropriate level according to the risk management policy.

In 2017, the Company prepared Business Continuity Plan (BCP) to provide guideline practice during time of crisis. The plan promotes the Company's integrated and complete risk management complete in all dimensions. A risk management guideline was prepared to educate and create understanding on risk management for its employees at all levels. The plan covers issues such as hurdle rate criteria to cover basic risks in different countries which are target investment markets, and designing financial policy to include risk appetite and practice guideline, covering risks related to interest rate, foreign exchange rate and liquidity, for example.

The 5 major risk factors

The Company has analyzed, assessed and set preventive and management measures to reduce risk opportunity and possible impact on the business as follows: (Risk Management Working Team reports risk assessment results and risk management plan to reduce risk to the Risk Management Committee for their consideration before the report is submitted to the Board of Directors' acknowledgement on a quarterly basis.)

Risk Factor	Risk Examples/Impact	Risk Management/Mitigation Plan
1. Uncontrollable Risk Factors, such as - Competitor/Competition - Technological Innovation - Industry Model - Legal/Regulation - Sovereign/Political - Natural Disaster/Terrorism	• Power Development Plan 2015-2036 (PDP 2015) which adjusts fuel ratio to increase energy balance and security. This becomes a limitation preventing the Company from increasing its investment in Thailand's IPP projects within 10 years due to the reduction on the ratio of natural gas-fired power plants from formally 64 percent to 50 percent of the total electricity generated. Meanwhile, electricity reserve in the system remains high at more than 30 percent. Considering these, the opportunity available is to develop renewable energy projects which are mainly SPPs and VSPPs which will be promoted. • Shortage of natural gas in the western region. • Global economy, political changes and terrorism. • Increasing competition in the energy industry both in Thailand and in other countries. • Technological innovation that affects the energy business model and process, such as electrical vehicle, energy storage system and smart grid (disruptive technology).	• Coordinating and strengthening good relationship with concerned agencies to encourage information exchange; closely monitoring changes in government and related agencies' policies; regularly assessing impact, especially on the annual natural gas rig and pipeline maintenance at Yetagun or Yadana; monitoring water resource allocation to mitigate risk from drought; monitoring flood situation that may have impact on its projects; understanding political, economic, social and cultural context and structure and regulations related to energy industry in other countries where the Company has investment, including Republic of the Union of Myanmar, Socialist Republic of Vietnam, Kingdom of Cambodia, Republic of Indonesia and Republic of the Philippines. • Seeking business partners and considering opportunity to work with EGAT Group to increase the Company's investment capability and potential, and also seeking investment opportunity with partners who have expertise in related businesses and disruptive technology business.
2. Financial Risk	• Interest Rate Risks/impact that increases the Company's expenses and lowers profitability. • Exchange Risk/impact that increases the Company's expenses and lowers profitability. • Liquidity Risk/impact that causes lender default.	With its plans on finding financial sources and using the right financial tool to raise sufficient funds at an appropriate cost and to maintain debt to equity ratio at an appropriate level, the Company is able to maintain liquidity to support business expansion. In 2017, the Company planned to announce its financial policy to draw guideline and measures to control risks related to interest rate, exchange rate and liquidity management in accordance with the preset criteria, and to ensure effective risk management and internal control that will maintain risk at an acceptable level. In addition, the Company strengthened its financial positioning and ensured that the financial performance is in line with or better than planned. The Company also has effective management of debt, interest rate and exchange rate through natural hedging for foreign exchange. Derivatives are used to mitigate financial risks, such as SWAP agreement for interest rate and exchange rate, for example.

Risk Factor	Risk Examples/Impact	Risk Management/Mitigation Plan
3. Operation Risk	• Risk of projects in development phase includes land acquisition risk, fuel supply risk, water-related risk, technology-related risk, and infrastructure and facility risks as well as market, partner, regulation and environment, etc. • Risk of projects in construction phase including construction planning and management; time schedule management; quality and Inspection management; and cost management and financial risk, etc. • Risk of projects in operation phase such as personnel qualification and training; O&M and outage management; spare parts and inventory management; obsolete machine and aging effect; and fuel supply risk, etc.	• The Company has managed operation risk by context and in accordance with the Company's policy and its investment partners' policy. The Risk Management Committee analyzes, assesses, reviews and monitors the projects to ensure proactive measures on prevention, reduction, avoidance, sharing and transfer of risks and their possible impact on income and expenses of the projects. This allows the Company to limit risks and possible impacts on shareholders and stakeholders at an acceptable level. Operation risks cover a large variety of issues such as operation and management risk, financial risk, safety and environmental risk, for example. The Company has set hurdle rate for investment in each country since the development stage. Strict control over every step of operations has been carefully implemented in accordance with the agreement to ensure availability and efficiency of all machinery and equipment. The Company has also improved machinery efficiency to reduce problems related to unplanned shutdown. The Risk Management Committee and Risk Management Working Team have focused on proactive preventive measures to mitigate future risks that may affect the operation of the projects handled by the Company and its subsidiaries.
4. Human Resources Risk	• Risk of succession planning. • Risk of selection and preparation of staff to be posted in a foreign country.	• The Management has considered information and qualifications of executives in the successor group as provided by the Executive Development Program in order to appoint them to executive vice-president level and chief officer level to replace vacant positions. • Training on Indonesian language for employees who will be posted in the Republic of Indonesia. • Preparing overseas package for employees to be posted in the Republic of Indonesia. • Preparing overseas packages for employees to be posted in the People's Republic of China. • Completing the preparation and improvement of operation guideline for employees who will be posted in Australia, Lao PDR and the Republic of Indonesia by the 4th Quarter of 2017. • Recruiting the right persons to be posted in the Republic of the Philippines.

Risk Factor	Risk Examples/Impact	Risk Management/Mitigation Plan
5. Reputation, Governance and Compliance Risks	• Risk of public acceptance in the Company's project area. • Risks of social and environmental impact from projects under construction and in operation phase. • Risks related to corporate governance, including corruption and business fraud.	• The Company has closely monitored and review corporate image risk management. Considering that corporate image is crucial to ensure business sustainability, the Company has in place proactive and in-depth plan and measures to prevent and reduce such risks, and impact mitigation plan was prepared to ensure the impact on all stakeholders are kept at the minimum. The Company also monitors corporate governance issues from pre-development phase, development and construction phase, operation phase until the contract expires. Post-project development measures might be required to prevent risks and secure confidence that there will be no negative impact on corporate image. This is done according to the principle of Collective Action Coalition against Corruption (CAC) in which the Company became a member since 22 April 2016, emphasizing on operating its business with honesty, transparency, integrity, fairness, corporate social and environmental responsibility, compliance to corporate governance principles, agreement, laws, rules and regulations as well as environmental impact mitigation measures stated in the Environmental Impact Assessment (EIA). The Company has also distributed correct information stakeholders in sufficient and timely manner without bias. In addition, an independent advisor is hired to prepare Business Continuity Plan (BCP), review crisis communication plan and assessing related risks. The actions were taken in support of the corporate strategy. At the same time, such plans have been communicated through all its subsidiaries to ensure efficient and systematic problem handling even in the local level.



Human Resources and Remuneration Committee's Report

In 2017, the Human Resources and Remuneration Committee held 9 meetings. The Committee comprises Mr. Witoon Kulcharoenwirat, the Committee chairman, Mr. Chuan Sirinunporn and Mr. Thaworn Ngamganokwan, the Committee members and Executive Vice President - Corporate Administration serves as secretary to the Committee. The Committee is responsible for considering and providing advice to the Board of Directors according to the scope of responsibility assigned by the Board of Directors as follows:

1. Nominating and Considering Directors' Remuneration

The selection and nomination of new directors replacing those who resign before the end of the term or retire at the end of the term is submitted to the Board of Directors after the Human Resources and Remuneration Committee's approval. Shareholders are encouraged to nominate directors according to the preset criteria and procedure. In nominating directors, the Human Resources and Remuneration Committee would consider their knowledge, capability, experience, good work record, leadership, vision, ethics and positive attitude towards the organization, ability to contribute sufficient time to perform the duty and for the benefit of the Company.

In addition, the Human Resources and Remuneration Committee considers remuneration policy and other benefits for the Company's Group's Board of Directors and high level executives based on the clear, transparent and performance-based criteria to ensure appropriate and attractive remuneration so as to encourage high potential directors to perform their duties at their best to achieve the Company's goal, to support long-term benefits for the Company and shareholders and also to strengthen confidence among shareholders.

2. **Considering and Appointing Directors and High Level Executives of Subsidiaries, Affiliates and Joint Ventures**

The Human Resources and Remuneration Committee considers the appointment of the Company's high level executives and nominating the Company's representatives to be seconded as directors in subsidiaries, affiliates and joint ventures by considering knowledge, expertise and qualifications.

3. **Reviewing and Revising the Company's Regulations**

The Human Resources and Remuneration Committee reviews and revises the Company's regulations and orders to efficiently drive business and be able to achieve the challenging business targets through organizational structure improvement to support development in related and new businesses to support business growth opportunity other than power business.

4. **Reviewing Remuneration Structure for High Level Executives and Employees**

The Human Resources and Remuneration Committee has a policy to survey remuneration provided by other companies in the industry every 3 years to maintain competitiveness and the Company's ability to maintain high quality employees and attract new highly capable people to the Company.

5. **Reviewing Human Resource Management Strategy and Appoint a New High Level Executive Position**

The Human Resources and Remuneration Committee considers the appointment of a new Executive Vice President – Related and New Business to oversee business activities in the related and new business to cope with the Company's expansion into related and other new business in addition to power business.

The Committee has performed its duty and responsibility as stated in the Company's regulation with honesty, transparency and carefulness. Every member has freedom to express their opinions, considers and makes fair decisions for the best benefits of shareholders, stakeholders and the Company.

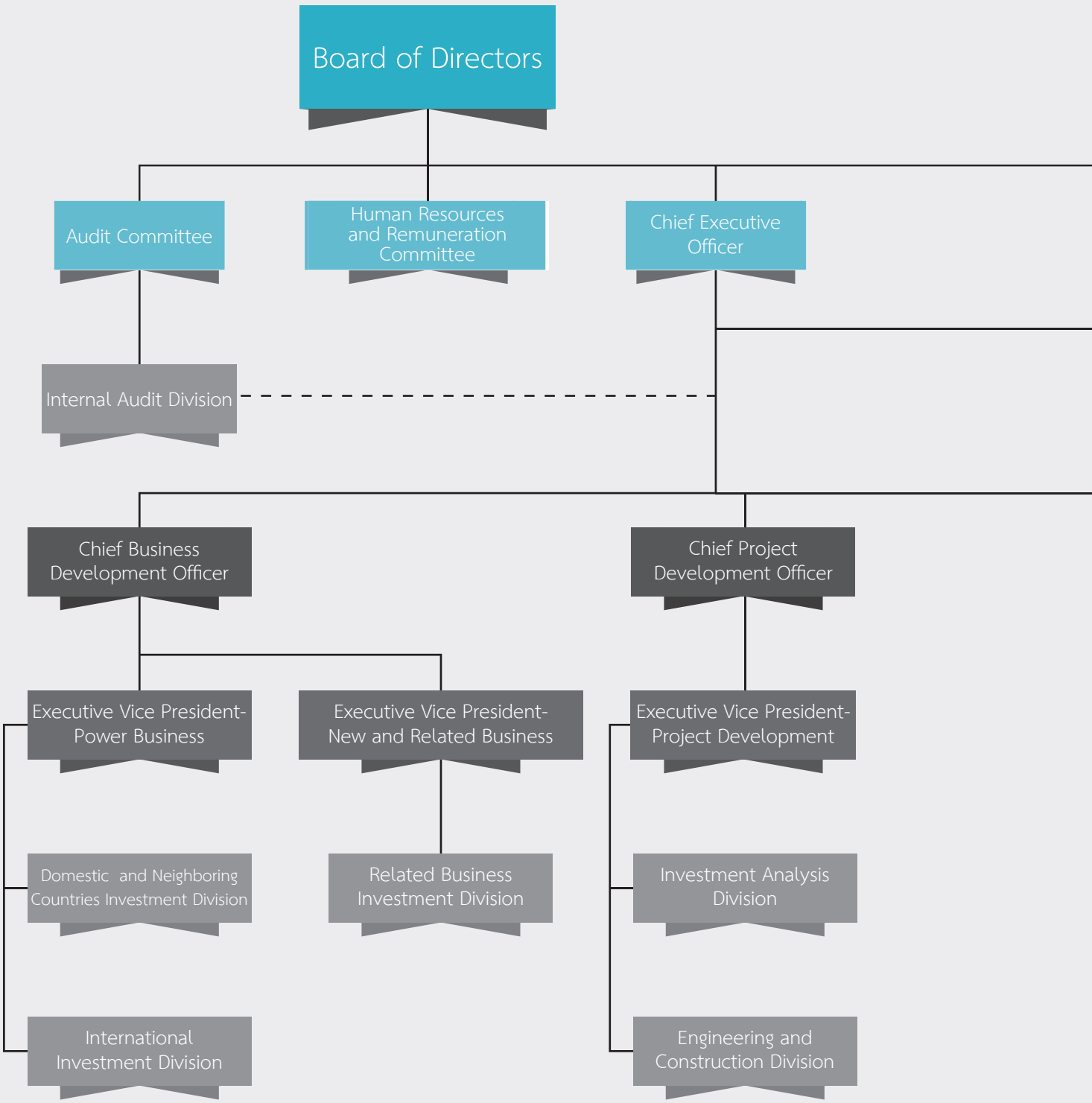


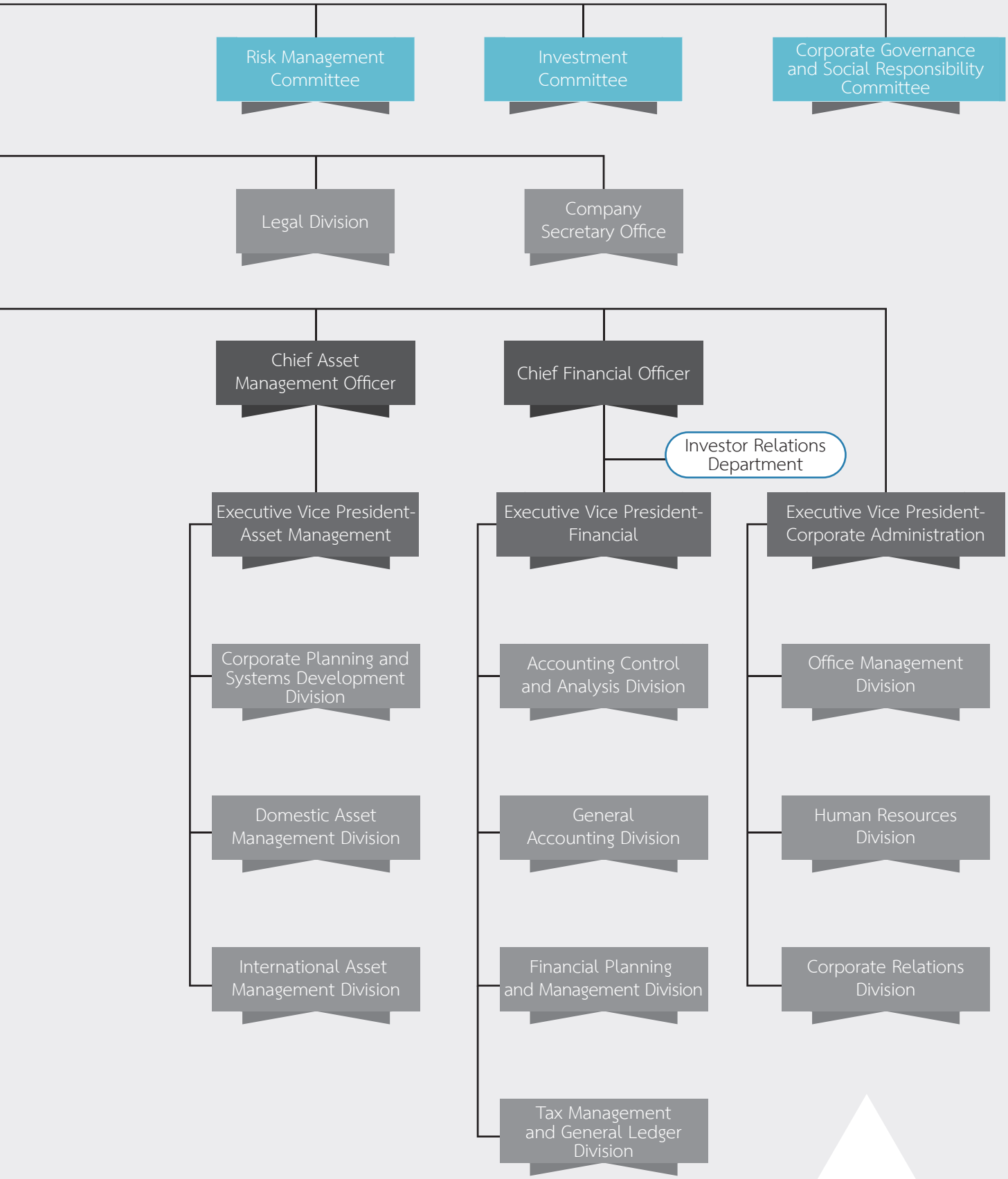
(Mr. Witoon Kulcharoenwirat)
Chairman of the Human Resources
and Remuneration Committee
31 December 2017





Management Structure


Board of Directors
Audit Committee
Human Resources and Remuneration Committee
Chief Executive Officer
Internal Audit Division
Chief Business Development Officer
Chief Project Development Officer
Executive Vice President-Power Business
Executive Vice President-New and Related Business
Executive Vice President-Project Development
Domestic and Neighboring Countries Investment Division
Related Business Investment Division
Investment Analysis Division
International Investment Division
Engineering and Construction Division


Risk Management Committee
Investment Committee
Corporate Governance and Social Responsibility Committee
Legal Division
Company Secretary Office
Chief Asset Management Officer
Chief Financial Officer
Investor Relations Department
Executive Vice President-Asset Management
Executive Vice President-Financial
Executive Vice President-Corporate Administration
Corporate Planning and Systems Development Division
Domestic Asset Management Division
International Asset Management Division
Accounting Control and Analysis Division
General Accounting Division
Financial Planning and Management Division
Tax Management and General Ledger Division
Office Management Division
Human Resources Division
Corporate Relations Division



1. Board of Directors

Structure and composition of the Board of Directors and the qualifications of directors and independent directors have been set in correspondence with missions and business objectives of the Company while complying with the related laws, regulations, regulator's guideline and the Company's Articles of Association established by the resolution of the shareholders' meeting and the Company's regulations on the Board of Directors. This is to achieve maximum efficiency, effectiveness and support for the Board of Directors in performing its duty in formulating policy, setting business direction, ensuring balance of power, corporate governance, monitoring of the management and performance of the Management, providing opinions in depth and width on the issues under consideration that addresses all factors and ensuring that the implementation of policies corresponds with the related regulations.

1.1 Composition of the Board of Directors

- Comprising no less than 7 members and no more than 15 members.
- Executive directors shall not exceed one third of the total members.
- Independent Directors shall comprise no less than one third of the total directors and no less than 3 members.
- No less than half of the directors shall reside within the country.
- The Chairman shall be a non-executive member and not be the same person as the Chief Executive Officer ("CEO") who is the top management of the Company. The Chairman and the CEO were elected from the directors who are elected in the shareholders' or the Board of Directors' meeting.
- Directors shall have **different fields of expertise,** including **engineering, accounting, business administration, economics, laws and political sciences, etc.**
- Each of the directors has not been convicted in a legal proceeding to violation of laws related to assets in a fraudulent action and has no record on involving in activities that may create conflict of interest for the Company.

As of 31 December 2017, the Company's Board of Directors comprises 12 members namely:

Board of Directors			Position in the Board of Directors	No. of Term(s)	Starting Date	Position in Committees
1	Mr. Sutat	Patmasiriwat	Chairman (EGAT's Representative Director.) **(Authorized Director)**	2	20/10/2014	• Chairman of the Investment Committee
2	Mr. Witoon	Kulcharoenwirat	Director (EGAT's Representative Director) **(Authorized Director)**	2	20/10/2014	• Chairman of the Human Resources and Remuneration Committee • Investment Committee Member
3	Mr. Chuan	Sirinunporn	Director (EGAT's Representative Director) **(Authorized Director)**	2	19/12/2014	• Chairman of the Corporate Governance and Social Responsibility Committee • Human Resources and Remuneration Committee Member
4	Mr. Thaworn	Ngamganokwan	Director (EGAT's Representative Director) **(Authorized Director)**	1	06/04/2017	• Human Resources and Remuneration Committee Member • Investment Committee Member
5	Mr. Viboon	Rerksirathai	Director (EGAT's Representative Director) **(Authorized Director)**	1	01/10/2017	• Risk Management Committee Member • Investment Committee Member
6	Mr. Kijja	Sripatthangkura	Director, Secretary to the Board of Directors and Chief Executive Officer **(EGAT's Representative Director and Executive Director)** **(Authorized Director)**	1	01/01/2017	• None
7	Mr. Chartchai	Rojanaratanangkule	Independent Director	1	06/04/2017	• Chairman of the Audit Committee • Corporate Governance and Social Responsibility Committee Member
8	Mr. Samack	Chouvaparnante	Independent Director	1	11/04/2015	• Chairman of the Risk Management Committee
9	Miss Prapa	Puranachote	Independent Director	2	01/02/2015	• Audit Committee Member
10	Mrs. Siriporn	Luangnual	Independent Director	1	06/04/2017	• Audit Committee Member
11	Mr. Veerasak	Pungrassamee	Independent Director	1	08/04/2016	• Risk Management Committee Member
12	Mr. Prapon	Kitichantaropas	Independent Director	1	11/04/2015	• Corporate Governance and Social Responsibility Committee Member

Remark: Authorized Director Policy appears under No. 1.7 while details of directors are shown in the Directors' Profiles Section.



Mr. Sutat Patmasiriwat

Age : 64 years
Chairman (EGAT's Representative Director)
Chairman of the Investment Committee
Starting Date of Directorship : 20 October 2014
Appointed Date of Chairman Position : 21 December 2015
Terms of Current Position : 2 (Totalling 3 years 2 months)
The Company's Security Holding Proportion (%) : None

Education

- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University

Important Training/Seminar

- Boards that Make a Difference (BMD 4/2017), Thai Institute of Directors Association
- Chartered Director Class (CDC 9/2015), Thai Institute of Directors Association
- Financial Statements for Directors (FSD 14/2011), Thai Institute of Directors Association
- The Role of Chairman (RCP 24/2010), Thai Institute of Directors Association
- Director Certification Program (DCP 83/2007), Thai Institute of Directors Association
- Advanced Management Program, Harvard Business School, USA
- Senior Executive Development Program-2, Foundation for International Human Resource Development
- Creating Value Through Product Management and Customer Profitability, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- ASEAN Executive Development Program, Thammasat Business School, Thammasat University

Previous Working Experiences

- 2014 – 2015 Board of Directors Member Ratchaburi Electricity Generating Holding PCL
- 2010 – 2014 Board of Directors Chairman, Ratchaburi Electricity Generating Company Limited and Ratchaburi Power Company Limited
- 2011 – 2013 Board of Directors Chairman, EGAT International Company Limited
- 2010 – 2013 Board of Directors Member, Ratchaburi Electricity Generating Holding PCL
- 2009 – 2013 Board of Directors Member and Governor, EGAT

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- 2015 – Present Board of Directors Member, EGAT[1]

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year :

Connected transactions with EGAT, a major shareholder, as disclosed in Related Party Transactions section of this annual report. However, he did not participate in the consideration or the voting for such transactions.

Notes: [1] Major Shareholder [2] Subsidiary Company [3] Joint Venture Company [4] Energy Enterprise



Mr. Witoon Kulcharoenwirat

Age : 59 years

Director (EGAT's Representative Director)

Chairman of the Human Resources and Remuneration Committee

Member of the Investment Committee

Starting Date of Directorship : 20 October 2014

Terms of Current Position : 2 (Totalling 3 years 2 months)

The Company's Security Holding Proportion (%) : None

Education

- Master of Engineering in Safety Engineering, Kasetsart University
- Master of Engineering in Transportation Engineering, Chulalongkorn University
- Bachelor of Engineering (Civil Engineering), Chiang Mai University

Important Training/Seminar

- Directors Certification Program (DCP 243/2017), Thai Institute of Directors Association
- Financial Statements for Directors (FSD 31/2016), Thai Institute of Directors Association
- The Executive Program in Energy Literacy for a Sustainable Future (TEA), class 7 (2015) Thailand Energy Academy
- National Defence College of Thailand's Diploma, Class 52 (2009), National Defence College of Thailand
- The Civil Service Executive Program for Senior Civil Servants, Class 43 (2005), Office of the Civil Service Commission

Previous Working Experiences

- 2003 – 2014 Member with Specialization in Petroleum Development Projects, Pipeline Transportation of Fuel and Thermal Power Stations, The National Environment Board of Directors
- 2012 – 2013 Disaster Prevention and Mitigation Commission Consultant, House of Representatives
- 2003 – 2013 Committee Member and Assistant Secretariat of the Hazardous Substance Control Committee, Ministry of Industry

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- 2014 – Present Director, EGAT[(1)]
- 2014 – Present Chairman of the Executive Committee of EGAT's Board of Directors[(1)]
- 2014 – Present Director-General, Department of Energy Business, Ministry of Energy

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year :

Connected transactions with EGAT, a major shareholder, as disclosed in Related Party Transactions section of this annual report. However, he did not participate in the consideration or the voting for such transactions.

Notes: [(1)] Major Shareholder [(2)]Subsidiary Company [(3)]Joint Venture Company [(4)]Energy Enterprise



Mr. Chuan Sirinunporn

Age : 64 years

Director (EGAT's Representative Director)

Chairman of the Corporate Governance and Social Responsibility Committee

Member of the Human Resources and Remuneration Committee

Starting Date of Directorship : 19 December 2014

Terms of Current Position : 2 (Totalling 3 years)

The Company's Security Holding Proportion (%) : None

Education

- Honorary Doctorates Degree (Public Administration Science) Rajabhat University
- Honorary Doctorates Degree (Environmental) Ubon Ratchathani University
- Master of Development Administration (Honors), The National Institute of Development Administration
- Bachelor of Arts Program in Political Science, Chulalongkorn University

Important Training/Seminar

- Ethical Leadership Program (ELP 8/2017), Thai Institute of Directors Association
- Director Accreditation Program (DAP 112/2014), Thai Institute of Directors Association
- The National Defence Course, National Defense College
- Senior Executive Development Program, Institute of Administration Development
- Graduate Diploma in Public Law, Thammasat University
- Thai Senior Executive Development Program, National Graduate Institute for Policy Studies (GRIPS), Japan
- Transformational Executive Leadership, Prince Damrongrajanubhab Institute of Research and Development, Ministry of Interior

Previous Working Experiences

- Director General of the Department of Provincial Administration
- Governor of Nakorn Ratchasima Province
- Governor of Phrae Province
- Governor of Ubon Ratchathani Province

Current Positions in listed Organizations : None

Current Positions in Non-listed Organizations :

- 2014 - Present Board of Directors Member, EGAT[(1)]

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

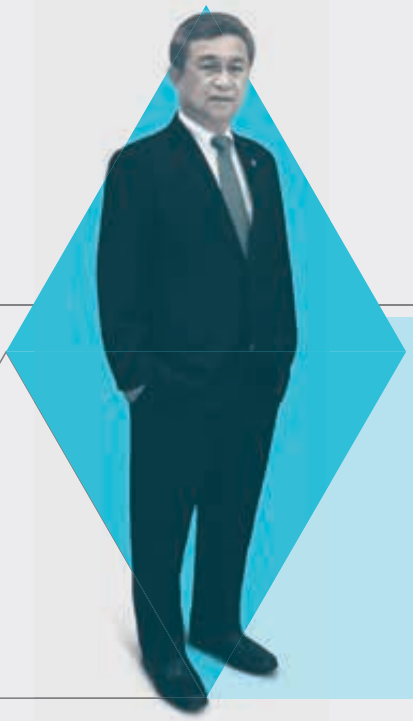
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year :

Connected transactions with EGAT, a major shareholder, as disclosed in Related Party Transactions section of this annual report. However, he did not participate in the consideration or the voting for such transactions.

Notes: [(1)] Major Shareholder [(2)]Subsidiary Company [(3)]Joint Venture Company [(4)]Energy Enterprise



Mr. Thaworn Ngamganokwan

Age: 59 years

Director (EGAT's Representative Director)

Member of the Human Resources and Remuneration Committee

Member of the Investment Committee

Starting Date of Directorship : 6 April 2017

Terms of Current Position: 1 (Totalling 8 months)

The Company's Security Holding Proportion (%) : 0.0030
(Own: 0.0021 Spouse : 0.0009)

Education

- Master of Public Administration, The National Institute of Development Administration
- Bachelor Degree of Engineering (Mining Engineering), Chulalongkorn University

Important Training/Seminar

- Director Certification Program (DCP 224/2016), Thai Institute of Directors Association
- Director Accreditation Program (DAP-EGAT/2015), Thai Institute of Directors Association
- National Defence College of Thailand's Diploma, Class 58 (2013), National Defence College of Thailand
- The Executive Program in Energy Literacy for a Sustainable Future (TEA), Class 10, Thailand Energy Academy
- Advance Certificate Course in Strengthening Peaceful Society (Class 6), King Prajadhipok's Institute
- EGAT New Leader Development Program (ENLP)
- EGAT Senior Executive Program (ESEP)
- EGAT Newly-Promoted Executive Orientation Program (ENOP)
- EGAT Director Development Program (EDDP)

Previous Working Experiences

- 2014 Assistant Governor-Mae Moh Mine, EGAT
- 2013 Assistant Governor-Fuel Management, EGAT

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- 2015 – Present: Deputy Governor–Fuel EGAT(1)

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year :

Connected transactions with EGAT, a major shareholder, as disclosed in Related Party Transactions section of this annual report. However, he did not participate in the consideration or the voting for such transactions.

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise



Mr. Viboon Rerksirathai

Age : 57 years
Director (EGAT's Representative Director)
Member of the Risk Management Committee
Member of the Investment Committee
Starting Date of Directorship : 1 October 2017
Terms of Current Position : 1 (Totalling 3 months)
The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration (Management), Kasetsart University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University

Important Training/Seminar

- Director Accreditation Program (DAP-EGAT 2015), Thai Institute of Directors Association
- National Defence College of Thailand's Diploma, Class 58 (2015), National Defence College of Thailand
- Advance Management Program (2014), Harvard Business School, USA
- Anti-Corruption Strategic Management for Senior Executives, Class 4 (2013), Office of the National Anti-Corruption Commission
- Program of the Royal Thai Army War College, Class 54 (2009), The Institute of Advanced Military Studies
- EGAT New Leader Development Program (ENLP)
- EGAT Director Development Program (EDDP)
- EGAT Senior Executive Program (ESEP)
- EGAT Newly-Promoted Executive Orientation Program (ENOP)
- EGAT Enhancing Program (EEP)
- EGAT Assistant Director Development Program (EADP)

Previous Working Experiences

- 2011-2013 Assistant Governor-Transmission System Engineering , EGAT(1)

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- 2017 – Present Deputy Governor - Transmission System Development, EGAT(1)

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year :

Connected transactions with EGAT, a major shareholder, as disclosed in Related Party Transactions section of this annual report. However, he did not participate in the consideration or the voting for such transactions.

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise



Mr. Kijja Sripatthangkura

Age: 57 years
Director (EGAT's Representative Director and Executive Director)
Chief Executive Officer
Secretary to the Board of Directors
Starting Date of Directorship : 1 January 2017
Date of CEO Election : 6 April 2017
Terms in Current Position : 1 (Totalling 1 year)
The Company's Security Holding Proportion (%) : 0.0004 (Own)

Education

- Bachelor of Engineering Program (Electrical Engineering), Prince of Songkla University

Important Training/Seminar

- Director Certification Program (DCP 245/2017), Thai Institute of Directors Association
- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute
- Advance Management Program, Harvard Business School, USA
- Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Thailand and the ASEAN Community in Global Political Economy, King Prajadhipok's Institute
- The Executive Program on Energy Literacy for a Sustainable Future, Thailand Energy Academy

Previous Working Experiences

- 2015 – 2017 Deputy Governor – Policy and Planning, EGAT
- 2013 – 2015 Assistant Governors – Planning, EGAT
- 2011 – 2013 Director, Power System Planning Development, EGAT

Current Positions in Other Listed Companies : None

Current Positions in Non-Listed Companies :

- 2017 – Present Chairman of the Board of Directors, PT MEDCO RATCH POWER RIAU[3]
- 2017 – Present Chairman of the Board of Directors, Hongsa Power Company Limited[3]
- 2017 – Present Chairman of the Board of Directors, Phu Fai Mining Company Limited[3]
- 2017 – Present Chairman of the Board of Directors, RATCH-Australia Corporation Limited[2]
- 2017 – Present Chairman of the Board of Directors, Mount Emerald Wind Farm Pty[2] and other subsidiaries of RATCH-Australia Corporation Limited[2]

Prohibited Qualifications/Committed an Offence : None
Family Relationship with Directors and Executives : None
Participation in Managing Business Relationship/Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year :
Connected transactions with EGAT, a major shareholder, as disclosed in Related Party Transactions section of this annual report. However, he did not participate in the consideration or the voting for such transactions.

Notes: [1] Major Shareholder [2] Subsidiary Company [3] Joint Venture Company [4] Energy Enterprise



Mr. Chartchai Rojanaratanangkule

Age : 61 years
Independent Director
Chairman of the Audit Committee
Member of the Corporate Governance and Social Responsibility Committee
Starting Date of Directorship : 6 April 2017
Terms of Current Position : 1 (Totalling 8 months)
The Company's Security Holding Proportion (%) : 0.0003 (Own)

Education

- Bachelor of Accountancy, Chulalongkorn University

Important Training/Seminar

- Directors Certification Program (DCP223/2016), Thai Institute of Directors Association
- Thailand Insurance Leadership Program (2015), Office of Insurance Commission
- Executive Finance Management Program, Fiscal Policy Research Institute Foundation
- Infrastructure Financial Analysis & Tariff Setting: Essential Skills for Financial, The Institute for Public-Private Partnerships
- Financial Statement Analysis Workshop, Investment Analysts Association
- Advanced Mini MBA, Chulalongkorn University
- Project Feasibility Analysis, Mahidol Management Education Center of College of Management
- Privatizing Power in Emerging Economies: Structuring & Financing Public/Private Partnerships Through BOT Schemes and Divestiture INTRADOS/International Management Group
- Advanced Financial Management, Cooperation between Chulalongkorn University and Thailand Management Association
- EGAT Senior Executive Program (ESEP)
- EGAT Director Development Program (EDDP)
- EGAT Newly-Promoted Executive Orientation Program (ENOP)
- EGAT Assistant Director Development Program (EADP)
- EGAT's Executive Development Program (EEDP)

Previous Working Experiences

- 2014 - 2016 Deputy Governor-Account and Finance acting as Chief Finance Officer, EGAT
- 2013 - 2014 Assistant Governor Internal Audit Bureau, EGAT
- 2012 - 2013 Director, Accounting and Budgeting, EGAT

Current Positions in Other Listed Companies : None
Current Positions in Non-listed Organizations : None
Prohibited Qualifications/Committed an Offence : None
Family Relationship with Directors and Executives : None
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year : None

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise



Mr. Samack Chouvaparnante

Age : 68 years

Independent Director

Chairman of the Risk Management Committee

Starting Date of Directorship : 11 April 2015

Terms of Current Position : 1 (Totalling 2 years 8 months)

The Company's Security Holding Proportion (%) : None

Education

- Master of Political Science (Politics and Governments), Sukhothai Thammathirat Open University
- Bachelor of Law, Thammasat University

Important Training/Seminar

- How to Develop a Risk Management Plan (HRP 8/2015), Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL 1/2015), Thai Institute of Directors Association
- Director Certification Program (DCP 99/2008), Thai Institute of Directors Association
- Audit Committee Program (ACP 21/2008), Thai Institute of Directors Association
- Director Accreditation Program (DAP 67/2007), Thai Institute of Directors Association
- Institute of Legal Education of the Thai Bar

Previous Working Experiences

- 2011 – 2014 Senator, Advisory Chairman, Senate Standing Committee on Justice and Police Affairs
- Executive Committee Member, Thai Bar Association
- Lecturer, Institute of Legal Advocacy Training, Lawyer Council of Thailand and Thammasat University
- Advisor to the Executive Committee, Institute of Legal Advocacy Training, Lawyer Council of Thailand
- Committee, Institute of Legal Education Thai Bar Association
- Legal Advisor, Vongsayam Korsang Company Limited

Current Positions in Other Listed Companies

- Legal Advisor, Burapha Golf Public Company Limited
- Legal Advisor, ANANDA Development Public Company Limited

Current Positions in Non-Listed Organizations

- President, Thammasat Law Association, Thammasat University
- Lecturer, Institute of Legal Education of Thai Bar Association
- Legal Advisor, Committee to Office of The National Broadcasting and Telecommunications Commission
- Legal Advisor to companies and associations namely;
  - Red Bull Beverage Company Limited
  - T.C. Pharmaceutical Industry Company Limited
  - Siam Winery Trading Plus Company Limited
  - Siam Winery Company Limited
  - Tuscany-Ville Company Limited
  - Chief Advisor, AIA Company Limited (Thailand)
  - St. Andrews2000 Company Limited
  - Toscana Valley Country Club Company Limited
  - Toscana Valley Company Limited and its subsidiaries
  - Samack & Associates Counselor Company Limited

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise



Miss Prapa Puranachote

Age : 63 years

Independent Director

Member of the Audit Committee

Starting Date of Directorship : 1 February 2015

Terms of Current Position : 2 (Totalling 2 years 11 months)

The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration (MBA), the National Institute of Development Administration
- Bachelor of Arts, Journalism and Mass Communication Program, Thammasat University

Important Training/Seminar

- Corporate Governance for Capital Market Intermediaries (CGI 14/2016), Thai Institute of Directors Association
- Director Certification Program (DCP 148/2011), Thai Institute of Directors Association
- Global Business Leader Program, Lead Business Institute
- Public Economics Management for Executive Course, Class 7 (KPI 7) King Prajadhipok's Institute
- Chief Executive Program, Class 14 (CMA 14), Capital Market Academy
- Thammasat Leadership Program (TLP 2), Thammasat University Alumni Relations Office
- Energy Literacy for the World Program, Class 6 (TEA 6), Thailand Energy Academy

Previous Working Experiences

- 2004 – 2011 Senior Executive Vice President and Chief of Provident Fund Division, Krung Thai Asset Management Public Company Limited

Current Positions in Other Listed Company :

- 2015 – Present Director and Executive Director, Padaeng Industry PCL
- 2011 – Present Director, Executive Director, Member of the Risk Management Committee, Member of the Good Corporate Governance Committee and President, MFC Asset Management Public Company Limited

Current Positions in Non-listed Organizations : None

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None

Notes: (1) Major Shareholder (2) Subsidiary Company (3) Joint Venture Company (4) Energy Enterprise



Mrs. Siriporn Luangnual

Age : 58 years

Independent Director

Member of the Audit Committee

Starting Date of Directorship : 6 April 2017

Terms of Current Position : 1 (Totalling 8 months)

The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration, Pittsburg State University, USA
- Bachelor of Business Administration, Ramkhamhaeng University

Important Training/Seminar

- How to Develop a Risk Management Plan (HRP 12/2017), Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL 6/2017), Thai Institute of Directors Association
- Director Certification Program Update (DCPU 3/2015), Thai Institute of Directors Association
- Directors Certification Program (DCP 72/2006), Thai Institute of Directors Association
- Financial and Accounting for Non-Financial Manager, The Wharton School, USA
- Breakthrough Program for Senior Executives, IMD, Switzerland
- Advance Certificate Course, Public Administration and Public Law (Class 8), King Prajadhipok's Institute
- Diploma, The National Defence Course (Class 55), National Defense College
- Capital Market Academy Executive Program (CMA), Class 18, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCOT) Class 8, University of the Thai Chamber of Commerce
- Thailand Energy Academy Executive Program (TEA), Class 7, Thailand Energy Academy
- TLCA Executive Development Program (EDP 4), Thai Listed Companies Association

Previous Working Experiences

- 2007 – 2017 Board of Directors Member, Ratchaburi Electricity Generating Company Limited
- 2011 – 2015 Deputy Director, State Enterprise Policy Office, Ministry of Finance
- 2014 Board of Directors Member, Government Housing Bank
- 2013 – 2014 Board of Directors Member, The Erawan Group Public Company Limited
- 2011 – 2013 Board of Directors Member and Chairman of the Audit Committee, ASEAN Potash Mining Public Company Limited

Current Positions in Other Listed Companies :

- 2014 - Present Board of Directors Member, TOT Public Company Limited

Current Positions in Non-listed Organizations :

- 2017 - Present Advisor on Finance, Ministry of Finance
- 2016 - Present Board of Directors Member, Metropolitan Waterworks Authority

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise



Mr Veerasak Pungrassamee

Age : 59 years

Independent Director

Member of the Risk Management Committee

Starting Date of Directorship : 8 April 2016

Terms of Current Position : 1 (Totalling 1 year 8 months)

The Company's Security Holding Proportion (%) : None

Education

- Bachelor of Engineering (Mechanical Engineering), Prince of Songkla University

Important Training/Seminar

- Risk Management Program for Corporate Leaders (RCL 8/2017), Thai Institute of Directors Association
- The Joint State-Private Sector Course, Class 24 (2011), National Defense College of Thailand
- Public Economics Management for Executive Course, Class 9 (KPI 9), King Prajadhipok's Institute
- Petroleum Engineering and Operation Drilling and Equipment Engineer, Shell Training Center, Netherlands
- Natural Gas Reservoir Engineer, OGCI, USA
- Petroleum Management, IHRDC, USA
- The Energy Executive Development Program Class 2, Ministry of Energy
- Knowledge of Administrative Law for Management, Foundation for Research and Development of the Administrative Justice System
- People Participation for Country Development Course, Institute for Good Governance Promotion
- Senior Executive Program Class 4, The Office of the Civil Service Commission
- Executive Development Course: Executive Government Class 7, The Office of the Civil Service Commission

Previous Working Experiences

- 2014 - 2015 Deputy Direct-General, Department of Mineral Fuels, Ministry of Energy
- 2014 - 2014 Director of Mineral Fuels Management Division, Ministry of Energy
- 2009 - 2014 Director of Petroleum Technology and Operations Supervision Bureau, Ministry of Energy

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- 2015 – Present Director - General, Department of Mineral Fuels, Ministry of Energy

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise



Mr. Prapon Kitichantaropas

Age: 62 years
Independent Director
Member of the Corporate Governance and Social Responsibility
Starting Date of Directorship : 11 April 2015
Terms of Current Position : 1 (Totalling 2 years 8 months)
The Company's Security Holding Proportion (%) : None

Education

- Bachelor of Engineering (Civil Engineering), Chiang Mai University

Important Training/Seminar

- Director Accreditation Program (DAP 120/2015), Thai Institute of Directors Association
- Senior Change Leader (2010), Department of Alternative Energy Development and Efficiency
- Management for Mid-Level Executives, Class 5, Ministry of Science and Technology
- Senior Executives on Energy, Class 1, Ministry of Energy
- Senior Executive Development Program (Visionary Leadership) Class 43, Office of the Civil Service Commission

Previous Working Experiences

- 2014 – 2016 Inspector General, Ministry of Energy
- 2014 Deputy Director General, Department of Alternative Energy Development and Efficiency, Ministry of Energy
- 2003 – 2014 Director, Bureau of Solar Energy Development, Department of Alternative Energy Development and Efficiency, Ministry of Energy

Current Positions in Other Listed Companies : None
Current Positions in Other Listed Companies : None
Prohibited Qualifications/Committed an Offence : None
Family Relationship with Directors and Executives : None
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year : None

Notes: (1) Major Shareholder (2)Subsidiary Company (3)Joint Venture Company (4)Energy Enterprise

Authorized directors of subsidiaries operating core businesses can be found in the Form 56-1 published on the Company's website and SEC's website.

