

# Ratchaburi Electricity Generating Holding PCL

## Management Discussion and Analysis

For the Year Ended December 31, 2018

**RATCH**



RATCHABURI  
ELECTRICITY GENERATING  
HOLDING PCL.



(Translation)

## **1. Significant Events of the Year 2018**

### **1.1 The Repurchase of Existing Notes and the Issuance and Offering of Newly-Issued Notes**

On March 27, 2018, RH International (Singapore) Corporation Pte. Limited “RHIS”, a subsidiary, partially repurchased “US\$300,000,000 3.5% notes due 2019”, that will be due in 2019, from investors overseas in aggregate principal amount of USD 193 million. Meanwhile, RHIS also completed its issue and offering of “US\$300,000,000 4.5% notes due 2028” in the amount of USD 300 million. The new notes were issued with a tenor of 10 years and a maturity date in 2028, and bear a fixed interest rate of 4.50 percent per annum. Payment under the notes is guaranteed by the Company. The net proceeds from the issue of the new notes will be used to fund the repurchase of the existing notes and to finance the Group’s general corporate purposes, including, but not limited to, working capital requirements, capital expenditures, funding the Group’s investment activities and/or refinancing debts.

### **1.2 Securities Sale Deed to Increase Investment Proportion and Increase in Share Capital in RATCH-Australia Corporation Pty Limited**

On April 20, 2018, RH International (Singapore) Corporation Pte. Limited, a subsidiary, entered into a Securities Sale Deed with Broadspectrum Pty Limited to acquire 20 percent of the shares of RATCH-Australia Corporation Pty Limited, a subsidiary, held by Broadspectrum Pty Limited and as part of the repayment of the outstanding long-term loans from Broadspectrum Pty Limited., including related rights under the terms of the agreement for an amount of AUD 53.50 million. Subsequently, on May 3, 2018, RH International (Singapore) Corporation Pte. Limited acquired such shares from Broadspectrum Pty Limited and repaid such outstanding long-term loans to Broadspectrum Pty Limited. As a result, the proportion of investment in RATCH-Australia Corporation Pty Limited of the Group changed from 80 percent to 100 percent.

On October 30, 2018, the Board of Directors meeting of RATCH-Australia Corporation Pty Limited approved to increase the authorized share capital from AUD 312.65 million to AUD 327.65 million by issuance of new ordinary shares totaling 139.61 million shares. Subsequently, on December 27, 2018, RH International (Singapore) Corporation Pte. Limited, paid for share capital totaling AUD 15 million or equivalent to Baht 342.97 million, in the proportion of investment of 100 percent.

### **1.3 The Expansion of Electricity and Steam Generation Capacity of Nava Nakorn Electricity Generating Company Limited**

Nava Nakorn Electricity Generating Company Limited (an indirect joint venture in which Ratchaburi Electricity Generating Company Limited, the Company's direct subsidiary, holds 40 percent stake), the operator of a small power producer in Nava Nakorn Industrial Promotion Zone, invested in an expansion for an addition of 60 megawatts of electricity generation capacity and 10 tons per hour of steam generation capacity with the project cost of approximately Baht 3,105 million (the debt proportion is approximately 75 percent and the equity proportion is approximately 25 percent). The capacity expansion project began construction in September 2018 and is expected to be completed and commence commercial operation approximately in September 2020. After the operation, Nava Nakorn Electricity Generating Company Limited will have the total electricity generation capacity of approximately 185 megawatts and the net steam generation capacity of approximately 40 tons per hour.

### **1.4 The Signing of Project Development for Xe Kong 4A and 4B Hydroelectric Power Project in the Lao People's Democratic Republic**

On May 29, 2018, the Company and the Government of the Lao People's Democratic Republic signed Power Development Agreement for Xe Kong 4A and 4B Hydroelectric Power Project with an installed capacity of approximately 340 megawatts. The project cost is approximately USD 835 million. The project's joint investors are the Company (60 percent), Lao World Engineering & Construction Company Limited (20 percent), and B.Grimm Power Public Company Limited (20 percent).