1.2 Qualifications of Directors

- Age no older than 72 years
- Have no prohibited qualifications by law, not be a bankrupt person or an incapable or quasi-incompetent person
- Have not been convicted in a legal proceeding to violation of laws related to assets in a fraudulent action
- Have never been terminated from government agencies or private organizations due to malpractice
- Have never been deprived from being a director, manager, employee or an authorized executive in other organization
- Not being a politician, a member of the Parliament, Senate, or a member of a local administrative office or administrator
- Have education and experience or other qualifications that align with the mission of the Company's Group
- Devote sufficient time and full capability for the best benefits of the Company and have duties to attend regular meetings
- While in office, **hold directorship in no more than 3 other listed companies**
- Not manage nor make any arrangement that would conflict with the Company's interest or would provide advantages to other person or entity whether that is for personal or for other person's benefit

1.3 Independent Directors

The Company gave definition of "Independent Director" in the Company's regulation on the Board of Directors 2560 (B.E.) (which is published on the Company's website). Qualifications of Independent Director can be summarized as follows:

- Holding shares not exceeding 0.5 percent of the total number of voting rights of the Company, its subsidiary, affiliate, joint venture, or juristic person which may have conflicts of interest, including the shares held by related persons of the Independent Director (The criteria about the shares held by the Company's Independent Director is stricter than the criteria enforced by the Capital Market Supervisory Board which is not exceeding 1 percent).
- Neither being nor having been an executive director, employee, staff or advisor who receives salary, or a controlling person of the Company, its subsidiary, affiliate, joint venture, same-level subsidiary or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of appointment as the Independent Director.
- Not being a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.
- Not having a business relationship with the Company, its subsidiary, affiliate, joint venture, or juristic person who may have conflicts of interest, in the manner which may interfere with his independent judgment, and neither being nor having a major shareholder, Non-Independent Director or executive of any person having business relationship with the Company, its subsidiary, affiliate, joint venture, or juristic person who may have conflicts of interest unless the foregoing status has ended not less than two years prior to the date of appointment as the Independent Director.

("Business relationship" includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the applicant or his counterparty being subject to indebtedness payable to the other party in the amount of there percent or more of the net tangible assets or the applicant or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Act of Listed Companies Concerning the Connected Transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences)

- Neither being nor having been an auditor of the Company, its subsidiary, affiliate, joint venture, or juristic person who may have conflicts of interest, and not being a major shareholder, Non-Independent Director, executive or partner of an audit firm which employs auditors of the Company, its subsidiary, affiliate, joint venture, or juristic person who may have conflicts of interest unless the foregoing relationship has ended not less than two years prior to the date of appointment as the Independent Director
- Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its subsidiary, affiliate or juristic person who may have conflict of interest, and neither being nor having been a major shareholder, Non-Independent Director, executive or partner of the professional advisor unless the foregoing relationship has ended not less than two years prior to the date of appointment as the Independent Director
- Not being a Director who has been appointed as a representative of the Company's Director, major shareholder or shareholders who are related to the Company's major shareholder.
- After having been appointed as Independent Director with qualifications complying with the aforementioned criteria the Independent Director may be assigned by the Board of Directors to take part in the business decision of the Company, its subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest on the condition that such decision must be a collective one.

As of 31 December 2017, the Company has 6 Independent Directors (equivalent to 50 percent) which accounts for more than one third of the total members (12 persons), namely Mr. Chartchai Rojanaratanangkule, Mr. Samack Chouvaparnante, Miss Prapa Puranachote, Mrs. Siriporn Luangnual, Mr. Veerasak Pungrassamee, and Mr. Prapon Kitichantaropas.

1.4 Recruitment and Nomination of Directors

The Company has in place clear director recruitment and nomination process. The Human Resources and Remuneration Committee is responsible for selecting, recruiting and screening nominees for the Board of Directors' consideration. The process is conducted in accordance with the preset criteria and procedure, **considering the quality, diversity of technical knowledge and expertise, skills and experiences that the Board of Directors needs** and support the corporate mission and goals. The consideration is free of discrimination against gender. The nominated directors shall not have prohibited qualifications by law and related rules and regulations or the corporate governance principle and ability to contribute time to perform

duties as a director to support the Board of Directors' ability to efficiently and completely perform its duties according to the structure set by the Company. The Company has prepared Competency Matrix to support the nomination process in order to recruit the directors who can support the Company to achieve its strategic goals. The selected directors will be submitted to the Board of Directors and/or shareholders' meeting for approval. Directors appointment includes two cases as follows:

Case 1: A director position is vacant due to reasons other than rotation of office. The Board of Directors has the authority to elect any persons to replace the vacant positions. The Director so appointed shall retain his/her office during such time only as the Director he/she replaces is entitled to retain. Approval of no less than three fourths of the remaining Directors is required for this case.

Case 2: A director position is vacant due to rotation of office. The Board of Directors shall propose to the shareholders' annual general meeting for consideration and appointment. Criteria and process are specified in the Company's Articles of Association.

Committed to **equal treatment of shareholders**, the Board of Directors **encourages minority shareholders to nominate a person with proper qualifications to be elected as directors** for the Board to consider and propose to in the shareholders' annual general meeting. This practice has been implemented since 2008. Details are specified in Good Corporate Governance section.

1.5 Tenure of Directors

- At every shareholders' annual general meeting, one-third of the Directors, or the nearest to one-third in case the number cannot equally divided by three, shall retire from office.
- Directors with the longest stay in office shall retire.
- A retiring Director by a rotation of office may be re-elected.
- **Directors and Independent Directors shall remain in their offices for no more than 6 consecutive years.**
- In addition to retirement by rotation, a director shall leave the office when
  - Dies
  - Resigns
  - Lacks the qualification or has prohibited qualifications according to the laws regarding securities and exchange and the Company's Articles of Association and regulations on the Board of Directors
  - Voted by the shareholders' meeting with no less than three quarters of the total number of shareholders who attends the meeting with voting rights with the combined shares accounted for no less than half of the shares held by the shareholders who attends the meeting with voting right
  - Ordered to leave the office by the court
- Resignation of director becomes effective when the Company receives the resignation letter.
- The CEO's directorship ends when he/she vacates the CEO position.
- In case any Director vacates the position by reasons other than a rotation of office, the Board of Directors shall elect any person to replace the vacant position and the Director so appointed shall retain his/her office during such time only as the Director he/she replaces is entitled to retain.

1.6 Directors' Authority and Duties

As the shareholders' representatives, the Board of Directors has a duty to ensure that all the Company's businesses strictly comply with related laws, business objectives, Articles of Association and resolution of the shareholders' meeting. The Board of Directors is authorized to take action as stated in the Memorandum of Association and related documents, and has roles, duties and responsibilities to manage the Company with integrity and avoid conflict of interest to protect the organization's benefits rather than any particular shareholder or group. The Board of Directors' duties and responsibilities are as follows:

- Formulating policies, strategies, business plan and budget.
- Monitoring and following-up the Management's strategy implementation and activities and checking against the target or forecast, at least every quarter.
- Managing human resources, including appointing and/or removing director or high level executives and appraising performance against the earlier agreed target which is linked with remuneration.
- Being responsible for the completion of activities in compliance with rules and regulations, business ethics and the corporate governance principles, with focus on effective and sufficient internal control and monitoring problems and conflict of interests, especially those related to anti-corruption issues.
- Communicating with the stakeholders and the public by providing effective and appropriate communication channels.
- Establishing and setting roles and responsibilities of committees.
- Appraising performance of the Board of Directors and Committees, which requires self-appraisal on yearly basis.

The Company publishes the duty and responsibilities of the Board of Directors in the Company's website under the Company's regulation on the Board of Directors.

1.7 Authorized Directors

The Company's authorized signatory according to the Company's policy are

- Chairman of the Board of Directors or Chief Executive Officer, with signature and the Company's Seal; or
- Two other directors, except Independent Directors, with joint signatures and the Company's Seal.

This is to provide practical flexibility and independence of Independent Directors.

Investors can study details from the Company's Affidavit registered with the Department of Business Development, Ministry of Commerce, as published on the Company's website.

1.8 There are 5 Committees namely:

1) Audit Committee

The Audit Committee is appointed by the Company's Board of Directors and its term is 3 years. Its members have the required knowledge, experience and qualifications as designated by SEC and SET. As of 31 December 2017, the Audit Committee comprises Mr. Chartchai Rojanaratanangkule, Chairman of the Audit Committee; Miss Prapa Puranachote and Mrs. Siriporn Luangnual, Audit Committee members. The three members are Independent Directors who have the knowledge and ability in auditing the Company's operations and financial statements. Mr. Somboon Kositvanich, Senior Vice President – Head of Internal Audit Division, serves as secretary to the Committee.

The Audit Committee's Duties and Responsibilities:

- Reviewing and ensuring that the Company has accurate and adequate financial reports.
- Reviewing and making sure the Company has an appropriate and effective internal control and risk management system.
- Reviewing and ensuring that the Company complies with laws on securities and exchange, SET's rules and regulations and other laws relating to the Company's business.
- Selecting and nominating independent persons to be the auditors of the Company and recommending the auditor's fee, and attending at least one meeting per year with the auditors without presence of the Management.
- Reviewing connected transaction or items that may have conflict of interest based on existing laws and the SET's rules and regulations.
- Preparing the Audit Committee's report and opinion to be published in the annual report.
- Reviewing the Internal Audit Division's performance in terms of scope of responsibility, annual audit plan, budget, **appointment, transfer and termination of the Vice President - Head of Internal Audit Division** and considering and reviewing the **independence of the Internal Audit Division.**
- Reviewing the audit criteria and process to ensure that they always comply with current business environment and summarizing and reporting the Audit Committee's tasks and movement to the Board of Directors; reporting issues discovered or in doubt, which may have significant impact on the Company's financial status or operating performance, to the Board of Directors in order to correct it within the time frame agreed by the Audit Committee.

Investors may find more information on the Audit Committee's duties and responsibilities on the Company's website under the Company's Regulation on the Audit Committee.

2) Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is appointed by the Board of Directors and its term is 3 years. As of 31 December 2017, the Committee comprises Mr. Witoon Kulcharoenwirat, Chairman of the Human Resources and Remuneration Committee; Mr. Chuan Sirinunporn and Mr. Thaworn Ngamganokwan, Human Resources and Remuneration Committee members. Mr. Prayut Thongsuwan, Executive Vice President - Corporate Administration, serves as secretary to the Committee.

The Human Resources and Remuneration Committee's Duties and Responsibilities:

1) Human Resources Recruitment Aspect:

- Formulating visions and strategies on human resource management and development plan of the Company's Group.
- Reviewing and ensuring that the Board of directors of the Company's Group has appropriate size and good components responsively to the changing environment.
- Formulating appropriate policy, criteria and procedure in nominating, selecting, removing or terminating directors and high level executives for the Board of directors' approval to ensure the Company's Group has the executives and management teams with required qualifications, knowledge, capability and experience to operate the business of the Company's Group successfully and effectively.
- Selecting and nominating persons with required qualifications to be the directors and high level executives of the Company's Group.
- Preparing succession plan for key executive positions, formulating remuneration policy and strategy, including other benefit for the Company's Group's directors and high level executives, to be presented to the Board of

Directors for approval. The criteria is clear, transparent and correspondent to the duty and responsibility as well as performance in order to attract and maintain the highly capable persons with desired qualifications.

2) Remuneration Setting Aspect:

- Formulating remuneration policy and strategy, including salary, meeting allowance, per diem, bonus or other benefits of other kinds, and the amount of remuneration and other benefits for Directors and high level executives of the Company's Group and submit it for approval by the Board of Directors. Clear, transparent and appropriate criteria corresponding with the scope of responsibility and being performance-based are in place in order for the Company to convince, maintain and attract high potential people with the desired qualifications.
- Formulating effective guidelines, criteria, procedures and process for assessing the performance of the Board of Directors and high level executives of the Company's Group against the target mutually agreed in advance each year. These targets shall be relevant to the Company's business plan and set up in order to review the Management's annual remunerations by taking duties, responsibilities, related risks and the increase of shareholders' equity in the long term into consideration.
- Ensuring that policy related to remuneration as well as amount of remunerations for the Board of Directors and high level executives are disclosed in the Company's annual report.

Investors may find more information on the Human Resources and Remuneration Committee's duties and responsibilities on the Company's website under the Company's Regulation on the Human Resources and Remuneration Committee.

3) Risk Management Committee

The Risk Management Committee is appointed by the Board of Directors and its term is 3 years. As of 31 December 2017, its members included Mr. Samack Chouvaparnante, Chairman of the Risk Management Committee; Mr. Veerasak Pungrassamee and Mr. Viboon Rerksirathai, Risk Management Committee members. Mr. Suteep Thummarugee, Senior Vice President - Head of Corporate Planning and Systems Development Division serves as secretary to the Committee.

The Risk Management Committee's Duties and Responsibilities:

- Reviewing the Company's risk management policy and framework to ensure they cover significant risk factors, such as financial risk, investment risk and corporate reputation risk, and proposing to the Board of Director for approval.
- Formulating risk management strategies and framework in compliance with the Company's risk management policy. The Committee shall assess, monitor and control the impact of risk at the appropriate level.
- Monitoring and ensuring that risk management activities are in line with the Company's policy and framework approved by the Board of Directors.
- Setting risk assessment criteria and risk appetite ceiling.
- Setting measures to manage risks in accordance with the environment and situation.
- Reviewing the sufficiency of risk management policy and system including the effectiveness of the system and the practice under the policy.
- Reporting regularly to the Board of Directors about the management, operations, risk status, changes and areas of improvement to keep risk management in line with the Company's policy and strategy.
- Setting a Risk Management Working Team and supporting the team in terms of personnel, budget and other necessary resources that correspond to the scope of responsibility.

Investors may find more information on the Risk Management Committee's duties and responsibilities on the Company's website under the Company's Regulation on the Risk Management Committee.

Risk Management Working Team

"Risk Management Working Team" was appointed by the Risk Management Committee. Chief Asset Management Officer is the Working Team Chairman while executives from all functions are members and the Assistant Vice President - Corporate Planning and Systems Development Division serves as the secretary. The Working Team is mainly responsible for identifying nature of risks and risk factors, studying and analyzing internal and external factors that may affect the Company's operations, monitoring and studying international standard and government requirements on risk management practice, proposing risk management guideline to the Risk Management Committee for consideration and approval, and overseeing risk management activities are in line with the guideline approved by the Risk Management Committee; and preparing the report on the Company's risk management for the Risk Management Committee acknowledgement every quarter.

Strategic Plan Management Team

"Strategic Plan Management Team" is appointed by the Chief Executive Officer. It comprises the Chief Officers of all functions and Executive Vice President - Corporate Administration as members. Chief Executive Officer acts as the chairman while the Senior Vice President - Head of Corporate Planning and Systems Development Division serves as the secretary. The Strategic Plan Management Team is responsible for screening policy and strategic plan management to ensure that they correspond to the Company's goal and address current situation, formulating strategies, reviewing the sufficiency of policy and strategic plan management system to ensure the system effectiveness and effective implementation, appointing the Strategic Plan Working Team, supervising and monitoring the implementation of strategic plan policy, and reviewing the analysis and assessment of the strategic plan proposed by the Strategic Plan Working Team.

Strategic Plan Working Team

The Strategic Plan Working Team comprises executives from all functions as assigned by the chief officer of each function and by Executive Vice President - Corporate Administration for the corporate administration function as members. Chief Asset Management Officer serves as the chairman and the Assistant Vice President - Corporate Planning and Systems Development Division serves as the secretary. It is responsible for following up, collecting and analyzing information on each project to assess strategic plans and report to the Strategic Plan Management Team on quarterly basis.

4) Investment Committee

Investment Committee is appointed by the Board of Directors and its term is 3 years. As of 31 December 2017, the Investment Committee comprises Mr. Sutat Patmasiriwat, Chairman of the Invesment Committee; Mr. Witoon Kulcharoenwirat, Mr. Thaworn Ngamganokwan and Mr. Viboon Rerksirathai, Invesment Committee members. Mr. Peerawat Pumthong, Chief Business Development Officer, serves as secretary to the Committee.

The Investment Committee's Duties and Responsibilities:

- Determining strategic plan, goal, investment plan, investment budget, optimum investment return and other benefits from project investment to increase the Company's production capacity and growth.
- Carefully reviewing and scrutinizing project investment proposed by the Management to ensure that it is consistent with the Company's policy and target stated in

its investment plan with the consideration on cost-effective investment return and on management of other risk factors at acceptable level.

• Monitoring, following up and evaluating the approved investment project and report to the Board of Directors.

Investors may find more information on the Investment Committee's duties and responsibilities on the Company's website under the Company's Regulation on the Investment Committee.

5) Corporate Governance and Social Responsibility Committee

The Corporate Governance and Social Responsibility Committee is appointed by the Board of Directors and its term is 3 years. As of 31 December 2017, the Corporate Governance and Social Responsibility Committee comprises Mr. Chuan Sirinunporn, Chairman of the Corporate Governance and Social Responsibility; Mr. Chartchai Rojanaratanangkule and Mr. Prapon Kitichantaropas, Corporate Governance and Social Responsibility Committee members. Mrs. Boontiva Dansamasatid, Executive Vice President under Chief Executive Officer serves as secretary to the Committee.

The Corporate Governance and Social Responsibility Committee's Duties and Responsibilities

• Considering policies, strategies, goal, guidelines and plan regarding the Company's corporate governance and social responsibility

• Encouraging the Board of Directors, executives and employees to participate in corporate governance and social responsibility activities

• Monitoring that policies and regulations related to corporate governance and social responsibilities are practiced

• Reporting all corporate governance and social responsibilities tasks to the Board of Directors

• Reviewing and revising policies and guidelines on corporate and social responsibilities if needed by comparing with leading companies, and propose to the Board of Directors for consideration to ensure that the policies and guidelines are up to date.

Investors may find more information on the Corporate Governance and Social Responsibility Committee's duties and responsibilities on the Company's website under the Company's regulation on the Corporate Governance and Social Responsibility Committee.

Corporate Governance Working Team

The "Corporate Governance Working Team" is appointed by the Chief Executive Officer and comprises Chief Financial Officer as the Chairman of the Working Team with Executive Vice Presidents from all functions and the Vice President - Head of Internal Audit Division as members. Vice President - Head of Company Secretary Office serves as the team member and secretary. The Corporate Governance Working Team is responsible for monitoring, studying, considering, reviewing and improving corporate governance policy according to the recommendation or regulations set by concerned agencies to ensure that the corporate governance policy of the Company and subsidiaries is up to date and corresponds to international guideline, laws, rules and regulations. The working Team is also responsible for setting corporate governance guideline and managing risks related to corruption, encouraging employees of the Company and its subsidiaries to embrace awareness on corporate governance and anti-corruption practice, assessing and reporting the implementation of corporate government practice and risk management plan related to corruption as stated in the corporate govenance policy, managing

corruption-related risks by providing advices to executives on corruption related risk assessment, collecting corruption risk assessment result to prepare document on corporate corruption risk, monitoring the result of risk management plan implementation to be reported to the Board of Directors, Corporate Governance and Social Responsibility Committee, Audit Committee, executives and related committees or other organizations.

Changes in the Board of Directors and Committee in 2017

26 January 2017

- Mr. Kijja Sripatthangkura was appointed a member of the Human Resources and Remuneration Committee and a member of the Investment Committee.

6 April 2017

- Mr. Rum Herabat resigned from the positions as a Director and vacated the Chief Executive Officer position due to retirement.
- Mr. Chavalit Pichalai vacated the positions as an Independent Director and the Chairman of the Audit Committee at the end of the term.
- Captain Siridech Julpema vacated the positions as an Independent Director and the Chairman of the Risk Management Committee at the end of the term.
- Miss Piyathida Praditbatuga vacated the positions as an Independent Director, member of the Audit Committee and member of the Corporate Governance and Social Responsibility Committee at the end of the term.
- Mr. Thaworn Ngamganokwan was elected as a Director.
- Mr. Kijja Sripatthangkura was appointed as the Chief Executive Officer.
- Mr. Chartchai Rojanaratanangkule, Mr. Danai Egkamol and Mrs. Siriporn Luangnual were elected as Independent Directors.

26 April 2017

- Mr. Kijja Sripatthangkura vacated the positions as a member of the Human Resources and Remuneration Committee and a member of the Investment Committee.
- Mr. Chartchai Rojanaratanangkule was appointed as the Chairman of the Audit Committee and a member of the Corporate Governance and Social Responsibility Committee.
- Mr. Suthon Boonprasong was appointed as the Chairman of the Risk Management Committee.
- Mr. Danai Egkamol was appointed as a member of the Audit Committee.
- Mrs. Siriporn Luangnual was appointed as a member of the Risk Management Committee.
- Mr. Thaworn Ngamganokwan was appointed as a member of the Human Resources and Remuneration Committee and a member of the Investment Committee.

1 October 2017

- Mr. Suthon Boonprasong vacated the positions as a Director, the Chairman of the Risk Management Committee and a member of the Investment Committee due to resignation.
- Mr. Samack Chouvaparnante was appointed as the Chairman of the Risk Management Committee.
- Mr. Viboon Rerksirathai was appointed as a Director, a member of the Risk Management Committee and a member of the Investment Committee.

25 October 2017

- Mr. Danai Egkamol vacated the positions as an Independent Director and a member of the Audit Committee due to death.

18 December 2017

- Mrs. Siriporn Luangnual vacated the position as a member of the Risk Management Committee and was appointed as a member of the Audit Committee.

1.9 The Board of Directors and Committees' Meetings in 2017 were held as follows:

1.9.1 The Board of Directors held 12 meetings. At the 12th meeting, a meeting among non-executive directors was held without the presence of the Management prior to the meeting of the entire Board of Directors.

1.9.2 Committees

- The Audit Committee held 9 meetings. Out of this, 8 are meetings with the presence of the Management while 1 meeting was held between the Audit Committee and the auditor without the presence of the Management.
- The Human Resources and Remuneration Committee held 9 meetings.
- The Risk Mangement Committee held 4 meetings.
- The Investment Committee held 8 meetings.
- The Corporate Governance and Social Responsibility Committee held 2 meetings.

Board of Directors' and Committees' Meeting Attendance in 2017

No.	Name		Board of Directors	Board of Directors' Meeting Attendance (%)	Audit Committee	Human Resources and Remuneration Committee	Risk Management Committee	Investment Committee	Corporate Governance and Social Responsibility Committee
1	Mr. Sutat	Patmasiriwat	12/12	100.00				8/8	
2	Mr. Witoon	Kulcharoenwirat	12/12	100.00		9/9		8/8	
3	Mr. Chuan	Sirinunporn	12/12	100.00		9/9			2/2
4	Mr. Thaworn	Ngamganokwan	8/9	88.89		4/5		6/6	
5	Mr. Viboon	Rerksirathai	3/3	100.00			1/1	1/1	
6	Mr. Kijja	Sripatthangkura	12/12	100.00		2/2		1/1	
7	Mr. Chartchai	Rojanaratanangkule	9/9	100.00	6/6				2/2
8	Mr. Samack	Chouvaparnante	12/12	100.00			4/4		
9	Miss Prapa	Puranachote	9/12	75.00	9/9				
10	Mrs. Siriporn	Luangnual	8/9	88.89	0/1		3/3		
11	Mr. Veerasak	Pungrassamee	11/12	91.67			3/4		
12	Mr. Prapon	Kitichantaropas	11/12	91.67					2/2
13	Mr. Rum	Herabat	3/3	100.00					
14	Mr. Chavalit	Pichalai	3/3	100.00	3/3				
15	Captain Siridech	Julpema	3/3	100.00			1/1		
16	Miss Piyathida	Praditbatuga	3/3	100.00	3/3				0/0
17	Mr. Suthon	Boonprasong	9/9	100.00			3/3	6/7	
18	Mr. Danai	Egkamol	5/7	71.43	3/3				

Remarks
(1) The number before / shows the number of meetings the director attended.
(2) The number after / shows the total meetings held while the director is in office.
(3) Percentage of the Board of Director's meeting attendance is calculated based on the number of meetings held while the director is in office.

1.10 Secretary to the Board of Directors and Company Secretary

Secretary to the Board of Directors

The Board of Directors appointed Chief Executive Officer as its secretary. The Board of Directors Secretariat Department under the Company Secretary Office is responsible for arranging meetings, administration and coordination for the Board of Directors.

Company Secretary

The Board of Directors appointed Company Secretary with responsibilities as specified by the Securities and Exchange Act, which include providing initial advice on related laws and regulations, arranging the Company and subsidiaries' Board of Directors' meetings, Committees' meetings and the shareholders' meetings; handling secretariat works for the Board of Directors and facilitating the Board of Directors' activities; ensuring that the Board of Directors' resolutions and the shareholders' resolutions are strictly executed; handling activities related to shareholders' rights and proper disclosure of information, preparing the Company's annual report (Form 56-2) as well as preparing and keeping significant document such as the Board of Directors' meeting notices and minutes, and the shareholders' meeting notices and minutes, annual report, directors' records and report on personal interests of directors and executives. These responsibilities will ensure that Company's operations comply well with the good corporate governance of listed companies under the Board of Directors' Responsibility topic, related laws, rules and regulations, Company's Articles of Association, regulations, policies, and guidelines specified by the regulators and concerned organizations and the Securities and Exchange Act.

In addition, the **Company Secretary** plays an important role in promoting good corporate governance by supporting directors and Chief Executive Officer in performing their duties, and **is also responsible for corporate governance activities through Compliance Department** under the Company Secretary Office.

Mr. Sommai Poosanachakorn, Senior Vice President - Head of Company Secretary Office, was appointed by the Board of Directors in the meeting No. 1/2016 held on 18 January 2016 as the Company Secretary effective from 19 January 2016.



Mr. Sommai Poosanachakorn
Age : 53 years
Company Secretary
Staring Date : 19 January 2016
The Company's Security Holding Proportion (%) : None

Education

- Master of Public and Private Management, The National Institute of Development Administration
- Bachelor of Accounting, Thammasat University

Important Trainings/Seminars

- Leadership Assessment & Development Program (2013)
- Leading with the Speed of Trust (2013)
- Chief Financial Officer, Federation of Accounting Professions
- Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University

Working Experiences

• 2015 - Present	Senior Vice President – Head of Company Secretary Office, Ratchaburi Electricity Generating Holding PCL
• 2017	Director, RATCH China Power Limited
• 2014 – 2015	Senior Vice President – Head of Accounting Control and Analysis Division, Ratchaburi Electricity Generating Holding PCL
• 2014	Vice President – Head of Accounting Control and Analysis Division, Ratchaburi Electricity Generating Holding PCL
• 2007 - 2014	Vice President – Head of Accounting Division, Ratchaburi Electricity Generating Holding PCL

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Board of Directors Member, RATCH-Lao Services Company Limited

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None

1.11 Head of Internal Audit

In ensuring that the Company and its subsidiaries' operations are in line with policy, plans, rules and regulations, related laws, and corporate governance principle, the Audit Committee, in the meeting No. 7/2016 held on 14 December 2016, appointed Mr. Somboon Kositvanich as Senior Vice President - Head of Internal Audit Division to be responsible for reviewing, evaluating the sufficiency and efficiency of the internal control and risk management system of the Company and its subsidiaries, effective from 1 January 2017.

The Audit Committee appraised the 2017 performance of the Vice President - Head of Internal Audit Division especially in terms of knowledge and ability to supervise and manage internal audit activities as well as understanding of the role and responsibility of the secretary to the Audit Committee. The appraisal result score was 95 (out of 100 full score) or excellent. The appraisal result showed that the person can perform his duty as assigned and has good understanding of the Company's business, has capability and experience in auditing accounting, finance and management of the Company's overall and business risks.



Mr. Somboon Kositvanich

Age : 58 years

Senior Vice President – Head of Internal Audit Division Starting Date : 1 January 2017

The Company's Securities Holding Proportion (%) : None

Education

- Master of Accounting, Thammasat University
- Bachelor of Accountancy, Ramkhamhaeng University

Important Trainings/Seminars

- Chief Financial Officer, Federation of Accounting Professions
- Mini MBA, Kasetsart University
- Senior Executive Program, SASIN Graduate Institute of Business Administration
- Certified Public Accountant (CPA)

Working Experiences

- 2015 – 2017 Senior Vice President, Ratchaburi Electricity Generating Holding PCL, seconded to be Managing Director of Solarta Company Limited
- 2014 Senior Vice President, Administration and Finance Division, Ratchaburi Electricity Generating Company Limited

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations : None

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None

1.12 Head of Compliance Unit

(Disclosed in the Company Secretary section)

2. Executives

The Board of Directors has clearly specified scope of responsibilities of Directors and the Management, which are clearly separated from each other as follows:

- The Board of Directors is responsible for policy formulation and monitoring of the implementation by the Management. (Details are disclosed in Board of Directors Section.)
- The Management is responsible for implementing the policies and reporting the results to the Board of Directors.

Chief Executive Officer **is the top executive** in the Management and is authorized to **manage daily operations** of the Company as follows:

- Governing employees and staff members;
- Hiring, appointing, promoting, approving resignation of employees, punishing, transferring, assigning positions to staff members; considering promotion or adjusting salary of employees and staff members, excluding high level executives who are executive vice president and upper levels, which are the responsibilities of the Board of Directors;
- Issuing work conditions, work rules and responsibilities of each job position, or issuing orders or announcement regarding management process or other operations of the Company that do not conflict with the Company's regulations and the Board of Directors' resolution;
- Supervising that the operations strictly abide by the Company's regulations and making final decisions when there is operational problems
- Dividing job functions with the approval from the Board of Directors

Signatory Authority

In terms of external affairs, the Chief Executive Officer is authorized to act as a signatory except in any matters that the Chief Executive Officer or persons who have relationship with him may have conflict of interests. Such action can be taken only when approved by the Board of Directors with the presence of Independent Directors. In such case, the Chief Executive Officer may authorize any other person to act on his/her behalf, except for any matter that may hold the Company's liable as a borrower, buyer or hirer engaged in more than Baht 30 million.

For any contract that is wrongfully made by the Chief Executive Officer which breaches the resolution of the Board of Directors, the Company will not be held liable, except in case of ratification by the Board of Directors.

In case the Chief Executive Officer is absent or cannot perform his duty or when the position is vacant, the Board of Directors assigns the chief officers in the next rankings to act as the Acting Chief Executive Officer respectively with full authority, except for Chief Executive Officer's responsibility as a member of the Board of Directors.

Authority to approve procurement and charity donation

The Board of Directors clearly specifies the authority to approve procurement and charity donation as follows:

	Procurement	Authorized person
1	Procurement of project not **exceeding Baht 30 million**	Chief Executive Officer
2	Procurement of project **exceeding Baht 30 million**	Board of Directors

	Charity Donation	Authorized person
1	Charity donation **not exceeding Baht 300,000**	Chief Executive Officer
2	Charity donation **exceeding Baht 300,000 but not exceeding Baht 500,000**	Chairman
3	Charity donation **exceeding Baht 500,000**	Board of Directors

The Company Administration

comprises 5 functions, including Business Development, Project Development, Asset Management, Finance and Corporate Administration.

Business Development, Project Development, Asset Management and Finance are headed by chief officer level executives. Corporate Administration is headed by executive vice president. There are 3 divisions under the Chief Executive Officer, including Legal Division, Internal Audit Division and Company Secretary Office. The Internal Audit Division reports directly to the Audit Committee.

As of 31 December 2017, the Company's executives according to the SEC's definition are as follows:

	Name		Position	Starting Date	Executive Positions in the Company Group
1	Mr. Kijja	Sripatthangkura	Chief Executive Officer **(Top executive)**	06/04/2017	Shown on page 131
2	Mr. Peerawat	Pumthong	Chief Business Development Officer	01/01/2017	Shown on page 131
3	Mr. Raluke	Satayaporn	Chief Project Development Officer	01/10/2017	Shown on page 131
4	Mr. Somnuk	Jindasup	Chief Asset Management Officer	01/03/2017	Shown on page 131
5	Mrs. Sunee	Rajatamutha	Chief Financial Officer **(Top financial executive)**	01/01/2017	Shown on page 131
6	Mr. Prayut	Thongsuwan	Executive Vice President - Corporate Administration	01/09/2017	Shown on page 131
7	Mrs. Wadeerat	Charoencoop	Executive Vice President - Financial	01/05/2017	Shown on page 131
8	Mr. Sakchai	Sripetch	Senior Vice President - Head of Financial Planning and Management Division	01/01/2017	Shown on page 131
9	Mrs. Supatra	Thongkarn	Senior Vice President - Head of General Accounting Division	01/03/2017	Shown on page 131
10	Miss Suwannee	Srisajjawat	Vice President - Head of Accounting Control and Analysis Division	01/07/2017	Shown on page 131
11	Miss Chatuporn	Laohapiboonratana	Vice President - Head of Tax Management and General Ledger Division	01/01/2017	Shown on page 131



Mr. Kijja Sripatthangkura

Age : 57 years

Chief Executive Officer

Starting Date : 7 April 2017

The Company's Security Holding Proportion (%) : 0.0004 (Own)

(His profile is shown on page 91)



Mr. Peerawat Pumthong

Age : 59 years

Chief Business Development Officer

Starting Date : 1 January 2017

The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration, Monash University, Australia, Certificate of Merit (Highest score) in International Business
- Master of Engineering, Asian Institute of Technology (AIT), (Germany Government Scholarship)
- Bachelor of Engineering (2nd Class Honor), Khonkaen University

Important Trainings/Seminars

- Director Certification Program (DCP 138/2010), Thai Institute of Directors Association
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives (Class 17), King Prajadhipok's Institute
- Advanced Course in Public Economics (Class 8), King Prajadhipok's Institute
- ASEAN Executive Development Program (AEDP), Thammasat Business School, Thammasat University
- Mini MBA, Chulalongkorn University
- Electric Power Development from Swedish Board of Investment and Technical Support (BITS), Sweden
- ASEAN Executive Program, General Electric International Operation Company, Inc., USA
- Hydro Electric Power from Japan International Cooperation Agency (JICA), Columbo Plan, Japan
- Thermal and Hydro Power Project Planning from Snowy Mountain Engineering Cooperation, Columbo Plan, Australia

Previous Working Experiences

- 2014 – 2016 Chief Business Development Officer 1, Ratchaburi Electricity Generating Holding PCL
- 2014 – 2015 Board of Directors Chairman, Ratchaburi World Cogeneration Company Limited
- 2011 – 2014 Board of Directors Member and Acting Managing Director, RATCH-Australia Corporation Limited
- 2010 – 2014 Chief Operating Officer, Ratchaburi Electricity Generating Holding PCL
- 2006 – 2010 Executive Vice President - Business Development, Ratchaburi Electricity Generating Holding PCL
- 2013 Board of Directors Member, Ratchaburi Electricity Generating Company Limited
- 2010 – 2013 Board of Directors Member, Navanakorn Electricity Generating Company Limited
- 2010 - 2013 Board of Directors Chairman, RATCH-Lao Services Company Limited
- 2006 – 2013 Board of Directors Chairman, Ratchaburi Energy Company Limited

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Committee of the National Legislative Assembly, Sub-Committee on the Study and Follow-up on Renewable Energy Under Committee on Energy
- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None



Mr. Raluke Satayaporn

Age: 58 years
Chief Project Development Officer
Starting Date: 1 October 2017
The Company's Security Holding Proportion (%) : None

Education
- Master of Engineering (Civil Engineering), Asian Institute of Technology (AIT)
- Bachelor of Engineering (Civil Engineering), Kasetsart University

Important Trainings/Seminars
- Director Certification Program (DCP 250/2017), Thai Institute of Directors Association
- Senior Executive Program (SEP), SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Advance Certificate Course in Public Economics Management for Executives (Class 12), King Prajadhipok's Institute
- Project Management, the Engineering Institute of Thailand
- Executive Development Program (EDP) (Class 12), Fiscal Policy Research Institute Foundation
- Executive Energy Program, the Institute of Industrial Energy, Federation of Thai Industries

Previous Working Experiences
- 2017 Executive Vice President–Project Development, Ratchaburi Electricity Generating Holding PCL
- 2014-2017 Board of Directors Chairman, Oversea Green Energy Company Limited
- 2015 Executive Vice President–Business Development 2, Ratchaburi Electricity Generating Holding PCL
- 2015 Executive Vice President–Business Development 2 and Acting Vice President - Foreign Investment Division, Ratchaburi Electricity Generating Holding PCL
- 2014 Executive Vice President – Business Development 2, Ratchaburi Electricity Generating Holding PCL
- 2014 Senior Vice President and Acting Executive Vice President – Business Development 2, Ratchaburi Electricity Generating Holding PCL
- 2014 Board of Directors Member, Nava Nakorn Electricity Generating Company Limited

Current Positions in Other Listed Companies : None
Current Positions in Non-listed Organizations :
- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None
Family Relationship with Directors and Executives : None
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year : None



Mr. Somnuk Jindasup

Age : 59 years

Chief Asset Management Officer

Starting Date: 1 March 2014

The Company's Security Holding Proportion (%) : 0.0005
(Own 0.0000, Spouse 0.0005)

Education

- Bachelor of Science (Electrical Engineering) (2nd Class Honor), King Mongkut's Institute of Technology North Bangkok Campus

Important Trainings/Seminars

- Leadership Assessment & Development Program (2013)
- Leading with the Speed of Trust (2013)
- Director Certification Program (DCP152/2011), Thai Institute of Directors Association
- Advance Senior Executive Program (2010), SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Executive Development Program (2008), Thai Listed Company Association
- Advance Certificate Course, Public Administration and Public Law (2006 – 2007), King Prajadhipok's Institute
- ASEAN Executive Program (2005), General Electric International Operation Company, Inc., USA
- Senior Executive Program (2003), SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Advanced Mini MBA, Chulalongkorn University
- Literacy for the World Program, Class 6 (TEA 6), Thailand Energy Academy
- Advance Certificate Course, Politics and Governance in Democratic Systems for Executives, King Prajadhipok's Institute

Previous Working Experiences

- 2014 - 2016 Chief Asset Management Officer Ratchaburi Electricity Generating Holding PCL, acting as Managing Director-Ratchaburi Electricity Generating Company Limited
- 2014 - 2016 Board of Directors Chairman, Ratch-Lao Services Company Limited
- 2014 - 2016 Board of Directors Chairman, Oversea Green Energy Company Limited
- 2014 Board of Directors Chairman, Sustainable Energy Corporation Limited
- 2013 - 2014 Senior Executive Vice President, Ratchaburi Electricity Generating Holding PCL, seconded to be Managing Director, Ratchaburi Electricity Generating Company Limited
- 2013 Executive Vice President, Ratchaburi Electricity Generating Holding PCL, seconded to be Managing Director, Ratchaburi Electricity Generating Company Limited
- 2009 - 2013 Board of Directors Member, EGAT Diamond Service Company Limited

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None



Mrs. Sunee Rajatamutha

Age : 59 years
Chief Financial Officer
Starting Date : 1 January 2017
The Company's Security Holding Proportion (%) : None

Education

- Master of Accounting, Thammasat University
- Master of Business Administration (Finance), Chulalongkorn University
- Bachelor of Accounting (2nd Class Honor), Chulalongkorn University

Important Trainings/Seminars

- Director Certification Program (DCP179/2013). Thai Institute of Directors Association
- Advanced Certificate Course in Public Economics Management for Executives (Class 13), King Prajadhipok's Institute
- Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Chief Financial Officer, Federation of Accounting Professions
- Modern Management Program, Chulalongkorn University

Previous Working Experiences

- 2017 Board of Directors Member, RICI International Investment Pte. Limited
- 2011 – 2016 Executive Vice President - Financial, Ratchaburi Electricity Generating Holding Company Limited
- 2011 – 2016 Board of Directors Member, Nava Nakorn Electricity Generating Company Limited

Current Positions in Other Listed Companies : None
Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None
Family Relationship with Directors and Executives : None
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year : None



Mr. Prayut Thongsuwan

Age : 59 years
Executive Vice President - Corporate Administration
Starting Date : 1 September 2014
The Company's Security Holding Proportion (%) : None

Education

- Master of Public and Private Management, The National Institute of Development Administration
- Bachelor of Political Sciences (Public Administration), Thammasat University

Important Trainings/Seminars

- Financial Statements for Directors (FSD11/2011) Thai Institute of Directors Association
- ASEAN Executive Program, General Electric International Operation Company, Inc., USA
- Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Advanced Mini MBA, Chulalongkorn University

Previous Working Experiences

- 2014 - 2017 Board of Directors Member, Oversea Green Energy Company Limited
- 2014 Board of Directors Member, Sustainable Energy Corporation Limited
- 2014 Board of Directors Member, Khao Kor Wind Power Company Limited
- 2012 - 2014 Board of Directors Member and Managing Director, Solarta Company Limited
- 2010 - 2014 Board of Directors Member and Managing Director, Ratchaburi Energy Company Limited
- 2010 - 2012 Executive Vice President, Ratchaburi Electricity Generating Holding PCL

Current Positions in Other Listed Companies : None
Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None
Family Relationship with Directors and Executives : None
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year : None



Mrs. Wadeerat Charoencoop

Age : 43 years

Executive Vice President - Financial

Starting Date : 1 May 2017

The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration, The University of Washington, USA
- Bachelor of Business Administration (Finance) (2nd Class Honor), Chulalongkorn University

Important Trainings/Seminars

- Corporate Governance for Executives (CGE SCCC/2015), Thai Institute of Directors Association
- Senior Development Program, Duke C.E.
- STARS Switzerland Symposium

Previous Working Experiences

- 2014 – 2017 Head of Group Finance, Treasury, Tax and IR, Siam City Cement Public Company Limited
- 2011 – 2014 Vice President–Head of Financial Planning and Management Division, Ratchaburi Electricity Generating Holding PCL

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives: None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None



Mr. Sakchai Sripetch

Age : 58 years

Senior Vice President – Head of Financial Planning and Management Division

Starting Date: 1 January 2017

The Company's Security Holding Proportion (%) : 0.0001 (Own)

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy (Cost Accounting), Chulalongkorn University
- Bachelor of Law, Sukhothai Thammathirat Open University

Important Trainings/Seminars

- Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Chief Financial Officer, Federation of Accounting Professions
- Certified Public Accountant

Previous Working Experiences

- 2014 – 2016 Senior Vice President, seconded to be Chief Financial Officer, Ratchaburi Power Company Limited
- 2013 – 2014 Vice President, seconded to be the Chief Financial Officer, Ratchaburi Power Company Limited
- 2013 Vice President belong to Chief Financial Officer, Ratchaburi Electricity Generating Holding PCL
- 2012 – 2013 Vice President, seconded to be Board of Directors Member and Managing Director, RATCH-Lao Services Company Limited

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None



Mrs. Supatra Thongkarn

Age : 57 years

Senior Vice President - Head of General Accounting Division

Starting Date : 1 March 2017

The Company's Security Holding Proportion (%) : 0.0003 (Own)

Education

- Bachelor of Accountancy, Chulalongkorn University

Important Trainings/Seminars

- Mini MBA, Thammasat University
- Tax Controller Major in International Tax, School of Tax
- Chief Financial Officer, Federation of Accounting Professions

Previous Working Experiences

- 2017 Vice President - Head of General Accounting Division, Ratchaburi Electricity Generating Holding PCL
- 2015 – 2017 Board of Directors Member, RICI International Investment Pte. Limited
- 2015 – 2016 Vice President - Head of Accounting Control and Analysis Division, Ratchaburi Electricity Generating Holding PCL
- 2014 – 2015 Vice President - Head of Tax Management Division, Ratchaburi Electricity Generating Holding PCL and Acting Deputy Managing Director - Administration, Accounting and Finance, Solarta Company Limited
- 2014 Vice President - Head of Tax Management Division, Ratchaburi Electricity Generating Holding PCL
- 2013 – 2014 Vice President - Head of Treasury Division, Ratchaburi Electricity Generating Holding PCL
- 2012 – 2013 Vice President, Ratchaburi Electricity Generating Holding PCL, seconded to be Chief Financial Officer, Xe-Pian Xe-Namnoy Power Company Limited

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None



Miss Suwannee Sirisajjawat

Age : 47 years

Vice President-Head of Accounting Control and Analysis Division

Starting Date : 1 July 2017

The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Business Administration (Accounting), Prince of Songkla University

Important Trainings/Seminars

- Mini MBA, Kasetsart University

Previous Working Experiences

- 2017 Board of Directors Member, RATCH - Lao Services Company Limited
- 2017 Acting Vice President - Head of Accounting Control and Analysis Division, Ratchaburi Electricity Generating Holding PCL
- 2015 - 2016 Senior Manager – Head of Management Accounting Department, Ratchaburi Electricity Generating Holding PCL
- 2012 - 2015 Senior Manager – Head of Accounting Analysis and Budgeting Department, Ratchaburi Electricity Generating Holding PCL

Current Positions in Other Listed Companies : None

Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence : None

Family Relationship with Directors and Executives : None

Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None

Being an Employee/Partner of External Audit Company in the Previous 2 Years : None

Issues that May Cause Conflict of Interest in the Previous Year : None



Miss Chatuporn Laohapiboonratana

Age : 46 years
Vice President-Head of Tax Management and General Ledger Division
Starting Date : 1 January 2017
The Company's Security Holding Proportion (%) : None

Education

- Master of Business Administration, Kasetsart University,
- Bachelor of Accountancy (2nd Class Honors), Chiang Mai University

Important Trainings/Seminars

- Chief Financial Officer (Class 13), Federation of Accounting Professions
- Mini MBA, Kasetsart University
- Tax Planning for The Boss Certification Program, Management and Psychology Institute

Previous Working Experiences

- 2016 Vice President – Head of Tax Management Division, Ratchaburi Electricity Generating Holding PCL
- 2015 - 2016 Senior Manager acting Vice President - Head of Tax Management Division, Ratchaburi Electricity Generating Holding PCL
- 2014 - 2015 Senior Manager - Head of Financial Planning Department, Ratchaburi Electricity Generating Holding PCL
- 2012 - 2014 Senior Manager, Ratchaburi Electricity Generating Holding PCL, seconded to be Chief Financial Officer, Solarta Company Limited

Current Positions in Other Listed Companies : None
Current Positions in Non-listed Organizations :

- Positions in subsidiaries, associates and joint ventures are shown on page 131

Prohibited Qualifications/Committed an Offence: None
Family Relationship with Directors and Executives: None
Participation in Managing Business Relationship/ Providing Professional Service to the Company's Group in the Previous Year : None
Being an Employee/Partner of External Audit Company in the Previous 2 Years : None
Issues that May Cause Conflict of Interest in the Previous Year : None

Investors may find details of the executives and authorized persons of subsidiaries in the core business are included in the Form 56-1 published on the Company's and SEC's websites.

Recruitment and Nomination Procedures of High Level Executives

"High level executive" means a person who holds the position of Chief Executive Officer, Chief Officer and Executive Vice President.

In **appointing high level executives**, the Company considers the nominee's educational background, knowledge, skills, work experiences and other necessary qualifications that meet the requirements, **are suitable and in line with each position designated missions** and should benefit the Company's overall operations to support the Company's Group efficiency, effectiveness and **sustainable growth**.

In nominating high level executives, the Human Resources and Remuneration Committee is assigned to recruit, select and screen candidates from within the organizations and outsiders, **considering their qualifications, educations, specialization, skills, experience, suitability and the necessary qualifications needed by the Company**. The nominees will be proposed to the Board of Directors for consideration and appointment.

Directors representing the major shareholder, EGAT, who has the right to nominate directors according to EGAT's shareholding proportion, **have been appointed after the same selection procedure**. The nomination is **submitted to the Human Resources and Remuneration Committee** to consider and screen the nominees' educational background, qualifications, knowledge, skills, expertise and work experience that **support the governance of the Company, do not currently exist in the Board of Directors, are in line with the Company's missions, target and short-term and long-term strategies**. The consideration is conducted without gender discrimination. The nominees shall not have prohibited qualification by law, related regulations, rules and good corporate governance principle while being ready to contribute sufficient time to perform duty as a director. **The nominee list will afterward be submitted to the Board of Directors and/or proposed to the general shareholders' meeting for consideration and approval**. This also applies to the Chief Executive Officer, who is EGAT's top executive and seconded to work at the Company.

3. Policy on Appointing Directors and Executives to be Directors and Executives of Subsidiaries, Associates and Joint Ventures

The Company has a policy to appoint its directors and executives to be directors and/or executives of subsidiaries, associates and joint ventures to ensure that the management and operation of all companies within the Company's Group are in line with their missions, align with the Company's policy and to effectively monitor and assess operational performance of the subsidiaries, associates and joint ventures. The appointment is approved by the Board of Directors and those directors have the responsibilities as stated in the Company's regulation on Subsidiaries, Affiliates and Joint Ventures Supervision. Information about subsidiaries, associates and joint ventures are detailed in the Investment Structure section.

4. Remuneration for the Directors and Executives

4.1 Policy and Criteria

The Board of Directors has formulated the policy and criteria on remuneration of Directors and high level executives in writing. This enables the Company to ensure that remuneration can motivate and maintain quality employees while attracting others with appropriate knowledge, capability, skills and experience that would best benefit the Company's business. The criteria, method and process are clear, appropriate, transparent, up-to-date and most beneficial to the Company's operations. Remuneration has been linked to goals and performances of the Company's group, dependent on level of designated responsibilities and comparable to the remuneration offered by organizations in similar industry and size since 2005.

Remuneration of the Board of Directors and All Committees

The Human Resources and Remuneration Committee which is appointed by the Board of Directors is responsible for considering and setting remuneration of the Board of Directors, Committees and high level executives. The Committee has to seek approval from the Board of Directors and later from the shareholders' annual general meeting. The remuneration criteria are as follows:

1. **Regular remuneration**

1.1 Board of Directors: Retainer for the Company's Board of Directors is paid on monthly basis. The first 75 percent of the retainer is fixed while the remaining 25 percent is paid when the Director attends meetings. The Chairman of the Board receives 25 percent higher retainer than that paid to other directors.

1.2 Committees: The retainer for committee members is paid per meeting when a Director attends. Committee Chairman's retainer is 25 percent higher than that paid to other Committee members.

2. **Bonus** is allocated based on the length of directorship and on the attendance to the Board of Directors' meetings. When a Director holds directorship for more than one position in the Company's Group, the Director shall receive bonus from the company that allocates the highest bonus at that point in time. Chairman of the Board will receive 25 percent higher bonus than that paid to other directors.

3. **Other form of benefits** both in cash and non-cash : None

Remuneration for the Board of Directors and Committees Approved by Shareholders' Annual General Meeting Year 2560 (B.E.)

		Chairman	Member
1. Regular retainers			
1.1	**Board of Directors**	Baht 50,000/month	Baht 40,000/month
1.2	**Committees:** 5 committees (Audit Committee, Human Resources and Remuneration Committee, Risk Management Committee, Investment Committee and Corporate Governance and Social Responsibility Committee)	Baht 30,000/meeting	Baht 24,000/meeting
2. Bonus			
2.1	**Board of Directors (The bonus paid to the 2016 Board of Directors totalling Baht 15.9 million)**	Baht 1,500,000	Baht 1,200,000/person
3. Other Benefits			
3.1	Other benefits	None	None

Executive directors do not receive fixed retainer but receives bonus as a director.

Remuneration for high level executives is in line with the **criteria and policy set earlier by the Board of Directors** and must be considered and screened by the Human Resources and Remuneration Committee. The remuneration is linked with the performance appraisal **against the earlier agreed target** and must seek approval from the Board of Directors. During the meeting on high level executive remuneration, none of executives with conflict of interest are allowed to attend. **The Board of Directors considers remuneration based on the performance appraisal result** and the Chairman of the Board will **inform the Chief Executive Officer of such result which will be used as the guideline for future performance improvement**.

4.2 Remuneration of Directors and Executives

4.2.1 Remuneration of Directors and Committees

Directors' Remuneration in 2017

No.	Name	Board of Directors	Audit Committee	Human Resources and Remuneration Committee	Risk Management Committee	Investment Committee	Corporate Governance and Social Responsibility Committee	2016 Bonus*	Total
1	Mr. Sutat Patmasiriwat /2/3	600,000				240,000		150,000	2,340,000
2	Mr. Witoon Kulcharoenwirat /3/4	480,000		270,000		192,000		120,000	2,140,000
3	Mr. Chuan Sirinunporn /3/4	480,000		216,000			60,000	1,200,000	1,956,000
4	Mr. Thaworn Ngamganokwan /4	320,000		96,000		144,000			560,000
5	Mr. Viboon Rerksirathai /4	120,000			24,000	24,000			168,000
6	Mr. Kijja Sripatthangkura /4/6	480,000		48,000		24,000			552,000
7	Mr. Chartchai Rojanaratanangkule /3/4/5	360,000	180,000				48,000		588,000
8	Mr. Samack Chouvaparnante /3/4/5	480,000			102,000			1,200,000	1,782,000
9	Miss Prapa Puranachote /4/5	360,000	216,000					1,200,000	1,776,000
10	Mrs. Siriporn Luangnual /4/5	320,000	-		72,000				392,000
11	Mr. Veerasak Pungrassamee /4/5	440,000			72,000			878,690	1,390,690
12	Mr. Prapon Kitichantaropas /4/5	440,000					48,000	1,200,000	1,688,000
13	Mr. Rum Herabat /6	120,000						1,200,000	1,320,000
14	Mr. Chavalit Pichalai /3/5	120,000	90,000					1,200,000	1,410,000
15	Captain Siridech Julpema /3/5	120,000			30,000			1,200,000	1,350,000
16	Miss Piyathida Praditbatuga /4/5	120,000	72,000				-	1,200,000	1,392,000
17	Mr. Suthon Boonprasong /3/4	200,000			84,000	144,000		1,200,000	1,628,000
18	Mr. Danai Egkamol /4/5	200,000	72,000						272,000
Grand Total		5,760,000	630,000	630,000	384,000	768,000	156,000	14,378,690	22,706,690

Remarks:
/1 Board of Directors' bonus for 2016 was paid in April 2017 in accordance with the resolution of the Shareholders' Annual General Meeting Year 2560 (B.E.) held on 5 April 2017
/2 Chairman of the Board
/3 Chairman of Committee
/4 Member of Committee
/5 Independent Director
/6 Executive Director

4.2.2 Executives' Remuneration

Remuneration	Number (Persons)	Amount (Baht)
Salary	5	32,981,530.00
Bonus	5	19,531,070.00
Contribution to provident fund	5	2,710,698.49
Other benefits	None	None
Total	**5**	**55,223,298.49**

Remarks: Executives' remuneration means remuneration for Chief Executive Officer and the first four executives after Chief Executive Officer according to the definition stated in the Capital Market Supervisory Board's Announcement No. Tor Jor 44/2556.

Directors of subsidiary operating in core business (Ratchaburi Electricity Generating Company Limited) who are also the Company's executives did not receive fixed remuneration for director. Directors of subsidiaries who are also the Company's directors did not receive bonus from such subsidiary, according to the preset criteria. Details of subsidiaries' directors and executives are disclosed in the Form 56-1 which is also published on the websites of the Company and SEC.

Directors and executives of the Company's wholly-owned subsidiaries, including Ratchaburi Alliances Company Limited, Ratchaburi Energy Company Limited, RATCH-Lao Services Company Limited, RATCH O&M Company Limited and RH International Corporation Limited, who are the Company's Group's executives did not receive remuneration.

5. Employees

Employees are valuable and very important resources in driving the Company's operations to achieve its goal in creating business value and growing sustainably as well as ensuring happiness and trust among its employees and all stakeholders. The Company has therefore formulated employee policy covering management, human resource development, society, environment, ethics and anti-corruption practice. All the guidelines is aimed at promoting employees' capability, competency and desired behaviors corresponding to the corporate value and supporting corporate strategy, goals and the society.

5.1 Number of Employees as of 31 December 2017 by function is as follows:

No.	Function	Gender		Type of Contract		Executives	Total (Persons)
		Male	Female	Employee	Contractual employees		
1	Chief Executive Officers	7	22	27	0	2	29
2	Business Development	20	5	22	0	3	25
3	Project Development	28	9	33	1	3	37
4	Asset Management	22	12	31	0	3	34
5	Finance	7	30	35	0	2	37
6	Corporate Administration	23	23	43	2	1	46
Grand Total							**208**

Remark: An executive means vice-president level executive or higher

In 2017, there is no significant change in the number of employees. There are 208 employees in 2017, an increase of 11 persons from 2016.

5.2 Employees' Remuneration

5.2.1 Employees' Remuneration Policy and Criteria and Welfare

5.2.1.1 Remuneration Policy and Criteria

The Company has a clear policy to offer fair remuneration system and employee's benefit that is competitive in the market, suitable to the position and responsibility with consideration on each job's importance, national economic situation, average remuneration in the labor market, especially those in similar businesses and also the Company's short-term and long-term operational performance. To ensure that its remuneration is competitive and can retain capable employees, the Company regularly surveyed average remuneration in the market on yearly basis and uses it for consideration on remuneration structure adjustment every three years in accordance with the opinion provided by the Board of Directors, Human Resources and Remuneration Committee and Personnel Management Committee respectively. This is to assure its employee of fair and appropriate remuneration is given.

Remuneration for new employees who have no experience is based on the Company's remuneration structure which is in the same level as other companies in similar businesses. The market remuneration is survey every three years. New employees with experience will receive remuneration with consideration on their direct experience for the job and the length of work experience period. Their remuneration is compared against those offered by other companies to their employees in similar status and position. The Company also considers its demand, current situation and the company's business.

The remuneration comprises cash and non-cash forms. Cash remuneration includes salary and bonus, varying according to the level of position and individual's annual performance, overtime fee in compliance with the laws and travel expenses incurred in case of field visit. Non-cash remuneration includes welfares.

5.2.1.2 Employees' Welfare

To ensure that its employees have good security and confidence as well as willing to perform at their best in accordance with their assignment and responsibilities, the Company provides welfare as required by law and other benefits beyond legal requirements. Other benefits offered included assistance in case of disaster, life and accident insurance, medical service, annual health check-up, dental services, eyesight check, vaccination, loan in case of emergency, financial support in case of death, home loans, financial assistance on baby delivery and provident fund, for example. Criteria for benefit offering are based on the related regulations and order. For provident fund, the objectives are mainly to promote savings and enhancing financial security for its employees both in short and long term. Employees have the right to join the "Electricity Generating Authority of Thailand Employees Provident Fund" and the employees can choose the proportion of employee contribution within the range of 5-15 percent of their monthly salary. The Company contribution is 5 percent, 7 percent and 10 percent depending on employees' years of service. Under the "Employee's Choice", an employee can adjust investment plan to match individual needs.

5.2 Employee's Remuneration in 2017

Remuneration	Number (Persons)	Amount (Baht)
Salary	200	237,144,472.00
Bonus	200	123,871,710.00
Provident fund contribution	200	20,054,731.08
Other benefits	None	None
Total	**200**	**381,070,913.08**

Remarks:
(1) Employees' remuneration does not include the top four executives according to the Capital Market Regulatory Commission's Announcement No. Tor Jor 44/2556.
(2) Remuneration of employees of subsidiaries is disclosed in Form 56-1 as published on the Company's and SEC websites.

In 2017, there is neither labor dispute nor collective bargaining and therefore no employee is protected under the collective bargaining session.

5.3 Human Resources Management

The Company has a policy to continuously develop employees' capability, knowledge and skills in all levels to support their performance within the responsibility assigned and to enhance life balance. Some of the trainings are employee's position related training, energy saving training, healthcare and life security.

The Company appreciates human resources as an important factor enabling the Company to achieve excellence in sustainable operations, to support investment in new business and technology and to support transformation driven by the development of digital technology. The Company believes that human resources are valuable and can be developed to achieve excellence if a good and clear support system is sufficient. To emphasize its commitment to supporting professional success of its employees and their ability to increase corporate achievement, the Company has introduced the "Career Development Roadmap". Further developed from Career Path Management, the roadmap provides employees with clear guideline on self- development to achieve the level of capability desired. Competency of each job family and job group are clearly outlined in this roadmap and used as employee development framework under the 70:20:10 formula as follows:

- 70 percent is developed from experiential learning, such as learning from actual work where employees have the opportunity to learn from real-life work environment and from new assignment or job rotation.
- 20 percent is learned from development by other people such as coaching and feedback from supervisors and colleagues, team meeting which allows all attendants to learn from one another.
- 10 percent is learned from formal training.

To enhance the knowledge and capability of the Company's employees and executives, training and development courses were planned and arranged internally and by external institutes both in the country and abroad. 98.95 percent of the total employees and executives attended such courses. Average training hours per person by level is as follows:

Target group	Average training hours (hour/person/year)
High level executives	63.69
Mid level executives (Vice Presidents)	68.34
Early level executives (Managers)	69.81
Employees	33.80

Human Resource Development and Training Plan for the Year 2017

	Course type	Target group	Training courses arranged in 2017	Hours
1	Foreign language training (internal training)	All levels (5 persons)	1 course: Basic Indonesian language	30
2	Electricity business management and technical training (organized by EGAT)	Employees, early-level and mid-level executives (14 persons)	13 courses such as Business Process Modeling and Service Design Thinking, POWER PLANT PERFORMANCE Project appraisal and Information Technology Security Awareness	180
3	Management (internal training)	Mid-level and high-level executives (46 persons)	3 courses: Facilitation that work Media Training Design Thinking	 12 20 14
		Early-level executives (66 persons)	1 course: Future Leader Development Program	 54
		Employees (90 persons)	2 courses: Competency for Effective Performance Creative Team	 6 9
		All levels (202 persons)	8 courses such as Labor Law and Issues Course, Safety, Occupational Health and Workplace Environment Committee Course, Securities and Exchange Act and Good Corporate Governance Course Energy Saving Awareness Course	71
4	High level executives (held by external organizations)	High level executives (7 persons)	7 Courses: TLCA Executive Development Program (EDP) Class of Year 2018 Director Certification Program (DCP250/2017) Intermediate Certificate Course in Good Governance for Middle Level Executives Class 19 Environmental Governance for Executive Officer Class 5 Energy Science for New Executives Class 4 Thailand and ASEAN in Global Political Economy Class 8 Advanced Certificate Course in Public Economics Management for Executives	 180 56 222 281 116 201 487
5	Job related competency enhancement course (held by external organizations)	All levels (113 persons)	146 courses such as Social Enterprise for Sustainable Society Course, Building Engineering for Safety and Energy Conservation Course, Standard Accounting and Tax Course, Construction Project Management Course, New Financial Standard Course and Fraud Risk in Financial Institutions Course	4,346
6	Design Thinking Workshop for Innovative Organization (internal training)	Employees, mid-level and high-level executives (16 persons)	Design Thinking Workshop for Innovative Organization	14

Information about Directorship of Directors[1], Executives and Controllers of the Company's Group As of 31 December 2017

			Companies \ Directors/ Executives	Mr. Kijja Sripatthangkura	Mr. Peerawat Pumthong	Mr. Raluke Satayaporn	Mr. Somnuk Jindasup	Mrs. Sunee Rajatamutha	Mr. Prayut Thongsuwan	Mrs. Wadeerat Charoencoop	Mr. Sakchai Sripetch	Mrs. Supatra Thongkarn	Miss Suwannee Sirisajjawat	Miss Chatuporn Laohapiboonratana
Ratchaburi Electricity Generating Holding PCL				D, CEO	CBD	CPD	CAM	CFO	EVP	EVP	SVP	SVP	VP	VP
Subsidiaries	IPPs and SPPs in Thailand	1	Ratchaburi Electricity Generating Company Limited				D							
		2	Ratchaburi Alliances Company Limited					DD			D, MD			D
	Renewable Projects in Thailand	3	Ratchaburi Energy Company Limited			D	DD	D	D, MD					
		4	RE Solar 1 Company Limited				DD							
		5	CN Biomass Company Limited						D					
		6	PB Biomass Company Limited						D					
		7	LP Biomass Company Limited						D					
	International Projects	8	RH International Corporation Limited					D				D, MD		
		9	RH International (Mauritius) Corporation Limited					D						
		10	RH International (Singapore) Corporation Pte. Limited					D						
		11	RATCH China Power Limited											
		12	RATCH-Australia Corporation Limited	DD			D							
	Related Business	13	RATCH O&M Company Limited				D	D						
		14	RATCH-Lao Services Company Limited		DD									
Assosiates and Joint Ventures	IPPs and SPPs in Thailand	15	Ratchaburi Power Company Limited											
		16	Ratchaburi World Cogeneration Company Limited				DD							
		17	Nava Nakorn Electricity Generating Company Limited		D									
		18	Berkprai Cogeneration Company Limited		D									
	Renewable Projects in Thailand	19	Solarta Company Limited						D					
		20	First Korat Wind Company Limited											
		21	K. R. Two Company Limited											
		22	Solar Power (Korat 3) Company Limited			D								
		23	Solar Power (Korat 4) Company Limited			D								
		24	Solar Power (Korat 7) Company Limited			D								
		25	Songkhla Biomass Company Limited											
	International Projects	26	SouthEast Asia Energy Limited				D	D						
		27	Nam Ngum 2 Power Company Limited				D	D						
		28	Hongsa Power Company Limited	DD	D		D							
		29	Nam Ngum 3 Power Company Limited											
		30	Xe-Pian Xe-Namnoy Power Company Limited		DD		D							
		31	PT Medco Ratch Power Riau	DD			D							
	Related Business	32	Chubu Ratchaburi Electricity Company Limited											
		33	Songkhla Biofuel Company Limited											
		34	EGAT Diamond Service Company Limited											
		35	Phu Fai Mining Company Limited	DD	D									
		36	Northern Bangkok Monorail Company Limited		D									
		37	Eastern Bangkok Monorail Company Limited		D									

Remark:
[1]No directors of Ratchaburi Electricity Generating Holding PCL holds positions in the Company's subsidiary, affiliates or joint ventures except Mr. Kijja Sripatthangkura, Director and Chief Executive Officer
DD = Chairman D = Director CEO = Chief Executive Officer CBD = Chief Business Development Officer CPD = Chief Project Development Officer CAM = Chief Asset Management Officer CFO = Chief Financial Officer EVP = Executive Vice President SVP = Senior Vice President VP = Vice President MD = Managing Director

Directors' and Executives' Security Holdings in the Company as of 31 December 2017 (1)

	Name	Position	Ratchaburi Electricity Generating Holding PCL			
			Ordinary Shares /1			
			1 Jan 17 /2	31 Dec 17 /3	Change in Number of Shares Increase (Decrease) During 2017	Shareholding Propotion (%)
Directors and Executives						
1	Mr. Sutat Patmasiriwat	Chairman and Chairman of the Investment Committee	-	-	-	-
	Spouse and Minor Children		-	-	-	-
2	Mr. Witoon Kulcharoenwirat	Director, Chairman of the Human Resources and Remuneration Committee and Investment Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-
3	Mr. Chuan Sirinunporn	Director, Chairman of the Corporate Governance and Social Responsibility Committee and Human Resources and Remuneration Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-
4	Mr. Thaworn Ngamganokwan(1)	Director, Human Resources and Remuneration Committee Member and Investment Committee Member	30,000	30,000	-	0.0021
	Spouse and Minor Children		13,000	13,000	-	0.0009
5	Mr. Viboon Rerksirathai(2)	Director, Risk Management Committee Member and Investment Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-
6	Mr. Kijja Sripatthangkura(3)	Director and Chief Executive Officer	5,165	5,165	-	0.0004
	Spouse and Minor Children					
7	Mr. Chartchai Rojanaratanangkule(4)	Independent Director, Chairman of the Audit Committee and Corporate Governance and Social Responsibility Committee Member	5,000	5,000	-	0.0003
	Spouse and Minor Children		-	-	-	-
8	Mr. Samack Chouvaparnante(5)	Independent Director and Chairman of the Risk Management Committee	-	-	-	-
	Spouse and Minor Children		-	-	-	-
9	Miss Prapa Puranachote	Independent Director and Audit Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-
10	Mrs. Siriporn Luangnual (6)	Independent Director and Audit Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-

Name		Position	Ratchaburi Electricity Generating Holding PCL			
			Ordinary Shares /1			
			1 Jan 17 /2	31 Dec 17 /3	Change in Number of Shares Increase (Decrease) During 2017	Shareholding Propotion (%)
Directors and Executives						
11	Mr. Veerasak Pungrassamee	Independent Director and Risk Management Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-
12	Mr. Prapon Kitichantaropas	Independent Director and Corporate Governance and Social Responsibility Committee Member	-	-	-	-
	Spouse and Minor Children		-	-	-	-
13	Mr. Peerawat Pumthong	Chief Business Development Officer	-	-	-	-
	Spouse and Minor Children		-	-	-	-
14	Mr. Raluke Satayaporn (7)	Chief Project Development Officer	-	-	-	-
	Spouse and Minor Children		-	-	-	-
15	Mr. Somnuk Jindasup	Chief Asset Management Officer	-	-	-	-
	Spouse and Minor Children		7,300	7,300	-	0.0005
16	Mrs. Sunee Rajatamutha	Chief Financial Officer	-	-	-	-
	Spouse and Minor Children		3,000	3,000	-	0.0002
17	Mrs. Wadeerat Charoencoop (8)	Executive Vice President - Financial	-	-	-	-
	Spouse and Minor Children		-	-	-	-
18	Mr. Sakchai Sripetch	Senior Vice President - Head of Financial Planning and Management Division	1,152	1,152	-	0.0001
	Spouse and Minor Children		-	-	-	-
19	Mrs. Supatra Thongkarn (9)	Senior Vice President - Head of General Accounting Division	4,000	4,000	-	0.0003
	Spouse and Minor Children		-	-	-	-
20	Miss Suwannee Sirisajjawat (10)	Vice President - Head of Accounting Control and Analysis Division	-	-	-	-
	Spouse and Minor Children		-	-	-	-
21	Miss Chatuporn Laohapiboonratana	Vice President - Head of Tax Management Division	-	-	-	-
	Spouse and Minor Children		-	-	-	-

Name	Position	Ratchaburi Electricity Generating Holding PCL			
		Ordinary Shares /1			
		1 Jan 17 /2	31 Dec 17 /3	Change in Number of Shares Increase (Decrease) During 2017	Shareholding Propotion (%)
Security Holdings by Directors who Vacated Their Offices during 2017					
1 Mr. Rum Herabat(11)	Director and Chief Executive Officer	7,446	7,446	-	0.0005
Spouse and Minor Children		7,095	7,095	-	0.0005
2 Mr. Chavalit Pichalai(12)	Independent Director and Chairman of the Audit Committee	-	-	-	-
Spouse and Minor Children		-	-	-	-
3 Captain Siridech Julpema(13)	Independent Director and Chairman of the Risk Management Committee	-	-	-	-
Spouse and Minor Children		-	-	-	-
4 Miss Piyathida Praditbatuga(14)	Independent Director, Audit Committee Member and Corporate Governance and Social Responsilbility Committee Member	-	-	-	-
Spouse and Minor Children		-	-	-	-
5 Mr. Suthon Boonprasong(15)	Director, Chariman of the Risk Manangement Committee and Investment Committee Member	-	-	-	-
Spouse and Minor Children		-	-	-	-
6 Mr. Danai Egkamol(16)	Independent Director and Audit Committee Member	-	-	-	-
Spouse and Minor Children		-	-	-	-
Security Holdings by Executives who Vacated Their Positions during 2017					
1 Mr. Rum Herabat (17)	Chief Executive Officer	7,446	7,446	-	0.0005
Spouse and Minor Children		7,095	7,095	-	0.0005
2 Mr. Paskorn Dangsamakr(18)	Chief Project Development Officer	-	-	-	-
Spouse and Minor Children		-	-	-	-

Remarks

/1 Disclosing security holdings in the Company of the directors, Chief Executive Officer and top four executives and those in position equal to the top four executives, including vice president level executives and equivalent or above in the accounting and financial function, and security holdings by their respective spouse and minor children (according to SEC's annoucement No. Sor Jor 12/2552)

/2 For directors and executives who were appointed during 2017, the number of securities disclosed in the table is the number of securities held on the day they took office.

/3 For directors and executives who left office during 2017, the number of securities disclosed in the table is the number of securities held on the day they left office.

Other positions held by directors and executives are shown in their respective profiles.

Changes in the Positions of Directors during 2017

(1) Mr. Thaworn Ngamganokwan was elected as an independent director on 6 April 2017 and was appointed as Human Resources and Remuneration Committee Member and Investment Committee Member on 26 April 2017.

(2) Mr. Viboon Rerksirathai was elected as a director and was appointed as Investment Committee Member and Risk Management Committee Member on 1 October 2017.

(3) Mr. Kijja Sripatthangkura was appointed as Human Resources and Remuneration Committee Member and Investment Committee Member on 26 January 2017 and left his positions as Human Resources and Remuneration Committee Member and Investment Committee Member on 26 April 2017.

(4) Mr. Chartchai Rojanaratanangkule was elected as an independent director on 5 April 2017 and was elected as Chairman of Audit Committee and Corporate Governance and Social Responsibility Committee Member on 26 April 2017.

(5) Mr. Samack Chouvaparnante was appointed as Chairman of the Risk Management Committee on 1 October 2017

(6) Mrs. Siriporn Luangnual was elected as an independent director on 5 April 2017 and was appointed as Risk Management Committee Member on 26 April 2017. After that, she left Risk Management Committee Member position and was elected as Audit Committee Member on 18 December 2017.

(11) Mr. Rum Herabut resigned from his director position on 6 April 2017.

(12) Mr. Chavalit Pichalai left his positions as an independent director and Chairman of the Audit Committee in the Shareholders' Annual General Meeting Year 2560 (B.E.) held on 5 April 2017.

(13) Captain Siridech Julpema left his positions as an independent director and Chairman of the Risk Management Committee in the Shareholders' Annual General Meeting Year 2560 (B.E.) held on 5 April 2017.

(14) Miss Piyathida Praditbatuga left her positions as an independent director, Audit Committee Member and Corporate Governance and Social Responsibility Committee Member in the Shareholders' Annual General Meeting Year 2560 (B.E.) held on 5 April 2017.

(15) Mr. Suthon Boonprasong resigned from his positions as a director and Risk Management Committee Member on 1 October 2017.

(16) Mr. Danai Eskamol was elected as an independent director in the Shareholders' Annual General Meeting Year 2560 (B.E.) on 5 April 2017 and was appointed as Audit Committee Member on 26 April 2017. After that, he vacated from his positions due to death on 25 October 2017.

Changes in the Positions of Executives during 2017

(3) Mr. Kijja Sripatthangkura was appointed as Chief Executive Officer on 6 April 2017.

(7) Mr. Raluke Satayaporn was appointed Chief Project Development Officer on 1 October 2017.

(8) Mrs. Wadeerat Charoencoop was appointed as Executive Vice President - Financial on 1 May 2017.

(9) Mrs. Supatra Thongkarn was appointed as Senior Vice President - Head of General Accounting Division on 1 March 2017.

(10) Miss Suwannee Sirisajjawat was appointed as Vice Presesident - Head of Accounting Control and Analysis Division on 1 July 2017.

(17) Mr Rum Herabut retired from the position Chief Executive Officer on 6 April 2017.

(18) Mr. Paskorn Dangsamakr retired from the position Chief Project Development Officer on 1 October 2017.





Corporate Governance and Social Responsibility Committee's Report

The Corporate Governance and Social Responsibility Committee was appointed by the Board of Directors and comprises 3 members namely Mr. Chuan Sirinunporn, the Committee Chairman, Mr. Prapon Kitichantaropas and Mr. Chartchai Rojanaratanangkule, the Committee members. The Committee strictly performed the duty as assigned by the Board of Directors and stated in the Company's regulation on Corporate Governance and Social Responsibility Committee, requiring the Committee to review and approve policies, strategies, goals, guidelines and plans related to the Company's corporate governance and social responsibility. The Committee also supervises and ensures compliance with the related policy and/or regulations, monitors and reports the implementation result to the Board of Directors on regular basis.

Adhering to corporate governance principle, the Corporate Governance and Social Responsibility Committee, through the Board of Directors' approval, has formulated Code of Conduct, Good Corporate Governance Policy, policies regarding specific groups of stakeholders, and Anti-corruption and Fraud Policy. Regular review and monitoring has been implemented to ensure that the policies correspond to the ever changing external environment. The Company has participated in Thailand's Private Sector Collective Action against Corruption Council since 2016 and prepared a communication plan to ensure understanding and enable its employees to have good knowledge in this area. This provides its employees with an appropriate and clear practice guideline and encourages them to embrace fighting against fraud and corruption as their individual and corporate culture. The practice is reviewed every 3 years. In the past year, the Company implemented key activities, including communication with employees through internal newsletter, training through e-leaning system and trainings by external and internal speakers, preparation of financial policy covering financial risk management and planning for example.

In terms of corporate social and environmental responsibility (CSR), the Company has used advanced technology and equipment to control its production process and prevent it from creating adverse impact on community in which it operates the business, which is a form of social responsibility during production process and main operation of the Company or CSR In Process. This includes the increase of investments in projects that generates electricity from renewable energy. In addition, the Company still continues its projects and activities outside of its operation or CSR After Process, which is corporate social responsibility at voluntary level. Various projects have been introduced and continued both at local level and in the community and general public levels. At the local level, the Company has continued local development activities in Nonthaburi province, where the Company's headquarters is located, with the focus on promoting learning of primary children. At the social level, the Company focuses its efforts in the development of community forests and promotion of efficient management, which will promote sustainable and harmony living between people and forests.

The Company's CSR projects adopted H.M. the Late King Bhumibol Adulyadej's concept of natural resource and environment conservation as a guideline, especially the "growing forests in people's mind" concept, which means instilling conscious mind, raising awareness and understanding of the importance of environment and natural resources and their impact on the people's way of life, which is an important foundation for sustainable development. Survey results from related organizations found that communities and the society have received direct and indirect benefits from the implementation of the projects. Direct benefits include better quality of life of people in the community, expense reduction, income increase, reduction of social problems by encouraging people to move back to their hometown and to spend their free time doing work that would benefit the community, reduction of community's narcotic drugs problems, reduction of generation gap and conservation of local culture and knowledge, for example. Indirect benefits ranges from soil, water, ecosystem and biodiversity conservation, and increasing carbon sinks which help absorbing carbon dioxide which is an important cause of global warming and climate change. The Company has regularly communicated these activities internally and externally. The Company's good display of corporate social responsibility has strengthened its image as responsible corporate citizen.

The Corporate Governance and Social Responsibility Committee still commits to continue its projects and activities for both CSR In Process and CSR After Process. We strongly believe that by operating business with corporate social and environmental responsibility under good corporate governance principle will bring about peaceful coexistence and earn trust and confidence from the community and society which is a strong foundation for stable and sustainable development.



(Mr. Chuan Sirinunporn)
Chairman of the Corporate Governance
and Social Responsibility Committee
31 December 2017



Good Corporate Governance

The Company believes that good corporate governance practice and operating business by adhering to the good corporate governance principle of listed companies which covers transparency, ethics, integrity, and responsibility towards the society, environment and all stakeholders are the key mechanism that drives the Company to achieve sustainable development and growth. Such practices also create and strengthen trust among shareholders and other stakeholders. The Board of Directors has therefore formulated the "Corporate Governance Policy for the Company's Group", the "Code of Conduct", and "Policies on Specific Stakeholders Group" which serve as the framework and guideline for its directors, executives, employees and other stakeholders. Such policies are prepared in writing and published on the Company's website under Good Corporate Governance section.

The Board of Directors is aware of its organization leader's role in assuring good understanding about corporate governance principle and its benefits in creating value and enhancing the Company's stability, prosperity, and sustainability, matching that of the international level. The Corporate Governance and Social Responsibility Committee was assigned to consider, review, promote, supervise and monitor the execution of corporate governance

practice with an assistance from the Corporate Governance Working Team which was appointed by the Chief Executive Officer. The Working Team has the responsibility to monitor, study, consider, review and improve the corporate governance policy to ensure it is updated and corresponds with the current international practice, laws, rules, regulations, recommendation/order of related organizations. The Working Team is also responsible for proposing corporate governance practice for the Company and its subsidiaries, setting the framework for corporate governance practice and risk management that is related to and covers anti-corruption practice; promoting consciousness raising of corporate governance principle and anti-corruption practice to employees of the Company and its subsidiaries; making recommendations to the executives to support risk assessment and collecting results of fraud risks to support the preparation of corporate risk paper which covers fraud risk profile and fraud risk register; and monitoring, assessing and reporting result of the implementation of corporate governance policy and risk management plan related to anti-corruption practice to the Board of Directors, the Corporate Governance and Social Responsibility Committee, the Audit Committee, the executives and related organizations according to the preset procedure to also ensure that the corporate governance practice is implemented properly and includes appropriate development plan, and regular assessment in terms of overview and individual item for operational efficiency improvement as well as ensure that the Company's Group's corporate governance practice well reflects the current business situation and rapidly changing environment. In 2017, the Company has strictly followed the corporate governance practice as follows:

1. Rights of Shareholders

Realizing the importance of protecting all shareholders' rights, the Board of Directors formulates and announces the Shareholders' Policy, reviews and regularly monitors the policy implementation to ensure its compliance with the guideline and that the shareholders equally receive the basic rights, such as the right to attend shareholders' meeting, the right to propose agenda and/or nominate director at the shareholders' meeting, the right to express opinion and ask questions at the shareholders' meeting, the right to appoint a proxy to attend the meeting and vote on their behalf, the right to receive dividend, the right to elect, terminate and determine remuneration for directors, the right to appoint and determine remuneration for the auditor, the right to vote at any significant events, the right to register share ownership, the right to share transfer and the right to accurately, sufficiently, timely and equally receive significant information. The Company has promoted the shareholders' right as follows:

1.1 Right to Attend Meetings: The Company held the Shareholders' Annual General Meeting Year 2560 (B.E.) on Wednesday, 5 April 2017. This is to allow shareholders, who are the owner of the business to participate in the shareholders' meeting every year in order to be involved in significant decision making, get updated of the Company's performance and review the performance of the Board of Directors and the Management. The Company has complied with related laws, rules, regulations, and related guideline for shareholders' meeting standard quality and efficiency development; and encouraged shareholders to exercise their basic right to attend shareholders' meetings. The Company has facilitated the shareholders in the following areas:

• **Pre-meeting preparation:**

- Minor shareholders were given an opportunity to propose items to be added in the meeting agenda and/or nominate persons who have complete qualifications and do not have prohibited qualifications for the director election in the Shareholders' Annual General Meeting Year 2560 (B.E.). The process was held according to the Board of Directors' criteria and carried out from 1 September 2016 to 31 December 2016, totalling 4 months. The Company announced clear details about criteria, method, process and channel of agenda item proposing on SET's disclosure system and the Company's website (on 31 August 2016). At the end of the period, no shareholder proposed agenda or nominated person for a director position.

- The Company sufficiently and completely informed the shareholders of the date, time, venue and agenda together with details and the Board of Directors' opinions on each agenda via the SET's information disclosure system before the morning trading session on 16 February 2017, which is the day after the Board of Directors resolved on 15 February 2017 to hold the Shareholders' Annual General Meeting Year 2560 (B.E.) on 5 April 2017 at 14.00 hours at World Ballroom, Level 23, the Centara Grand and Bangkok Convention Center, Central World, No. 999/99 Rama 1 Road, Pathumwan, Bangkok, which is easily accessible with public transport and the size of the venue is sufficient to support a large number of meeting attendants.

- The complete meeting notice and supporting documents for the Shareholders' Annual General Meeting Year 2560 (B.E.) was published in Thai and English on the Company's website on 1 March 2017, which is 35 days prior to the meeting date.

- The Company sent the meeting notice and supporting documents to shareholders on 14 March 2017, 24 days prior to the meeting date, which complies with the related laws and good corporate governance guideline requiring listed companies to send out meeting notice to the shareholders at least 7 days and 21 days respectively. The meeting notice provided details of the date, time, venue, a map of the meeting venue, agenda which is arranged according to their priority, background, reasons and key issue of each agenda item proposed to the shareholders for consideration or acknowledgement. The Board of Directors' opinion on each agenda item is sufficiently and clearly provided.

- The Company sent the meeting notice to the Registrar on 14 March 2017, 24 days prior to the meeting date (no less than 7 days as required by the law) and to the auditor on the same day.

- The Company allowed the shareholders to submit additional questions and/or opinions on the items already included in the meeting agenda and/or other recommendation that is beneficial to the Company's operations prior to the meeting date by post or fax to the Company Secretary or email to CS@ratch.co.th in order to enable the Company to clarify or provide more information at the Shareholders' Annual General Meeting Year 2560 (B.E.). The Company published the details on this matter on SET's disclosure system, the Company's website and in the meeting notice that was sent to the shareholders. At the Shareholders' Annual General Meeting Year 2560 (B.E.), no shareholders submitted questions and/or recommendation in advance to the Company.

- The Company published the meeting announcement in Thai and English newspapers from 24 - 26 March 2017 for 3 consecutive days and no less than 3 days prior to the meeting date in compliance with the related laws and the Company's Articles of Association.

- The Company informed shareholders about identification document, proxy document, proxy appointment procedure and advice, list of Independent Directors, Chief Executive Officer and other persons shareholders would appoint as proxy to attend the meeting and vote on their behalf, registration form, and the Company's Articles of Association related to shareholders' meeting for the shareholders to consider and make decision to vote on each agenda item.

• Procedure on the Meeting Date

- The meeting was held at World Ballroom, Level 23, the Centara Grand and Bangkok Convention Center, Central World, No. 999/99 Rama 1 Road, Pathumwan, Bangkok. The meeting venue is easily accessed through public transport system, which provides great convenience for shareholders to travel to the venue. The place is big enough to accommodate a large number of participants. The registration was opened at 12.00 hours, (2 hours before the meeting time) and the meeting began at 14.00 hours and adjourned at 16.10 hours, totalling 2.10 hours. The Company allowed shareholders to register after the meeting began until the meeting adjourned to provide them with the opportunity to make decision whether to attend the entire meeting or only specific sessions. The Company did not limit the shareholders' right to attend the meeting and vote on the agenda under consideration and that resolution was not yet made.

- The Company fully provided meeting facilities, including audio-visual equipment to support presentation, computer and barcode system recording individual shareholder's information that enables fast shareholder registration and accurate and transparent ballot.

- Identification documents that shareholders have to present to attend the meeting are checked by the persons appointed by the Chairman of the Board of Directors. Identification document checking is done in simple process and in the procedure as informed earlier in the meeting notice.

- The Chairman of the Board of Directors acted as the chairman of the meeting according to the Company's Articles of Association. The Chairman announced the quorum, assigned the Company Secretary to record and prepare the meeting minutes, and introduced the directors, executives, auditors and legal advisors attending the meeting to provide additional information and answer questions asked in the meeting.

- The meeting was informed about the meeting procedures for each agenda item in order to meet with the shareholders meeting regulations of listed companies designed by the SET and to ensure that all shareholders clearly understand all the details as earlier informed in the meeting notice. Voting process, vote counting and resolutions of each agenda item were also announced to the meeting.

- Separate ballot was prepared for each agenda item. All shareholders received such ballot at registration. Voting process was made simple. Shareholders were asked to raise hands if disagree or do not wish to vote so that the Company's staff members could collect their ballots. Computerized and barcode systems were used in vote counting.

- A representative from its legal advisor was invited to act as an unbiased inspector to check on different areas, including the shareholders' or their proxies' identification document, the quorum, persons with conflict of interests do not exercise the voting right and vote counting to ensure that the vote counting process comply with the Company's Articles of Association and the rules earlier announced to the meeting. The inspector also ensured that all ballots were collected from all shareholders attending the meeting, especially for director election session, and that meeting resolutions and vote counting were correct.

- The meeting process is according to the agenda. The Company has never abruptly informed the meeting of additional significant information, added new agenda for approval, or changed significant information without prior notice. The matters proposed to the Shareholders' Annual General Meeting Year 2560 (B.E.) all complied with the legal requirements.

- The meeting process was in the same order as informed in the meeting notice without switching agenda items, as the Board of Directors understood the necessity for the shareholders to study the information before making decision and strictly adhered to a principle of not taking any action that will infringe or derogate the right of the shareholders.

- The process for each agenda item began with the Chairman providing the background, details, full information for each agenda item and recommendation as stated in the meeting notice, the Chairman allocated appropriate time for discussions that would encourage the meeting attendants to ask questions for the Board of Directors and the Management to clarify for full understanding on related matters. The Chairman then asked the meeting to vote.

- Director election and remuneration approval ware treated as two different agenda items and ware voted separately. Individual vote was arranged for each new director election. All ballots were kept for reference to ensure accuracy and transparency.

- In each agenda voting, the Company provided ballots for each shareholder. A computerized system was used to provide convenience for vote counting.

- After the vote counts, the voting results were announced to the meeting by dividing into "agree", "disagree" and "abstention" votes.

- Other agenda items (if any) ware allowed in order to provide opportunities for the shareholders to propose additional issues other than those set in the meeting agenda. According to the Company's Articles of Association, to propose a new agenda item for the shareholders' meeting to consider, the shareholders who propose the new agenda item must represent no less than one third of the Company's saleable shares. In the Shareholders' Annual General Meeting Year 2560 (B.E.), no other agenda item was proposed for voting. Only some recommendation and questions about the Company's operations were raised as recorded in the meeting minutes.