### **1.5 The Collapse of the Saddle Dam of Xe-Pian Xe-Namnoy Hydroelectric Power Project**

On July 23, 2018, the Saddle Dam of Xe-Pian Xe-Namnoy Hydroelectric Power Project, located in Champasak district, Lao PDR, of Xe-pian Xe-Namnoy Power Company Limited (“PNPC”), a joint venture which the Company holds 25 percent stake, collapsed. The Saddle Dam fractured, causing the water to flow to the downstream area. PNPC evacuated the people residing around the affected area for safety. PNPC has a standard insurance package in accordance with the loan agreement, including all risk insurance for construction, third-party liability insurance, and delay start-up insurance. The costs incurred as a result of the collapse are primarily the responsibility of the contractor in charge of engineering, procurement and construction (EPC). Currently, PNPC together with its insurers is in the process of assessing the situation and the Government of Lao PDR appointed National Investigation Committee to investigate such situation which expects to finish in 2019.

Xe-Pian Xe-Namnoy Power Company Limited, the developer of Xe-Pian Xe-Namnoy Hydroelectric Power Project with a capacity of 410 megawatts, is a joint venture company among SK Engineering & Construction Company Limited (26 percent), Korea Western Power Company Limited (25 percent), Lao Holding State Enterprise (24 percent) and the Company (25 percent). The project is located in Attapeu and Champasak Provinces in Lao PDR.

### **1.6 Commercial Operation of Diesel Generator Installation Project of the System Restart Service of Kemerton Power Station**

On October 23, 2018, the Diesel Generator Installation Project of the System Restart Service (Black Start) of Kemerton Power Station (under the Operation of RATCH-Australia Kemerton Pty Limited which RATCH-Australia Corporation Pty Limited; an indirect subsidiary holds 100 percent stake) of 4 sets of diesel power generator with a total installation capacity of 7 megawatts has started its commercial operation consistent with Ancillary Service Deed System Restart Service which enables Kemerton Power Station to provide system restart service to the local grid of the south country region of the South West Interconnected System (“SWIS”) of Western Australia.

### **1.7 Share Purchasing to Operate a Hydroelectric Power Project in the Republic of Indonesia**

On December 6, 2018, RH International (Singapore) Corporation Pte. Limited, a subsidiary, has purchased ordinary shares in Fareast Renewable Development Pte. Limited (“FRD”) in the portion of 50 percent from its existing shareholders in order to participate in the operation of Asahan-1 Hydroelectric Power Project (“Asahan-1”) in the Republic of Indonesia. The investment value is approximately USD 81.92 million or equivalent to approximately Baht 2,688.57 million. The shareholding structure of Asahan-1 comprises of FRD at approximately 53.21 percent, resulting in RHIS indirect stake in Asahan-1 of 26.61 percent.

Asahan-1 Hydroelectric Power Project is a run-of-river hydroelectric power plant with generation capacity 180 megawatts. It is located on Asahan River, North Sumatra Province, the Republic of Indonesia. It has commenced commercial operation since January 2011 and has 30-year power purchase agreement ending on December 31, 2040 with PT PLN (Persero).

### **1.8 Commercial Operation Commencement under the Power Purchase Agreement of Mount Emerald Wind Farm in Australia**

On December 12, 2018, Mount Emerald Wind Farm Project, located in the north of Queensland, Australia, with the total production capacity of 180 megawatts which the Company invested through Mount Emerald Wind Farm Pty Ltd, an indirect subsidiary of RATCH-Australia Corporation Pty Limited has commenced the operation and recognition the benefit as per the Power Purchase Agreement.

### **1.9 Signing of Shareholders Agreement and Sale and Purchase Agreement of Shares to Jointly Invest in Sandin Water Supply Project in Lao PDR**

On December 19, 2018, Ratch-Lao Services Company Limited, a subsidiary, signed Shareholders Agreement and Sale and Purchase Agreement of shares of Asia Water Sole Company Limited., the operator of Sandin Water Supply Project in Lao PDR at the proportion of 40 percent of the registered capital or equivalent to 4,800,000 ordinary shares with par value of LAK 8,400 each. The transaction amount is USD 5.80 million paid from Ratch-Lao Services Company Limited’s working capital and loan.

On January 3, 2019, Ratch-Lao Services Company Limited paid 10 percent for advance payment for shares in the proportion of investment, in an amount of USD 0.58 million or equivalent to Baht 18.92 million. The last payment is expected to be paid in February 2019.

The Sandin Water Supply project is located in Naxay Thong, Vientiane Capital, Lao PDR. Its business is generating water supply and selling water to Nampapa Nakhone Luang under its 50-year concession with the total generating capacity of 48,000 cubic meters per day. The generating capacity is divided into 2 phases; Phase 1 commenced its operation in December 2018 at 24,000 cubic meters per day and Phase 2 to be expanded its generating capacity to 48,000 cubic meters per day by approximately 2031.

### **1.10 Changes in Accounting Policy**

On January 1, 2018, the Company had adopted accounting policy for derivatives and hedge accounting. The changes have been applied retrospectively. The significant principles are as follows:-

Derivatives are used to manage exposure to foreign exchange and interest rate risks. Derivatives are recognized initially at fair value. Subsequent to initial recognition, they are remeasured at fair value and gain or loss on remeasurement to fair value is recognized immediately in profit or loss. However, where derivatives qualified for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

In case of Cash Flow Hedges, only the effective portion of changes in the fair value of the derivatives is recognized in other comprehensive income. Any ineffective portion is recognized immediately in profit or loss.

The consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for year ended 31 December 2017, comparative information, were adjusted according to the accounting policy changes. The impacts on the consolidated statement of financial position and the consolidated statement of comprehensive income are summarized as follows:-

Unit : Million Baht

| Statement of Financial Position                                    | Dec 31, 2017 | Jan 1, 2017 |
|--|--------------|-------------|
| <b>Assets</b>  |              |             |
| Total Assets - As Previously Reported                              | 94,224.83    | 96,391.09   |
| Derivative Assets Increase / (Decrease)                            | 143.51       | 488.56      |
| Investments in Associates and Joint Ventures Increase / (Decrease) | (573.93)     | (785.71)    |
| Total Assets - Restated  | 93,794.41    | 96,093.94   |
| <b>Liabilities</b>   |              |             |
| Total Liabilities - As Previously Reported                         | 30,943.65    | 33,938.32   |
| Derivative Liabilities Increase / (Decrease)                       | 3,838.44     | 3,872.25    |
| Deferred Tax Liabilities Increase / (Decrease)                     | 2.82         | 0.70        |
| Total Liabilities - Restated                                       | 34,784.91    | 37,811.27   |
| <b>Equity</b>  |              |             |
| Total Equity - As Previously Reported                              | 63,281.18    | 62,452.77   |
| Retained Earnings Increase / (Decrease)                            | (3,109.45)   | (3,041.29)  |
| Other Components of Equity Increase / (Decrease)                   | (472.33)     | (488.75)    |
| Non-Controlling Interests Increase / (Decrease)                    | (689.90)     | (640.06)    |
| Total Equity - Restated  | 59,009.50    | 58,282.67   |

Unit : Million Baht

| Statement of Comprehensive Income                                      | Year 2017 |
|--|-----------|
| Profit Attributable to Owner of the Parent - As Previously Reported    | 6,106.70  |
| Finance Costs (Increase) / Decrease                                    | (84.75)   |
| Share of Profit of Associates and Joint Ventures Increase / (Decrease) | 18.24     |
| Income Tax Expense (Increase) / Decrease                               | (2.10)    |
| Non-controlling interests (Increase) / Decrease                        | 0.46      |
| Profit Attributable to Owner of the Parent - Restated                  | 6,038.55  |