- In the Shareholders' Annual General Meeting Year 2560 (B.E.), there were 1,259 shareholders and proxies attending the meeting, representing 67.36 percent of the total saleable shares, which made a quorum with the Company's Chairman of the Board of Directors acted as the meeting chairman according to the Company's Articles of Association.

- The entire Board of Directors and all Committees attended the meeting, representing 100 percent of the Board/Committees members.

• After the meeting process

- Resolution of the Shareholders' Annual General Meeting 2560 (B.E.) was announced via SET's disclosure system immediately after the afternoon trading session was closed on 5 April 2017. The meeting resolutions were clearly presented with details on "agreed", "disagreed" and "abstention" with percentage of each category.

- The Company Secretary prepared meeting minutes in writing by clearly and adequately recording essence of each agenda, questions by the shareholders and clarifications by the Board of Directors and Management, the recommendation from the meeting, and the meeting resolutions, including detailed voting results and percentage in all categories.

- The publicizing of the meeting minutes was announced via the SET's disclosure system and the Company's website on 18 April 2016 (prior to deadline required by law: 14 days counting from the meeting date.) This is done to offer opportunities for shareholders to express their opinions without waiting for the next meeting. Shareholders did not ask the Company to amend, add or adjust the minutes.

- The Company submitted the complete minutes signed by the chairman of the meeting to SET, SEC and the Registrar (the Department of Business Development) for reviewing and reference on 18 April 2017 (prior to deadline required by law: 14 days counting from the meeting date.)

- Meeting evaluation form was arranged to collect opinions and recommendations from the meeting attendees on the meeting notice and annual report, facilitation to the shareholders, meeting arrangement and meeting minutes. The information collected is used for further improving the arrangement of shareholders meeting in order to ensure transparency, efficiency and benefits to both the Company and shareholders.

- The Company received scoring of 96 in the Thai Investors Association's 2017 shareholders' annual general meeting assessment, which is higher than the average of 91.97. New assessment criteria was launched and applied for the first time in 2017.

1.2 Right to Appoint Proxy to Attend Meeting and Vote on Their Behalf: The Company provided shareholders with the right to appoint other persons who have already come of age to attend the meeting and vote on their behalf. Proxy appointment document must be in the format designed by the Registrar. The proxy has to present the proxy document to the meeting chairman or the person assigned by the chairman before attending the meeting.

1.3 Right to Receive Dividend: The Company has a policy to pay dividdend at no less than 40 percent of its profit after legal reserve and other reserves, depending on the Company's cash flow. The Company has consistently paid dividend to its shareholders every year since the Company's inception. In 2017, the Company used the "Record Date" of 3 March 2017 and the "Book Closing Date" of 6 March 2017 to gather the list of shareholders who received the right to participate in the shareholders' meeting on 5 April 2017 and receive dividend on 27 April 2017. This follows legal requirement and the Company's Articles of Association requiring the Company to pay dividend within 1 month after the shareholders' meeting resolved to pay dividend.

The Company published an announcement on dividend payment in Thai and English language newspapers for 3 consecutive days from 7 - 9 April 2017.

A continuous monitoring found a certain amount of accrued dividend payment that shareholders have not yet received. The Company has contacted the shareholders based on existing contact details by sending a letter to inform the shareholders of the procedure and how to receive the dividend as well as facilitating shareholders on cheque reissuing in case of loss or expiration. The Company also assisted the heirs of the shareholders on share transfer in case the shareholders passed away.

Shareholders are also encouraged to use e-Dividend service for convenient, fast and safe dividend receiving in the next payment. The trend shows that more shareholders have switched to e-Dividend.

1.4 Right to Appoint, Terminate and Determine Remuneration for Directors: The Company requires the Board of Directors to nominate directors to the shareholders' annual general meeting to elect new directors replacing the vacant positions due to rotation of office and to propose directors' remuneration for the meeting to approve. Details are stated in Management Structure.

1.5 Right to Appoint Auditor and Determine Remuneration: The Company requires the Board of Directors to propose to shareholders at the shareholders' meeting for the appointment of auditors and the amount of auditors' remuneration.

1.6 Right to Share Ownership Registration or Transfer: The Company appointed Thailand Securities Depositories Company Limited (TSD) as its registrar responsible for the Company's share deposit, collecting and updating shareholders' information and provides services to shareholders, such as issuing, depositing, withdrawing and transferring of share certificates, as well as remitting benefits to the shareholders. Shareholders can contact TSD directly at the TSD Call Center at +66 2009 9999. At present, TSD offers online service through Investor Portal. Shareholders can apply for the service at https://www.set.or.th/tsd/en/investorportal/investorportal.html.

1.7 Right to Receive Information and Significant News in Accurate, Sufficient and Timely Manner: The Company has completely followed the regulations, criteria, conditions and procedure related to timely and accurate disclosure of information and activities of listed companies. In 2017, there was no punishment due to failure or delay to submit report as required by law.

In 2017, there was no event or activity that infringed or derogated shareholders' rights.

2. Equitable Treatment of Shareholders

The Company treated all its shareholders equitably without discrimination of their status as major shareholders, minority shareholders, institutional shareholders, or Thai and other nationalities. Major activities are as follows:

2.1 Access to the Company's Information: To ensure shareholders' equal access to the Company's information, the Company uses SET's disclosure system as the main communication channel. The Chairman of the Board of Directors, directors, Chief Executive Officer and chief officers are

the authorized persons responsible for the Company's information disclosure. To ensure equal access to the Company's information, the Company sets up additional communication channels through the Company's website and related units namely the Company Secretary Office, Internal Audit Division, Corporate Relations Division and Investor Relations Department.

2.2 Preparation of Bilingual Documents: For equitable treatment of both Thai and foreign investors, the Company prepares all published information in Thai and English, including all the information provided through the SET's disclosure system, meeting notice, meeting document and report, press conference and the Company's website.

2.3 Encouraging Minority Shareholders to Propose Additional Agenda and Nominate Directors: The Company invited minor shareholders to propose meeting agenda and/or nominate persons with complete qualifications and do not have prohibited qualifications as directors for the Shareholders' Annual General Meeting Year 2560 (B.E.). The announcement was published approximately for 4 months from 1 September - 31 December 2016. The Company published an invitation to the shareholders' meeting on the Company's website on 31 August 2016, providing clear details about criteria, method, process and channel of agenda proposing. At the end of the period, the shareholders did not make any proposal.

2.4 Proxy Appointment: For convenience, shareholders who cannot participate in the shareholders' meeting can appoint other persons to attend the meeting and vote on their behalf. The Company prepared and delivered proxy document to the shareholders together with the meeting notice. Proxy is available in three forms as designed by the Department of Business Development.

- Form A is the general proxy appointment form.
- Form B is a proxy appointment that lists specific items for proxy appointment.
- Form C is the proxy appointment that is used only when the shareholder is a foreign investor with a custodian in Thailand.

Shareholders can also download all three types of proxy document from the Company's website or they can also use other form of proxy or prepare it themselves as deemed appropriate.

At the Shareholders' Annual General Meeting Year 2560 (B.E.), the Company nominated 3 independent directors and the Chief Executive Officer for shareholders to appoint as their proxy to attend the meeting and vote on their behalf. Personal information of each nominated person and each person's conflict of interest were provided on each concerned agenda. In the meeting, 184 shareholders assigned the Company's independent directors as their proxy while 12 shareholders assigned the Chief Executive Officer as their proxy.

2.5 Ballots: In voting at the shareholders' meeting, the Company prepared and provided ballots for every participant. Computerized system was deployed for tallying. Legal advisor, as an unbiased party, is assigned as an inspector to review the vote counting accuracy, especially in voting for directors, which individual vote and ballot was kept as reference for accuracy and transparency.

2.6 Additional Agenda Item: At the Shareholders' Annual General Meeting Year 2560 (B.E.), there was no additional agenda item

proposed. The Board of Directors has the policy not to propose new agenda other than those informed in the meeting notice as it realizes the importance and necessity for the shareholders to study information before making decision. Shareholders can propose additional agenda for consideration if necessary, by following the rules set in Company's Articles of Association.

2.7 Prevention of the Abuse of Inside Information: The Board of Directors has formulated policy and written guidelines on internal information keeping and prevention of internal information usage for abusive self-dealing in the Code of Conduct, regulation, order and related announcements. Such policy and guidelines are communicated through appropriate channels and distributed to the directors, executives and employees for signature and acknowledgement on the first day of employment (during orientation) and published through internal communication channel and on the Company's website. The prevention of internal information usage measures are:

• The Management and employees have duty and responsibility to protect confidential information and are not allowed to use such information for personal benefit or suggest others to do, especially on the Company's securities trading.

• No disclosure or self-dealing or transferring of significant or confidential information to outsider or those who are not related to the Company, including family members, cousins, friends, which may decrease the Company's benefit.

• Sharing or giving confidential information to other person within the Company can be done as necessary and only for the benefit of the other person's ability to perform their duties.

• The Company requires directors and executives who have duty to report the changes in security holding of their own, spouse and minor children to the SEC according to the Article 59 of the Securities and Stock Exchange Act 2535 (B.E.) to report such changes within 3 days to notify the Company Secretary after the changes are made. The Secretary will record such changes and report the security holding summary of individual director and executive and report to the Board of Directors at the monthly Board of Directors meeting. The Company also requires its Directors and all employees to report security holdings changes of their own, spouse and minor children, to the Chief Executive Officer within 3 days after the changes are made.

• The Company has announced and published the "Network and Computer Usage Policy" through its internal communication channels and website. The policy draws guidelines to ensure smooth, efficient and most effective use of the computer network, as well as strict compliance with the Computer Crime Act. The Company also improved the efficiency, security and prevention to network harm. This guideline is as follows:

- Authorizing employees to use the Company's computer and network by using password and keeping the password confidential.

- Encouraging employees to use the internet for work and not to distribute information that is against moral norm, tradition and laws.

- Using email, internet and computer device allowed by the Company and fully following the instruction on safe use of such devices for the best benefits of the Company.

- Using only copyrighted programs.
- The Company will check, search, monitor, investigate and control the use of information technology system as appropriate to ensure safety.

Throughout the year 2017, there was no accusation of directors and executives for not reporting their security holding as required by the Company or using inside information for own or other benefits.

3. Role of Stakeholders

3.1 Stakeholders Policy

The Company adheres to the principle of "promoting and ensuring that the right of all stakeholder groups, such as shareholders, customers, employees, business partners, competitors, the government and communities in which the Company locates is well protected and treated". The Board of Directors has also formulated and announced the Corporate Governance Policy and policy on specific group of stakeholders on the Company's website and other channels as follows:

Shareholders Treatment

- Operating the business to generate growth, profitability and good returns for shareholders.
- Operating the business with carefulness, integrity, sincerity, fairness and equitability for all shareholders.
- Respecting the right to receive information and disclosing quality, complete, sufficient, and equitable information.
- Monitoring the implementation of policy and Code of Conduct related to the shareholders, ensuring that they receive the basic rights and are treated fairly and equitably, receive quality information, are encouraged to attend the shareholders' meeting so as to have participation in making significant decision and acknowledge the progress, express opinion and monitor the Board of Directors and the Management performance, and to allow for efficient measures to prevent directors and executives from using insider information to their own benefits and refrain from taking any action that infringe or lessen shareholders' rights.

Employees Treatment

- Promoting quality of life by providing good work environment, occupational health and safety.
- Focusing on continuous and thorough management and enhancement of its personnel's knowledge and capability.
- Managing and ensuring fair and attractive remuneration and benefits which is comparable to that offered by other leading companies.
- Transferring, appointing, awarding and punishing on the equitable and fair treatment.
- Employees can lodge complaint when treated unfairly or without the appropriate process.
- Monitoring and ensuring full compliance with laws and regulations related to employees

Community, Society and Environment Treatment

- Encouraging community participation and promoting communication.
- Supporting the development and strength of communities.
- Promoting and conserving local tradition and enhancing social quality.
- Supporting environment conservation and restoration.
- Operating with responsibilities to community, society and environment.

Customers Treatment

- Producing and delivering high quality products and services with responsibility to the customers.
- Providing warranty for products and services under an appropriate time condition.
- Disclosing correct and complete information about product and service.
- Providing for a customer complaint system or process and handling complaints well.
- All executives and employees must keep customers' confidential information
- Not asking for, accepting or paying any illegal benefits to customers while strictly complying with trade conditions.

Creditors Treatment

- Strictly respect the conditions with the creditor.
- Not asking for, accepting or paying any illegal benefits to and from the creditors.
- Cooperating well with creditors to solve problems related to illegal benefits request and acceptance or payment.
- Providing accurate, complete, timely and regular financial reports.
- Informing creditors in advance in case the Company cannot meet the conditions in order to solve the issue.

Partners/Suppliers Treatment

- Considering the Company's best benefits and not personal benefits.
- Offering equitable and equal opportunities to partners and suppliers.
- Adopting international standards for assessment process, partner selection and contract.
- Having in place a good system to monitor that contract and conditions are well and completely respected.
- Not asking for, accepting or paying illegal benefits to the partners.
- Inform partners/suppliers in advance in case the Company cannot meet the conditions so as to find a solution to the issue.

Trade Competitors Treatment

- Respecting and adopting the internationally accepted competition guidelines and principle.
- Not seeking competitor's confidential information by using dishonest or inappropriate method.
- Not groundlessly accusing competitors.
- Not asking for, accepting or paying any illegal benefit to trade competitors.
- Strictly respecting trade condition.

Business Partners Treatment

- Strictly adhere to the contract and commitment.
- Providing business assistance that will bring mutual benefits by considering the Company's benefit as priority and being based on fair return for both parties.
- Providing accurate information and report while any negotiations seeking solution to a problem shall be based on business relations.

Government Treatment

- Supporting the government and complying with policy and criteria set by related regulators.
- Promoting and collaborating in government sector's activities.

3.2 Respect for Human Rights

Since 2013, the Company has integrated human rights issues related to the treatment of 3 groups of stakeholders namely, employees, communities and trade partners into its business process based on the labor law principles that are in line with the International Labour Organization's regulations. Such guidelines are also applied to employees' care and protection and employment, including employment of local people. In terms of communities, the Company fully respects their rights to receive information and safety. Various types of communications have been established between the Company and communities. In terms of business partners, the Company focuses on fair treatment of its business partners. Respect for human right is represented in the Company's Core Value, "Happiness". The Company also sets the basic guideline for human rights practice in the Code of Conduct, and promotes awareness raising and understanding regarding human rights to the employees so that they can acknowledge, practice and be aware of the Company's sustainability as risk regarding human rights may affect stakeholders' trust as well as the corporate image.

3.3 Use and Protection of Intellectual Property

Every employee has the duty to protect the Company's intellectual property and use it only for the benefit of the Company. Computer Crime Act must be abided, which corresponds with the Network and Computer Usage Policy and the basic guideline for the Company's Group's information technology system. The Company has set user account and password for its employees. The access to the Company's information and intellectual property ends when the employment is terminated. Employees shall respect the right and the intellectual property, and avoid or do not infringe on the Company's or others' intellectual property.

3.4 Risk Management

Recognizing the importance of risk management, the Board of Directors appointed the *"Risk Management Committee"* to be responsible for risk management. The Company ensures that risk management is planned and implemented with carefulness, and provides the measures to prevent or handle possible impact on different stakeholder groups. The Board of Directors has formulated and announced the "Risk Management Policy" through internal communication channel and the Company's website with key essence as follows:

Risk Management Policy

- Promoting risk management culture
- Providing quality, appropriate and sufficient risk management process, guideline and measures
- Having in place both qualitative and quantitative risk assessment
- Setting risk appetite and identifying event or risk level that is a warning sign
- Having operation guideline in writing

Risk Management Guideline

The Company identifies risk factors and sets measures to manage risks at the acceptable level to prevent impacts on the business operations and stakeholders by reviewing the risk management practice in order to prevent impact on business operations and all stakeholders. The Company gives high importance to the warning signs and irregular items, enabling it to quickly adjust

strategies, plans and management method. Quarterly report on risk management is submitted to the Audit Committee and the Board of Directors respectively. (Details are as in the Risk Management Committee's Report, Management Structure and Risk Factors.)

3.5 Anti-Corruption

The Company is strongly committed to operating its business with fairness and transparency as well as responsibilities towards the society and all stakeholders according to the good corporate governance principle, corresponding to the Company's policy to fight against all forms of corruption. One of its actions underlining this commitment is the participation in Thailand's Private Sector Collective Action Coalition against Corruption (CAC) since 2016.

To emphasize the commitment to operate business that is transparent and auditable under corporate governance principle, to fight against direct and indirect corruption of all forms in dealing with the government and private sectors, and to prohibit its personnel of all levels from directors to executives and employees from asking for and accepting bribes or any corrupted act, the Board of Directors formulated policy and operational framework on anti-corruption and fraud-related risk management and internal control. It also set scope of responsibility, practice guideline and rules for related persons in writing to use as clear guideline to prevent corruption in all business activities to lead the organization towards sustainable development and operations. The Company has communicated with all stakeholders through appropriate communication channels to encourage them to adhere to such policies. This is implemented under the supervision of the Board of Directors, the Corporate Governance and Social Responsibility Committee, the Audit Committee and the Management as the organization's leader with role and responsibility to show organization's position in fighting against corruption, which will strengthen confidence among employees, business partners and the public towards the Company's operations.

Anti-Corruption Policy

1. Promoting the anti-corruption culture.
2. Ensuring clear principle, process and guideline for business operations.
3. Providing internal control system related to fraud and corruption risks.
4. Formulating appropriate criteria for reviewing and supervising of anti-fraud and corruption policy implementation.
5. Having in place anti-corruption regulations and risk management in writing.

Corruption Risk Management

• **5 main corruption prevention measures:**

1. **Corruption risk assessment:** The Company requires for risk identification; impact, opportunity and severity assessment; and considers appropriate internal control and measures to reduce corruption related risks.

2. **Preparation and improvement of policy, regulations, order and Code of Conduct** to communicate with and ensure that employees understand and strictly abide by of the policy and anti-corruption measures.

3. **Communication and training:** The Company prepares the annual communication and training plan, including channels, frequency, content and implementation to ensure effective communication both internally and externally. The objective is to raise awareness on the importance and encourage participation in

the management of risk related to corruption, transparency and commitment to fight against corruption at all levels within the Company and to communicate it to business partners and stakeholders.

In 2017, the Company organized anti-corruption trainings, covering general knowledge about corruption and fraud, fighting against corruption and fraud, gift and souvenir giving and receiving, political assistance, charitable donation, and providing financial support, entertainment, corruption risk management and whistleblowing. Assessment of the employees' understanding, awareness and practice regarding anti-corruption was introduced through e-learning system from 1 - 30 November 2017 with 89 percent of the attendants passed the assessment. The Company also announced, published and officially informed in writing about the anti-corruption policy to business partners and stakeholders for acknowledgement and implementation.

4. Review of profile of personnel and business stakeholders before hiring or entering into a contract or a connected transaction: The action shall be taken with consent from the other party and in compliance with related laws.

5. Internal Control: All the Company's units shall have in place clear procedure and appropriate internal control with clear separation of responsibilities in all process and regular review for improvement at least once a year.

- **Monitoring and assessment of anti-corruption policy implementation**

1. Setting mechanism for corruption clue and report channel, providing a channel for corruption reporting without unveiling identity of the person who reports the case to protect them from being harmed or threatened afterward, and specifying the reporting process as disclosed in section 3.6 Complaint and Report on Irregularities Clue.

2. Specifying in writing a responsible person to monitor the implementation of each respect of the anti-corruption policy.

3. Assigning the Corporate Governance Working Team to regularly monitor, collecting corruption risk assessment results, monitor the implementation of risk management plan and report to the Management, the Corporate Governance and Social Responsibility Committee, the Audit Committee, the Board of Directors and related committees or units.

The Audit Committee supervises and ensures sufficiency and completeness of the anti-corruption process through Internal Audit Division and reports the results to the Board of Directors. Activities are as follows:

1. Reviewing anti-corruption policy and process and assessing the sufficiency of internal control to prevent possible corruption and fraudulent act.

2. Setting criteria for internal audit and supervision to cover anti-corruption and ensuring that the Company's policy is appropriately implemented and complies with international standards.

3. Reviewing anti-corruption practice regarding communication and training policy for all employees, including outsiders and business partners to ensure their acknowledgement and compliance with all policies and principles.

4. Reviewing regulations, order and the Company's Code of Conduct related to anti-corruption and fraud, giving and receiving gifts and souvenirs, charitable donation, financial support, per diem, and fraudulent risk management, etc.

5. Setting annual plan to review corruption risk management to ensure compliance with preset criteria and measures.

In 2017, no fraudulent or unethical action was found and there was no director or executive who resigned due to corporate governance issue.

3.6 Complaint and Report on Irregularities Clue

The Company has provided for a channel for stakeholders including employees and outsiders affected by or having risk of being affected by the Company's operations or the Company's executives or employees' performance to lodge complaint and report irregularities clue on an action that breaches the laws or Code of Conduct and behaviors that may link to corruption. Stakeholders can report clues or lodge complaint to the following person or channel as follows:

Complaint Receiver	Reporting Channels	
	By Email	By Post
Chairman or Directors (including Independent Directors)	directors@ratch.co.th	Addressing one of the complaint receivers: Ratchaburi Electricity Generating Holding PCL. 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000
Chief Executive Officer	ceo@ratch.co.th	
Head of Unit	Individual email of the person	
Vice Persident - Head of Internal Audit Division	internalaudit@ratch.co.th	

Process after a complaint is received

1. Complaint receiver collecting fact related to the breach of Code of Conduct either by himself or by assigning other appropriate person to take action.
2. Presenting the fact to the Chief Executive Officer who will form an investigation committee.
3. The investigation committee collecting related fact and information through interviews and/or document study.
4. The investigation committee analyzes the fact and judge before considering the appropriate process for handling this matter.
5. The investigation committee sets a measure to solve or alleviate damages felt by the affected person and report to the Chief Executive Officer who will report to the Board of Directors.
6. The investigation committee reports the result of the investigation to the complainant if the person is known.

For internal complaint, process and measures are provided for employees to report and complain on unfair treatment. The Company has also provided protection of the complainants against employment termination or punishment when they provide information, truth, fact or any evidence related to the complaints or are responsible for the sincere consideration of the complaints that eventually create adverse impact on the Company. The process and measures are clearly stated in the Company's regulation on Personnel Management under Complaint section.

In addition, the Company has provided **other communication channels** to receive complaints, opinion and recommendation from all stakeholders for the Company's development and improvement. The channels include the Company's website, the Company Secretary, Corporate Relations Division, Internal Control Division and Investor Relations Department, and the complainants may use other channels as deemed appropriate.

Complaint Receiver	Complaint Channels	
	By Email	By Post
Company Secretary	CS@ratch.co.th	Addressing one of the complaint receivers: Ratchaburi Electricity Generating Holding PCL. 8/8 Moo 2, Ngamwongwan Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000
Corporate Relations Division	PR@ratch.co.th	
Internal Audit Division	internalaudit@ratch.co.th	
Investor Relations Department	IR@ratch.co.th	

3.7 Report on Interests of Directors and Executives

The Board of Directors required all directors and executives to report interests of their own and their related persons as specified in the "Directors' and Executives' Interests Report Form". The original report shall be submitted to the Company Secretary for record keeping and the copy shall be submitted to the Chairman of the Board of Directors and the Chairman of the Audit Committee on annual basis. Further changes shall be immediately reported in order to keep the information updated. The report is used for the Board of Directors' consideration and decision on stakeholders who have or may have conflict of interest and do not have voting rights on the Company's transactions, which enables the Company to make the right decision for benefit of the Company.

3.8 Community Participation Encouragement

The Board of Directors has set and announced the policy on social and environment as a guideline for the Company's Group practice. This focuses on encouraging community participation, communication, support for community development and strength enhancement, promotion of local tradition and culture conservation as well as conservation and rehabilitation of the quality of the environment. This is evident in all process and all project development and operation period. During project development period, the Company studied technical information in parallel to a study on economy, social, culture and way of life of the communities in order to prepare community participation plan and key communication message as well as activities to promote understanding between the project and community. Public hearing was also held to provide opportunity for the communities to share their view on the areas required by government agencies and related authorities. During the construction period, the Company regularly communicated with the communities to ensure understanding of the project development and the Company's policy. When the project is operating, effective communications with the communities continue. The Company always listens to the communities' recommendation for on-going development and improvement of activities that better address community needs.

In addition, Ratchaburi Electricity Generating Company Limited initiated the "Ratchaburi Power Plant Environment Inspector Committee", comprising representatives from communities, community leaders, local and provincial administration. The committee is responsible for monitoring and ensuring that the

power plant operations are in accordance with Ratchaburi Power Plant's prevention and reduction of environmental impact measures stated in the environmental impact assessment and environmental quality monitoring operation plan. The committee also acts as the center for cooperating with power plants, providing information and news update or problems and possible issues that may cause problems, and recommendation shared by communities which is an important channel for promoting community participation in systematic and continuous monitoring of the Company's operations.

3.9 Transaction that Has or May Have Conflict of Interest

The Board of Directors provides a guideline for the transparent and auditable management of conflict of interest and strictly complies with the Company's regulation on the Board of Directors which specified that directors who have personal interests in any particular area shall not have the right to vote at the Board of Directors' meeting during a consideration in such area. The Board of Directors and the Audit Committee have an important role in formulating measures to prevent conflict of interest and ensuring that the operations are smooth and reasonable. Complete information disclosure is required in accordance with related regulations for the benefit of the Company.

The Board of Directors, through the approval by the Audit Committee, has ensured that connected transaction between the Company and its subsidiaries are in the best benefits to the Company and its subsidiaries. Transactions between the Company and its subsidiaries are considered based on the same pricing and conditions as in transaction with other business partners. Accurate and complete disclosure of such transactions are required according to related regulations. For flexibility and convenience, the Board of Directors authorized the Chief Executive Officer to approval normal connected transaction or regular business transaction, with general conditions and trade agreement, within Baht 30 million limit. The transaction shall be reported at the Board of Directors' meeting on a quarterly basis, according to Article 89/12 of the Securities and Exchange Act.

3.10 International Environmental and Occupational Health Standard

The Company has seriously and continuously encouraged and monitored its subsidiaries and their power plants to adopt and maintain internationally accepted operational standards, such as ISO 14001 environmental management standard, OHSAS 18001 occupational health and safety management standard, and other standards issued by the Department of Industrial Works. For example, since 2016, Ratchaburi Electricity Generating Company Limited has been one of the private sector organizations who signed Memorandum of Participation in the "Industrial Sector's Corporate Carbon Footprint Preparation Promotion Extension Project, Phase 5" initiated by Thailand Greenhouse Gas Management Organization (Public Organization) and the Industrial Environment Institute, the Federation of Thai Industries, in order to receive information on carbon footprint assessment criteria and method, prepare for the assessment verification and acknowledge the amount of greenhouse gas emitted by the operations of its main power plant namely Ratchaburi Power Plant and Tri Energy Power Plant. The results will be used for database for emission reduction planning in the future and for designing greenhouse gas management according to the country's plan under the United Nations Framework Convention on Climate Change (UNFCC) in 2020.



3.11 Safety, Occupational Health and Working Environment

The Company realizes the importance of safety, occupational health and working environment of its employee, partners and other stakeholders who work with the Company, especially in the Company's premises. It has arranged trainings to create understanding and awareness of their role and responsibility to operate the business and perform their tasks with the highest safety level. The Safety, Occupational Health and Working Environment Working Team was appointed to monitor, assess and set prevention and correction measures to ensure safety operations in all situations. All actions shall be effectively and efficiently made based on resource optimization. They should also best address the policy and Code of Conduct that the Board of Directors formulated, announced and communicated through the internal communication channels and on the Company's website as follows:

Safety, Occupational Health and Working Environment Policy

• Promote and develop safety, occupational health and working environment management system to meet with international standard and comply with laws and regulations.

• Control and prevent loss in various forms as well as maintain the safe working environment. It is the responsibility of all executives and employees to report accident and issues according to the preset procedures.

• Arranging publicity and communication to ensure good understanding and to notify the concerned stakeholders for acknowledgement and implementation.

• In case an unsafe practice or an action that does not comply with regulations, standards or may have impact on safety, occupational health and working environment practice is found, the work shall be temporarily halted. Related persons should be informed according to the procedures for immediate solution.

• Monitor and assess the performance result for strict and effective implementation.

In 2017, The Company monitored the implementation of safety, health and working environment in the operations and ensured it complies with the plan and legal standards. The action was conducted under close supervision of the Safety, Health, and Working Environment Working Team which held 12 meetings. Major activities on safety, health and working environment are as follows:

• Arranging annual basic fire fighting and fire drill training for the year 2017 in cooperation with disaster prevention and mitigation units and related organizations at the Company's office on 4 August 2017.

• Arranging safety trainings for employees and concerned persons such as Safety, Health and Working Environment Working Team Training held on 1 - 2 June 2017 with 31 attendants; training on first aid and how to use automated external defibrillator (AED) held on 17 July 2017 with 33 participants; and training on how to use personal smoke prevention mask during fire evacuation held on 15 - 16 June 2017 where equipment were distributed to 252 employees and concerned persons.

• RATCH Go Green@Work 2017 Exhibition with 129 participants. Activities included basic health check, In Body examination, exhibition boards and games educating employees on non communicable diseases (NCDs), chiropractic treatment for office syndrome relief, organic vegetable growing and clean food cooking, for example

• Considering and drawing 2018 operational plans covering key issues including compliance with related laws, implementation of the Company's safety, health and working environment policy, operations to maintain Zero Accident status, proactive employees' healthcare, and preparation for outstanding safety, health and working environment organization competition.

With strong commitment to safety, health and working environment practice, the Company has achieved zero work-related accident for 2,022,770 hours. The Company therefore received the Bronze plaque for its participation in the Zero Accident Campaign 2017 held by the Department of Labor Protection and Welfare, Ministry of Labor.

Accident, Absentee, and Work-related Illness Statistics in 2017

Items	Amount
• Accident	0 time
• Injury rate (IR)	0 time
• Occupational disease rate	0 person
• Absentee rate	1.40 %



4. Disclosure of Information and Transparency

4.1 Type of Disclosed Information

The information being disclosed comprises financial and non-financial information and periodic and non-periodic report. The objective of the report is to provide sufficient and complete information that support the readers' investment decision. In 2017, the Company's information disclosure activities are:

Information Disclosure in 2017	Time(s)
• Periodic reports	35
• Non-periodic reports	34
• Analyst meeting	4
• Company visit	50
• Domestic roadshow	1
• International roadshow	1
• Press conference on operating performance and significant activities	5
• Media participation in the Company's CSR activities	6
• Press and photo releases	24
• Shareholders' and investors' site visit in Thailand and overseas	1
• Exhibition	4
• Executive interviews	4
• Website hits/page views (average per month) (From 1 January 2017 to 31 December 2017, totalling 209,392 times)	17,449

4.2 Quality of Information

Quality of information includes accuracy, completeness, clarity, sufficiency, timeliness, transparency and auditability. Significant information disclosed by the Company includes both financial and non-financial information, is not one-sided but is presented in both positive and negative aspects. The disclosure of information complies with the related criteria and regulations, such as immediate disclosure of significant information, comprehensive distribution to the general public, clarification in case of rumors and information about abnormal stock trading. The Company has never disclosed propaganda information without solid reasons or used insider information for security trading. Disclosure of information shall not cause excessive cost to the Company and not affect the Company's competitiveness. Details are presented under the Rights of Shareholders section and Board of Directors' Report on Its Responsibility to Financial Statements

which is published together with the Independent Auditor's Report in the annual report and the Audit Committee provided its opinion on the quality of the financial statements as published in the Audit Committee's Report.

Quality information disclosure to outsiders not only reflects the Company's transparency but also enhances investors and related persons' confidence and trust. As a result, the Board of Directors closely supervised and monitored to ensure that responsible persons sufficiently provide at least the information as required by law and that investors have equal opportunity to receive such information.

4.3 Information Disclosure Channels

The Company uses SET's electronic communications channel as the main channel for information disclosure. The Company also prepares website, press conference on operating performance, analyst meeting, press release, domestic and international roadshows and other activities as reported under Type of Disclosed Information.

The Company considers disclosure of significant information a very important responsibility. The Board of Directors and the Management have closely monitored and ensured that the information disclosure process complies with the criteria and regulations and strictly supervised the implementation of such activity. Authorized and responsible persons are designated while information distribution channels are developed to ensure information disclosure quality as follows:

• **Authorized persons to disclose information** as assigned by the Company are the Chairman of the Board of Directors, directors, Chief Executive Officer and chief officers. Other units responsible for information preparation are:

Unit	Information/document preparation
Company Secretary Office	Preparing document related to information and signification disclosure through SET's electronic channel preparing annual report (Form 56-2) and coordinating with SET and SEC
General Accounting Division Accounting Control and Analysis Division	Preparing financial information document, and the management discussion and analysis
Corporate Relations Division	Preparing information disclosure document and press release and arranging press conference.
Investor Relations Department	Preparing the Form 56-1 and arranging analyst meeting.

• **Communication channels:** Based on the commitment to providing complete and equitable access to the Company's significant information to all shareholders, the Company communicates via various channels and covers both one-way and two-way communication. The distributed information is prepared in Thai and English and distributed at the same time via SET's electronic channel as the main information disclosure channel; the Company's website (www.ratch.co.th) to increase opportunity and convenience to distribute information and create understanding among shareholders, investors, interested persons and the general public; analyst meeting; domestic and international roadshows; press conference to announce quarterly and annual performance; distribution of news releases and photo releases of the Company's activities; executive interviews; exhibitions; site visits for shareholders, institutional investors and analysts; and media relations activities.

4.4 Investor Relations

The Company assigned the *"Investor Relations Department"* to be the center for fair and equitable communication, and information and news providing, as well as arranging activities to create and strengthen relationship between the Company and its shareholders, institutional investors, individual investors, analysts and concerned government agencies. The Department is also responsible for preparing annual investors' relations plan. The Company's Chief Executive Officer and high level executives always act as the Company's spokespersons who report, provide additional information, clarify and answer questions at the analyst meeting, local and international road shows. Interested persons may contact the Investor Relations Department by sending letter by post to the Company, or call +66 2794 9841 or fax +66 2794 9888 Ext. 9841 or through the Company's website www.ratch.co.th or sending emails to IR@ratch.co.th.

4.5 Disclosure of Directors and Executives Remuneration Policy and Payment

The Board of Directors has disclosed the director and executive remuneration payment and remuneration of individual director and executive remuneration by categories. This annual report also included overall employees' remuneration. (Details are explained in Management Structure.)

5. Board of Directors' Responsibility

5.1 Board of Directors Structure

• ***Composition and qualification*** (Details appeared in Management Structure)

• ***Independence of Chairman of the Board of Directors***

The Chairman is not an executive director. Despite the fact that the Chairman is the representative of EGAT, the major shareholder holding 45 percent of the Company's total stake, the Board of Directors also comprises 6 independent directors, representing 50 percent or half of the total of 12 directors. As a result, the directors can independently perform their duties as the shareholders' representative and there is a proper balance. The Chairman independently performs his duty and does not influence or convince other directors during discussions. He also encourages all directors to discuss and express opinion openly by giving sufficient time to find mutual resolution on all matters considered at the Board of Directors' meeting.

• ***Segregation of the Chairman of the Board of Directors and Chief Executive Officer***

The Chairman is not the same person as the CEO and has no relations with the Management. The segregation of the Chairman and the CEO positions has ensured proper balance and prevented either one of them to have excessive power. The Chairman is the leader and has significant role in deciding the Company's policy resulted from the joint meeting between the Board of Directors and the Management on business goals. The Chairman leads and conducts the meetings in efficient and effective manner, and encourages all directors to participate in the meeting and openly express their opinion. The Chairman also supports and provides recommendation for the Management operation through the CEO and does not intervene in routine work by the Management. Meanwhile, the CEO is the only executive director and the highest rank executive whose roles and responsibilities are explained in Management Structure.

• ***Directorship in Other Companies***

None of the Company's directors holds positions in more than three other listed companies, which complies with the Company's regulation on the Board of Directors and the SET's recommendation on director's efficiency and time contribution. More information about individual director is revealed in the directors' profiles under the Management Structure section.

Mr. Kijja Sripatthangkura, Chief Executive Officer, does not hold directorship in other company aside from the Company's subsidiaries and joint ventures. For other directors and executives, the Board of Directors has approved their directorship and executive position in subsidiaries and joint ventures depending on their knowledge, skills and responsibility.

The Board of Directors has formulated the Company's Regulation on Subsidiaries, Affiliates and Joint Ventures Supervision, covering clear criteria for the appointment and responsibilities of the Company's representatives assigned to hold directorship or hold stakes in the companies in which the Company invests. This allows the representatives to convey the Board's policies and report performances of those businesses back to the Board. (Details on the Company's representatives assigned to be director and shareholders in subsidiaries, affiliates and joint ventures appear in the Information about Directorship of Directors and Executives section in Management Structure.)

• ***Recruitment and nomination of directors*** (Details appeared in Management Structure)

• ***Secretary to the Board of Directors and Company Secretary*** (Details appeared in Management Structure)

5.2 Committees

The Board of Directors has appointed 5 Committees as appropriate and necessary to assist it in studying information, screening work and making recommendation, which enables the Board to perform its duty more efficiently. The five Committees are the Audit Committee, Human Resources and Remuneration Committee, Risk Management Committee, Investment Committee and Corporate Governance and Social Responsibility Committee. (Details are disclosed in Management Structure.)

5.3 Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors is committed to independent decision making for the best benefits of the Company and its shareholders. Each of the Company's directors realizes the responsibility towards the shareholders who are the business owners and have the right to appoint the directors who has Fiduciary Duty to govern the business in the way that would best benefit the shareholders. Fiduciary Duty covers four major responsibilities namely Duty of Care, Duty of Loyalty, Duty of Obedience and Duty of Disclosure.

The Board of Directors' roles, duties and responsibility are as follows:

- Formulating and reviewing the Company's strategy, business plan, policy, budget, and business direction with participation of the Management on yearly basis.
- Consider and approve human resource management strategy, executive development plan, corporate structure, remuneration structure, and remuneration plan.
- Consider criteria, method and process for the recruitment, removal and termination of directors and high level executives.
- Supervise the appraisal process of high level executives to ensure effectiveness by comparing the performance with the mutually agreed goals.
- Communicate the Company's vision, goals and operating results to directors, executives and employees to ensure acknowledgement and understanding throughout the entire organization.
- Monitor the progress, efficiency and success of the strategic plan and compare the result with the short and long term goals; compare efficiency and effectiveness of the performance of competitors; disclose the implementation result and the governance under good corporate governance principle in the annual report; and require the Management to present regular report to the Board of Directors as follows:

- Monthly report such as monthly operational performance analysis, short and long term investment report, cash flow report, and the highest electricity capacity report, electricity capacity within EGAT and national systems, the security holding and/or changes in security holding of directors, executives and spouses and minor children, and energy stock prices report.
- Quarterly reports such as quarterly financial report.
- Annual reports: annual financial reports, evaluation of the annual operational performance against the target and the reports by the Committees appointed by the Board of Directors.

In 2017, the Board of Directors reviewed the strategic plan and business strategies and approved vision, mission, goals and business strategies for use as guidelines in 2018. The vision, mission, goals and business strategies are designed to support the long-term goals in 2023 and address the changing situation at present while supporting the Company's plan to diversity its business to strengthen its foundation and support long-term growth. In case that the operational performance did not meet the target due to controllable factors, the cause of the problem will be analyzed and then corrected. In case that such problem arises from uncontrollable factors, the plan has to be reviewed and new and/or alternative target shall be set as deemed appropriate.



To promote good understanding between directors and among directors, Management and employees, in 2017, the Company arranged informal meetings among directors, Management and employees, including the Company's activities such as corporate social and environmental responsibility activity that was held on 3 November 2017, annual recreational activity of directors held on 22-26 November 2017 and internal knowledge development activity held on 1 - 2 December 2017.

• Ensuring completeness of significant events namely ensuring the right mix of independent directors to create the power of balance with the Management and/or major shareholders; reviewing and approving vision, strategy, mission and Code of Conduct, and communicate with employees at all levels for acknowledgement and implementation; auditing and approving annual financial report to strengthen shareholders' confidence; supervising internal audit procedure, internal control and risk management system, prevention of conflict of interest, connected transaction, protection of corporate reputation, resource optimization and ensuring full compliance with related laws, rules, regulations, Articles of Association, Code of Conduct as well as good corporate governance principle.

• Establishing and approving role and responsibility of Committees as appropriate and necessary.

• Setting criteria and appraising the performance of the Board of Directors and Committees for both the entire Board/Committee and individual member, on yearly basis and disclose the result in the annual report.

• Setting up Board of Directors' meeting schedule and voting.

• Holding the Board of Directors' meeting at least once a month and holding at least one meeting for non-executive directors per year to offer the directors a chance to review the performance of the Board of Directors, the Management and the Company, and to discuss significant management issues without presence of the Management. The CEO will be informed of the meeting resolution which will be used for improving efficiency of the Management.

• Requiring one director to have one vote. Director with personal interests in specific agenda item shall not have the right to vote. In case the number of votes is equal, the chairman of the meeting shall have the casting vote.

5.4 Management and Prevention of Conflict of Interest (details are disclosed in Role of Stakeholders, item 3.9)

5.5 Risk Management (details are disclosed in Role of Stakeholders, item 3.4)

5.6 The Board of Directors' Meeting

• ***The Board of Directors' meeting principle and practice:*** For maximum benefits of the Company and its shareholders, the Company maintains the Board of Directors' independence

in decision making. All directors perform their duty with integrity and for the best benefit of the Company. As representatives of shareholders, the Board of Directors closely leads, monitors the operations, guides, assists and supports the Management's operation.

• ***Meeting schedule, meeting agenda and document preparation:*** The Board of Directors approved the Board's and Committees' meeting schedules for the entire year and informed every director of the schedule. In 2017, the Board of Directors' meetings were scheduled at 15.00 hours of every third Monday of the month.

The Chairman and the CEO jointly considered the matters to be included in each agenda to ensure that all significant matters are submitted to the meeting. They informed the directors in advance and distributed the meeting notice at the appropriate time according to the Company's regulation. However, directors are free to propose other matters to be included in the agenda by making such proposal 10 days prior to the meeting date. In case of urgent matters which may directly or indirectly affect the Company, directors are free to propose such matters for consideration or acknowledgement as other agenda item at the Board of Directors' meeting. (Method for deciding matters to be included in the agenda and the method for directors to propose other matters are stated in the Company's regulation on the Board of Directors and published on the Company's website.)

Meeting agenda is grouped for easy consideration and the meeting is run in the preset sequence namely matters to be informed by the chairman, follow-up matters from the previous meeting, matters proposed for consideration, matters proposed for acknowledgement, and others (if any). Regular matters to be proposed to the Board of Directors at the specific period, such as monthly, quarterly and annual agenda are set in advance. Schedule of monthly performance analysis report and progress of projects that the Company invests in are also reported to the Board of Directors meeting every month.

The Company sends meeting notice, agenda and related document to each director approximately one week prior to the meeting date, providing them with sufficient time to study the information. Directors may ask for more information from the CEO and the Company Secretary Office. Members of Committees can ask for more information related to their tasks from the CEO and through the secretary of each Committee.

• ***Roles of the Chairman, directors, Management and meeting atmosphere***

- The Chairman leads the meeting, sufficiently and adequately allocates time for directors to equally discuss and express opinions, encourages directors to participate in the discussion and freely express opinions, and summarizes the meeting's resolutions.

- Directors share opinions based on the study of the information provided by the Management and other necessary and relevant information by making constructive discussion with the consideration of the benefits and impact as well as risks for the Company and all stakeholders in order to obtain the meeting resolution. Directors shall contribute time, knowledge and experience to their role as a director of a listed company.

- The Management is responsible for providing accurate, sufficient, complete and timely information that is relevant and necessary to support the Board of Directors' meeting decision, as well as present the information in advance in order to allow the directors' sufficient time to

study the information. The Management shall propose options to the Board of Directors, and provide information and clarify additional information when asked in the meeting. The Board of Directors requires high level executives from all functions to attend the meeting and invite other concerned executives for clarification on specific matters.

- Meeting atmosphere and expression of opinions: The Company provides appropriate and sufficient meeting equipment and facilities. The meeting atmosphere is open and encourages all directors to participate in the discussion and openly and positively express opinions based on mutual benefit and impact on all stakeholders. Each meeting lasted 1.5 hours to 2 hours on average.

- The meeting's process: The meeting generally considers and discusses each agenda item. The Management presents the background, rationale, necessity, clarifications and related information to support decision making process and to support the Management's proposal. The Chairman allows sufficient time for all directors to discuss all issues and encourages directors to express opinions and ask questions on important matters for the Management to clarify. Afterward, all will make decision together, leading to the meeting resolution.