## 2. Operation Performance According to Consolidated Financial Statement

Unit : Million Baht

|  | 2018             | 2017 *           | Increase<br>(Decrease) | %             |
|--|------------------|------------------|------------------------|---------------|
| Revenue from sales and rendering of services (excluding fuel cost) | 5,881.33         | 6,656.26         | (774.93)               | (11.6)        |
| Revenue from financial lease contract                              | 3,335.81         | 3,995.45         | (659.64)               | (16.5)        |
| Share of profit of associates and joint ventures                   | 4,735.47         | 3,595.40         | 1,140.07               | 31.7          |
| Management service income  | 238.88           | 244.66           | (5.78)                 | (2.4)         |
| Interest income and dividend income                                | 400.18           | 354.86           | 45.32                  | 12.8          |
| Other incomes  | 189.06           | 265.68           | (76.62)                | (28.8)        |
| <b>Total revenues</b>  | <b>14,780.73</b> | <b>15,112.31</b> | <b>(331.58)</b>        | <b>(2.2)</b>  |
| Cost of sales and rendering of services (excluding fuel cost)      | 4,867.28         | 5,503.11         | (635.83)               | (11.6)        |
| Administrative expenses  | 1,593.99         | 1,686.26         | (92.27)                | (5.5)         |
| Finance costs  | 1,014.89         | 1,587.25         | (572.36)               | (36.1)        |
| Income tax expense   | 870.58           | 872.99           | (2.41)                 | (0.3)         |
| <b>Total expenses</b>  | <b>8,346.74</b>  | <b>9,649.61</b>  | <b>(1,302.87)</b>      | <b>(13.5)</b> |
|  | 6,433.99         | 5,462.70         | 971.29                 | 17.8          |
| Non-controlling Interests  | 18.63            | 123.38           | (104.75)               | (84.9)        |
| Profit attributable to owner of the Company before exchange rate   | 6,452.62         | 5,586.08         | 866.54                 | 15.5          |
| Gain (loss) on foreign exchange                                    | (865.02)         | 452.47           | (1,317.49)             | (291.2)       |
| <b>Profit attributable to owner of the Company</b>                 | <b>5,587.60</b>  | <b>6,038.55</b>  | <b>(450.95)</b>        | <b>(7.5)</b>  |
| Earnings per share (Baht)  | 3.85             | 4.16             |                        |               |

*Fuel Cost*                      **30,302.81**                      **31,344.26**

\* Restated

The operating result according to the consolidated financial statement for the year 2018 showed the profit (attributable to owners of the Company) of Baht 5,587.60 million or Baht 3.85 per share, decreasing by Baht 450.95 million, or 7.5 percent, compared to the profit of Baht 6,038.55 million or Baht 4.16 per share of the year 2017. However, the operating result according to the consolidated financial statement for the year 2018, without consideration of the effect of foreign exchange gain (loss) of the Company and its subsidiaries, showed the profit of Baht 6,452.62 million, compared to the profit of Baht 5,586.08 million of the year 2017, increasing by Baht 866.54 million, or 15.5 percent. The significant transactions were as follows:-

## **2.1 The Effect of Exchange Rate of the Company and its Subsidiaries**

In the year 2018, the Company recorded loss on foreign exchange of Baht 865.02 million, the main reason was from loan to related parties in AUD currency. As a result, when the AUD currency depreciated in relative to USD currency, the asset value in AUD currency decreased. In contrast, the Company recorded gain on exchange rate of Baht 452.47 million in the year 2017 due to the appreciation of AUD currency in relative to USD currency, resulting in the increase of asset value in AUD currency.

## **2.2 Share of Profits of Associates and Joint Ventures**

Share of profits of associates and joint ventures for the year 2018 was Baht 4,735.47 million, increasing by Baht 1,140.07 million or 31.7 percent from Baht 3,595.40 million in the year 2017. The main reasons were as follows:-

2.2.1 The profit of Hongsa Power Company Limited ("HPC"), a joint venture in a portion of 40, percent increased in the amount of Baht 1,046.60 million as Hongsa Power Plants generated more electricity than the previous year.

2.2.2 The profit of SouthEast Asia Energy Limited, a joint venture in the portion of 33.33 percent, increased in the amount of Baht 158.21 million due to the higher of water level in Nam Ngum 2 Dam when compared to the previous year, leading to higher electricity generation.

## **2.3 Cost of Sale and Rendering of Services (Excluding Fuel Costs)**

Cost of sales and rendering of services for the year 2018 was Baht 4,867.28 million (excluding fuel costs of Baht 30,302.81 million), decreasing by Baht 635.83 million, or 11.6 percent from the cost of sales and rendering of services in the year 2017 in the amount of Baht 5,503.11 million (excluding fuel costs of Baht 31,344.26 million). The main reason was from the decrease in cost of sales of Ratchaburi Electricity Generating Company Limited, a subsidiary, by Baht 498.76 million, as the shutdowns for planned maintenance during the year 2018 were less than those of the previous year.

## 2.4 Finance Costs

Finance costs for the year 2018 was Baht 1,014.89 million, decreasing by Baht 572.36 million or 36.1 percent from Baht 1,587.25 million in the year 2017. The decrease in finance cost of Baht 458.68 million was from the recognition of gain on remeasurement to fair value of the derivative according to the adopted accounting policies for derivatives and hedge accounting.

## 2.5 Revenue from Sales and Rendering of Services (Excluding Fuel Costs)

Revenue from sale and rendering of services for the year 2018 was Baht 5,881.33 million (excluding fuel costs of Baht 30,302.81 million), decreasing by Baht 774.93 million or 11.6 percent from revenue from sale and rendering of services in the year 2017 of Baht 6,656.26 million (excluding fuel costs of Baht 31,344.26 million). The main reason was the decrease in revenue from sale of Ratchaburi Electricity Generating Company Limited, a subsidiary, in the amount of Baht 638.05 million due to the decrease in Base Availability Credit in 2018 compared to that of 2017, as specified in the Power Purchase Agreement.

## 2.6 Revenue from Finance Leases Contracts

Revenue from finance lease contracts for the year 2018 was Baht 3,335.81 million, decreasing by Baht 659.64 million or 16.5 percent from Baht 3,995.45 million in the year 2017. The change was due to the decreased lease receivable, calculated according to the Effective Interest Method.

### 3. Analysis of Statement of Financial Position

#### 3.1 Analysis of Assets

As at December 31, 2018, the total assets were Baht 101,251.90 million, increasing by Baht 7,457.49 million or 8.0 percent from Baht 93,794.41 million as at December 31, 2017. The details were as follows:

(Million Baht)

|                     | Dec 31, 2018      | Dec 31, 2017 *   | Increase<br>(Decrease) | %          |
|---------------------|-------------------|------------------|------------------------|------------|
| Current assets      | 23,160.90         | 23,542.13        | (381.23)               | (1.6)      |
| Non-current assets  | 78,091.00         | 70,252.28        | 7,838.72               | 11.2       |
| <b>Total Assets</b> | <b>101,251.90</b> | <b>93,794.41</b> | <b>7,457.49</b>        | <b>8.0</b> |

\* Restated

3.1.1 Cash and cash equivalents increased in the amount of Baht 2,407.79 million. The details are described in no.4.

3.1.2 Assets of RATCH-Australia Corporation Pty Limited, a subsidiary located in Australia, increased in the total amount of AUD 181.91 million or equivalent to approximately THB 2,605.18 million, due to the construction of Mount Emerald Wind Farm Project and Collinsville Solar Power Project.

3.1.3 Investments in associates and joint ventures increased in the amount of Baht 5,406.24 million. The main reason was from the share of profits contributed during the year in the total amount of Baht 4,735.47 million; as follows:-

| <u>Company</u>                                     | <u>Million Baht</u> |
|--|---------------------|
| Hongsa Power Company Limited                       | 3,120.02            |
| SouthEast Asia Energy Limited                      | 398.56              |
| Ratchaburi World Cogeneration Company Limited      | 241.41              |
| Phu Fai Mining Company Limited                     | 198.16              |
| Solarta Company Limited                            | 189.64              |
| Ratchaburi Power Company Limited                   | 181.71              |
| Nava Nakorn Electricity Generating Company Limited | 166.26              |
| Solar Power Company Limited (Korat 3 4 7)          | 88.44               |
| PT Medco Ratch Power Riau                          | 58.56               |
| Perth Power Partnership (Kwinana)                  | 42.69               |
| Songkhla Biomass Company Limited                   | 34.06               |
| Fareast Renewable Development PTE. LTD.            | 15.59               |
| Others   | <u>0.37</u>         |
| Total  | <u>4,735.47</u>     |

3.1.4 The Company had invested in the MRT Pink Line Project and the MRT Yellow Line Project in the total amount of Baht 1,680 Million.