- Directors who have personal interests in any subject do not have the right to vote on such subject (personal interests are based on each director's and executive's report on their related persons' interests which was submitted to the Company Secretary.) This has been strictly implemented in all meetings.

- Consideration of connected transaction and items that may involve conflict of interest is done by taking benefits of the Company and shareholders into consideration. The meeting will consider the necessity and reasons for each matter the same way it does for other transactions. Correct and complete process and disclosure of information are highly weighted.

-The Company Secretary provides initial recommendation to the Management and the Board of Directors to ensure that all their practice complies with the related regulations, such as information disclosure regarding asset acquisition or disposition, connected transaction and implementation of good corporate governance principle.

- **Meeting minutes preparation and keeping**

- Company Secretary Office is assigned by the Board of Directors to record, prepare and keep the minutes of the Board of Directors' meeting and shareholders' meetings.

- Meeting minutes are prepared in writing and cover all important details, including date and time the meeting begins and ends, meeting venue, list of attending directors and executives, list of absent directors, summary of the matters presented in the meeting, summary of the discussed matters, opinions and observation of the directors, the meeting resolution, and the signatures of the minutes taker and the meeting chairman. Meeting minutes are completed within approximately three days after the meeting and delivered to all directors for consideration. If no revision is made within seven days, the minute is considered approved and submitted to the meeting's Chairman to sign. A copy of the signed meeting minutes is then delivered to each director for reference. In addition, the certified meeting minutes will be added as an acknowledgement agenda in the next meeting.

- Dissemination of the meeting's resolutions: The Company Secretary distributes the written resolution to related units for

acknowledgement and/or implementation. The implementation will be monitored and reported to the Board of Directors.

• ***The Board of Directors and Committee's meetings*** (Details are disclosure in Management Structure).

5.7 Performance Appraisal

• ***Self-assessment of the Board of Directors and Committees***

The Board of Directors has to conduct sel-assessment with the objective to use the appraisal result, observation and recommendations for the Board of Director's further improvement. The factors considered include the performance of Board of Directors and the Committees as a whole as well as each director's individual assessment. The assessment covers many important areas according to the good corporate governance principle for listed companies, including directors' readiness, strategy formulation and business planning, risk management and internal control, conflict of interest prevention, financial and operating performance report monitoring, the Board of Directors' meeting, nomination and remuneration of the directors and the high level executives.

The self-assessment of the Committee covers the overall performance of each Committee in terms of the Committee's readiness, completeness of duty as assigned by the Board of Directors, and the Committee's meetings both before (provision of meeting document prior to the meeting date to provide sufficient time for the Committee members to study the information), during (information and significant agenda presentation, discussion, answering questions and meeting resolution) and after the meeting (preparation, submission and storing the meeting minutes).

The assessment levels for the Board of Directors and Committees for both individual and the entire Board/Committee assessment comprise 5 levels according to average scoring of the individual assessment as follows:

Excellent	> 90 %
Very good	> 80-90 %
Good	> 70-80 %
Fair	> 50-70 %
Should improve	< 50 %

Assessment Results of the Board of Directors and Committees

Board/Committee	Assessment Results							
	Entire Board/Committee				Individual			
	100 Full Score		Level		100 Full Score		Level	
	2017	2016	2017	2016	2017	2016	2017	2016
1. Board of Directors	97.14	95.02	Excellent	Excellent	96.19	95.46	Excellent	Excellent
2. The 5 Committees	Score/Full Score		Level		Score/Full Score		Level	
2.1 Audit Committee	29.00 / 30.00	28.00 / 30.00	Excellent	Excellent	29.00 / 30.00	28.00 / 30.00	Excellent	Excellent
2.2 Human Resources and Remuneration Committee	97.39 /100.00	93.83 / 100.00	Excellent	Excellent	97.39 /100.00	93.83 /100.00	Excellent	Excellent
2.3 Risk Management Committee	27.25 / 30.00	28.50 / 30.00	Excellent	Excellent	27.25 / 30.00	28.50 / 30.00	Excellent	Excellent
2.4 Investment Committee	28.75 / 30.00	28.75 / 30.00	Excellent	Excellent	28.75 / 30.00	28.50 / 30.00	Excellent	Excellent
2.5 Corporate Governance and Social Responsibility Committee	28.00 / 30.00	28.00 / 30.00	Excellent	Excellent	28.00 / 30.00	28.00 / 30.00	Excellent	Excellent

The Company will use the performance appraisal result of the Board of Directors and Committees for further improvement of operational efficiency for both Board of Directors and Committees and to improve performance of individual director in accordance with the management policy under the good corporate governance principle.

- ***High Level Executives' Performance Appraisal***

With assistance from the Human Resources and Remuneration Committee in assessing annual performance of high level executives, the Board of Directors adopts the performance appraisal criteria that were agreed at early of the year. In 2017, the criteria comprised four areas namely business planning and development, supervision of companies within the Company's Group, financial management, and organizational management. Each area has different weight. The Company also appraised high level executives in terms of capability and management skills, including leadership, strategy formulation and implementation, financial planning and performance, networking, business knowledge and understanding and personal qualifications for the CEO and high level executives. The Company uses the assessment result to determine the remuneration for high level executives and to arrange knowledge and skill development plan.

- ***Directors and High Level Executives' Remuneration*** (Details are disclosed in Management Structure).

5.8 New Director Orientation and the Development of Directors and Executives

Newly appointed director will be given orientation and briefing by the CEO regarding the nature of the business, the Board of Directors' and the Committees roles and responsibilities, investment structure, organization structure, financial operating results, progress of investment projects and the Company's good corporate governance principle. Supporting documents on the aforementioned subjects are provided together with Memorandum of Association, objectives, Affidavit, Article of Association, rules and regulations, policy, Code of Conduct, remuneration and benefits for directors, annual report and sustainability report, as well as the guideline for directors of a listed company and compliance database. The orientation is held according to the Board of Director's policy to prepare directors to be ready to perform their duties.

Directors will have the chance for continuous development to enhance understanding of roles, duties and responsibilities as well as necessary skills for the directors to do their best job as directors of a listed company. The Company has a policy to encourage the directors to participate in seminars arranged by related organizations, such as Thai Institute of Directors Association (IOD), Stock Exchange of Thailand and Thailand Energy Academy. The Company is responsible for the expenses related to such course attendance in accordance with the Board of Directors' policy to enhance directors' skills and capability.

Directors' Attendance in Trainings and Development Courses in 2017

Director			Course	Organizer
1	Mr. Sutat	Patmasiriwat	Boards that Make a Difference (BMD 4/2017)	Thai Institute of Directors Association
2	Mr. Witoon	Kulcharoenwirat	Director Certification Program (DCP 243/2017)	Thai Institute of Directors Association
3	Mr. Chuan	Sirinunporn	Ethical Leadership Program (ELP 8/2017)	Thai Institute of Directors Association
4	Mr. Thaworn	Ngamganokwan	-	-
5	Mr. Viboon	Rerksirathai	Corporate Innovation Bootcamp through Design Thinking	Ratchaburi Electricity Generating Holding PCL
6	Mr. Kijja	Sripatthangkura	Director Certification Program (DCP 245/2017)	Thai Institute of Directors Association
7	Mr. Chartchai	Rojanaratanangkule	Corporate Innovation Bootcamp through Design Thinking	Ratchaburi Electricity Generating Holding PCL
8	Mr. Samack	Chouvaparnante	Corporate Innovation Bootcamp through Design Thinking	Ratchaburi Electricity Generating Holding PCL
9	Miss Prapa	Puranachote	-	-
10	Mrs. Siriporn	Luangnual	How to Develop a Risk Management Plan (HRP 12/2017) Risk Management Program for Corporate Leaders (RCL 6/2017) Corporate Innovation Bootcamp through Design Thinking	Thai Institute of Directors Association Thai Institute of Directors Association Ratchaburi Electricity Generating Holding PCL
11	Mr. Veerasak	Pungrassamee	Risk Management Program for Corporate Leaders (RCL 8/2017)	Thai Institute of Directors Association
12	Mr. Prapon	Kitichantaropas	-	-

Remark: Other training and seminar attendance are reported in individual director's profile

The Management regularly prepared a summary report of the rules, regulations and memorandums both newly issued and amended by SEC and SET then presented to the Board of Directors' meeting to use as guideline so that their practice strictly complies with the law and regulations of the regulators.

The Company sent executives and related employees to attend company secretary, corporate governance, internal audit, anti-corruption and risk management courses including other related courses organized by various institutes and organizations. This enables them to better understand their responsibilities, which supports the works of the Board of Directors and Committees.

5.9 Succession Plan for High Level Executives

The succession plan for the Chief Executive Officer follows the policy of EGAT, the Company's major shareholder. EGAT will consider its executive who has appropriate qualifications, knowledge and capability to perform the task and brings greater benefits to the Company and nominate the person to the Board of Directors for consideration and appointment through the Human Resources and Remuneration Committee. The Board of Directors assigned the Human Resources and Remuneration Committee to prepare succession plan for high level executives.

For succession plan for other executive positions, the Company hired a consulting firm with expertise to help developing career path of individual position. This covers the competency model which has been developed in systematic manner, covering analysis of competency and expected qualifications of different positions. The guideline will support human resource development and nomination of qualified persons to be promoted, demoted, retired, and transferred and to prepare the Company's personnel for current and future business expansion.

In 2017, the Company completed the successor and talent selection plan. Those people will be trained to enhance competency and ability in various areas to get them ready for the new position and to correspond to the retirement plan of several executives in 2017 and 2018.

5.10 Directors and Officers Liability Insurance

In response to the Company's expansion to more diverse businesses, the Company has engaged more with new business transactions that require directors and executives' approval, opinion provision, authorization and signing on important documents. Some of such activities may have high risks of claims from outsiders, shareholders and stakeholders on directors and executives responsibility arising from performing their duty. The Board of Directors required the Management to propose the Directors and Officers Liability Insurance (D&O) together with its conditions, limitation and premium for the Board's consideration every year. The insurance will provide protection over liabilities or claims against directors and officers who perform their duty in accordance with their position in good faith. In case of fraud, the Company is not liable for the loss and can requests the corrupted person to pay for the fees arising from the lawsuit against the corrupted directors or officials.

6. Code of Conduct

To drive success of the organization, support corporate vision, mission, policy and growth target as well as to maintain business sustainability amidst the rapidly changing environment, the Company has been operating its business by adhering to the good corporate governance. The Company is strongly committed to fighting against corruption in all forms and has participated and become certified member in Thailand's Private Sector Collective Action Coalition against Corruption (CAC) since 22 April 2016. This is a concrete factor to promote and support anti-fraud and corruption practice in order to shield or reduce any negative impact on the organization, the country and all its stakeholders.

In 2017, the Company considered, reviewed and improved regulations, rules and Code of Conduct to keep them updated and cover the entire work process according to the CAC's anti-corruption framework and in line with the new Code of Conduct which has been used as a policy and the desired behaviors as well as good corporate governance principle implementation guideline for the directors, executives, employee and all groups of stakeholders of the Company's Group. This will raise the corporate governance practice to that of the international standard and build confidence of the investors and stakeholders in the Company's operations. The Company has awareness raising and conscious building process and also regularly follows up and evaluates the employees' performance result. The new Code of Conduct was implemented and published on various channels to allow concerned persons and parties to understand. All employees have read and signed their acknowledgement and adopted it in their operations. Interested persons can find the details of the Code of Conduct on the Company's website.

7. Communications and Monitoring of Performance to Ensure Full Compliance with the Corporate Governance Policy and Code of Conduct

New Director's orientation is disclosed in section 5.8. For new employee's orientation, human resources officer will give every new employee

a briefing on the Company's overall business operations, investment structure, organization structure, operating result, good corporate governance and corporate social and environmental responsibility principles, rules, regulations, policy, business ethics, remuneration, benefits and welfare. Supporting documents such as the Code of Conduct and other documents that can be used as guideline and reference when performing duties are given at the orientation and the new employee have to sign their acknowledgement. Corporate governance policy is communicated throughout the Company from the Board of Directors and high level executives to all level of employees. The Company also provides communication channel to listen to and collect employees' problems, concerns and recommendations for consideration, further action planning and execution as well as ensures the practice and the performance are in line with the good corporate governance principle. The Intranet, email system that employees have easy access and internal meetings, are channels provided to effectively communicate, raise awareness and commitment to implementation of Code of Conduct. The implementation result is reported to the Committees and the Board of Directors for acknowledgement respectively.

Aside from regularly discussing with other divisions, the Internal Audit Division has also been assigned to be responsible for monitoring and following up with the implementation of annual audit plan and a quarterly report the audit results as well as making recommendation on solution and prevention of possible damages to the Audit Committee and the Board of Directors respectively.

The "Compliance Database" was prepared, and distributed to the Board of Directors and published on the Company's internal database, which is easily accessible for use by all employees. The database comprises guidelines for important areas of practice and operations of the Company as a listed company, such as the disclosure of information, connected transaction, the acquisition or disposition of assets. The information is regularly updated.

The Board of Directors prepared the "Directors' and Executives' Interests Report Form" and instructed the Directors and executives to report their and related persons' interests to the Company Secretary for reference and record. The Company Secretary shall make a copy and submit the report to the Chairman of the Board of Directors and the Chairman of the Audit Committee, according to the Securities and Exchange Act. The report will be used when considering those who shall not have voting rights in the Board of Directors' and shareholders' meetings.

In addition, the Corporate Governance Working Team was assigned to communicate and follow up the implementation of corporate governance practice in accordance with the Corporate Governance Policy and Code of Conduct. The Working Team also reports the implementation results of corporate governance and anti-corruption related risk management plans to the Board of Directors, Corporate Governance and Social Responsibility Committee, the Audit Committee, the Management and other committees or related units in accordance with the preset procedure.

In 2017, corporate governance items that have yet to be implemented and the reasons and the company's current practice are as follows:

	Pending practice	Current practice and reasons
1	The Board of Directors uses a professional search firm or director pool to select directors	The Human Resources and Remuneration Committee selects and nominates persons with appropriate qualifications to be appointed as directors. Specialists in different fields are invited to participate in the selection and nomination process as deemed appropriate. The list of candidates will be submitted to the Board of Directors for consideration and approval.
2	The Company has set meeting quorum policy requiring at least two thirds of the total directors to be presented in the Board meeting before voting and making resolutions.	Although there is no written policy, in practice, the Chairman of the Board will ensure that two thirds of the directors were presented at the Board meeting while the voting and the resolutions are made.
3	Chairman is an Independent Director	The Chairman is not the same person as the CEO who is the highest ranking executive of the Company and does not have relationship with the Management although the Chairman is the representative of the major shareholders. This provides full confidence that the Chairman can perform his duty independently as the Board of Directors comprises 6 Independent Directors of the total 12 members (50 percent) or half of the entire Board members, resulting in balance and check of power. In addition, during the meeting, the Chairman also promotes and encourages directors to express their opinions and discuss fully on the topic before making decision without the Chairman's influence.

In 2017, no event or activity that contradicts to the Corporate Governance Policy or Code of Conduct was found.



Good Corporate Governance Awards



• **Sustainability Report Award 2017** from CSR Club, Thai Listed Companies Association with the support from the Securities and Exchange Commission and Thaipat Institute for the 5th consecutive year.

• **Thailand Sustainability Investment 2017** from the Stock Exchange of Thailand for the 3rd consecutive year.

• **Corporate Governance Report of Thai Listed Companies Assessment 2017** at "Excellence" level with 93 percent scoring, which is higher than listed companies' average score of 80 percent.

• **2017 Shareholders' Annual General Meeting Quality Assessment** by Thai Investor Association with 96 percent scoring which is higher than the average score of 91.97.

• **Green Office Management Certification** at "Excellence" Level (2016 - 2018) from Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment





Corporate Social and Environmental Responsibility

For more than 17 years of its business, the Company has been operating its business by taking good corporate governance principles and social and environmental responsibility into account. With the commitment to ensure that its production processes do not cause any negative impacts to the community and the environment together with the development of social projects, the Company aims to strengthen good corporate image and earn confidence from the community and the society as a whole.

The Company has continuously and regularly taken serious care of the environment and society. In environmental respect, the Company aims to reduce carbon dioxide emission to mitigate global warming by reducing carbon emission to the atmosphere along with increasing carbon storage in form of wood. In social respect, the Company aims to promote quality of life of the people in the community and society at all ages and genders, reduce educational disparity, promote human rights and provide humanitarian aid on various occasions.

In the implementation of Corporate Social Responsibility (CSR) projects, the Company has applied the King's Philosophy of H.M. the Late King Bhumibol Adulyadej, especially the 'growing forests in people's mind' concept, as its framework. The concept does not only include the subject of forest, but it also includes raising awareness and creating conscious mind which is a solid foundation of all sustainable development. Therefore, an important nature of the projects is the focus on educating people to ensure that they can understand and aware of the importance of related subjects by themselves. Projects that have been continued in the Year 2017 are, for example:



Love Forests and Community Project

Environmental Respect

Love Forests and Community Project

The main CSR project that the Company initiated and has continuously implemented in collaboration with the Department of Forestry for 10 years. It is based on the belief in forest protection by people around the forest which is also known as 'Community Forest' which is an effective mechanism for sustainable forest and ecosystem conservation as we believe that people who love, care and cherish the forest the most is those who are closest to and get sustenance from the forest as well as reduce expenses and generate income sufficiently without abusing the forest. This will create the feeling of ownership and engagement and also promote community strength.



Love Forests and Community Project

The main activities under this project are (1) Community Forest Contest: In 2017, the total of 1,467 community forests participated in the activity and 139 community forests received awards from the project. Throughout the 10 years since the project initiation, 10,478 community forests have participated in the contests and 1,392 community forests received awards from the project. The project covers 1,252,053.42 rai area, representing the absorption of 2,504,106.84 tons carbon dioxide equivalent per year. (2) Kla Yim Youth Camp: In 2017, 2 training camps were held for 126 young participants from Northern and Central and Eastern regions. Throughout 10 years since the project initiation, 21 training camps were held for 1,679 participants; and (3) Community Forest Network Seminar: In 2017, 2 seminars were held for 162 community forest leaders from Northeastern and Southern regions. Throughout 10 years since the project initiation, 18 seminars were held for 1,468 participants.

Mahesak Navamindranusorn
Tree Conservation Project

is a project that the Company collaborates with the Plant Genetic Conservation Project under the Royal Initiative of HRH Princess Maha Chakri Sirindhorn. The Project aims to preserve precious teak types namely Mahesak teak and Syamindra teak, which are the largest teak in the world with lifespan of more than 1,500 years. Teaks were planted in Chiang Mai province. 2,800 teaks were planted at Kued Chang sub-district, Mae Taeng district while 1,600 teaks were planted at Thaduea-Muedka sub-district, Doi Tao district, and 1,100 teaks were planted at Hang Dong sub-district, Hod district. Other 20 teaks were planted at the Company's headquarters in Nonthaburi province. The project has planted 5,520 teaks in total, covering the area of approximately 5.5 rai. Local communities and local government administrations participated in the teak planting, enabling them to see the value, have sense of ownership and feel protective of the teaks. After the teak planting in 2017, the Company will monitor the growth of the teaks for 5 years.



Mahesak Navamindranusorn Tree Conservation Project



Pumaree - Women's Power Protecting the Environment Project

Pumaree - Women's Power Protecting
the Environment Project

is a project that was initiated in Nan province to restore and conserve natural resources with women as important driving force throughout the process. In addition to environment protection, the project's process also seeks to enhance and bring out the women's potential and to build confidence to adult woman and young woman

group in order for them to take a lead role their community's environment development. This is the most sustainable development path for the community, as all activities are based on good conscience, readiness and involvement of the people in the community.

To emphasize on CSR operations with reduction of carbon dioxide emission to alleviate global warming as its environmental goal; in 2017, the Company was awarded a certificate from Low Emission Support Scheme (LESS) by Thailand Greenhouse Gas Management Organization (Public Organization) (TGO). The carbon assessment from TGO shows that the Company has reduced carbon dioxide emission to the atmosphere by the total of 72.44 tons carbon dioxide equivalent due to the Company's 4 CSR Projects namely (1) Watershed Forest Growing for Carbon Sink Creation Project, 200,000 local trees were planted on 1,000 rai area in Doi Phu Kha National Park, Nan province in 2014. The area had continuously been conserved before it was handed over to the Department of National Parks, Wildlife and Plant Conservation in early 2017. (2) Community Energy Projects which had been implemented during 2014 – 2016 in Ratchaburi, Kanchanaburi and Phetchaburi provinces. (3) Community Solar Power Promotion Project, solar



Pumaree - Women's Power Protecting the Environment Project



Happy Elderly, Healthy Thailand Project

home systems were installed in 25 households in Hau Ha hamlet, Mae Hong Son province, in 2014. The project also checked the system performance in order to support equipment maintenance; and (4) "RATCH Volunteer, Changing Light Bulbs to Reduce Energy Use and Mitigate Global Warming": Light bulbs in the area surrounding King Mongkut's Memorial Park, Pranakhonkhiri, Phetchaburi province were changed to energy saving LED light bulbs in 2015.

Social Respect

Happy Elderly, Healthy Thailand Project

With the changes in the social structure that are currently happening due to the movement towards aging society, many problems may occur because of population imbalance. However, if sectors of the society are well prepared for such change, the chances that the problem will occur can be reduced. Seeing the opportunity to be a part of the movement to strengthen the elderly group, the Company held trainings on self health care,

socializing with people of the same age group, and knowledgeable use of technology. The Company's unwavering commitment and continuous implementation, the Project is well recognized and appreciated by the elderly. This does not only promote self-reliance and respond to the government policies but also promotes quality of life of the people in Nonthaburi province.

@Careline Happy Community Network Project

One of the Company's CSR activities focusing on young people as the country's future human resources. The most important method that will enable young people to have quality growth is instilling conscience, which is the heart of the King's Philosophy, in addition to giving an opportunity to have effective education. @Careline Happy Community Network Project uses Brain Based Learning (BBL) principles as its method to build physical readiness, brain development, and emotional and social development to primary children. BBL principles comprises 5 main driving factors namely children playground, classrooms, learning process, textbooks and worksheets, and innovative learning tools. The project organized workshop on teaching material creation under BBL concept for teachers in Education Area 1 in Nonthaburi province. In 2017, the project focused on classroom development and organized



Employee Volunteer Activities



@Careline Happy Community Network Project

employee volunteer activities to paint desks, chairs, and playground tools and equipments as colorful items will enable children to have better memorization and learning.

Employee Volunteer Activities

The Company has a policy to encourage all employees to take part in the creating benefit to the society by requiring all employees to participate in volunteer activities for 5 days a year. In 2017, the Company organized 14 volunteer activities comprising various types of activities such as natural resources conservation, religion, education, relief aid, and activities in the remembrance of H.M.



Employee Volunteer Activities

the Late King Bhumibol Adulyadej. 148 employees out of 198 executives and employees participated in the activities, equivalent to 721 person-day.

In addition to the aforementioned projects, there are other projects such as Community Energy Project which is a collaboration with Provincial Energy Offices and local government administrations in 3 target areas in Chiang Mai province, Lamphun province and Nan province; and Collaboration for *Natural Rehabilitation of the Environment Project to Celebrate HRH Princess Maha Chakri Sirindhorn's 60th Birthday Anniversary in 2015*, which the Company collaborates with EGAT Group and Sirindhorn International Environmental Park Foundation to create conservation area at Sirindhorn International Environment Park in Petchaburi province as natural learning center for young people and the general public, and Kla Dee Project, a project in Nan province that the Company collaborates with EGAT, which encourages young people to initiate a project in order to develop their own communities.



Community Energy Project



Community Energy Project

The Company remains committed to operating under good corporate governance principles with responsibility to the society and environment while adhering to integrity and transparency in every process within the organization. The operations are monitored and reviewed to ensure of their effectiveness and compliance with related rules and regulations. This will be the cornerstone of sustainable business growth along with community and social development.



Internal Control and Risk Management

The Company believes that operating a business by adhering to moral, integrity and sincerity as well as good management system, corporate governance and effective and efficient internal control is a key factor for sustainable success and maintaining business leader position. Considering internal control very important, the Board of Directors assigned the Audit Committee to review, monitor and assess the sufficiency of the internal control and risk management system. This is to ensure operational efficiency and effectiveness, compliance to related laws and regulations and to check and balance and control the utilization of assets for the best benefit of the Company.

In 2017, the Audit Committee held 9 meetings; 8 meetings were held to discuss matters with the Management, auditors and the Internal Audit Division and 1 meeting was held with the auditor without presence of the Management. The Audit Committee has fully complied to related laws and scope of responsibility as assigned by the Board of Directors in the Company's regulation on Audit Committee. The Audit Committee has never received report from the Auditors on substantial deficiency in the internal control system.

At the Board of Directors' meeting No. 12/2017 held on 18 December 2017, the Board of

Directors provided the same opinion towards the internal control system as the Audit Committee's assessment. Key essences are as follows:

Organization and Control Environment

- The Company manages its operations through the Board of Directors and the Management with clear line of authority and responsibility and with honesty and ethics. Clear and measurable business vision, mission and goals are set. Code of Conduct, regulations, orders, punishment and guideline for reporting in case action that may be deemed as fraudulent or corrupt is found are in place.

- The Board of Directors performs its duty with experience, efficiency and independence from the Management. The Board of Directors supervises the control environment, risk assessment, control activity and ensures efficient communication through effective information system that is monitored and evaluated.

- The Company sets policy and practice guideline related to human resource management, competency assessment and succession plan to attract and maintain its employees.

- The Company encourages its executives and employees at all levels to participate in internal control. Clear scope of individual responsibility, performance appraisal, rewarding and punishment are set.

Realizing the importance of internal control system, the Company has provided the environment that supports the internal control system. The Board of Directors has set clear and measurable corporate vision, mission and goals to be used as guidelines for the Management and employees' operations. Review is regularly done to support continuous and sustainable growth of the Company.

In 2017, the Company restructured its organization by setting clearer management structure, scope of work, line of control, approval authority, scope of responsibility for different levels as well as well-rounded Key Performance Indicators (KPI) that serves as the Company's operational performance monitoring and assessment tools.

The Company has clearly set Code of Conduct and good corporate governance practice for directors and employees to follow. Anti-corruption and fraudulent practice policies are announced, and assessment of risks related to corruption is provided. In addition, the Company has participated and was certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in 2016 by the CAC Council. The Company was rated 5-star (highest scoring) at the 2017 CG Score, at the Corporate Governance Report of Thai Listed Company (CGR) arranged by Thai Institute of Directors Association. For enhanced transparency and clear operations process, the Company has prepared the Anti-corruption Policy of the Company's Group and also set a policy prohibiting its employees from accepting gifts as a tool to promote good corporate governance and create a good business practice standard. The Company has also arranged channels for receiving complaints or information about fraudulent action and breach of laws and Code of Conduct or deficiency of the internal control system in order to increase internal control efficiency.

Risk assessment and management

The Company's risk management process and measures are as follows:

- Setting risk assessment goals by identifying key materials of financial reports that reflect the Company's activities, which comply with generally accepted accounting standard. Risk management plan is approved by the Board of Directors and communicated to executives and employees at all levels.

- Identifying, analyzing and managing internal and external risks as well as identifying the degree of risk response at the corporate level and for different functions. Risk management structure comprises the Board of Directors, Risk Management Committee, Risk Management Working Team and Corporate Planning and Systems Development Division.

- The Audit Committee and the Internal Audit Division consider chances of corruption by reviewing goal, motivation and pressure in order to set the preventive measures and communicate the measures to ensure strict compliance with the Company's policies.

- Identifying and assessing changes that may affect internal control activities in terms of external environment, business format and organizational leader.

To ensure effective performance of the Risk Management Committee and its ability to supervise and monitor the Company's operation, the Company sets risk management structure which comprises the Company's Board of Directors, Risk Management Committee, Risk Management Working Team, and Corporate Planning and Systems Development Division. They are responsible for setting risk management



objectives, identifying and categorizing risk factors, opportunities and impacts and setting measures to manage and control the risks at the acceptable level. The responsible bodies coordinate and hold meetings with different functions on quarterly basis to appraise risk and possible impact after implementation of risk management measures and present the report to the Risk Management Working Team which comprises high level executives from all functions who would screen and consider the report before presenting it to the Risk Management Committee and the Board of Directors for their consideration on a quarterly basis.

- The Company appointed Corporate Governance Working Team, comprising Chief Financial Officer as Chairman of the Working Team, Executive Vice - President of all functions and Vice President - Head of Internal Audit Division as the Working Team members, and Vice President - Head of Company Secretary Office as the Working Team member and secretary. The Working Team is responsible for managing risks related to fraudulent act and monitoring the implementation of the risk management plan and reporting to the Audit Committee,

the Corporate Governance and Social Responsibility and the Board of Directors respectively.

- Investors may find details on risk assessment and management under Risk Factors section and/or the Company's Form 56-1 as published on www.sec.or.th and the Company's website, www.ratch.co.th.

Control Activities

- The Company has implemented activities to control risks at the acceptable level by outlining internal control measures within the framework of the Company's regulations and orders, covering all functions and levels in consideration of separation of duty, authorization level and appropriate design of information keeper.

- The Company developed technology system to control business operation process. Policies on system security, emergency plan; and procurement, development and maintenance of the system are provided.

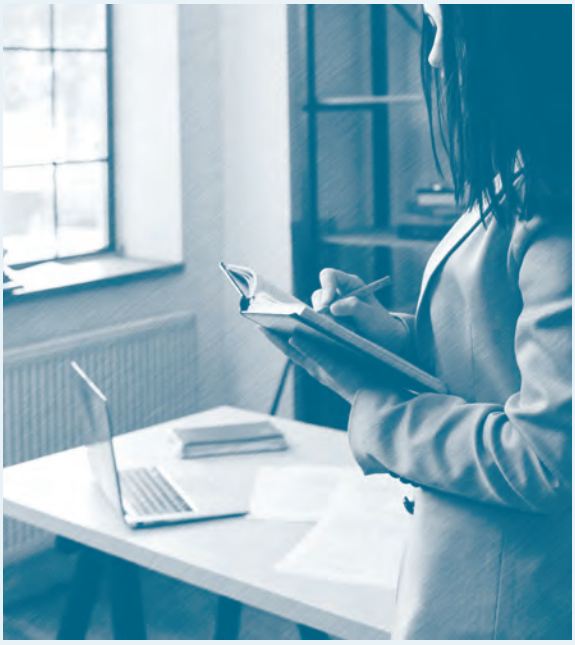
- The Company has a strict control policy and formulated significant policies related to related party transaction, prevention of conflict of interest, especially those related to transaction and approval authority of the Board of Directors and high level executives and monitoring of operations of its subsidiaries and associates within the specified period. The policies are regularly reviewed.

To ensure that the policies and directions set by the Board of Directors and the Management are well executed and responded, the Company has provided an internal control system for accounting and finance, operation and supervision as follows:

- Identifying clear scope of responsibility, authority, duty and financial approval limit and cheque issuing authority of different level of executives in writing as stated in the Company's regulations/orders.

- Transactions that are considered as connected transaction must be approved by authorized person who has no conflict of interest and must be screened by the Audit Committee before proposing to the Board of Directors or the shareholders' meeting for consideration. This is done based on the Company's benefit.

- The Company's Group's operations and performance are regularly monitored by the business functions under the Chief Asset Management Officer. Business direction is set according to the Company's regulation on the supervision of subsidiaries, affiliates and joint ventures requiring the Board of Directors to formulate policy through the Company's





representatives. The Company's representatives are required to produce a report and submit to the Board of Directors on quarterly basis.

Information and Communication System

The Company views that the information and communication system is an important tool for the Company's effective and efficient operations. The Management has provided:

- Related information sufficient to support decision making on business activities by considering costs and benefits as well as identifying systematic information and document keeping.

- Sending meeting notice and related document to the Board of Directors prior to the meeting date as required by law and completing every meeting minutes for reference and review.

- Effective internal and external communication through appropriate channels as well as confidential channel for corruption and fraudulent clue reporting. Significant information is regularly reported to the Board of Directors.

- External communication: The Company discloses significant information through SET's system and the Company's website for easy and equal access to information by outsiders, shareholders, investors and interested persons.

In addition, the Management provides effective internal communication channels as follows:

- The Board and all Committees shall receive meeting notice and related document containing sufficient and necessary details at the appropriate time prior to the meeting date. Questions and concerns raised at the meeting, clarifications, opinions, observations and recommendations of each director on each agenda item are recorded. The discussion and the meeting resolution are summarized in the meeting minutes for reference.

- Meetings between the Chief Executive Officer and head of each function and meetings with executives from vice president level and above are held on monthly basis to monitor the progress of work, solve problems, and provide significant information that is sufficient for operations and communicate with executives at all levels.

- Executives in financial and accounting functions in cooperation with the auditors present information to the Audit Committee for accounting review according to the generally accepted accounting standard including the changing international accounting standards.

- The Company provides effective and complete storage of information, document, accounting records, financial reports and other significant documents in good order and group. As a result, the Company has never been informed by the auditors of deficiency related to document keeping.

- The Company provides efficient internal communications through the Intranet and Lotus Notes, enabling all employees to have thorough and timely access to the Company's significant information related to policy, regulations, order and announcement.

Monitoring and Evaluation System

- The Company has monitored and evaluated the internal control activities in terms of compliance with the Company's Code of Conduct to prevent conflict of interest; monitored and evaluated the sufficiency of internal control system by the Internal Audit Division and by self-assessment of its employees. If recommendation for internal control improvement is provided, the Internal Control Division will directly report to the Audit Committee in timely manner. To improve capability of the internal audit staff, the Company encourages employees to be trained and developed their operation to meet with the international standards.

- The Company set a policy and guideline on immediate reporting to the Board of Directors serious corruption and fraudulent action, breach of law and irregular activities that would significantly affect the Company's reputation and financial position.

- The Company sets business goals according to the strategic and business plans by setting goals and indicators for all functions. Operational performance is appraised against the target. Differences between



the result and goal (if any) are thoroughly analyzed to find causes and impacts in order to prepare plan and measure to solve or reduce the impact before presented to the Board of Directors' acknowledgement on quarterly basis

- The Internal Audit Division regularly reviews sufficiency and appropriateness of the internal control system according to the annual audit plan approved by the Audit Committee. Results are regularly reported to the Audit Committee.

The details of the Company's Internal Control System Sufficiency Evaluation Form is available on the Company's website www.ratch.co.th.

Audit Fee and Non Audit Fee

Audit Fee: The Company and its subsidiaries, namely Ratchaburi Electricity Generating Company Limited, Ratchaburi Energy Company Limited, Ratchaburi Alliances Company Limited, RH International Corporation Limited, RATCH-Lao Services Company Limited, RATCH O&M Company Limited, RE Solar 1 Company Limited, CN Biomass Company Limited, PB Biomass Company Limited and LP Biomass Company Limited recorded the total of Baht 2,302,000 payment (not included Baht 63,000 out-of-pocket expenses) made to the auditor's office in the past fiscal year. This included the Company's audit fee of Baht 850,000 and the subsidiaries' audit fee of Baht 1,452,000 (not included Baht 60,000 out-of pocket expenses) which each subsidiary was responsible for its own audit fee.

In addition, the Company hired other businesses related to the auditor's office as consultant for specific purpose in 2017 totalling Baht 8,553,000 payment. The Company had already recorded this entire amount as an accounting expense during the year. The hiring of the persons or businesses related to the auditor's office for services other than auditing, did not cause conflict of interest and not include own auditing. As a result, the auditor continues to maintain independence and fairness in performing duty.



Related Party Transaction

For the year ended 31 December 2017

Related party transaction between the Company and subsidiaries cover transaction under which related parties have mutual shareholders or directors as disclosed in the 2017 financial statements under notes to financial statements section. Important related party transactions are as follows:

1. Ratchaburi Electricity Generating Holding Company Limited

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
1.1 Management service agreement 1.1.1 Providing management service by secondment of two officers in its subsidiary as Managing Director and Deputy Managing Director and providing services in internal audit, legal, secretariat to the Board of Directors, accounting and budgeting, tax, information technology, human resource management, corporate relations and corporate reputation.	Ratchaburi Electricity Generating Co., Ltd.	116.97	Ratchaburi Electricity Generating Co., Ltd. does not have employee with these skills while the Company does. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.2 Providing legal and secretariat to the Board of Directors, accounting, budgeting and tax services and sales of ordinary shares in Oversea Green Energy Co., Ltd.	Ratchaburi Energy Co., Ltd.	0.35	Ratchaburi Electricity Generating Co., Ltd. does not have employee with these skills while the Company does. Service fee is charged on quarterly basis at the rate as stated in the service and management contract plus other actual expenses. Ordinary shares sale management service fee is charged at 2% of the sales price.
1.1.3 Providing internal audit, legal, tax, secretariat to the Board of Directors, information and technology work, financial management and human resource management.	RATCH-Lao Services Co., Ltd.	4.02	RATCH-Lao Services Co., Ltd. requires the Company to provide the services and the Company has the required skill sets and experienced personnel. The service fee is paid monthly at the rate as stated in the service and management contract plus other actual expenses.
1.1.4 Providing legal, secretariat to the Board of Directors, accounting and budgeting, financial management and tax services.	Ratchaburi Alliances Co., Ltd.	0.12	Ratchaburi Alliances Co., Ltd. requested for the Company to provide the services and the Company has experts in these areas. Service fee is charged on annual basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.5 Providing legal, secretariat to the Board of Directors, accounting and budgeting, financial management and tax services.	RH International Corporation Ltd.	0.90	RH International Corporation Ltd. requested the Company to provide the services and the Company has experts in these areas. Service fee is charged on annual basis at the rate as stated in the service and management contract plus other actual expenses.

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
1.1.6 Securing loan and loan guarantee service.	RH International (Singapore) Corporation Pte. Ltd.	3.55	RH International (Singapore) Corporation Pte. Ltd. requested the Company to provide the services and the Company has experts in securing loan and loan guarantee.
1.1.7 Providing legal, human resource, accounting, financial and tax services as well as the arrangement of sales of ordinary shares in RICI International Investment Pte. Ltd.	RH International (Singapore) Corporation Pte. Ltd.	40.71	RH International (Singapore) Corporation Pte. Ltd. requested the Company to provide the services and the Company has experts in these areas. Service fee is charged on annual basis at the rate as stated in the service and management contract plus other actual expenses. Arrangement of ordinary share sales service fee is charged at 2% of the sales price.
1.1.8 Providing management service by secondment of an officer to take position as a financial executive at Ratchaburi Power Co., Ltd.	Ratchaburi Power Co., Ltd.	4.82	Ratchaburi Power Co., Ltd., requested the Company to provide the service as the Company has experts in this area. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.9 Management Agreement with Ratchaburi Power Co., Ltd	Ratchaburi Power Co., Ltd.	85.27	The Company provides public relations and technical consult on power plant construction, operations and maintenance. The Company receives service fee from the date the Power Plant Unit 1 commenced commercial operations (1 Mar 2008). Agreement term is 25 years and 3 months. Service fee is charged on quarterly basis.
1.1.10 Providing management service by secondment of two officers to take position as the Managing Director and Administration and Finance Manager at Chubu Ratchaburi Electric Services Co., Ltd.	Chubu Ratchaburi Electric Services Co., Ltd.	10.23	Chubu Ratchaburi Electric Services Co., Ltd. requested the Company to provide the service and Company has experts in this area. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.11 Providing service by secondment of an officer to take Finance Manager position at SouthEast Asia Energy Ltd.	SouthEast Asia Energy Ltd.	3.03	SouthEast Asia Energy Ltd. requested the Company to provide the service as the Company has experts in this area. Service fee is charged on monthly basis at the rate as stated in the service and management contract.
1.1.12 Service Agreement with Nam Ngum 2 Hydropower Co., Ltd.	Nam Ngum 2 Power Co., Ltd.	25.00	Nam Ngum 2 Power Co., Ltd. has a service agreement with the Company. Service fee is charged on quarterly basis at the rate as stated in the service and management contract.
1.1.13 Providing management service by secondment of two officers to serve as Deputy Managing Directors at Hongsa Power Co., Ltd.	Hongsa Power Co., Ltd	17.53	Hongsa Power Co., Ltd. requested the Company to provide the service and the Company has experts in this area. Service fee is charged on quarterly basis at the rate as stated in the service and management contract plus other actual expenses.

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
1.1.14 Providing management service by secondment of four officers to take positions as Managing Director, Deputy to Managing Director and Managers at Nava Nakorn Electricity Generating Co., Ltd.	Nava Nakorn Electricity Generating Co., Ltd.	8.46	Nava Nakorn Electricity Generating Co., Ltd. requested the Company to provide the service as the Company has experts in this area. Service fee is charged at the market rate.
1.1.15 Providing management service by secondment of two officers to be the Managing Director and Deputy Managing Director at Solarta Co., Ltd.	Solarta Co., Ltd.	8.93	Solarta Co., Ltd. requested for the Company to provide the service and the Company has experts with the required skills. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.16 Office space and other services in the premise.	Solarta Co., Ltd.	0.76	The Company leased out office space covering 72 square meters and other services including computer and network and telephone system. The contract period is 36 months (from 1 Jan 16 - 31 Dec 18.)
1.1.17 Providing management service by secondment of officers to be Assistant Managing Director, Vice-President, Managers and employees at Xe-Pian Xe-Namnoy Power Co., Ltd.	Xe-Pian Xe-Namnoy Power Co., Ltd.	6.78	Xe-Pian Xe-Namnoy Power Co., Ltd. requested the Company to provide the service and the Company has experts with the required skills. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.18 Providing construction control and supervision service for the Xe-Pian Xe-Namnoy Hydroelectric Power Plant in Lao PDR to meet with the project control documents.	Xe-Pian Xe-Namnoy Power Co., Ltd.	66.18	The Company respects the conditions set under the Shareholders Agreement signed on 15 Jun 11, which is a check and balance for major shareholder (SKE&C) which has the right to be the project's EPC Contractor.
1.1.19 Providing management service by secondment of two officers to be the Managing Director and Deputy Managing Director at Oversea Green Energy Co., Ltd. and providing legal, information and technology, accounting, financial and tax services.	Oversea Green Energy Co., Ltd.	*1.68	Oversea Green Energy Co., Ltd. requested the Company to provide the service and the Company has experts with the required skills. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.20 Office space and other services in the premise	Oversea Green Energy Co., Ltd.	*0.71	The Company leased out 65 square meter of office space and provided other services, including computer network and system and telephone system.
1.1.21 Providing management services by secondment of an officer to be Managing Director of Songkhla Biomass Co., Ltd.	Songkhla Biomass Co., Ltd.	2.42	Songkhla Biomass Co., Ltd. requested the Company to provide the service and the Company has experts with the required skills. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses. The contract period is 36 months (from 1 May 16 - 30 Apr 19).

*Service income for Jan-Jul 2017

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
1.1.22 Providing management service for Huay Bong 3 Wind-Turbine Power Plant	First Korat Wind Co., Ltd.	1.07	First Korat Wind Co., Ltd., requested the Company to provide the service and the Company has experts with the required skills. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.1.23 Providing management service for Huay Bong 2 Wind-Turbine Power Plant	K. R. Two Co., Ltd.	1.07	K. R. Two Co., Ltd., requested the Company to provide the service and the Company has experts with the required skills. Service fee is charged on monthly basis at the rate as stated in the service and management contract plus other actual expenses.
1.2 Loan given to subsidiaries/ jointly-controlled entities 1.2.1 Loan given to Ratchaburi Electricity Generating Co., Ltd. in promissory notes. Total loans as of 31 Dec 17 is as follows: Million Baht 31 Dec 16 Previous loan 5,400 New loan 10,850 Repayment (13,520) 31 Dec 17 Loan balance 2,730	Ratchaburi Electricity Generating Co., Ltd.	106.62	For Ratchaburi Electricity Generating Co., Ltd., to use as working capital with 2.45-4.50 percent interest per annum.
1.2.2 Loan given to RATCH-Lao Services Co., Ltd. under a loan agreement. Total loan value as of 31 Dec 17 is as follows: Million USD 31 Dec 16 Previous loan 35.32 Repayment (2.57) 31 Dec 17 Loan balance 32.75	RATCH-Lao Services Co., Ltd.	40.49	To invest in EDL-Generation Public Company (EDL-Gen) ordinary shares which are traded on the Lao Securities Exchange. The interest rate is 3.65 percent per annum.
1.2.3 Loan given to Ratchaburi Energy Co., Ltd. in promissory notes format. Total loans as of 31 Dec 17 is as follows: Million Baht 31 Dec 16 Previous loan 325 Repayment (122) 31 Dec 17 Loan balance 203	Ratchaburi Energy Co., Ltd.	10.89	To buy shares in Solarta Co., Ltd., Solar Power (Korat 3, 4, 7) Co., Ltd., Songkhla Biomass Co., Ltd. and Songkhla Biofuel Co., Ltd. at interest rate of 4.00 percent per annum.
1.2.4 Loan given to Xe-Pian Xe-Namnoy Power Co., Ltd. under Shareholders' Loan Agreement. Total loan as of 31 Dec 17 is USD 1.32 million	Xe-Pian Xe-Namnoy Power Co., Ltd	1.74	To support Lao Holding State Enterprise as guarantee for LHSE's equity. A total of USD 4 million shareholders' loan was arranged with repayment of both capital and interest within 27 years. Interest rates: - First 2 years: IBOR+3.5% - 3rd year onwards: LIBOR+4%

2. Ratchaburi Electricity Generating Company Limited

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
2.1 Power Purchase Agreement 2.1.1 Power Purchase Agreement: Ratchaburi Power Plant *- Power sales income Baht 27,727.93 million.* *- Finance lease income Baht 3,602.28 million.*	EGAT	31,330.21	Ratchaburi Power Plant has 25-year power purchase agreement with EGAT (signed on 9 Oct 2000) and will supply generated electricity to EGAT and receive income from EGAT under the conditions in the Power Purchase Agreement according to the normal business practice.
2.1.2 Power Purchase Agreement: Tri Energy Power Plant *- Power sales income Baht 7,897.85 million.* *- Financial lease income Baht 393.17 million.*	EGAT	8,291.02	Tri Energy Power Plant has 20-year power purchase agreement with EGAT (signed on 22 May 1997) and will supply generated electricity to EGAT and receive income from EGAT under the conditions in the Power Purchase Agreement according to the normal business practice.
2.2 Electricity supply agreement and water supply system's electricity	EGAT	204.40	Ratchaburi Electricity Generating Co., Ltd. has to buy electricity from EGAT for its power plant operations and the water supply system. Electricity rate is the same as that charged on other EGAT customers.
2.3 Power Plant Operation and Maintenance Agreement Ratchaburi Electricity Generating Co., Ltd. commissioned EGAT to provide power plant operation and major and general maintenance services to Ratchaburi Power Plant. *- Monthly service fee Baht 1,060.26 million.* *- Other expenses Baht 179.54 million.*	EGAT	1,239.80	EGAT has experience and expertise in power plant operations and maintenance. Service fee is charged with annual incremental adjustment according to Thailand's consumer price index, which is a normal business practice.
2.4 Service Agreement with EGAT 2.4.1 Ratchaburi Electricity Generating Co., Ltd. commissioned EGAT to provide waste water quality monitoring system maintenance service at Ratchaburi Power Plant.	EGAT	1.26	Ratchaburi Electricity Generating Co., Ltd. does not have experts in this area while EGAT has highly experienced specialist. Service fee is charged at normal business practice.
2.4.2 Ratchaburi Electricity Generating Co., Ltd. hires EGAT to coordinate the procurement and transport of fuel (bunker oil).	EGAT	2.13	EGAT is a major client of PTT and thus has strong bargaining power for price and volume as well as speed of delivery. Service charge is based on normal business practice.
2.5 Management Service Agreement 2.5.1 Ratchaburi Electricity Generating Co., Ltd., leases to Ratchaburi Power Co., Ltd., a plot of 143 rai for construction of a power plant, and another plot of 2 rai for natural gas receiving station.	Ratchaburi Power Co., Ltd.	12.07	Ratchaburi Power Plant has comprehensive facilities and utilities that support power generating business. Ratchaburi Electricity Generating Co., Ltd., charges leasing fee with incremental adjustment every 5 years in accordance with Thailand's consumer price index, which is a normal business practice
2.5.2 Ratchaburi Electricity Generating Co., Ltd. gives service to Ratchaburi Power Co., Ltd., for the use of power plant facilities. The revenue comprises: *- Environmental service fee Baht 3.43 million* *- Diesel tank rental fee Baht 2.18 million* *- Utility service fee Baht 33.10 million*	Ratchaburi Power Co., Ltd.	38.71	Ratchaburi Electricity Generating Co., Ltd., has comprehensive utilities and facilities to support power generating business comprising: - Environmental service. - Diesel oil tank rental service which will be increased every 5 years according to Thailand's consumer price index, which is a normal business practice. - Utility service charge based on the previously agreed contract, which is a normal business practice.

3. RH International (Singapore) Corporation Pte. Ltd.

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
3.1 RH International (Singapore) Corporation Pte. Ltd. extended loan to RATCH-Australia Corporation Ltd. under Mezzanine Facility Agreement totalling AUD 250 million. Related party transaction is as follows: *- Interest income Baht 290.32 million.* *- Management service income Baht 80.48 million.*	RATCH-Australia Corporation Ltd.	370.80	To pay for RAC loan and restructure the Company's loan at the interest rate of BBSY+2.25% per year and management service fee at 1.125% per year

4. RATCH-Lao Services Company Limited

Related Party Transaction	Related Parties	Value (Million Baht)	Necessities and reasons
4.1 O&M Agreement for Hongsa Thermal Power Plant in Lao PDR	EGAT	50.88	EGAT considered that RATCH-Lao Services Co., Ltd. is a Lao legal entity which has high flexibility in coordinating with local organizations in Lao PDR and therefore hired RATCH-Lao Services Co., Ltd. to provide O&M services for Hongsa Thermal Power Plant.

Relationship between related parties is as follows:

1. Ratchaburi Electricity Generating Holding Public Company Limited

1.1 The Company and Ratchaburi Electricity Generating Company Limited are related as follows:
- The Company holds 99.99 percent stake in Ratchaburi Electricity Generating Company Limited.
- Some of the Company's executives are directors of Ratchaburi Electricity Generating Company Limited.

1.2 The Company and Ratchaburi Energy Company Limited are related as follows:
- The Company holds 99.99 percent stake in Ratchaburi Energy Company Limited.
- Some of the Company's executives are directors of Ratchaburi Energy Company Limited.

1.3 The Company and RATCH-Lao Services Company Limited are related as follows:
- The Company holds 99.99 percent stake in RATCH-Lao Services Company Limited.
- Some of the Company's executives are directors of RATCH-Lao Services Company Limited.

1.4 The Company and Ratchaburi Alliances Company Limited are related as follows:
- The Company holds 99.99 percent stake in Ratchaburi Alliances Company Limited.
- Some of the Company's executives are directors of Ratchaburi Alliances Company Limited.

1.5 The Company and RH International Corporation Limited are related as follows:
- The Company holds 99.99 percent stake in RH International Corporation Limited.
- Some of the Company's executives are directors of RH International Corporation Limited.

1.6 The Company and RH International (Singapore) Corporation Pte. Limited are related as follows:

- The Company holds 99.99 percent stake in RH International Corporation Limited.
- RH International Corporation Limited, the Company's subsidiary, holds 99.99 percent stake in RH International (Mauritius) Corporation Limited.
- RH International (Mauritius) Corporation Limited holds 100 percent stake in RH International (Singapore) Corporation Pte. Limited.
- Some of the Company's executives are directors of RH International (Singapore) Corporation Pte. Limited.

1.7 The Company and Ratchaburi Power Company Limited are related as follows:

- Ratchaburi Alliances Company Limited, the Company's subsidiary, holds 25.00 percent stake in Ratchaburi Power Company Limited.
- Some of the Company's executives are directors of Ratchaburi Power Company Limited.

1.8 The Company and Chubu Ratchaburi Electric Services Company Limited are related as follows:

- The Company holds 50.00 percent stake in Chubu Ratchaburi Electric Services Company Limited.
- Some of the Company's executives are directors of Chubu Ratchaburi Electric Services Company Limited.

1.9 The Company and SouthEast Asia Energy Limited are related as follows:

- The Company holds 33.33 percent stake in SouthEast Asia Energy Limited.
- Some of the Company's executives are directors of SouthEast Asia Energy Limited.

1.10 The Company and Nam Ngum 2 Power Company Limited are related as follows:

- SouthEast Asia Energy Limited, the Company's joint venture, holds 75.00 percent stake in Nam Ngum 2 Power Company Limited.
- Some of the Company's executives are directors in Nam Ngum 2 Power Company Limited.

1.11 The Company and Hongsa Power Company Limited are related as follows:

- RH International (Singapore) Corporation Pte. Limited, the Company's indirect subsidiary, holds 40.00 percent stake in Hongsa Power Company Limited.
- Some of the Company's executives are directors of Hongsa Power Company Limited.

1.12 The Company and Nava Nakorn Electricity Generating Company Limited are related as follows:

- Ratchaburi Electricity Generating Company Limited, the Company's subsidiary, holds 40.00 percent stake in Nava Nakorn Electricity Generating Company Limited.
- Some of the Company's executives are directors of Nava Nakorn Electricity Generating Company Limited

1.13 The Company and Solarta Company Limited are related as follows:

- Ratchaburi Energy Company Limited, the Company's subsidiary, holds 49.00 percent stake in Solarta Company Limited.
- Some of the Company's executives are directors of Solarta Company Limited.

1.14 The Company and Xe-Pian Xe-Namnoy Power Company Limited

- The Company holds 25.00 percent stake in Xe-Pian Xe-Namnoy Power Company Limited.
- Some of the Company's executives are directors of Xe-Pian Xe-Namnoy Power Company Limited.

1.15 The Company and Oversea Green Energy Company Limited were related as follows:

- Ratchaburi Energy Limited, the Company's subsidiary, held 60.00 percent stake in Oversea Green Energy Company Limited.
- Some of the Company's executives were directors of Oversea Green Energy Company Limited.

1.16 The Company and Songkhla Biomass Company Limited are related as follows:

- Ratchaburi Energy Company Limited, the Company's subsidiary, holds 40.00 percent stake in Songkhla Biomass Company Limited.
- Some of the Company's executives are directors of Songkhla Biomass Company Limited.

1.17 The Company and First Korat Wind Company Limited are related as follows:

- The Company holds 20.00 percent stake in First Korat Wind Company Limited.
- Some of the Company's executives are directors of First Korat Wind Company Limited

1.18 The Company and K. R. Two Company Limited are related as follows:

- The Company holds 20.00 percent stake in K. R. Two Company Limited.
- Some of the Company's executives are directors of K. R. Two Company Limited.

2. Ratchaburi Electricity Generating Company Limited

2.1 Ratchaburi Electricity Generating Company Limited and EGAT are related as follows:

- EGAT holds 45.00 percent stake in the Company.
- The Company holds 99.99 percent stake in Ratchaburi Electricity Generating Company Limited.
- Some of EGAT's executives are directors in Ratchaburi Electricity Generating Company Limited.

2.2 Ratchaburi Electricity Generating Company Limited and Ratchaburi Power Company Limited are related as follows:

- The Company holds 99.99 percent stake in Ratchaburi Electricity Generating Company Limited.
- Ratchaburi Alliances Company Limited, the Company's subsidiary, holds 25.00 percent stake in Ratchaburi Power Company Limited.
- Some of the Company's directors and executives are directors of Ratchaburi Power Company Limited.

3. RH International (Singapore) Corporation Pte. Limited

3.1 RH International (Singapore) Corporation Pte. Limited and RATCH-Australia Corporation Limited are related as follows:

- RH International (Singapore) Corporation Pte. Limited holds 80.00 percent stake in RATCH-Australia Corporation Limited.
- Some of the Company's executives are directors of RATCH-Australia Corporation Limited.

4. RATCH-Lao Services Company Limited

4.1 RATCH-Lao Services Company Limited and EGAT are related as follows:

- EGAT holds 45.00 percent stake in the Company.
- The Company holds 99.99 percent stake in RATCH-Lao Services Company Limited.



2017 Financial Statements

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 2017, 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 2017 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.

Emphasis of Matter

I draw attention to note 35 to the financial statements, which disclose the fair value of the foreign currency forward contracts, interest rate swap and cross currency swap contracts of the Company and its subsidiaries. My opinion is not modified in respect of this matter.

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 agreement and property, plant and equipment particularly the power generation in Australia in the consolidated financial statements and impairment of investment in subsidiary in the separate financial statements	
Refer to Notes 3, 11, 16 and 17	
The key audit matter	**How the matter was addressed in the audit**
The Group holds significant amounts of goodwill and property, plant and equipment on the consolidated statement of financial position which contains a net book value of goodwill of Baht 230.34 million and net book value of right to power purchase agreement and property, plant and equipment of Baht 17,903.75 million together representing approximately 19% of total assets. There is a risk that the carrying values of the Group's goodwill, right to power purchase agreement and property, plant and equipment balances might exceed its recoverable values. 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 generation in Australia. The recoverability of the investment in RHIC is a key audit matter because the investments in the power generation in Australia might be impaired. I focused on the estimated value in use of the cash generation units "CGUs" of the operation in Australia because the determination of future cash flows and the recoverable amount are highly judgmental and subject to material uncertainty.	My audit procedures in this area included, among others: - 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 as well as my knowledge of the client and the industry. 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; - consulting KPMG valuation specialist to assess the appropriateness of discount rates applied; - involving KPMG in Singapore to evaluate the appropriateness of key assumptions applied in determining the recoverable value of the investments in the power generation in Australia and my knowledge of the industry, 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.

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.

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
13 February 2018

Statement of financial position

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Assets	Note	Consolidated financial statements 31 December 2017	Consolidated financial statements 31 December 2016	Separate financial statements 31 December 2017	Separate financial statements 31 December 2016
			(in Baht)		
Current assets					
Cash and cash equivalents	5	9,287,457,748	9,419,212,345	4,240,824,465	3,106,428,282
Current investments	6	723,081,885	3,175,475,498	691,017,686	2,970,855,691
Trade account receivable from related party	4, 7	6,671,484,944	7,369,136,556	-	-
Trade accounts receivable from other parties	7	113,567,705	195,288,443	-	-
Other current receivables	8	752,490,564	182,323,080	47,508,320	84,217,718
Dividend receivables	4	69,400,000	41,000,000	69,400,000	41,000,000
Advances to and other current receivables from related parties	4	34,091,488	36,363,398	93,025,163	122,359,431
Short-term loans to related party	4	-	-	2,730,000,000	5,400,000,000
Current portion of finance lease receivable from related party	4	3,554,682,715	3,770,047,948	-	-
Spare parts and supplies	9	2,127,420,610	2,053,869,162	-	-
Other current assets		192,252,682	60,306,346	2,344,190	3,418,860
Total current assets		**23,525,930,341**	**26,303,022,776**	**7,874,119,824**	**11,728,279,982**
Non-current assets					
Investments held as available for sale	6	3,195,527,324	3,730,280,429	-	-
Investments in associates	10	1,390,327,066	1,561,569,970	764,604,000	764,604,000
Investments in subsidiaries	11	-	-	40,690,558,000	40,690,558,000
Investments in joint ventures	10	24,499,511,039	23,867,733,237	4,280,337,936	3,628,691,697
Investments in other companies	13	762,299,900	62,299,900	762,299,900	62,299,900
Other long-term investments	6	386,921,708	434,299,684	383,000,000	430,000,000
Advance payment for investment	14	692,253,783	-	-	-
Other non-current receivables from related parties	4	7,301,515	5,559,796	8,467,330	37,944,069
Long-term loans to related parties	4	42,813,144	46,947,120	1,307,890,317	1,628,156,645
Land for future development projects	15	309,207,570	309,207,570	305,389,850	305,389,850
Property, plant and equipment	16	17,165,150,997	13,806,678,875	574,314,234	649,977,548
Goodwill	17	230,340,735	297,329,455	-	-
Intangible assets	17	3,547,219,288	3,932,951,168	6,333,703	3,548,844
Finance lease receivable from related party	4	17,670,514,880	21,225,197,596	-	-
Deferred tax assets	18	133,043,088	53,463,264	29,942,221	27,592,938
Other non-current assets	19	666,468,865	754,550,482	13,701,458	134,182,989
Total non-current assets		**70,698,900,902**	**70,088,068,546**	**49,126,838,949**	**48,362,946,480**
Total assets		**94,224,831,243**	**96,391,091,322**	**57,000,958,773**	**60,091,226,462**

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

Statement of financial position

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Liabilities and equity	Note	Consolidated financial statements 31 December 2017	Consolidated financial statements 31 December 2016	Separate financial statements 31 December 2017	Separate financial statements 31 December 2016
			(in Baht)		
Current liabilities					
Short-term loans from financial institutions	20	-	3,800,000,000	-	3,800,000,000
Trade account payable to related party	4, 21	-	1,002,755	-	-
Trade accounts payable to other parties	21	5,190,051,801	5,552,565,863	-	-
Other current payables	4, 22	1,400,852,391	1,254,163,270	236,038,673	221,704,780
Current portion of long-term loans from financial institutions	20	2,658,281,083	-	-	-
Current portion of finance lease liabilities	20	1,358,132	1,272,585	-	-
Current income tax payable		89,475,009	116,649,445	-	-
Other current liabilities		201,616,531	142,109,622	20,212,527	22,493,423
Total current liabilities		**9,541,634,947**	**10,867,763,540**	**256,251,200**	**4,044,198,203**
Non-current liabilities					
Long-term loans from related party	4, 20	1,013,802,834	1,029,085,384	-	-
Long-term loans from financial institutions	20	2,117,415,202	2,567,008,909	-	-
Other non-current payable to related parties	4, 22	150,379,622	79,930,550	-	-
Debentures	20	16,139,580,580	17,327,198,043	-	-
Finance lease liabilities	20	1,808,283	3,170,965	-	-
Deferred tax liabilities	18	1,700,465,565	1,804,033,782	-	-
Non-current provisions for employee benefits	23	175,687,661	158,706,387	142,292,699	131,076,423
Other non-current provisions		102,878,229	101,425,636	-	-
Total non-current liabilities		**21,402,017,976**	**23,070,559,656**	**142,292,699**	**131,076,423**
Total liabilities		**30,943,652,923**	**33,938,323,196**	**398,543,899**	**4,175,274,626**
Shareholders' equity					
Share capital:	24				
Authorized share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Issued and paid share capital		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
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
Unappropriated		50,001,853,281	47,375,153,080	38,922,147,414	38,235,684,376
Other components of shareholders' equity		(4,218,343,055)	(2,535,457,215)	(22,819,288)	(22,819,288)
Total equity attributable to owners of the parent		**63,265,288,226**	**62,321,473,865**	**56,602,414,874**	**55,915,951,836**
Non-controlling interests	12	15,890,094	131,294,261	-	-
Total shareholders' equity		**63,281,178,320**	**62,452,768,126**	**56,602,414,874**	**55,915,951,836**
Total liabilities and shareholders' equity		**94,224,831,243**	**96,391,091,322**	**57,000,958,773**	**60,091,226,462**

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

Statement of comprehensive income

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Note	Consolidated financial statements Year ended 31 December 2017	2016	Separate financial statements Year ended 31 December 2017	2016
			(in Baht)		
Revenue from sale and rendering of services	4	38,000,516,141	43,087,042,578	-	-
Revenue from finance lease contracts	4	3,995,454,342	4,491,341,200	-	-
Cost of sale and rendering of services	4	(36,847,369,413)	(41,623,271,506)	-	-
Gross profit		**5,148,601,070**	**5,955,112,272**	-	-
Management service income	4	244,662,892	258,240,751	412,445,717	417,301,299
Interest income	4	165,956,139	164,919,575	267,385,223	476,234,235
Dividend income	4, 6, 10, 11	188,896,940	204,719,417	4,698,176,019	5,843,024,359
Surplus in liquidating distribution from subsidiary	4	-	-	9,816,932	17,300,000
Other income	4, 27	265,684,385	166,424,603	3,041,172	1,305,840
Administrative expenses	4, 28	(1,686,260,338)	(1,476,045,264)	(1,050,452,073)	(943,178,440)
Net foreign exchange gain (loss)		452,469,580	157,662,359	(133,256,238)	(48,455,179)
Finance costs	4, 31	(1,502,501,810)	(1,402,436,048)	(39,593,407)	(85,200,480)
Share of profit of associates and joint ventures	10	3,577,164,123	2,907,196,397	-	-
Profit before income tax expense		**6,854,672,981**	**6,935,794,062**	**4,167,583,345**	**5,678,331,634**
(Tax expense) income	32	(870,894,919)	(863,242,504)	(1,120,307)	37,189,322
Profit for the year		**5,983,778,062**	**6,072,551,558**	**4,166,463,038**	**5,715,520,956**
Other comprehensive income (loss)					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating financial statement		(1,287,514,240)	(78,679,113)	-	-
Losses on remeasurement of investments held as available for sale		(387,611,588)	(638,271,510)	-	-
Share of other comprehensive income (loss) of joint ventures	10	(242,040)	233,696	-	-
Total items that will be reclassified subsequently to profit or loss		**(1,675,367,868)**	**(716,716,927)**	-	-
Items that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans		-	(23,180,839)	-	(24,777,044)
Share of other comprehensive incom (expense) of joint ventures	10	-	(8,225,621)	-	-
Total items that will not be reclassified to profit or loss		-	**(31,406,460)**	-	**(24,777,044)**
Other comprehensive income (loss) for the year, net of tax		**(1,675,367,868)**	**(748,123,387)**	-	**(24,777,044)**
Total comprehensive income (loss) for the year		**4,308,410,194**	**5,324,428,171**	**4,166,463,038**	**5,690,743,912**
Profit (loss) attributable to:					
Owners of parent		6,106,700,201	6,165,722,471	4,166,463,038	5,715,520,956
Non-controlling interests	12	(122,922,139)	(93,170,913)	-	-
Profit for the year		**5,983,778,062**	**6,072,551,558**	**4,166,463,038**	**5,715,520,956**
Total comprehensive income (loss) attributable to:					
Owners of parent		4,423,814,361	5,423,454,176	4,166,463,038	5,690,743,912
Non-controlling interests	12	(115,404,167)	(99,026,005)	-	-
Total comprehensive income (loss) for the year		**4,308,410,194**	**5,324,428,171**	**4,166,463,038**	**5,690,743,912**
Basic earnings per share *(in Baht)*	33	**4.21**	**4.25**	**2.87**	**3.94**

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

Statement of changes in equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

		Consolidated financial statements											
				Retained earnings		Other components of shareholders' equity							
	Note	Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Exchange differences on translating financial statement	Investments held as available for sale	Share of other comprehensive income (loss) of joint ventures	Gain (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	Equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
							(in Baht)						
Year ended 31 December 2016													
Balance at 1 January 2016		**14,500,000,000**	**1,531,778,000**	**1,450,000,000**	**44,500,930,609**	**(2,625,745,662)**	**826,826,091**	**277,090**	**5,453,561**	**(1,793,188,920)**	**60,189,519,689**	**230,320,266**	**60,419,839,955**
Dividends to owners of the Company	*34*	-	-	-	**(3,291,500,000)**	-	-	-	-	-	**(3,291,500,000)**	-	**(3,291,500,000)**
Comprehensive income (loss) for the year													
Profit or loss		-	-	-	6,165,722,471	-	-	-	-	-	6,165,722,471	(93,170,913)	6,072,551,558
Other comprehensive income (loss)	*42*	-	-	-	-	(72,824,021)	(638,271,510)	(7,991,925)	(23,180,839)	(742,268,295)	(742,268,295)	(5,855,092)	(748,123,387)
Total comprehensive income (loss) for the year		-	-	-	6,165,722,471	(72,824,021)	(638,271,510)	(7,991,925)	(23,180,839)	(742,268,295)	5,423,454,176	(99,026,005)	5,324,428,171
Balance at 31 December 2016		**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**

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

Statement of changes in equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

		Consolidated financial statements											
				Retained earnings		Other components of shareholders' equity							
	Note	Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Exchange differences on translating financial statement	Investments held as available for sale	Share of other comprehensive income (loss) of joint ventures	Gain (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	Equity attributable to owners of parent	Non-controlling interests	Total shareholders' equity
							(In Baht)						
Year ended 31 December 2017													
Balance at 1 January 2017		14,500,000,000	1,531,775,000	1,450,000,000	47,375,153,088	(2,098,569,683)	188,554,581	(7,714,835)	(17,727,278)	(2,535,457,215)	63,321,473,865	131,294,261	63,452,768,126
Dividends to owners of the Company	34	-	-	-	(3,480,000,000)	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Comprehensive income (loss) for the year													
Profit or loss		-	-	-	6,106,700,209	-	-	-	-	-	6,106,700,209	(122,922,139)	5,983,778,062
Other comprehensive income (loss)	12	-	-	-	-	(1,295,032,212)	(387,611,588)	(242,040)	-	(1,682,885,840)	(1,682,885,840)	7,517,972	(1,675,367,868)
Total comprehensive income (loss) for the year		-	-	-	6,106,700,209	(1,295,032,212)	(387,611,588)	(242,040)	-	(1,682,885,840)	4,423,814,369	(115,404,167)	4,308,410,194
Balance at 31 December 2017		14,500,000,000	1,531,775,000	1,450,000,000	50,001,853,281	(3,393,601,895)	(199,057,007)	(7,956,875)	(17,727,278)	(4,218,343,055)	63,365,288,226	15,890,094	63,381,178,320

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

Statement of changes in equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

		Separate financial statements						
					Retained earnings		Other components of shareholders' equity	
	Note	Issued and paid share capital	Share premium	Difference arising from common control transaction	Legal reserve	Unappropriated	Gains (losses) on remeasurements of defined benefit plans	Total shareholders' equity
					(in Baht)			
Year ended 31 December 2016								
Balance at 1 January 2016		**14,500,000,000**	**1,531,778,000**	**221,308,748**	**1,450,000,000**	**35,811,663,420**	**1,957,756**	**53,516,707,924**
Dividends to owners of the Company	*34*	-	-	-	-	**(3,291,500,000)**	-	**(3,291,500,000)**
Comprehensive income (loss) for the year								
Profit		-	-	-	-	5,715,520,956	-	5,715,520,956
Other comprehensive income (loss)		-	-	-	-	-	(24,777,044)	(24,777,044)
Total comprehensive income (loss) for the year		-	-	-	-	**5,715,520,956**	**(24,777,044)**	**5,690,743,912**
Balance at 31 December 2016		**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**

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

Statement of changes in equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

		Separate financial statements						
					Retained earnings		Other components of shareholders' equity	
	Note	Issued and paid share capital	Share premium	Difference arising from common control transaction	Legal reserve	Unappropriated	Gains (losses) on remeasurements of defined benefit plans	Total shareholders' equity
					(in Baht)			
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 (loss) for the year								
Profit		-	-	-	-	4,166,463,038	-	4,166,463,038
Other comprehensive income (loss)		-	-	-	-	-	-	-
Total comprehensive income (loss) 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.

Statement of cash flows

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Note	Consolidated financial statements Year ended 31 December 2017	2016	Separate financial statements Year ended 31 December 2017	2016
			(in Baht)		
Cash flows from operating activities					
Profit for the year		5,983,778,062	6,072,551,558	4,166,463,038	5,715,520,956
Adjustments to reconcile profit to cash receipts (payments)					
Tax expense (income)	32	870,894,919	863,242,504	1,120,307	(37,189,322)
Finance costs	31	1,502,501,810	1,402,436,048	39,593,407	85,200,480
Depreciation	16	998,539,292	993,543,806	78,371,755	81,563,760
Amortization	17	302,311,055	309,146,230	1,707,141	1,044,270
Impairment losses on goodwill	17	40,832,250	-	-	-
Unrealised (gain) loss on exchange		(311,905,721)	144,910,927	106,729,043	9,842,117
(Gains) losses on fair value adjustment of debt securities held for trading	6	(2,856,047)	4,765,276	(2,425,920)	4,699,179
Fair value adjustment of finance lease receivable from related party		(150,330,587)	(117,481,227)	-	-
Share of profit of associates and joint ventures, net of tax	10	(3,577,164,123)	(2,907,196,397)	-	-
Bad and doubtful debts expenses	4, 7	55,939,976	-	-	-
Provision for obsolescence of spare parts and supplies	9	53,277,154	109,528,963	-	-
Reversal of allowance for decline in value of fuel oil	9	(49,403,716)	(255,093,491)	-	-
(Gains) losses on disposal of equipment		(78,574)	139,849	(19,387)	1,382
Dividend income	4, 6, 10, 11	(188,896,940)	(204,719,417)	(4,698,176,019)	(5,843,024,359)
Interest income		(165,956,139)	(164,919,575)	(267,385,223)	(476,234,235)
Gains on disposal of interest in joint ventures	10	(27,874,453)	-	-	-
Write-off withholding tax deducted at source		6,895,459	24,714,897	6,871,214	7,015,019
		5,340,503,677	6,275,569,951	(567,150,644)	(451,560,753)
Changes in operating assets and liabilities					
Trade account receivable from related party		637,809,585	1,003,886,404	-	-
Trade accounts receivable from other parties		78,820,585	(82,484,390)	-	-
Other current receivables		(597,688,466)	551,114,072	10,711,177	1,235,414
Advances to and other current receivables from related parties		2,214,264	598,065	(18,623,390)	(1,234,120)
Finance lease receivable from related party		3,920,378,536	3,313,030,644	-	-
Spare parts and supplies		(81,686,188)	(11,298,267)	-	-
Other current assets and other non-current assets		48,163,599	251,940,535	121,418,477	28,619,233
Trade account payable to related party		(1,002,755)	(20,329,096)	-	-
Trade accounts payable to other parties		(360,188,889)	(1,431,190,257)	-	-
Other current payables		253,135,657	(193,769,049)	16,081,152	11,065,050
Other current liabilities		56,586,138	(11,273,733)	(3,379,785)	(7,503,321)
Other non-current payables		70,449,072	(9,485,276)	-	-
Non-current provisions for employee benefits		17,051,454	13,454,807	11,216,276	6,752,335
Other non-current provisions		2,958,826	(5,301,758)	-	-
Net cash generated from (used in) operating		9,387,505,095	9,644,462,652	(429,726,737)	(412,626,162)
Taxes paid		(1,180,087,921)	(938,044,324)	(20,146,534)	(23,137,711)
Net cash from (used in) operating activities		**8,207,417,174**	**8,706,418,328**	**(449,873,271)**	**(435,763,873)**

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

Statement of cash flows

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Note	Consolidated financial statements Year ended 31 December 2017	2016	Separate financial statements Year ended 31 December 2017	2016
			(in Baht)		
Cash flows from investing activities					
Net cash inflow in current investments		2,462,249,660	911,054,366	2,289,263,925	1,109,072,626
Net cash inflow (outflow) in other long-term investments		40,000,000	(117,314,167)	40,000,000	-
Proceeds from repayment of short-term loans to related parties	*4*	-	7,600,000	13,520,000,000	15,220,000,000
Short-term loans to related party	*4*	-	-	(10,850,000,000)	(10,810,000,000)
Advance payment for investment	*14*	(708,033,340)	-	-	-
Acquisition of investments in subsidiary	*11*	-	-	-	(10,650,000,000)
Proceeds from sale of interest in joint ventures	*10*	334,595,926	-	-	-
Acquisition of investments in joint ventures	*10*	(1,004,837,127)	(7,708,753,400)	(651,646,239)	(481,768,540)
Acquisition of investments in other companies	*13*	(700,000,000)	-	(700,000,000)	-
Proceeds from repayment of long-term loans to related parties	*4*	-	-	213,579,698	526,649,517
Proceeds from sale of equipment		97,307	587,947	36,946	944
Acquisition of property, plant and equipment		(4,569,714,088)	(1,487,231,291)	(6,363,500)	(3,367,907)
Acquisition of intangible assets		(169,929,363)	(54,236,593)	(2,822,000)	-
Dividends received		2,532,102,208	3,298,411,799	4,669,776,019	5,802,024,359
Interest received		177,596,391	170,917,270	357,338,119	491,386,968
Net cash from (used in) investing activities		**(1,605,872,426)**	**(4,978,964,069)**	**8,879,162,968**	**1,203,997,967**
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		-	12,390,000,000	-	12,390,000,000
Repayment of short-term loans from financial institutions		(3,800,000,000)	(10,490,000,000)	(3,800,000,000)	(10,490,000,000)
Proceeds from long-term loans from financial institutions		2,247,613,119	2,589,162,213	-	-
Repayment of long-term loan from financial institution		-	(1,200,000,000)	-	(1,200,000,000)
Repayment of long-term loans from related party		-	(26,177,235)	-	-
Repayment of finance lease liabilities		(1,225,696)	(1,106,614)	-	-
Dividends paid to owners of the Company		(3,478,901,111)	(3,290,934,621)	(3,478,901,111)	(3,290,934,621)
Finance costs paid		(1,397,887,344)	(1,388,213,825)	(15,992,403)	(132,159,594)
Net cash used in financing activities		**(6,430,401,032)**	**(1,417,270,082)**	**(7,294,893,514)**	**(2,723,094,215)**
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		171,143,716	2,310,184,177	1,134,396,183	(1,954,860,121)
Effect of exchange rate changes on cash and cash equivalents		(302,898,313)	(355,496,353)	-	-
Net increase (decrease) in cash and cash equivalents		**(131,754,597)**	**1,954,687,824**	**1,134,396,183**	**(1,954,860,121)**
Cash and cash equivalents at 1 January		9,419,212,345	7,464,524,521	3,106,428,282	5,061,288,403
Cash and cash equivalents at 31 December		**9,287,457,748**	**9,419,212,345**	**4,240,824,465**	**3,106,428,282**

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

For the year ended 31 December 2017

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For the year ended 31 December 2017

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 13 February 2018.

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 2017 and 2016 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2017	2016
Direct subsidiaries				
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
Tri Energy Company Limited (Complete liquidation in 2017)	Generating and selling electricity	Thailand	-	99.99
Ratchaburi Alliances Company Company Limited	Investing in the power energy business	Thailand	99.99	99.99

For the year ended 31 December 2017

Name of the entities	Type of business	Country of incorporation	Ownership interest (%) 2017	2016
Indirect subsidiaries				
RH International (Mauritius) Corporation Limited	Investing in the power energy business internationally	Mauritius	100	100
RH International (Singapore) Corporation Pte. Ltd.	Investing in the power energy business internationally	Singapore	100	100
RATCH-Australia Corporation Limited and its subsidiaries	Developing and operating power plant and investing in the power energy business	Australia	80	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
Direct associates				
First Korat Wind Company Limited	Generating and selling electricity	Thailand	20	20
K.R. TWO Company Limited	Generating and selling electricity	Thailand	20	20
Direct joint ventures				
Chubu Ratchaburi Electric Services Company Limited	Providing operation and maintenance services	Thailand	50	50
SouthEast Asia Energy Limited	Investing in the power energy business	Thailand	33.33	33.33
Nam Ngum 3 Power Company Limited	Generating and selling electricity	Lao PDR	25	25

For the year ended 31 December 2017

Name of the entities	Type of business	Country of incorporation	Ownership interest (%) 2017	2016
Direct joint ventures				
KK POWER Company Limited	Generating and selling electricity	Cambodia	-	50
Xe-Pian Xe-Namnoy Power Company Limited	Generating and selling electricity	Lao PDR	25	25
Indirect joint ventures				
Ratchaburi Power Company Limited	Generating and selling electricity	Thailand	25	25
Nava Nakorn Electricity Generating Company Limited	Generating and selling electricity and steam	Thailand	40	40
Ratchaburi World Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	40	40
Solarta Company Limited	Generating and selling electricity	Thailand	49	49
Solar Power (Korat 3) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 4) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 7) Company Limited	Generating and selling electricity	Thailand	40	40
Songkhla Biomass Company Limited	Generating and selling electricity	Thailand	40	40
Songkhla Biofuel Company Limited	Providing material of biofuel	Thailand	40	40
Berkprai Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	35	35
Oversea Green Energy Company Limited*	Power plant operating services	Thailand	-	60
RICI International Investment Pte. Ltd.*	Investing in the power energy business internationally	Singapore	-	60
Hongsa Power Company Limited	Generating and selling electricity	Lao PDR	40	40

For the year ended 31 December 2017

Name of the entities	Type of business	Country of incorporation	Ownership interest (%) 2017	2016
Indirect joint ventures				
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	-
Subsidiary of a direct joint venture				
Nam Ngum 2 Power Company Limited	Generating and selling electricity	Lao PDR	25	25
Subsidiaries of indirect joint ventures				
Green Energy Japan Kabushiki* Kaisha	Power plant operating services	Japan	-	60
Mega Solar Park 3 Gou Godo* Kaisha	Generating and selling electricity	Japan	-	60
Good Solar Godo Kaisha*	Service lease land to establish power plant	Japan	-	60

*The Group sold such investments during 2017.

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 2017. 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 other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group is in the process of the assessment of the potential impact on the consolidated and separate financial statements of these new and revised TFRS that are relevant to the Group's operations including whether or not early adoption would be desirable.

For the year ended 31 December 2017

(b) Basis of measurement

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

Items	*Measurement bases*
Available for sale investments	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (n)

(c) Functional and presentation currency

The financial statements are 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.

(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 notes:

Note 4	Leases: whether an arrangement containing a lease;
Note 10	Investments in associates and joint ventures;
Note 11	Investments in subsidiaries and the translation of foreign operations; and
Note 19	Other non-current assets-development costs.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 17	Impairment test: key assumptions underlying recoverable amounts;
Note 18	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.

For the year ended 31 December 2017

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.

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

Note 15	Land for future development projects; and
Note 35	Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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.

Acquisitions from entities under common control

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

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.

For the year ended 31 December 2017

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.

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).

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.

For the year ended 31 December 2017

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.

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) Derivative financial instruments

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

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

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

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on the interest rate swap contracts is recognised as a component of finance costs as incurred.

(d) 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.

For the year ended 31 December 2017

(e) Trade and other accounts receivable

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

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

(f) Spare parts and supplies

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

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

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

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

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

(g) 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.

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.

For the year ended 31 December 2017

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.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

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

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 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.

For the year ended 31 December 2017

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.

(i) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3(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.

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:

Right to use electrical transmission line	8	years
Software licences	3-10	years
Licenses to project development	25	years
Right to power purchase agreements	20-25	years

For the year ended 31 December 2017

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

(j) Project development expenditure

Project development expenditure is recognised in profit or loss as incurred. Project development expenditure are 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 amortisation and accumulated impairment losses. Capitalised development expenditure will be amortised when it is available for use in the manner intended.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of assets.

(k) 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.

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.

For the year ended 31 December 2017

Reversals of impairment

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

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

(l) Interest-bearing liabilities

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

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) 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 pension 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.

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 OCI. 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.

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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.

(o) *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.

(p) *Revenue*

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

Revenue from sale of electricity

Revenue from sale of electricity is recognised based on the units of electricity delivered at the agreed rates.

Rendering of services

The Group recognises rendering of services 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.

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 and other income

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

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(q) 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 year of time to be prepared for its intended use or sale.

(r) Financing service fee

Financing service fee is recognised initially at cost and is presented as deferred financing service fee 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 is recognised in profit or loss. Deferred financing service fee is a part of borrowing costs and is presented a deduction from long-term loans.

(s) 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.

(t) Other expenses

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

(u) Income tax

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

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

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

For the year ended 31 December 2017

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. 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.

(v) 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.

(w) 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.

4 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, some common directors
Ratchaburi Energy Company Limited	Thailand	Direct subsidiary, 99.99% shareholding

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Name of entities	Country of incorporation/ nationality	Nature of relationships
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
Tri Energy Company Limited (Complete liquidation in 2017)	Thailand	Direct subsidiary, 99.99% shareholding
Ratchaburi Alliances Company Limited	Thailand	Direct subsidiary, 99.99% shareholding
RH International (Mauritius) Corporation Limited	Mauritius	Indirect subsidiary, 100% shareholding by a direct subsidiary
RH International (Singapore) Corporation Pte. Ltd.	Singapore	Indirect subsidiary, 100% shareholding by an indirect subsidiary
RATCH-Australia Corporation Limited	Australia	Indirect subsidiary, 80% shareholding by an indirect subsidiary, and some common directors
RATCH China Power Limited	Hong Kong	Indirect subsidiary, 100% shareholding by an indirect subsidiary
RE Solar 1 Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
CN Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
PB Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
LP Biomass Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a direct subsidiary
First Korat Wind Company Limited	Thailand	Direct associate, 20% shareholding
K.R. TWO Company Limited	Thailand	Direct associate, 20% shareholding
Perth Power Partnership (Kwinana)	Australia	Indirect associate, 30% shareholding by an indirect subsidiary
Chubu Ratchaburi Electric Services 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

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Xe-Pian Xe-Namnoy Power Company Limited	Lao PDR	Direct joint venture, 25% shareholding
Ratchaburi Power Company Limited	Thailand	Indirect joint venture, 25% shareholding by a direct subsidiary
Nava Nakorn Electricity Generating Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Ratchaburi World Cogeneration Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Solarta Company Limited	Thailand	Indirect joint venture, 49% shareholding by a direct subsidiary
Solar Power (Korat 3) Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Solar Power (Korat 4) Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Solar Power (Korat 7) Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Songkhla Biomass Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Songkhla Biofuel Company Limited	Thailand	Indirect joint venture, 40% shareholding by a direct subsidiary
Berkprai Cogeneration Company Limited	Thailand	Indirect joint venture, 35% shareholding by a direct subsidiary
Oversea Green Energy Company Limited*	Thailand	Indirect joint venture, 60% shareholding by a direct subsidiary
RICI International Investment Pte. Ltd.*	Singapore	Indirect joint venture, 60% shareholding by an indirect subsidiary
Hongsa Power Company Limited	Lao PDR	Indirect joint venture, 40% shareholding by an indirect subsidiary , and some common directors
Phu Fai Mining Company Limited	Lao PDR	Indirect joint venture, 37.50% shareholding by an indirect subsidiary , and some common directors

For the year ended 31 December 2017

Name of entities	Country of incorporation/ nationality	Nature of relationships
PT Medco Ratch Power Riau	Republic of Indonesia	Indirect joint venture, 49% shareholding by an indirect subsidiary, and some common directors
Nam Ngum 2 Power Company Limited	Lao PDR	Subsidiary of a direct joint venture, 75% shareholding by a direct joint venture
Broadspectrum 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 sold such investments during 2017.

The pricing policies for transactions are explained further below:

Transactions	Pricing policies
Sale of electricity	Contractually agreed price
Revenue from finance lease contracts	Contractually agreed price
Operation and maintenance service income	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:

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2017	2016	2017	2016
		(in thousand Baht)		
Major Shareholder				
Sale of electricity	35,625,780	40,518,510	-	-
Revenue from finance lease contracts	3,995,454	4,491,341	-	-
Management service income	-	157	-	-
Purchase of fuel oil	-	58,821	-	-
Purchase of electricity	204,404	193,336	-	-
Operation and maintenance service fee	1,239,799	1,345,265	-	-
Management service of fuel	2,128	2,136	-	-
Other service fee	9,947	1,907	7,287	1,163
Other service income	50,877	50,159	-	-
Other income	-	2,023	-	-

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Year ended 31 December	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
		(in thousand Baht)		
Subsidiaries				
Management service income	-	-	167,783	162,443
Interest income	-	-	157,998	360,321
Dividend income	-	-	4,107,131	5,048,608
Surplus in liquidating distribution from subsidiaries	-	-	9,817	17,300
Associates				
Management service income	2,145	2,073	2,145	2,073
Dividend income	-	-	316,000	143,000
Joint ventures				
Operation and maintenance service income	-	191,123	-	-
Management service income	241,827	255,489	241,827	252,263
Interest income	1,742	2,393	1,742	2,168
Dividend income	-	-	275,045	651,417
Rental income	12,068	12,025	-	-
Other income	38,705	39,225	-	77
Other related party				
Interest expense	75,168	79,014	-	-
Key management personnel compensation				
Short-term employee benefits	167,566	161,262	77,678	71,511
Post-employment benefits	12,091	9,619	5,635	2,447
Other long-term benefits	2,807	6,374	1,477	3,797
Total key management personnel compensation	**182,464**	**177,255**	**84,790**	**77,755**

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

Trade accounts receivable from related party	Consolidated financial statements 2017	Consolidated financial statements 2016	Separate financial statements 2017	Separate financial statements 2016
		(in thousand Baht)		
Major Shareholder				
Electricity Generating Authority of Thailand	6,731,131	7,369,137	-	-
	6,731,131	7,369,137	-	-
Less allowance for doubtful accounts	(59,646)	-	-	-
Net	**6,671,485**	**7,369,137**	**-**	**-**
Bad and doubtful debts expense for the year	**55,940**	-	-	-

For the year ended 31 December 2017

Dividend receivables	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Direct associates				
First Korat Wind Company Limited	36,000	22,000	36,000	22,000
K.R. TWO Company Limited	33,400	19,000	33,400	19,000
Total	**69,400**	**41,000**	**69,400**	**41,000**

Advances to and other current receivables from related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Major Shareholder				
Electricity Generating Authority of Thailand	1,573	1,873	-	-
Direct subsidiaries				
Ratchaburi Electricity Generating Company Limited	-	-	28,205	71,263
Ratchaburi Energy Company Limited	-	-	238	48
RH International Corporation Limited	-	-	963	642
Ratchaburi Alliances Company Limited	-	-	128	128
Indirect subsidiary				
RH International (Singapore) Corporation Pte. Ltd.	-	-	43,898	28,453
Direct associates				
First Korat Wind Company Limited	96	186	96	186
K.R. TWO Company Limited	96	186	96	186
Direct joint ventures				
Chubu Ratchaburi Electric Services Company Limited	915	913	915	913
SouthEast Asia Energy Limited	270	252	270	252
Xe-Pian Xe-Namnoy Power Company Limited	11,150	12,111	11,150	12,111
Indirect joint ventures				
Ratchaburi Power Company Limited	12,868	12,469	-	-
Hongsa Power Company Limited	4,257	4,668	4,257	4,668
Nava Nakorn Electricity Generating Company Limited	1,018	1,067	1,018	1,067
Songkhla Biomass Company Limited	181	181	181	181
Solarta Company Limited	1,610	1,536	1,610	1,536
Oversea Green Energy Company Limited	-	725	-	725
PT Medco Ratch Power Riau	57	-	-	-
Subsidiary of a direct joint venture				
Nam Ngum 2 Power Company Limited	-	196	-	-
Total	**34,091**	**36,363**	**93,025**	**122,359**

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Loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	(% per annum)		*(in thousand Baht)*			
Short-term loans						
Direct subsidiary						
Ratchaburi Electricity Generating Company Limited	2.45 and 2.48	2.45 and 4.50	-	-	2,730,000	5,400,000
			-	-	**2,730,000**	**5,400,000**
Less allowance for doubtful accounts			-	-	-	-
Short-term loans to related party-net			-	-	**2,730,000**	**5,400,000**
Long-term loans						
Direct subsidiaries						
Ratchaburi Energy Company Limited	4.00	4.00	-	-	203,000	325,000
RATCH-Lao Services Company Limited	3.65	3.65	-	-	1,062,077	1,256,210
Direct joint venture						
Xe-Pian Xe-Namnoy Power Company Limited	5.67	5.00	42,813	46,947	42,813	46,947
			42,813	**46,947**	**1,307,890**	**1,628,157**
Less current portion due within one year			-	-	-	-
allowance for doubtful accounts			-	-	-	-
Long-term loans to related parties-net			**42,813**	**46,947**	**1,307,890**	**1,628,157**
Summary of loans to related parties						
Short-term loans			-	-	2,730,000	5,400,000
Long-term loans			42,813	46,947	1,307,890	1,628,157
			42,813	**46,947**	**4,037,890**	**7,028,157**
Less allowance for doubtful accounts			-	-	-	-
Total loans to related parties-net			**42,813**	**46,947**	**4,037,890**	**7,028,157**
Bad and doubtful debts expense for the year			-	-	-	-

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

Loans to related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Short-term loans				
At 1 January	-	7,600	5,400,000	9,810,000
Increase	-	-	10,850,000	10,810,000
Decrease	-	(7,600)	(13,520,000)	(15,220,000)
At 31 December	-	-	**2,730,000**	**5,400,000**

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Loans to related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Long-term loans				
At 1 January	46,947	47,295	1,628,157	2,164,461
Decrease	-	-	(213,580)	(526,649)
Exchange rate adjustment	(4,134)	(348)	(106,687)	(9,655)
At 31 December	**42,813**	**46,947**	**1,307,890**	**1,628,157**

Finance lease receivable from related party	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Major Shareholder				
Electricity Generating Authority of Thailand	**21,225,198**	**24,995,245**	-	-

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2017	2016	2017	2016	2017	2016
	(in thousand Baht)					
Receivables under finance lease contracts	6,642,158	7,420,728	29,098,300	35,740,458	35,740,458	43,161,186
Less unearned interest income	(3,087,475)	(3,650,680)	(11,427,785)	(14,515,261)	(14,515,260)	(18,165,941)
	3,554,683	**3,770,048**	**17,670,515**	**21,225,197**	**21,225,198**	**24,995,245**
Less allowance for doubtful accounts	-	-	-	-	-	-
Receivable under finance lease contracts-net	**3,554,683**	**3,770,048**	**17,670,515**	**21,225,197**	**21,225,198**	**24,995,245**

As at 31 December 2017 and 2016, the gross receivable and interest under finance lease contracts were as follows:

	Consolidated financial statements			
	2017		2016	
	Receivable and interest under finance lease contracts	Receivable under finance lease contracts -net	Receivable and interest under finance lease contracts	Receivable under finance lease contracts -net
	(in thousand Baht)			
Portion due within one year	6,642,158	3,554,683	7,420,728	3,770,048
Portion due after one year but within five years	18,373,611	9,915,207	20,718,562	10,661,475
Portion due after five years	10,724,689	7,755,308	15,021,896	10,563,722
	35,740,458	**21,225,198**	**43,161,186**	**24,995,245**
Less unearned interest income	(14,515,260)		(18,165,941)	
Receivable under finance lease contracts-net	**21,225,198**		**24,995,245**	

For the year ended 31 December 2017

Other non-current receivables from related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Direct subsidiaries				
RATCH-Lao Services Company Limited	-	-	1,077	29,294
Ratchaburi Energy Company Limited	-	-	89	3,090
Direct joint venture				
Xe-Pian Xe-Namnoy Power Company Limited	7,301	5,560	7,301	5,560
Total	**7,301**	**5,560**	**8,467**	**37,944**

Trade account payable to related party	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Major Shareholder				
Electricity Generating Authority of Thailand	-	**1,003**	-	-

Other current payables to related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Major Shareholder				
Electricity Generating Authority of Thailand	69,017	63,949	181	700
Direct subsidiaries				
Ratchaburi Electricity Generating Company Limited	-	-	242	340
RATCH-Lao Services Company Limited	-	-	2,387	-
Indirect subsidiary				
RH International (Singapore) Corporation Pte. Ltd.	-	-	2,978	3,276
Indirect joint ventures				
Ratchaburi Power Company Limited	15,194	16,007	13,686	14,499
Nava Nakorn Electricity Generating Company Limited	-	254	-	254
Total	**84,211**	**80,210**	**19,474**	**19,069**

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Other non-current payables to related parties	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Major Shareholder				
Electricity Generating Authority of Thailand	-	1,884	-	-
Other related party				
Broadspectrum Limited	150,380	78,046	-	-
Total	**150,380**	**79,930**	-	-

Long-term loans from related party	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	(% per annum)		*(in thousand Baht)*			
Broadspectrum Limited	7.15	7.41	1,013,803	1,029,085	-	-
Less current portion of long-term loans			-	-	-	-
Long-term loans from related party-net			**1,013,803**	**1,029,085**	-	-

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

Long-term loans from related party	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
At 1 January	1,029,085	1,071,599	-	-
Decrease	-	(26,177)	-	-
Exchange rate adjustment	(15,282)	(16,337)	-	-
At 31 December	**1,013,803**	**1,029,085**	-	-

Significant agreements with related parties

Short-term loans to related party

As at 31 December 2017, the Company had outstanding balance of loans to Ratchaburi Electricity Generating Company Limited, a direct subsidiary, amounting to Baht 2,730 million which bear interest at the rate of 2.45 and 2.48 per annum and will be due in the 1st quarter of 2018.

Long-term loans to related parties

As at 31 December 2017, the Company had outstanding balance of loans to Ratchaburi Energy Company Limited, a direct subsidiary, amounting to Baht 203 million which bear interest at the rate of 4.00 per annum and will be due at call. The Company has no intention to recall such loans from the subsidiary within one year. Therefore, the Company classified the balance of such loans as long-term loans.

For the year ended 31 December 2017

As at 31 December 2017, the Company had outstanding balance of loans to RATCH-Lao Services Company Limited, a direct subsidiary, amounting to U.S. Dollars 32.75 million, or equivalent to Baht 1,062.08 million which bear interest at the rate of 3.65 per annum. Principle and interest will be due as stipulated in the agreement. The Company has no intention to recall such loans from the subsidiary within one year. Therefore, the Company classified the balance of such loans as long-term loans.

As at 31 December 2017, the Company had outstanding balance of loans to Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, in the proportion of investment of 25%, amounting to U.S. Dollars 1.32 million, or equivalent to Baht 42.81 million which bear interest at the rate of 3-Month London Interbank Offered Rate (LIBOR), plus fixed margin per annum. Such loan agreement determined the repayment term of principal and interest within 27 years commencing from such joint venture made the first drawdown of loans from financial institutions on 5 February 2014 and when the outstanding of unpaid-up share capital under Lao Holding State Enterprise, the shareholder of such joint venture, fully paid share capital.

Long-term loans from related party

As at 31 December 2017, RATCH-Australia Corporation Limited, an indirect subsidiary, had outstanding balance of long-term loans from other related party in Australia amounting to Australian Dollars 39.74 million or equivalent to Baht 1,013.80 million which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus fixed margin per annum and will be payable on demand after 10 years from the date of the loan agreement (2 May 2011). Therefore, the Group classified the balance of such loans as long-term loans.

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 in the Power Purchase Agreement. Such subsidiary will receive revenue from EGAT, which is comprised of an Availability Payment (AP) and an Energy Payment (EP). The Availability Payment (AP) covers repayment of principal and interest of loans, return on shareholders equity, fixed costs of operation and maintenance, and administrative expenses. Such costs will be adjusted to cover the changes of interest rates, Consumer Price Index and exchange rates. The Energy Payment (EP) covers production costs which is comprised of fuel costs, variable costs of operation and maintenance. Such costs will be adjusted in accordance with fuel price, efficiency ratio and Consumer Price Index.

On 22 May 1997, Tri Energy Company Limited, a direct subsidiary, entered into a Power Purchase Agreement with EGAT for a period of 20 years. Subsequently on 1 August 2014, such subsidiary transferred its entire business including the Power Purchase Agreement with EGAT to Ratchaburi Electricity Generating Company Limited.

Operation and Maintenance Agreement

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

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Fuel Management Service Agreement

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

Land Lease Agreement and Common Facility Agreement

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

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

Management Service Agreement

On 27 February 2004, the Company entered into a Management Service Agreement with Ratchaburi Power Company Limited, an indirect joint venture, whereby the Company will receive management service fee amounting to U.S. Dollars 2.5 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.

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

On 29 September 2005, the Company and Chubu Electric Power (Thailand) Company Limited entered into 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 supports in the form of shareholders' loans or the provision of shareholders guarantees to Chubu Ratchaburi Electric Services Company Limited in proportion of investment 50%. The agreement does not specify the amount of financial support. As at 31 December 2017, the Company has not provided any loans or guarantees under the agreement.

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

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

For the year ended 31 December 2017

Service for Operation and Maintenance Agreement

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

Construction Supervision Contractor Service Agreement

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

5 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Cash on hand	279	379	30	100
Cash at banks - current accounts	3,342,076	4,966,883	55	920
Cash at banks - savings accounts	1,490,103	951,950	625,739	215,408
Highly liquid short-term investments	4,455,000	3,500,000	3,615,000	2,890,000
Cash and cash equivalents in the statement of financial position	**9,287,458**	**9,419,212**	**4,240,824**	**3,106,428**
Bank overdrafts used for cash management	-	-	-	-
Cash and cash equivalents in the statement of cash flows	**9,287,458**	**9,419,212**	**4,240,824**	**3,106,428**

6 Other investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Current investments				
Short-term deposits at financial institutions	200,000	2,670,000	200,000	2,500,000
Debt securities held for trading	493,082	482,475	461,018	447,856
Other debt securities held to maturity	30,000	23,000	30,000	23,000
	723,082	**3,175,475**	**691,018**	**2,970,856**

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Other long-term investments				
Equity securities available for sale	3,195,527	3,730,280	-	-
Other debt securities held to maturity	386,922	434,300	383,000	430,000
	3,582,449	**4,164,580**	**383,000**	**430,000**
Total	**4,305,531**	**7,340,055**	**1,074,018**	**3,400,856**

As at 31 December 2017, other debt securities held to maturity with a carrying amount of Baht 386.92 million *(2016: Baht 434.30 million)* have annual interest rates from 0.5% to 5.2% *(2016: 0.5% to 5.2%)* and mature in 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	
	2017	2016	2017	2016
	(in thousand Baht)			
Current investments				
Debt securities held for trading				
At 1 January	482,475	418,295	447,856	411,627
Purchases during the year	181,654	545,281	181,654	510,882
Sales during the year	(173,903)	(476,336)	(170,918)	(469,954)
Valuation adjustment	2,856	(4,765)	2,426	(4,699)
At 31 December	**493,082**	**482,475**	**461,018**	**447,856**
Other long-term investments				
Equity securities available for sale				
At 1 January	3,730,280	4,270,193	-	-
Purchases during the year	-	117,314	-	-
Valuation adjustment	(534,753)	(657,227)	-	-
At 31 December	**3,195,527**	**3,730,280**	**-**	**-**

Dividend income from equity securities available for sale

During 2017, the Group had received dividend income in the proportion of investment in equity securities available for sale amounting to Baht 188.90 million *(2016: Baht 204.72 million)*.

For the year ended 31 December 2017

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Related parties (Note 4)	6,731,131	7,369,137	-	-
Other parties	113,568	195,288	-	-
Total	**6,844,699**	**7,564,425**	-	-
Less allowance for doubtful accounts	(59,646)	-	-	-
Net	**6,785,053**	**7,564,425**	-	-
Bad and doubtful debts expense for the year	**55,940**	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Related party				
Within credit terms	6,437,590	7,210,076	-	-
Overdue:				
Less than 3 months	34,598	33,453	-	-
3 - 6 months	74,280	30,609	-	-
6 - 12 months	97,805	62,919	-	-
Over 12 months	86,858	32,080	-	-
	6,731,131	**7,369,137**	-	-
Less allowance for doubtful accounts	(59,646)	-	-	-
	6,671,485	**7,369,137**	-	-
Other parties				
Within credit terms	113,568	194,330	-	-
Overdue:				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	958	-	-
	113,568	**195,288**	-	-
Less allowance for doubtful accounts	-	-	-	-
	113,568	**195,288**	-	-
Net	**6,785,053**	**7,564,425**	-	-

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

For the year ended 31 December 2017

8 Other current receivables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Insurance claim receivable	599,152	-	-	-
Advance payment	95,064	116,796	11,219	33,417
Others	58,275	65,527	36,289	50,801
Total	**752,491**	**182,323**	**47,508**	**84,218**

9 Spare parts and supplies

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Fuel oil	1,211,235	1,167,314	-	-
Spare parts and supplies	1,805,925	1,868,883	-	-
Spare parts and supplies in transit	106,230	11,688	-	-
Total	**3,123,390**	**3,047,885**	-	-
Less allowance for obsolescence of spare parts and suppliers	(995,915)	(944,558)	-	-
allowance for decline in value of fuel oil	(54)	(49,458)	-	-
Net	**2,127,421**	**2,053,869**	-	-
Spare parts and supplies recognised as an expense in 'cost of sales of goods':				
- Cost	425,842	1,013,573	-	-
- Write-down to net realisable value	61,934	109,529	-	-
- Reversal of write-down	(58,060)	(255,093)	-	-
Net	**429,716**	**868,009**	-	-

For the year ended 31 December 2017

10 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
At 1 January	25,429,303	17,559,704	4,393,296	3,911,527
Share of net profit of associates and joint ventures	3,577,164	2,907,196	-	-
Share of other comprehensive income of joint ventures	(242)	(7,992)	-	-
Additions investments in joint ventures	1,004,837	7,708,753	651,646	481,769
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	(2,371,606)	(3,134,692)	-	-
Exchange rate adjustment	(1,447,645)	396,334	-	-
Others	6,671	-	-	-
At 31 December	**25,889,838**	**25,429,303**	**5,044,942**	**4,393,296**

For the year ended 31 December 2017

Investments in associates and joint ventures as at 31 December 2017 and 2016, and dividend income from those investments for the years then ended, were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost		Equity		Impairment		At equity - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)				(in thousand Baht)									
Direct associates														
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	491,947	563,974	-	-	491,947	563,974	186,000	80,000
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	414,281	458,380	-	-	414,281	458,380	130,000	63,000
					764,604	**764,604**	**906,228**	**1,022,354**	-	-	**906,228**	**1,022,354**	**316,000**	**143,000**
Indirect associates														
Perth Power Partnership (Kwinana)*	24	24	2,311,167	2,311,167	618,531	618,531	484,099	539,216	-	-	484,099	539,216	103,304	124,197
					618,531	**618,531**	**484,099**	**539,216**	-	-	**484,099**	**539,216**	**103,304**	**124,197**
Total					**1,383,135**	**1,383,135**	**1,390,327**	**1,561,570**	-	-	**1,390,327**	**1,561,570**	**419,304**	**267,197**
Direct joint ventures														
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	77,035	83,207	-	-	77,035	83,207	35,000	48,000
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	2,627,317	2,627,138	-	-	2,627,317	2,627,138	240,045	603,417
Nam Ngum 3 Power Company Limited	25	25	1,808	1,808	452	452	-	-	-	-	-	-	-	-
KK POWER Company Limited	-	50	-	30,892	-	15,446	-	15,156	-	(15,156)	-	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	8,270,543	6,203,936	2,067,636	1,415,990	1,981,631	1,653,052	-	-	1,981,631	1,653,052	-	-
					4,280,338	**3,644,138**	**4,685,983**	**4,378,553**	-	**(15,156)**	**4,685,983**	**4,363,397**	**275,045**	**651,417**
Indirect joint ventures														
Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	3,709,390	3,826,999	-	-	3,709,390	3,826,999	450,000	700,000
Hongsa Power Company Limited	40	40	32,324,715	32,324,715	12,929,886	12,929,886	11,664,456	11,835,324	-	-	11,664,456	11,835,324	960,000	1,165,206
Pha Fai Mining Company Limited	37.50	37.50	1,679	1,679	630	630	272,239	134,904	-	-	272,239	134,904	-	-

*30% shareholding by an indirect subsidiary.

Notes to the financial statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

For the year ended 31 December 2017

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost		Equity		Impairment		At equity - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)				(in thousand Baht)									
Indirect joint ventures														
Nava Nakorn Electricity Generating Company Limited	40	40	1,525,000	1,525,000	610,000	610,000	784,841	622,312	-	-	784,841	622,312	-	-
Ratchaburi World Cogeneration Company Limited	40	40	2,500,000	2,500,000	1,000,000	1,000,000	1,242,432	1,149,329	-	-	1,242,432	1,149,329	150,000	244,000
Solarta Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	1,162,565	1,025,646	-	-	1,162,565	1,025,646	59,290	81,399
Solar Power (Korat 3) Company Limited	40	40	188,750	188,750	75,500	75,500	127,295	116,713	-	-	127,295	116,713	16,610	10,268
Solar Power (Korat 4) Company Limited	40	40	199,250	199,250	79,700	79,700	131,450	117,157	-	-	131,450	117,157	11,238	6,296
Solar Power (Korat 7) Company Limited	40	40	188,750	188,750	75,500	75,500	125,800	112,252	-	-	125,800	112,252	14,119	8,909
Songkhla Biomass Company Limited	40	40	246,000	246,000	98,400	98,400	135,104	124,181	-	-	135,104	124,181	16,000	-
Songkhla Biofuel Company Limited	40	40	1,000	1,000	400	400	351	366	-	-	351	366	-	-
Berkprai Cogeneration Company Limited	35	35	1,331,000	333,500	465,850	116,462	457,605	114,648	-	-	457,605	114,648	-	-
Oversea Green Energy Company Limited	-	60	-	16,000	-	9,600	-	12,235	-	-	-	12,235	-	-
RICI International Investment Pte. Ltd.	-	60	-	510,947	-	306,568	-	312,270	-	-	-	312,270	-	-
PT Medco Ratch Power Riau	49	-	7,762	-	3,803	-	-	-	-	-	-	-	-	-
					17,716,879	17,679,856	19,813,528	19,504,336	-	-	19,813,528	19,504,336	1,677,257	2,216,078
Total					21,997,217	21,323,994	24,499,511	23,882,889	-	(15,156)	24,499,511	23,867,733	1,952,302	2,867,495

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

For the year ended 31 December 2017

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)				(in thousand Baht)							
Associates												
First Korat Wind Company Limited	20	20	1,996,020	1,996,020	399,204	399,204	-	-	399,204	399,204	186,000	80,000
K.R. TWO Company Limited	20	20	1,827,000	1,827,000	365,400	365,400	-	-	365,400	365,400	130,000	63,000
Total					**764,604**	**764,604**	-	-	**764,604**	**764,604**	**316,000**	**143,000**
Joint ventures												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	35,000	48,000
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	240,045	603,417
Nam Ngum 3 Power Company Limited	25	25	1,808	1,808	452	452	-	-	452	452	-	-
KK Power Company Limited	-	50	-	30,892	-	15,446	-	(15,446)	-	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	25	8,270,543	6,203,936	2,067,636	1,415,990	-	-	2,067,636	1,415,990	-	-
Total					**4,280,338**	**3,644,138**	-	**(15,446)**	**4,280,338**	**3,628,692**	**275,045**	**651,417**

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

For the year ended 31 December 2017

During the year ended 31 December 2017 there were the following acquisitions and disposals of investments in joint ventures:

Investment in PT Medco Ratch Power Riau

On 7 April 2017, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, entered into a Joint Venture Agreement to establish PT Medco Ratch Power Riau, an indirect joint venture, in order to invest in Riau Combined-Cycle Power Plant Project in Republic of Indonesia. The registered capital of such indirect joint venture was Indonesian Rupiah 12,000 million *(comprising 12 million ordinary shares at par value of Indonesian Rupiah 1,000 per share)*. Subsequently, on 20 April 2017, such indirect subsidiary made the first payment of paid-up share capital amounting to Indonesian Rupiah 250 per share, in the proportion of 25%, totalling Indonesian Rupiah 1,470 million or equivalent to Baht 3.80 million, in the proportion of investment of 49%.

Additional paid-up share capital and increase in share capital

During the year 2017, the 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 *(in million Baht)*
Direct joint venture		
Xe-Pian Xe-Namnoy Power Company Limited	Called for additional paid-up share capital	651.65
Indirect joint ventures		
Berkprai Cogeneration Company Limited	Called for additional paid-up share capital	349.39
PT Medco Ratch Power Riau	Called for increase in share capital	3.80

Disposal of investments in joint ventures

At the Board of Directors meeting of Ratchaburi Energy Company Limited, a direct subsidiary, held on 7 April 2017, the Board approved to dispose the investment in Oversea Green Energy Company Limited, a joint venture of such subsidiary. Subsequently, on 25 August 2017, such subsidiary sold its entire interest in such joint venture to existing shareholder for Baht 9.6 million in cash. The carrying amount of such joint venture's net assets in the Group's financial statements on the date of the sale was Baht 14.57 million. The Group recognised a loss on sale of Baht 4.97 million, which is included in other income in the consolidated statement of comprehensive income for the year ended 31 December 2017.

At the Board of Directors meeting of RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, held on 11 August 2017, the Board approved to dispose the investment in RICI International Investment Pte. Ltd., a joint venture of such subsidiary. Subsequently, on 16 August 2017, such subsidiary sold its entire interest in such joint venture to existing shareholder for U.S. Dollars 9.81 million in cash or equivalent to Baht 325 million. The carrying amount of such joint venture's net assets in the Group's financial statements on the date of the sale was Baht 294.07 million. The Group recognised a gain on sale of Baht 32.84 million, which is included in other income in the consolidated statement of comprehensive income for the year ended 31 December 2017.

For the year ended 31 December 2017

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	
	2017	2016	2017	2016
	(in thousand Baht)			
Revenue	19,446,516	20,515,045	21,171,673	15,495,786
Profit from continuing operations	1,329,560[a]	1,835,499[a]	5,044,508[a]	2,990,453[a]
Other comprehensive income (loss)	-	-	-	(22,745)
Total comprehensive income (loss) *(100%)*	1,329,560	1,835,499	5,044,508	2,967,708
Group's share *(%)*	25%	25%	40%	40%
Group's share of total comprehensive income (loss)	**332,390**	**458,875**	**2,017,803**	**1,187,083**
Current assets	8,965,419[b]	9,305,363[b]	19,631,947[b]	18,671,991[b]
Non-current assets	11,109,569	12,757,937	95,400,049	100,638,720
Current liabilities	(4,491,964)[c]	(4,345,578)[c]	(7,758,292)[c]	(7,242,605)[c]
Non-current liabilities	(2,257,593)[d]	(4,024,833)[d]	(75,999,621)[d]	(83,438,531)[d]
Net assets *(100%)*	13,325,431	13,692,889	31,274,083	28,629,575
Group's share of net assets	3,331,358	3,423,222	12,509,633	11,451,830
Exchange differences on translating financial statement in the consolidated financial statements and others	378,032	403,777	(845,177)	383,494
Carrying amount of interest in joint ventures	**3,709,390**	**3,826,999**	**11,664,456**	**11,835,324**

Notes to the financial statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2017	2016	2017	2016
	(in thousand Baht)			
Remark:				
a. Includes:				
– depreciation and amortisation	885,000	878,562	121,618	79,091
– interest expense	211,947	307,777	3,347,358	5,703,723
– income tax expense	363,173	393,748	-	-
b. Includes cash and cash equivalents	3,398,448	3,096,158	8,222,195	9,276,231
c. Includes current financial liabilities (excluding trade and other payables and provisions)	1,671,030	1,793,416	5,386,243	5,310,870
d. Includes non-current financial liabilities (excluding trade and other payables and provisions)	2,224,361	3,995,324	75,695,926	83,248,413

For the year ended 31 December 2017

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	
	2017	2016	2017	2016
	(in thousand Baht)			
Carrying amount of interests in immaterial associates and joint ventures	**1,390,327**	**1,561,570**	**9,118,995**	**8,205,410**
Group's share of:				
- Profit from continuing operations	257,354	308,486	969,617	943,654
- Other comprehensive income	-	-	(242)	1,106
- Total comprehensive income	**257,354**	**308,486**	**969,375**	**944,760**

11 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	(in thousand Baht)	
At 1 January	40,690,558	30,040,558
Additions investment	-	10,650,000
At 31 December	**40,690,558**	**40,690,558**

During the year ended 31 December 2017 there were no acquisitions and disposals of investments in subsidiaries.

Notes to the financial statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

For the year ended 31 December 2017

Investments in subsidiaries as at 31 December 2017 and 2016, 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)				(in thousand Baht)							
Subsidiaries												
Ratchaburi Electricity Generating Company Limited	99.99	99.99	21,900,000	21,900,000	21,900,000	21,900,000	-	-	21,900,000	21,900,000	3,657,131	4,338,608
Ratchaburi Alliances Company Limited	99.99	99.99	420,200	420,200	420,200	420,200	-	-	420,200	420,200	450,000	710,000
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	-	-
Total					**40,690,558**	**40,690,558**	-	-	**40,690,558**	**40,690,558**	**4,107,131**	**5,048,608**

*Please see note to the financial statement - 17 Impairment testing for CGUs containing goodwill.

For the year ended 31 December 2017

12 Non-controlling interests

The following table summarises the information relating to the Group's subsidiary that has a material non-controlling interest, before any intra-group eliminations:

	31 December	
	2017	2016
	RATCH-Australia Corporation Limited	
	(in thousand Baht)	
Non-controlling interest percentage	20%	20%
Current assets	2,545,324	3,540,886
Non-current assets	17,862,875	14,687,991
Current liabilities	(3,464,383)	(487,066)
Non-current liabilities	(15,388,506)	(15,686,849)
Net assets	**1,555,310**	**2,054,962**
Carrying amount of non-controlling interest before intra-group eliminations	311,062	410,992
Intro-group elimination and exchange differences on translating financial statement in the consolidated financial statement	(295,172)	(279,698)
Non-controlling interest	**15,890**	**131,294**
Revenue	2,323,859	2,329,273
Loss	(614,610)	(465,855)
Other comprehensive income (loss)	37,590	(29,275)
Total comprehensive income (loss)	**(577,020)**	**(495,130)**
Loss allocated to non-controlling interest	(122,922)	(93,171)
Other comprehensive income (loss) allocated to non-controlling interest	7,518	(5,855)
Cash flows from operating activities	1,648,130	2,052,877
Cash flows from investing activities	(4,125,676)	(1,158,933)
Cash flows from financing activities (dividends to non-controlling interest: nil)	1,537,791	1,463,450
Net increase (decrease) in cash and cash equivalents	**(939,755)**	**2,357,394**

13 Investments in other companies

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
At 1 January	62,300	62,300	62,300	62,300
Acquisitions	700,000	-	700,000	-
At 31 December	**762,300**	**62,300**	**762,300**	**62,300**

For the year ended 31 December 2017

Investment in Northern Bangkok Monorail Company Limited

On 12 June 2017, the Company entered into a Joint Venture Agreement to establish Northern Bangkok Monorail Company Limited, in order to invest in MRT Pink Line Project (Khae Rai-Min Buri). The registered capital of such company was Baht 3,500 million *(comprising 35 million ordinary shares at par value of Baht 100 per share)*. The Company paid for paid-up share capital amounting to Baht 100 per share, totalling Baht 350 million, in the proportion of investment of 10%.

Investment in Eastern Bangkok Monorail Company Limited

On 12 June 2017, the Company entered into a Joint Venture Agreement to establish Eastern Bangkok Monorail Company Limited, in order to invest in MRT Yellow Line Project (Lat Phrao-Samrong). The registered capital of such company was Baht 3,500 million *(comprising 35 million ordinary shares at par value of Baht 100 per share)*. The Company paid for paid-up share capital amounting to Baht 100 per share, totalling Baht 350 million, in the proportion of investment of 10%.

14 Advance payment for investment

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

As at 31 December 2017, the Group recognised such amount as advance payment for investment in the consolidated statement of financial position and will recognise as investment in joint venture when the paid-up share capital was called from MRPR.

15 Land for future development projects

At 31 December 2017, the 317 rai of land for future development projects located in Pathum Thani province and the 19 rai of land for future development projects located in Nakhorn Sri Thammarat province are stated at cost amounting to Baht 309.21 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 land during 2017 by using the Market Comparison Approach (Market Approach). The market value is approximately Baht 321.19 million which is higher than the book value, therefore, no impairment loss is recognised in 2017.

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 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.

For the year ended 31 December 2017

16 Property, plant and equipment

	Consolidated financial statements						
	Land	Buildings, structures and building improvements	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in thousand Baht)			
Cost							
At 1 January 2016	1,359,333	486,184	24,521,352	582,687	23,396	1,670	26,974,622
Additions	-	3,447	217,358	12,446	-	1,273,874	1,507,125
Transfers	-	985	138,468	-	-	(139,453)	-
Disposals	-	-	(2,796)	(13,133)	(3,430)	-	(19,359)
Effect of movements in exchange rates	(3,457)	(1,899)	(366,638)	(85)	-	(16,960)	(389,039)
At 31 December 2016 and 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	**1,361,180**	**487,083**	**24,576,707**	**586,876**	**19,966**	**5,179,245**	**32,211,057**

Notes to the financial statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

For the year ended 31 December 2017

	Consolidated financial statements						
	Land	Buildings, structures and building improvements	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in thousand Baht)			
Accumulated depreciation and impairment losses							
At 1 January 2016	-	121,480	12,959,922	391,684	22,486	-	13,495,572
Depreciation charge for the year	-	23,910	888,852	80,496	286	-	993,544
Disposals	-	-	(2,795)	(12,498)	(3,338)	-	(18,631)
Effect of movements in exchange rates	-	(942)	(202,837)	(36)	-	-	(203,815)
At 31 December 2016 and 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	-	**167,181**	**14,325,370**	**533,666**	**19,689**	-	**15,045,906**
Net book value							
At 1 January 2016	**1,359,333**	**364,704**	**11,561,430**	**191,003**	**910**	**1,670**	**13,479,050**
At 31 December 2016 and 1 January 2017	**1,355,876**	**344,269**	**10,864,602**	**122,269**	**532**	**1,119,131**	**13,806,679**
At 31 December 2017	**1,361,180**	**319,902**	**10,251,337**	**53,210**	**277**	**5,179,245**	**17,165,151**

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 573.65 million and Australian Dollars 62.38 million *(2016: Baht 1,349.51million and Australian Dollars 39.76 million).*

Security

As at 31 December 2017, RATCH-Australia Corporation Company Limited, an indirect subsidiary, has mortgaged land, buildings and power plants and has pledged power plant's equipment of two power plants with a carrying amount of Australian Dollars 100 million or equivalent to Baht 2,550.71 million *(2016: Australian Dollars 100 million or equivalent to Baht 2,589.16 million)* were subject to secure long-term loans from financial institutions (see note 20).

	Separate financial statements					
	Land	Buildings, structures and building improvements	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
			(in thousand Baht)			
Cost						
At 1 January 2016	295,993	309,636	449,678	960	1,670	1,057,937
Additions	-	-	5,300	-	-	5,300
Disposals	-	-	(208)	-	-	(208)
At 31 December 2016 and 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	**295,993**	**309,636**	**458,252**	**960**	**-**	**1,064,841**
Accumulated depreciation						
At 1 January 2016	-	37,515	293,811	367	-	331,693
Depreciation charge for the year	-	12,386	68,986	192	-	81,564
Disposals	-	-	(205)	-	-	(205)
At 31 December 2016 and 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	**-**	**62,287**	**427,489**	**751**	**-**	**490,527**
Net book value						
At 1 January 2016	**295,993**	**272,121**	**155,867**	**593**	**1,670**	**726,244**
At 31 December 2016 and 1 January 2017	**295,993**	**259,735**	**92,178**	**401**	**1,670**	**649,977**
At 31 December 2017	**295,993**	**247,349**	**30,763**	**209**	**-**	**574,314**

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2017 amounted to Baht 354.41 million *(2016: Baht 110.33 million).*

For the year ended 31 December 2017

17 Goodwill and intangible assets

	Consolidated financial statements				
	Software licences	Licenses on project development	Goodwill from business acquisition	Right to power purchase agreements	Total
			(in thousand Baht)		
Cost					
At 1 January 2016	123,456	721,772	674,837	5,464,612	6,984,677
Additions	2,634	-	-	212,810	215,444
Effect of movements in exchange rates	(823)	(5,158)	(2,140)	(90,441)	(98,562)
At 31 December 2016 and 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	**141,756**	**653,618**	**646,540**	**5,504,011**	**6,945,925**
Accumulated amortisation and impairment losses					
At 1 January 2016	66,580	7,051	375,367	2,150,144	2,599,142
Amortisation charge for the year	16,797	26,565	-	265,784	309,146
Effect of movements in exchange rates	(708)	380	-	(36,682)	(37,010)
At 31 December 2016 and 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	**92,962**	**57,152**	**416,199**	**2,602,052**	**3,168,365**
Net book value					
At 1 January 2016	**56,876**	**714,721**	**299,470**	**3,314,468**	**4,385,535**
At 31 December 2016 and at 1 January 2017	**42,598**	**682,618**	**297,330**	**3,207,735**	**4,230,281**
At 31 December 2017	**48,794**	**596,466**	**230,341**	**2,901,959**	**3,777,560**

	Separate financial statements
	Software licences
	(in thousand Baht)
Cost	
At 1 January 2016	22,807
Additions	1,600
At 31 December 2016 and 1 January 2017	**24,407**
Additions	4,492
At 31 December 2017	**28,899**

For the year ended 31 December 2017

	Separate financial statements Software licences *(in thousand Baht)*
Accumulated amortisation	
At 1 January 2016	19,814
Amortisation charge for the year	1,044
At 31 December 2016 and at 1 January 2017	**20,858**
Amortisation charge for the year	1,707
At 31 December 2017	**22,565**
Net book value	
At 1 January 2016	**2,993**
At 31 December 2016 and at 1 January 2017	**3,549**
At 31 December 2017	**6,334**

Impairment testing for CGUs containing goodwill

For the purposes of impairment testing, goodwill has been allocated to the Group's CGUs as follows.

	Consolidated financial statements	
	2017	2016
	(in thousand Baht)	
Toora Wind Farm	201,363	265,559
Multiple units without significant goodwill	28,978	31,771
Total	**230,341**	**297,330**

The recoverable amounts for 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 the recoverable amount included the discount rate which was a post-tax measure based on 7-year historic of average 10-year government bonds rate 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 cash flow projections 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 key assumptions used in the estimation of value in use are set out below. 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.

	Consolidated financial statements	
	2017	2016
	(%)	
Discount rate - Thermal power plants	6.48	6.70
Discount rate - Wind Farms	6.43	6.75

The discount rate was 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 Limited ("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. However, at initial recognition the goodwill in foreign currency is recognised in Thai Baht. As a result of currency fluctuations, the headroom in the impairment test translated to Thai Baht is lower than the carrying value of the goodwill by Baht 40.83 million. Consequently, the Group recognised an impairment loss on goodwill for the same amount.

18 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	5,707,095	6,292,911	(7,274,518)	(8,043,482)
Set off of tax	(5,574,052)	(6,239,448)	5,574,052	6,239,448
Net deferred tax assets (liabilities)	**133,043**	**53,463**	**(1,700,466)**	**(1,804,034)**

	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	(in thousand Baht)			
Total	29,942	27,593	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	**29,942**	**27,593**	-	-

For the year ended 31 December 2017

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

	Consolidated financial statements				
		(Charged) / credited to:			
	At 1 January 2017	Profit or loss	Other comprehensive income	Exchange differences	At 31 December 2017
			(In thousand Baht)		
Deferred tax assets					
Provision 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**
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)
Others	(151,310)	(124,521)	-	(1,919)	(277,750)
Total	**(8,043,482)**	**724,732**	**-**	**44,232**	**(7,274,518)**

	Consolidated financial statements				
		(Charged) / credited to:			
	At 1 January 2016	Profit or loss	Other comprehensive income	Exchange differences	At 31 December 2016
			(In thousand Baht)		
Deferred tax assets					
Provision for obsolescence of spare parts and supplies and allowance for decline in value of fuel oil	303,266	(30,391)	-	(626)	272,249
Property, plant and equipment	6,077,319	(614,703)	-	(10,281)	5,452,335
Finance leases liabilities	89	28	-	-	117
Provisions for employee benefits	25,420	1,820	4,635	-	31,875
Loss carry forward	607,665	(121,331)	-	(5,238)	481,096
Others	37,703	18,424	-	(888)	55,239
Total	**7,051,462**	**(746,153)**	**4,635**	**(17,033)**	**6,292,911**
Deferred tax liabilities					
Property, plant and equipment	(3,040,352)	101,827	-	45,402	(2,893,123)
Finance lease receivable from related party	(5,638,159)	639,110	-	-	(4,999,049)
Others	(223,880)	70,311	-	2,259	(151,310)
Total	**(8,902,391)**	**811,248**	**-**	**47,661**	**(8,043,482)**

For the year ended 31 December 2017

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

	Separate financial statements			
		(Charged)/ credited to:		
	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
		(in thousand Baht)		
Deferred tax assets				
Provisions for employee benefits	21,712	1,333	4,548	27,593
Total	**21,712**	**1,333**	**4,548**	**27,593**

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Deductible temporary differences	-	3,089	2,349	3,089
Tax losses	253,419	254,500	-	-
Total	**253,419**	**257,589**	**2,349**	**3,089**

As at 31 December 2017, the Group recognised deferred tax assets of Baht 479.41 million from 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 that country has unlimited and no expiration date, therefore, the related deferred tax asset is recognised.

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Development costs-Nam Ngum 3 Project	9,271	129,782	9,271	129,782
Development costs of renewable energy projects	179,087	218,839	-	-
Deferred expense under contractual service agreement	453,486	383,663	-	-
Others	24,625	22,266	4,430	4,401
Total	**666,469**	**754,550**	**13,701**	**134,183**

For the year ended 31 December 2017

Nam Ngum 3 Hydropower Power Project

During 2008, the Company entered into a Shareholders Agreement with the other three shareholders to develop and operate the Nam Ngum 3 Hydropower Power Project and established Nam Ngum 3 Power Company Limited under the laws of Lao PDR. The Company hold 25% of such company's ordinary shares.

During 2013, the Project was not approved to extend the Project Development Agreement by the Investment Promotion Department of the Ministry of Planning and Investment as result of the changes in the Energy Development Plan of Lao PDR so such agreement has been expired on 29 March 2013. Subsequently in 2015, Nam Ngum 3 Company Limited entered into the Assets Sale Agreement and Irrevocable Deed of Transfer (the "Deed") with Electricite du Laos ("EdL") with a total price of U.S. Dollars 17 million. The Company will reimburse the development costs in the proportion of investment of 25%.

During 2016 and 2017, the Company has reimbursed the development costs from EdL in amounting to U.S. Dollar 3.69 million or equivalent to Baht 129.78 million. At 31 December 2017, the Company has outstanding development costs that will be reimburse from EdL in amounting to U.S Dollar 0.26 million or equivalent to Baht 9.27 million.

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 as other non-current assets related to wind farm projects in Australia which has received the development approval from local authorities and the management has determined that the projects can be able to operate in the near future and the present value of the estimated future cash flows will not be lower than its carrying amount.

20 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Current				
Short-term loans from financial institutions -unsecured	-	3,800,000	-	3,800,000
Current portion of long-term loans from financial institutions net of deferred financing fees-unsecured	2,658,281	-	-	-
Current portion of finance lease liabilities	1,358	1,273	-	-
Total current interest-bearing liabilities	**2,659,639**	**3,801,273**	**-**	**3,800,000**

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Non-current				
Long-term loans from related party -unsecured (Note 4)	1,013,803	1,029,085	-	-
Long-term loans from financial institutions net of deferred financing fees-secured	2,117,415	2,567,009	-	-
Debentures net of deferred financing fees-unsecured	16,139,581	17,327,198	-	-
Financial lease liabilities	1,808	3,171	-	-
Total non-current interest-bearing liabilities	**19,272,607**	**20,926,463**	-	-

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	
	2017	2016	2017	2016
	(in thousand Baht)			
Within one year	2,658,281	3,800,000	-	3,800,000
After one year but within five years	13,399,513	13,299,775	-	-
After five years	5,871,286	7,623,517	-	-
Total	**21,929,080**	**24,723,292**	-	**3,800,000**

As at 31 December 2017, RATCH-Australia Corporation Limited, an indirect subsidiary, had outstanding current portion of long-term loans from financial institutions in Australia amounting to Australian Dollars 100 million or equivalent to Baht 2,550.71 million which bear interest at the floating rate of Bank Bill Swap Bid Rate (BBSY), announced by Reuters, plus a fixed margin per annum and will be repayable in May 2018 *(31 December 2016: Australian Dollars 100 million or equivalent to Baht 2,589.16 million).*

As at 31 December 2017, 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 2022 *(31 December 2016: Baht 2,000 million).*

As at 31 December 2017, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures amounting to U.S. Dollars 300 million or equivalent to Baht 9,804.27 million which bear interest at the fixed rate of 3.50% per annum. Such debentures have a period of 5 years and will be due for redemption in 2019. The Company has guaranteed the repayment of such debentures *(31 December 2016: U.S. Dollars 300 million or equivalent to Baht 10,749.21 million).*

As at 31 December 2017, RH International (Singapore) Corporation Pte. Ltd., an indirect subsidiary, had outstanding debentures amounting to JPY 15,000 million or equivalent to Baht 4,353.10 million which bear interest at the fixed rate of 2.72% per annum. Such debentures are unsecured and unsubordinated for a period of 15 years and will be due for redemption in 2026. The Company has guaranteed the repayment of such debentures *(31 December 2016: JPY 15,000 million or equivalent to Baht 4,606.04 million).*

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As at 31 December 2017, Mount Emerald Wind Farm Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 86.38 million or equivalent to Baht 2,203.30 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.

As at 31 December 2017, RATCH-Australia Collinsville Solar PV Pty. Ltd., an indirect subsidiary, had outstanding long-term loans from financial institutions in Australia amounting to Australian Dollars 1.74 million or equivalent to Baht 44.38 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 during June 2018 to December 2018.

As at 31 December 2017, the Group had unutilised credit facilities totalling Baht 26,000 million, U.S. Dollars 530 million and Australian Dollars 223.93 million, respectively *(31 December 2016: Baht 12,200 million, U.S. Dollars 124 million and Australian Dollars 252.05 million).*

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

21 Trade account payables

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
			(in thousand Baht)		
Related parties	*4*	-	1,003	-	-
Other parties		5,190,052	5,552,566	-	-
Total		**5,190,052**	**5,553,569**	**-**	**-**

22 Other payables

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
			(in thousand Baht)		
Related parties	*4*	**234,591**	**160,140**	**19,474**	**19,069**
Other parties					
Accrued finance costs		313,459	325,525	-	-
Other payables to other parties and accrued expenses		1,003,182	848,429	216,565	202,636
		1,316,641	**1,173,954**	**216,565**	**202,636**
Total		**1,551,232**	**1,334,094**	**236,039**	**221,705**
Current		1,400,852	1,254,163	236,039	221,705
Non-current		150,380	79,931	-	-
Total		**1,551,232**	**1,334,094**	**236,039**	**221,705**

For the year ended 31 December 2017

23 Provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Statement of financial position:				
Current (included in other current payables)				
Unused vacation leave	**16,200**	**15,000**	**7,418**	**6,888**
Non-current				
Post-employment benefits	**175,688**	**158,706**	**142,293**	**131,076**
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss:				
Unused vacation leave	8,984	9,341	1,460	1,171
Post-employment benefits	23,417	24,142	16,897	15,377
	32,401	**33,483**	**18,357**	**16,548**
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	-	23,181	-	22,743
Effect of movements in exchange rates	(186)	(164)	-	-
	(186)	**23,017**	**-**	**22,743**

The post-employment benefits expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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Movement in the present value of the provisions for employee benefits were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Unused vacation leave				
At 1 January	15,000	14,377	6,888	6,976
Include in profit or loss:				
Increase	8,984	9,341	1,460	1,171
Include in other comprehensive income				
Effect of movements in exchange rates	(115)	(83)	-	-
Other				
Benefit paid	(7,669)	(8,635)	(930)	(1,259)
At 31 December	**16,200**	**15,000**	**7,418**	**6,888**
Post-employment benefits				
At 1 January	158,706	122,151	131,076	101,581
Include in profit or loss:				
Current service cost and interest on obligation	23,417	24,142	16,897	15,377
Included in other comprehensive income				
Actuarial loss and others	-	23,181	-	22,743
Effect of movements in exchange rates	(70)	(81)	-	-
	(70)	23,100	-	22,743
Other				
Benefits paid	(6,365)	(10,687)	(5,680)	(8,625)
At 31 December	**175,688**	**158,706**	**142,293**	**131,076**

Actuarial losses recognised in other comprehensive income arising from:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Demographic assumptions	-	5,093	-	4,157
Financial assumptions	-	6,027	-	4,797
Experience adjustment	-	12,061	-	13,789
Total	-	**23,181**	-	**22,743**

During 2017, the Labor Protection Act was amended as follows:

(a) Retirement is an employment termination which an employer is required to pay severance compensation to the retiring employee in accordance with the Act.
(b) The retirement age can be determined:
    i. Solely by the employer, or;
    ii. By agreement between employer and employee.
(c) If the retirement age is not determined or exceeds sixty years, the employee who is sixty years of age or older, can elect to retire and become entitled to severance pay by declaring his intention to the employer.

Actuarial assumptions

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(%)		
Discount rate	3.18	3.18	3.18	3.18
Future salary growth	4 to 8	4 to 8	6.5 to 8	6.5 to 8
Turnover rate	0 to 10	0 to 10	0 to 10	0 to 10

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

At 31 December 2017, the weighted-average duration of the provisions of employee benefits was 11.50 and 31.70 years *(2016: 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
	(in thousand Baht)			
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)
Turnover rate (20% movement)	(5,635)	6,210	(3,819)	4,130
Future mortality (1% movement)	820	(933)	581	(651)
At 31 December 2016				
Discount rate (1% movement)	(12,710)	15,092	(9,627)	11,243
Future salary growth (1% movement)	14,363	(12,395)	10,662	(9,362)
Turnover rate (20% movement)	(4,708)	5,161	(3,275)	3,534
Future mortality (1% movement)	698	(792)	506	(566)

For the year ended 31 December 2017

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.

24 Share capital

	Par value per share (in Baht)	2017 Number	2017 Baht	2016 Number	2016 Baht
		(thousand shares/ thousand Baht)			
Authorised					
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**
Issued and paid-up					
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.

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.

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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.

26 Segment information

The Group has four 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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Segment Information - Principle business

	Domestic Electricity Generating		Renewable Energy		International Power Projects		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
					(in thousand Baht)					
Revenue from sale and rendering of services	35,625,780	40,518,511	-	-	2,374,736	2,568,532	-	-	38,000,516	43,087,043
Revenue from finance lease contracts	3,995,454	4,491,341	-	-	-	-	-	-	3,995,454	4,491,341
Cost of sale and rendering of services	(35,281,744)	(40,025,330)	-	-	(1,565,625)	(1,597,942)	-	-	(36,847,369)	(41,623,272)
Gross profit	**4,339,490**	**4,984,522**	-	-	**809,111**	**970,590**	-	-	**5,148,601**	**5,955,112**
Management service income	-	-	-	-	-	3,382	244,663	254,859	244,663	258,241
Interest income	15,162	15,476	131	401	41,264	33,117	109,399	115,926	165,956	164,920
Dividend income	-	-	-	-	188,897	204,719	-	-	188,897	204,719
Other income	158,385	110,462	(4,522)	6,832	108,805	46,812	3,016	2,319	265,684	166,425
Administrative expenses	(288,990)	(233,485)	(536)	(2,681)	(348,197)	(298,306)	(1,048,537)	(941,573)	(1,686,260)	(1,476,045)
Net foreign exchange gain (loss)	53,594	13,910	-	-	425,410	178,219	(26,534)	(34,467)	452,470	157,662
Finance costs	(65,562)	(65,755)	-	-	(1,397,347)	(1,251,481)	(39,593)	(85,200)	(1,502,502)	(1,402,436)
Share of profit of associates and joint ventures	731,592	747,852	503,382	534,260	2,313,250	1,583,323	28,940	41,761	3,577,164	2,907,196
Profit (loss) before income tax expense	**4,943,671**	**5,572,982**	**498,455**	**538,812**	**2,141,193**	**1,470,375**	**(728,646)**	**(646,375)**	**6,854,673**	**6,935,794**
(Tax expense) income	(929,051)	(1,003,333)	-	-	59,276	102,901	(1,120)	37,189	(870,895)	(863,243)
Profit (loss) for the year	**4,014,620**	**4,569,649**	**498,455**	**538,812**	**2,200,469**	**1,573,276**	**(729,766)**	**(609,186)**	**5,983,778**	**6,072,551**

For the year ended 31 December 2017

Total assets and total liabilities of each segment information as at 31 December 2017 and 2016 were as follow:

	Domestic Electricity Generating	Renewable Energy	International Power Projects	Others	Total
			(in thousand Baht)		
Total assets					
31 December 2017	39,528,439	2,637,389	45,267,962	6,791,041	**94,224,831**
31 December 2016	42,545,372	2,577,436	43,289,496	7,978,787	**96,391,091**
Total liabilities					
31 December 2017	8,197,296	909	22,352,480	392,968	**30,943,653**
31 December 2016	8,176,428	1,929	21,588,300	4,171,666	**33,938,323**

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	
	2017	2016	2017	2016
		(in thousand Baht)		
Thailand	39,621,234	45,009,852	52,746,824	57,568,108
Australia	2,323,859	2,329,273	20,810,670	19,144,946
Other countries	50,877	239,259	20,667,337	19,678,037
Total	**41,995,970**	**47,578,384**	**94,224,831**	**96,391,091**

27 Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
		(in thousand Baht)		
Compensation under the operation and maintenance agreement	85,606	53,564	-	-
Compensation from termination of power purchase agreement	-	35,209	-	-
Revenue from insurance claims	60,097	-	-	
Gain on disposal of assets	53	583	19	-
Gain on disposal of investments	27,887	-	-	-
Others	92,041	77,069	3,022	1,306
Total	**265,684**	**166,425**	**3,041**	**1,306**

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28 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Employee benefit expenses	676,691	639,385	466,254	446,992
Administrative expenses	467,101	445,145	237,714	257,853
Consultant fees	266,486	132,676	222,394	105,878
Depreciation and amortisation	131,125	139,801	80,079	82,608
Public relation expenses	52,702	58,570	31,781	38,417
Impairment loss on goodwill	40,832	-	-	-
Property tax	27,874	35,315	772	784
Donation	20,449	19,301	11,458	10,646
Loss on disposal of spare parts and equipment	-	5,852	-	-
Total	**1,686,260**	**1,476,045**	**1,050,452**	**943,178**

29 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Managements				
Directors' remuneration	10,228	10,694	8,268	7,979
Wages and salaries	112,562	109,743	32,982	33,621
Defined contribution plans	9,167	9,619	2,710	2,447
Others	50,507	47,199	40,830	33,708
	182,464	177,255	84,790	77,755
Employees				
Wages and salaries	317,637	295,558	239,053	230,872
Defined contribution plans	23,053	21,706	20,055	18,886
Others	156,537	144,866	122,356	119,479
	497,227	462,130	381,464	369,237
Total	**676,691**	**639,385**	**466,254**	**446,992**

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.

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30 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
Fuel costs	31,041,950	36,447,009	-	-
Operation and maintenance service fee	1,558,255	1,592,147	-	-
Depreciation and amortisation	1,313,380	1,142,969	80,079	82,608
Repair expenses and spare parts used	1,917,075	1,389,636	-	-
Administrative expenses	514,105	505,612	249,944	269,283
Employee benefit expenses	679,691	639,385	466,254	446,992
Insurance premium for power plants	455,623	484,913	-	-
Consultant fees	266,486	132,676	222,394	105,878
Public relation expenses	52,702	58,570	31,781	38,417
Other costs	692,231	706,399	-	-

31 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Interest expense:					
Other related party	*4*	75,168	79,014	-	-
Other parties		1,409,775	1,280,876	39,593	85,200
Total interest expense		**1,484,943**	**1,359,890**	**39,593**	**85,200**
Amortisation of deferred financing fees		17,559	42,546	-	-
Total		**1,502,502**	**1,402,436**	**39,593**	**85,200**

32 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		(in thousand Baht)			
Current tax expense					
Current year		1,044,681	971,234	3,200	3,613
Under (over) provided in prior years		(16,744)	(38,262)	269	(34,921)
		1,027,937	**932,972**	**3,469**	**(31,308)**
Deferred tax expense					
Movements in temporary differences	*18*	(157,042)	(69,730)	(2,349)	(5,881)
Total income tax expense		**870,895**	**863,242**	**1,120**	**(37,189)**

For the year ended 31 December 2017

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit before income tax expense		6,854,673		6,935,794
Income tax using the Thai corporation tax rate	20	1,370,935	20	1,387,159
Effect of different tax rates in foreign jurisdictions		(32,390)		(39,751)
Income not subject to tax - dividend		(37,780)		(40,944)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		(536,069)		(415,097)
Recognition of previously unrecognised tax losses		(296)		(22,608)
Current year losses for which no deferred tax asset was recognised		122,520		32,745
Over provided in prior years		(16,744)		(38,262)
Others		719		-
Total	**13**	**870,895**	**12**	**863,242**

	Separate financial statements			
	2017		2016	
	Rate (%)	*(in thousand Baht)*	*Rate (%)*	*(in thousand Baht)*
Profit before income tax expense		4,167,583		5,678,332
Income tax using the Thai corporation tax rate	20	833,517	20	1,135,667
Income not subject to tax - dividend		(939,635)		(1,168,605)
Effect from expense not deductible for tax purposes and income and expenses recognised in the different periods between accounting and tax		(3,829)		(5,663)
Current year losses for which no deferred tax asset was recognised		107,598		32,720
Under (over) provided in prior years		269		(34,921)
Others		3,200		3,613
Total	**0.03**	**1,120**	**-**	**(37,189)**

Income tax reduction

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

33 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2017 and 2016 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:

For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht/ thousand shares)			
Profit for the year attributable to ordinary shareholders of the Company (basic)	6,106,700	6,165,722	4,166,463	5,715,521
Number of ordinary shares outstanding	1,450,000	1,450,000	1,450,000	1,450,000
Earnings per share (basic) *(in Baht)*	4.21	4.25	2.87	3.94

34 Dividends

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 net profit 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 net profit for the six-month period ended 30 June 2016. The net of such dividend amounting to Baht 1,813 million was paid to shareholders in April 2017.

At the Board of Directors meeting of the Company held on 24 August 2016, the Board approved the appropriation of interim dividend of Baht 1.10 per share, totalling Baht 1,595 million. The interim dividend was paid to shareholders in September 2016.

At the annual general meeting of the shareholders of the Company held on 7 April 2016, the shareholders approved the appropriation of dividend of Baht 2.27 per share, totalling Baht 3,292 million, from the net profit of 2015 after deducting the interim dividend of Baht 1.10 per share, totalling Baht 1,595 million, paid to shareholders in September 2015 from the net profit for the six-month period ended 30 June 2015. The net of such dividend amounting to Baht 1,697 million was paid to shareholders in April 2016.

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 derivative financial instruments 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.

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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 because loan interest rates (see note 20). However, the Group mitigates this risk by using derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific borrowings.

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:

		Consolidated financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2017					
Current					
Debt securities held for trading	1.04 to 4.30	174,456	318,626	-	493,082
Non-current					
Long-term loans to related party	5.46	-	-	42,813	42,813
Total		**174,456**	**318,626**	**42,813**	**535,895**
2016					
Current					
Debt securities held for trading	1.47 to 3.14	123,019	359,456	-	482,475
Non-current					
Long-term loans to related party	4.77	-	-	46,947	46,947
Total		**123,019**	**359,456**	**46,947**	**529,422**

		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2017					
Current					
Debt securities held for trading	1.04 to 4.30	142,392	318,626	-	461,018
Short-term loans to related party	2.45 to 2.48	2,730,000	-	-	2,730,000

For the year ended 31 December 2017

	Separate financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
Non-current					
Long-term loans to related parties	4.35 to 5.46	210,124	155,047	942,719	1,307,890
Total		**3,082,516**	**473,673**	**942,719**	**4,498,908**
2016					
Current					
Debt securities held for trading	1.47 to 3.14	88,400	359,456	-	447,856
Short-term loans to related party	2.45 to 4.50	5,400,000	-	-	5,400,000
Non-current					
Long-term loans to related parties	3.66 to 4.77	-	1,581,210	46,947	1,628,157
Total		**5,488,400**	**1,940,666**	**46,947**	**7,476,013**

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:

	Consolidated financial statements				
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
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**
2016					
Current					
Short-term loans from financial institutions	1.63 to 1.71	3,800,000	-	-	3,800,000
Non-current					
Long-term loans from related party	7.73	-	-	1,029,085	1,029,085
Long-term loans from financial institutions	4.05	-	2,567,009	-	2,567,009
Debentures	2.72 to 3.55	-	10,732,766	6,594,432	17,327,198
Total		**3,800,000**	**13,299,775**	**7,623,517**	**24,723,292**

For the year ended 31 December 2017

		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
			(in thousand Baht)		
2016					
Current					
Short-term loans from financial institutions	1.63 to 1.71	3,800,000	-	-	3,800,000

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 financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(in thousand Baht)			
United States Dollars				
Long-term loans to related parties	42,813	46,947	1,104,890	1,303,157
Other current payables	(564,839)	(97,430)	(26,055)	(20,574)
Lao Kip				
Investments held as available for sale	3,195,527	3,730,280	-	-
Australian Dollars				
Other current payables	(56,295)	(59,720)	-	-
Japan Yen				
Other current payables	(41,823)	(52,266)	-	-
Debentures	(4,345,050)	(4,596,056)		-
Others				
Other current payables	(695)	(3,783)	(398)	(35)
Gross balance sheet exposure	**(1,770,362)**	**(1,032,028)**	**1,078,437**	**1,282,548**
Estimated forecast purchases	(2,443,656)	(4,134,227)	-	-
Gross exposure	**(4,214,018)**	**(5,166,255)**	**1,078,437**	**1,282,548**
Foreign currency forward contracts	2,598,205	3,464,402	-	-
Cross currency swap contracts	4,353,096	4,606,036	-	-
Net exposure	**2,737,283**	**2,904,183**	**1,078,437**	**1,282,548**

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.

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

	Consolidated financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2017					
Financial assets measured at fair value					
Current					
Debt securities held for trading	493,082	-	493,082	-	493,082
Non-current					
Investments held as available for sale	3,195,527	3,195,527	-	-	3,195,527
Financial liabilities not measured at fair value					
Current					
Current portion of long-term loans from financial institutions	(2,658,281)	-	(2,658,281)	-	(2,658,281)
Non-current					
Long-term loans from financial institutions	(2,117,415)	-	(2,117,415)	-	(2,117,415)
Debentures	(16,139,581)	-	(16,915,170)	-	(16,915,170)

For the year ended 31 December 2017

	Consolidated financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(in thousand Baht)		
Derivative contracts*					
Foreign currency forward contracts	-	-	14,555	-	14,555
Interest rate swap and cross currency swap contracts	-	-	126,794	-	126,794
Foreign currency forward contracts	-	-	(106,172)	-	(106,172)
Interest rate swap and cross currency swap contracts	-	-	(3,836,087)	-	(3,836,087)
31 December 2016					
Financial assets measured at fair value					
Current					
Debt securities held for trading	482,475	-	482,475	-	482,475
Non-current					
Investments held as available for sale	3,730,280	3,730,280	-	-	3,730,280
Financial liabilities not measured at fair value					
Non-current					
Long-term loans from financial institutions	(2,567,009)	-	(2,567,009)	-	(2,567,009)
Debentures	(17,327,198)	-	(17,999,266)	-	(17,999,266)
Derivative contracts*					
Foreign currency forward contracts	-	-	78,555	-	78,555
Interest rate swap and cross currency swap contracts	-	-	409,093	-	409,093
Interest rate swap and cross currency swap contracts	-	-	(3,871,340)	-	(3,871,340)

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

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	Separate financial statements				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
		(in thousand Baht)			
31 December 2016					
Financial assets measured at fair value					
Current					
Debt securities held for trading	447,856	-	447,856	-	447,856

* The following table shows a reconciliation from the opening balances to the closing balances of fair values of the foreign currency forward contracts, interest rate swap and cross currency swap contracts during 2017.

Movement of cumulative fair values	**Consolidated financial statements** *(in thousand Baht)*
Gain	
At 1 January 2017	487,648
Decrease	(346,299)
At 31 December 2017	**141,349**
Loss	
At 1 January 2017	(3,871,340)
Increase	(70,919)
At 31 December 2017	**(3,942,259)**

Foreign currency forward contracts

As at 31 December 2017, the Group entered into various foreign currency forward contracts with financial institutions to manage exposure of fluctuations in foreign currency risk also relate to purchases. The Group had outstanding foreign currency forward contracts to buy Euro 11.32 million and U.S. Dollars 65.94 million with Australian Dollars 105.33 million or equivalent to Baht 2,686.61 million. Such contracts will mature in January 2018 to April 2018 *(31 December 2016: Euro 66.56 million and U.S. Dollars 28.00 million with Australian Dollars 134.50 million or equivalent to Baht 3,482.46 million).*

Interest rate swap and cross currency swap contracts

As at 31 December 2017, 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 2017 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 873.59 *million (31 December 2016: Baht currency totalling Baht 1,000 million, U.S. Dollars currency totalling U.S. Dollars 300 million, Japan Yen currency totalling Japan Yen 15,000 million and Australian Dollars currency totalling Australian Dollars 646.27 million).* All counterparties agree to pay the interest and the notional amount in accordance with the terms and conditions specified in the contracts.

For the year ended 31 December 2017

Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2.

Financial instruments measured at fair value

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

Financial instruments disclosed at fair value

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

Financial instruments not measured at fair value

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

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36 Commitments with non-related parties

Operation and Maintenance Agreement

On 30 June 2000, Tri Energy Company Limited, a direct subsidiary, entered into an Operation and Maintenance Agreement with a service provider. Under the terms of the agreement, such provider will operate and provide maintenance services to the subsidiary. The agreement is effective for a period of 20 years. Subsequently, on 1 August 2014, such subsidiary transferred its entire business including the Operation and Maintenance Agreement to Ratchaburi Electricity Generating Company Limited. Ratchaburi Electricity Generating Company Limited will pay compensation for project management to or receive compensation from the service provider under the conditions specified in the agreement.

Fuel Purchase Agreements

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

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

On 22 May 1997, Tri Energy Company Limited, a direct subsidiary, entered into a Gas Sales Agreement with PTT for a period of 20 years. Subsequently, on 1 August 2014, such subsidiary transferred its entire business including the Gas Sales Agreement with PTT to Ratchaburi Electricity Generating Company Limited.

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 agreement price of 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 at the total agreement price of U.S. Dollars 418.21 million. As at 31 December 2017, such subsidiary had outstanding commitments amounting to U.S. Dollars 161.74 million *(31 December 2016: U.S. Dollars 184.08 million)*.

In addition, in accordance with the agreement, such subsidiary is required to open a letter of credit amounting to U.S. Dollars 6 million. As at 31 December 2017, such subsidiary had an unused letter of credit amounting to U.S. Dollars 6 million *(31 December 2016: U.S. Dollars 6 million)*.

For the year ended 31 December 2017

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 agreement price of U.S. Dollars 2.10 million. Such direct subsidiary has made advance payment under the term 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 at the total agreement price of U.S. Dollars 1.98 million. As at 31 December 2017, such subsidiary had outstanding commitments amounting to U.S. Dollars 0.61 million *(31 December 2016: U.S. Dollars 1.10 million).*

Letter of guarantee

As at 31 December 2017, 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 95.36 million, U.S. Dollars 21.92 million and Australian Dollars 0.30 million *(31 December 2016: Baht 94.05 million, U.S. Dollars 1.09 million and Australian Dollars 0.70 million).*

As at 31 December 2017, 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 1,457.66 million and U.S. Dollars 24.00 million *(31 December 2016: Baht 505.43 million and U.S. Dollars 23.50 million).*

Capital commitment

As at 31 December 2017, the Company had outstanding capital commitments amounting to Baht 0.36 million *(31 December 2016: Baht 2.86 million).*

As at 31 December 2017, RATCH-Australia Corporation Limited and its subsidiaries, an indirect subsidiary, had outstanding capital commitments according to the significant agreements in the proportion of investments under the Engineering Procurement & Construction Contracts for Wind Farm, Solar Power and Gas Turbine and other service agreements amounting to U.S. Dollars 61.21 million, Australian Dollars 119.84 million and Euro 11.32 million *(31 December 2016: U.S. Dollars 28.00 million, Australian Dollars 134.66 million and Euro 59.47 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.

For the year ended 31 December 2017

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

On 10 October 2017, the Company has pledged all share certificates of Northern Bangkok Monorial Company Limited and Eastern Bangkok Monorail Company Limited, investments in other companies, as collateral for loans of such companies.

Significant litigation

In the year 2014, the plaintiff filed a lawsuit against the Company based on the allegations that the Company had breached the joint development agreement for bidding of the Power Plant Project. The plaintiff demanded the Company to pay damage. The management of the Company is confident that all of the Company's action have not been in accordance with the allegations of the plaintiff and has much more confidence in strong defenses. Therefore, the Company does not record a contingent liability in respect of this case. As at 31 December 2017, this case is under the consideration of the Court.

37 Events after the reporting period

On 12 January 2018, the Company paid for the additional paid-up capital of Xe-Pian Xe-Namnoy Power Company Limited, a direct joint venture, amounting to U.S. Dollars 0.73 million or equivalent to Baht 23.42 million, in the proportion of investment of 25%.

On 8 February 2018, the Company paid for the additional paid-up capital of Eastern Bangkok Monorail Company Limited, an investment in other company, amounting to Baht 50 million, in the proportion of investment of 10%.

At the Board of Directors' meeting of the Company held on 13 February 2018, the Board approved to submit for approval at the annual general meeting of the shareholders of the Company, a full year 2017 dividend payment at the rate of Baht 2.40 per share, totalling Baht 3,480 million, from the net profit of 2017 after deducting the interim dividends 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 5 April 2018.

38 Reclassification of accounts

Certain accounts in the statement of financial position as at 31 December 2016 have been reclassified to conform to the presentation in the 2017 financial statements.

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	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
			(in thousand Baht)			
Statement of financial position						
Other current receivables	146,213	36,110	182,323	58,316	25,902	84,218
Other current assets	96,417	(36,110)	60,307	29,321	(25,902)	3,419
Investments held as available for sale	-	3,730,280	3,730,280	-	-	-
Other long-term investments	4,164,580	(3,730,280)	434,300	430,000	-	430,000
Other current payables	(1,332,209)	78,046	(1,254,163)	(221,705)	-	(221,705)
Other non-current payables	(1,884)	(78,046)	(79,930)	-	-	-
		-			-	

The reclassifications have been made in order to comply with the classification set out in the Pronouncement of the Department of Business Development "Determination of items in the financial statements (No. 2) B.E. 2559" dated 11 October 2016.

1. Significant events of the year 2017

1.1 The Progress of Projects

1.1.1 Collinsville Solar Power Project in Australia ("The Project")

On May 5, 2017, RATCH-Australia Corporation Limited ("RAC") (an indirect subsidiary in which the Company holds 80 percent stake) has achieved its financial close and started the construction of Collinsville Solar Power Project (100 percent owned by RAC) with the installed capacity of 42.50 megawatts in Australia. The Project has contracted 70 percent of its generated electricity under the Power Purchase Agreement with Braemar Power Projects Company, a subsidiary of Alinta Energy Company. Such Power Purchase Agreement will be expired on December 31, 2030. The other 30 percent of the generated electricity will be sold in Australia's National Electricity Market (NEM). The Project has also entered into EPC Contract, Electrical Connection Agreement, Operation and Maintenance Agreement and other related agreements. RATCH-Australia Collinsville Solar PV Pty Limited, a subsidiary of RAC, signed Financial Agreement with Clean Energy Finance Corporation (CEFC), with the total loan amount of AUD 57 million.

Collinsville Solar Power Project is supported by the grant fund for solar power project development from Australian Renewable Energy Agency (ARENA) in an amount of AUD 9.50 million. The Project is located in a closed coal mine area in the north of Queensland, Australia. Its commercial operation is expected to be in July 2018.

1.1.2 Ancillary Service Deed System Restart Service of Kemerton Power Plant in Australia

On October 31, 2017, RATCH-Australia Corporation Limited ("RAC") (an indirect subsidiary in which the Company held 80 percent stake) has reached and entered into an agreement for Ancillary Service Deed System Restart Service in order to install diesel generators used for Black Start at Kemerton Power Plant (which was operated by RATCH-Australia Kemerton Pty Limited, an indirect subsidiary of the Company which RAC held 100 percent stake).

The installation, which accounted for the total of 7 megawatts installed capacity, will be done with the budget of approximately AUD 10 million. It is expected to commence commercial operation within December 2018.

1.1.3 Riau Combined-Cycle Power Plant Project in the Republic of Indonesia

On April 7, 2017, RH International (Singapore) Corporation Pte. Limited. ("RHIS"), an indirect subsidiary, entered into a Joint Venture Agreement to establish PT Medco Ratch Power Riau, an indirect joint venture, in order to invest in Riau Combined-Cycle Power Plant Project in the Republic of Indonesia. The registered capital of such indirect joint venture was Indonesian Rupiah 12,000 million. Subsequently in April 2017, RHIS paid 25 percent initial paid-up capital in the proportion of investment of 49 percent amounting to Indonesian Rupiah 1,470 million or equivalent to Baht 3.80 million.

Riau Combined-Cycle Power Plant Project is located in the Republic of Indonesia, with the production capacity of 275 megawatts and 20-year Power Purchase Agreement. The Commercial Operation Date is expected to be within the year 2021.

1.1.4 MRT Pink Line (Khae Rai – Min Buri) and the MRT Yellow Line (Lat Phrao – Samrong)

As the Company together with BTS Group Holding Public Company Limited ("BTS") and Sino-Thai Engineering & Construction Public Company Limited ("STEC") have jointly invested in the MRT Pink Line Project (Khae Rai - Min Buri) and the MRT Yellow Line Project (Lat Phrao - Samrong);

On June 12, 2017, the Company, BTS, and STEC jointly established companies namely Northern Bangkok Monorail Company Limited ("NBM") and Eastern Bangkok Monorail Company Limited ("EBM"), in which the Company, BTS and STEC held 10 percent stake, 75 percent stake and 15 percent stake of shares in each company, respectively. The registered capitals of NBM and EBM were Baht 3,500 million each. The Company paid for paid-up share capital, in a portion of 10 percent, in the total amount of Baht 700 million (Baht 350 million each).

On June 16, 2017, NBM and EBM have entered into the Concession Contracts including of the obligation for extensions of the MRT Pink Line Project and the MRT Yellow Line Project with Mass Rapid Transit Authority of Thailand ("MRTA"). On October 9, 2017, the Company entered into a Sponsor Support Agreement with NBM and EBM to provide financial support in the form of shareholders' loans or the provision of shareholders guarantee in proportion of investment 10 percent.

The MRT Pink Line Project (Khae Rai - Min Buri), having a total track length of 34.5 kilometers, and the MRT Yellow Line Project (Lat Phrao - Samrong), having a total track length of 30.4 kilometers. Both projects are under the Public-Private Partnership (PPP) framework.

1.1.5 Berkprai Cogeneration SPP Project

On March 7, 2017, Berkprai Cogeneration Company Limited (an indirect joint venture in which Ratchaburi Electricity Generating Company Limited, the Company's direct subsidiary, holds 35 percent stake), the operator of Berkprai Cogeneration SPP Project, has entered into the Engineering, Procurement, and Construction Contract (EPC Contract) with the Consortium of Thai Jurong Engineering Limited and Jurong Engineering Limited.

On June 6, 2017, Berkprai Cogeneration Company Limited has signed Facilities Agreement with Bangkok Bank Public Company Limited. The loan amount is Baht 4,000 million for the period of 20 years from the agreement signing date.

During the year 2017, Ratchaburi Electricity Generating Company Limited has paid for additional share capital, by its proportion, in the total amount of Baht 349.39 million. As a result, the total paid up capital is Baht 465.85 million, in a portion of 35 percent.

Berkprai Cogeneration SPP Project has approximately 100 megawatts electricity generating capacity and steam generating capacity of 15 tons per hour. It is located in Berkprai Sub-district, Ban Pong District, Ratchaburi Province. The Project has 25-year Firm Cogeneration PPA with Electricity Generating Authority of Thailand. It is expected to commence commercial operation in 2019.

1.1.6 The Entering into the Agreement for Operation and Maintenance Services for Hongsa Mine Mouth Power Project

On November 22, 2017, RATCH-Lao Services Company Limited, a direct subsidiary, has entered into an Agreement for Operation and Maintenance Services for Hongsa Mine Mouth Power Project with the Electricity Generating Authority of Thailand to support human resources for the operation and maintenance services of Hongsa Mine Mouth Project in Lao PDR. The agreement is effective from December 1, 2017 to October 31, 2020, with the total value of Baht 135 million.

1.2 Disposal of investments in joint ventures

1.2.1 The Sale of Ordinary Shares of Oversea Green Energy Company Limited

On August 25, 2017, Ratchaburi Energy Company Limited, a direct subsidiary, sold its entire ordinary shares totaling 1,260,000 shares or equivalent to 60 percent of the total shares in Oversea Green Energy Company Limited which invests in the project management service of Iwaki-Fukushima and Ueda Solar Power Projects in Japan to the existing shareholder in the amount of Baht 9.6 million.

1.2.2 The Sale of Ordinary Shares of RICI International Investment Pte. Limited

On August 16, 2017, RH International (Singapore) Corporation Pte. Limited, an indirect subsidiary, sold its entire ordinary shares totaling 9,510,060 shares or equivalent to 60 percent of the total shares in RICI International Investment Pte. Limited, which is the developer of Iwaki-Fukushima and Ueda Solar Power Projects in Japan to the existing shareholder in the amount of USD 9.81 million.

2. Operation performance according to consolidated financial statement

Unit : Million Baht

	2017	2016	Increase (Decrease)	%
Revenue from sale and rendering of services (excluded Fuel Cost)	6,656.26	6,287.22	369.04	5.9
Revenue from financial leases	3,995.45	4,491.34	(495.89)	(11.0)
Share of profit of associate entities and joint ventures	3,577.16	2,907.20	669.96	23.0
Other incomes	865.20	794.30	70.90	8.9
Total revenues	15,094.07	14,480.06	614.01	4.2
Cost of sale and rendering of services (excluded Fuel Cost)	5,503.11	4,823.45	679.66	14.1
Administrative expenses	1,686.26	1,476.04	210.22	14.2
Finance costs	1,502.50	1,402.44	100.06	7.1
Income tax expense	870.89	863.24	7.65	0.9
Total expenses	9,562.76	8,565.17	997.59	11.6
	5,531.31	5,914.89	(383.58)	(6.5)
Non-controlling Interests	122.92	93.17	29.75	31.9
Profit Attributable to Owner of the Company before exchange rate	5,654.23	6,008.06	(353.83)	(5.9)
Gain (loss) on exchange rate	452.47	157.66	294.81	187.0
Profit Attributable to Owner of the Company	**6,106.70**	**6,165.72**	**(59.02)**	**(1.0)**
Earnings per share (Baht)	4.21	4.25		
Fuel Cost	*31,344.26*	*36,799.82*		

The operating result according to the consolidated financial statements of the Company and its subsidiaries for the year 2017 showed the profit of Baht 6,106.70 million or Baht 4.21 per share, decreasing by Baht 59.02 million or 1.0 percent, compared to the profit of Baht 6,165.72 million or Baht 4.25 per share of the year 2016. The significant transactions were as follows:-

2.1 Share of profits of associated entities and joint ventures

Share of profits in associate entities and joint ventures for the year 2017 was Baht 3,577.16 million, increasing by Baht 669.96 million or 23.0 percent from Baht 2,907.20 million in the year 2016. The main reasons were as follows:-

2.1.1 The profit of Hongsa Power Company Limited ("HPC"), a joint venture, in a portion of 40 percent increased in the amount of Baht 821.62 million; as well as, the profit of Phu Fai Mining Company Limited, a joint venture for coal mining and trading to HPC, in a portion of 37.5 percent increased in the amount of Baht 47.60 million, as Hongsa Power Plants generated electricity more than the previous year. In addition, Hongsa Power Plants have commenced commercial operation for 3 units on September 2, 2015, November 2, 2015, and March 2, 2016, respectively.

2.1.2 The profit of Navanakorn Electricity Generating Company Limited, a joint venture, in a portion of 40 percent, increased in the amount of Baht 103.26 million as the power plant has commenced commercial operation on June 3, 2016.

2.1.3 The loss of Xe-Pian Xe-Namnoy Power Company Limited, an under construction joint venture, in a portion of 25 percent, was Baht 152.75 million in the year 2017 due to loss on exchange rate in the amount of Baht 136.75 million. In the year 2016, the figures showed the profit in the amount of Baht 60.16 million due to the gain on exchange rate in the amount of Baht 75.51 million.

2.1.4 The profit of Ratchaburi Power Company Limited, a joint venture, in a portion of 25 percent, decreased in the amount of Baht 126.49 million. The main reason was the decrease in revenue from finance lease contracts in the amount of Baht 99.84 million. Additionally, the power plant generated electricity less than the previous year.

2.2 Revenue from Sales and Rendering of Services (excluding fuel costs)

Revenue from sale and rendering of services for the year 2017 was Baht 6,656.26 million (excluding fuel costs of Baht 31,344.26 million), increasing by Baht 369.04 million or 5.9 percent from revenue from sale and rendering of services in the year 2016 of Baht 6,287.22 million (excluding fuel costs of Baht 36,799.82 million). The main reason was the increase in revenue from sale of Ratchaburi Electricity Generating Company Limited, a subsidiary, in the amount of Baht 556.72 million due to the increase in Base Availability Credit in 2017 compared to that of 2016, as specified in the Power Purchase Agreement. Meanwhile, revenue from operation and maintenance services of RATCH-Lao Services Company Limited, a subsidiary, decreased by Baht 188.38 million as it has transferred its rights of such service agreement to Nam Ngum 2 Power Company Limited in April 2016, in exchange for the Baht 134.71 million remedy.

2.3 Cost of sale and rendering of services (excluding fuel costs)

Cost of sale and rendering of services for the year 2017 was Baht 5,503.11 million (excluding fuel costs of Baht 31,344.26 million), increasing by Baht 679.66 million, or 14.1 percent from the cost of sale and rendering of services in the year 2016 in the amount of Baht 4,823.45 million (excluding fuel costs of Baht 36,799.82 million). The main reason was from the increase in cost of sale of Ratchaburi Electricity Generating Company Limited by Baht 705.86 million, as the shutdowns for planned maintenance during the year 2017 were more than those of the previous year.

2.4 Revenue from Finance Leases Contracts

Revenue from finance leases contracts for the year 2017 was Baht 3,995.45 million, decreasing by Baht 495.89 million or 11.0 percent from Baht 4,491.34 million in the year 2016. The change was due to the decreased lease receivable, calculated according to the Effective Interest Method.

2.5 The effect of exchange rate of the Company and its subsidiaries

In the year 2017, the Company recorded gain on exchange rate of Baht 452.47 million, increasing by Baht 294.81 million or 187.0 percent from Baht 157.66 million in the previous year. The main reason was the appreciation of AUD currency in relative to USD currency, resulting in the increase of net asset value in AUD currency.

3. Analysis of Statements of Financial Position

3.1 Analysis of Assets

As at December 31, 2017, the total assets were Baht 94,224.83 million, decreasing by Baht 2,166.26 million or 2.2 percent from Baht 96,391.09 million as at December 31, 2016. The details were as follows:

(Million Baht)

	Dec 31, 2017	Dec 31, 2016	Increase (Decrease)	%
Current assets	23,525.93	26,303.02	(2,777.09)	(10.6)
Non-current assets	70,698.90	70,088.07	610.83	0.9
Total Assets	**94,224.83**	**96,391.09**	**(2,166.26)**	**(2.2)**

3.1.1 Financial lease receivables from related party decreased in the amount of Baht 3,770.05 million.

3.1.2 Cash and cash equivalents decreased in the amount of Baht 131.75 million. The details are described in no.4. Additionally, current investments decreased in the amount of Baht 2,452.40 million.

3.1.3 Trade accounts receivable from related parties of Ratchaburi Electricity Generating Company, Limited, a subsidiary, decreased in the amount of Baht 699.41 million as the electricity sales in November and December of 2017 were less than the electricity sales in November and December of 2016.

3.1.4 The Company invested in the MRT Pink Line Project and the MRT Yellow Line Project in the total amount of Baht 700 Million.

3.1.5 Assets of Mount Emerald Wind Farm Project and Collinsville Solar Power Project; projects under RATCH-Australia Corporation Limited, a subsidiary located in Australia, increased in the total amount of AUD 160.04 million.

3.1.6 RH International (Singapore) Corporation Pte. Limited, an indirect subsidiary, made an advance payment for share subscription in the amount of USD 20.83 million to PT Medco Ratch Power Riau, an indirect joint venture, as to develop the Riau Combined-Cycle Power Plant Project in the Republic of Indonesia. The payment was to fund the Project Development Cost Account as stipulated in the Power Purchase Agreement.

3.2 Analysis of Liabilities

As at December 31, 2017, total liabilities were Baht 30,943.65 million, decreasing by Baht 2,994.67 million or 8.8 percent from Baht 33,938.32 million as at December 31, 2016. The details were as follows:

(Million Baht)

	Dec 31, 2017	Dec 31, 2016	Increase (Decrease)	%
Current Liabilities	9,541.63	10,867.76	(1,326.13)	(12.2)
Non-Current Liabilities	21,402.02	23,070.56	(1,668.54)	(7.2)
Liabilities	**30,943.65**	**33,938.32**	**(2,994.67)**	**(8.8)**

3.2.1 The Company made a repayment for its short-term loans from financial institutions during the year, in the amount of Baht 3,800 million.

3.2.2 USD 300 million and JPY 15,000 million debentures decreased in the total amount of Baht 1,187.62 million due to the depreciation of USD currency in relative to THB currency.

3.2.3 Trade accounts payable of Ratchaburi Electricity Generating Company Limited, a subsidiary decreased in the amount of Baht 306.22 million as Ratchaburi Power Plants generated less electricity in November and December 2017 than that of in November and December 2016, resulting in the decrease in fuel consumption.

3.2.4 RATCH-Australia Corporation Limited, a subsidiary, received long-terms loan from financial institutions during the year in the amount of AUD 88.12 million.

3.3 Analysis of Equity

As at December 31, 2017, equity was Baht 63,281.18 million, increasing by Baht 828.41 million or 1.3 percent from Baht 62,452.77 million as at December 31, 2016. The main reasons were as follows:

3.3.1 The profit of the year 2017 in the amount of Baht 6,106.70 million

3.3.2 The dividend payment during the year 2017 decreased retained earnings in the amount of Baht 3,480.00 million.

3.3.3 Other components of equity decreased in the amount of Baht 1,682.88 million. The main reason was currency translation differences, decreasing the equity in the amount of Baht 1,295.02 million. Additionally, change in fair value of the investment in EDL-Generation Public Company decreased the equity in the amount of Baht 387.61 million.

3.3.4 Non-controlling interests decreased by Baht 115.41 million.

4. Analysis of Cash Flows

Cash and cash equivalents of the Company and its subsidiaries as at December 31, 2017 were Baht 9,287.46 million, decreasing by Baht 131.75 million from Baht 9,419.21 million on December 31, 2016. The details were summarized below:

	(Million Baht)
Net cash from operating activities	8,207.42
Net cash used in investing activities	(1,605.87)
Net cash used in financing activities	(6,430.40)
Effect of exchange rate changes on balances held in foreign currencies	(302.90)
Net cash decrease during the year	**(131.75)**

4.1 Net cash from operating activities increased cash flow in the amount of Baht 8,207.42 million. The reason was the operating result of the year 2017 improved cash position by Baht 5,340.50 million, together with the change in operating assets and liabilities in the amount of Baht 2,866.92 million.

4.2 Net cash used in investing activities decreased cash flow in the amount of Baht 1,605.87 million. The main reasons were as follow:-

4.2.1 RATCH-Australia Corporation Limited, a subsidiary, invested in Mount Emerald Wind Farm Project and Collinsville Solar Power Project in Australia in the total amount of AUD 160.04 million.

4.2.2 The Company additionally invested in Xe-Pian Xe-Namnoy Power Company Limited and Berkprai Cogeneration Company Limited in the total amount of Baht 1,001.03 million. In addition, the Company invested in the MRT Pink Line Project and the MRT Yellow Line Project in the total amount of Baht 700 million.

4.2.3 RH International (Singapore) Corporation Pte. Limited, an indirect subsidiary, made an advance payment for shares subscription in the amount of USD 20.83 million (equivalent to Baht 708.03 million) to PT Medco Ratch Power Riau, an indirect joint venture, to develop the Riau Combined-Cycle Power Plant Project in the Republic of Indonesia.

4.2.4 The Company received dividends from associates and joint ventures in the total amount of Baht 2,532.10 million.

4.2.5 The Company received cash from current investments in the amount of Baht 2,462.25 million.

4.3 Net cash used in financing activities decreased cash flow in the amount of Baht 6,430.40 million. The main reasons were as follows:-

4.3.1 The Company made a short-term loan repayment during the year in the amount of Baht 3,800 million.

4.3.2 The dividend payment to shareholders during the year in the amount of Baht 3,478.90 million.

4.3.3 The Company paid for interest expenses in the amount of Baht 1,397.89 million.

4.3.4 RATCH-Australia Corporation Limited, a subsidiary, received long-term loan from financial institution in the amount of AUD 88.12 million (equivalent to baht 2,247.61 million).

5. Significant Financial Ratios (Excluded the effect of foreign exchange rate)

Ratios		2017	2016
1) Current Ratio	(Times)	2.47	2.42
2) Profit to Total Revenue (excluded fuel costs)	(%)	36.65	40.85
3) Return on Equity	(%)	9.00	9.81
4) Return on Assets	(%)	5.80	6.26
5) EBITDA *	(Million Baht)	9,218	9,324
6) EBITDA to Total Assets	(%)	9.67	9.87
7) Debt to Equity Ratio	(Times)	0.49	0.54
8) Debt Service Coverage Ratio	(Times)	1.58	3.27
9) Book Value per Share	(Baht)	43.63	42.98
** Not included the change in lease receivable*	*(Million Baht)*	*3,920.38*	*3,195.55*



RATCH

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