3.1.5 Financial lease receivables from related party decreased in the amount of Baht 3,554.68 million.

3.1.6 Trade accounts receivable from related parties of Ratchaburi Electricity Generating Company Limited, a subsidiary, decreased in the amount of Baht 1,444.08 million, as the electricity sales in November and December 2018 were less than the electricity sales in November and December 2017.

## 3.2 Analysis of Liabilities

As at December 31, 2018, total liabilities were Baht 41,315.88 million, increasing by Baht 6,530.97 million or 18.8 percent from Baht 34,784.91 million as at December 31, 2017. The details were as follows:

(Million Baht)

|                          | Dec 31, 2018     | Dec 31, 2017 *   | Increase<br>(Decrease) | %           |
|--------------------------|------------------|------------------|------------------------|-------------|
| Current Liabilities      | 10,436.65        | 9,650.40         | 786.25                 | 8.1         |
| Non-Current Liabilities  | 30,879.23        | 25,134.51        | 5,744.72               | 22.9        |
| <b>Total Liabilities</b> | <b>41,315.88</b> | <b>34,784.91</b> | <b>6,530.97</b>        | <b>18.8</b> |

\* Restated

3.2.1 RATCH-Australia Corporation Pty Limited, a subsidiary, received long-term loans from financial institutions during the year in the net amount of AUD 411.30 million for corporate purpose and for Mount Emerald Wind Farm Project and Collinsville Solar Power Project.

3.2.2 On March 27, 2018, RH International (Singapore) Corporation Pte. Limited, a subsidiary, partially repurchased existing notes that will be due in 2019 in aggregate principal amount of USD 193 million, and completed its issuance and offering of USD 300 million notes with a tenor of 10 years (maturity date in 2028), and a fixed interest rate of 4.50 percent per annum.

3.2.3 Trade accounts payable of Ratchaburi Electricity Generating Company Limited, a subsidiary decreased in the amount of Baht 893.49 million as Ratchaburi power plants generated less electricity in November and December 2018 than that in November and December 2017, resulting in the decrease in fuel consumption.

3.2.4 On May 3, 2018, RH International (Singapore) Corporation Pte. Limited acquired shares from Broadspectrum Pty Limited to increase investment proportion in RATCH-Australia Corporation Pty Limited from 80 percent to 100 percent and repaid the outstanding long-term loan in the amount of AUD 39.75 million. The details are described in No. 1.2.

### 3.3 Analysis of Equity

As at December 31, 2018, equity was Baht 59,936.02 million, increasing by Baht 926.52 million or 1.6 percent from Baht 59,009.50 million as at December 31, 2017. The main reasons were as follows:

3.3.1 The profit of the year 2018 in the amount of Baht 5,587.60 million

3.3.2 The dividend payment during the year 2018 decreased retained earnings in the amount of Baht 3,480.00 million.

3.3.3 Change in fair value of the investment in EDL-Generation Public Company decreased the equity in the amount of Baht 645.98 million.

#### 4. Analysis of Cash Flows

Cash and cash equivalents of the Company and its subsidiaries as at December 31, 2018 were Baht 11,695.25 million, increasing by Baht 2,407.79 million from Baht 9,287.46 million on December 31, 2017. The details were summarized below:

|  | (Million Baht)         |
|--|------------------------|
| Net cash from operating activities                           | 7,168.57               |
| Net cash used in investing activities                        | (9,015.14)             |
| Net cash from financing activities                           | 3,789.82               |
| Effect of exchange rate changes on cash and cash equivalents | 464.54                 |
| Net cash increase during the year                            | <u><u>2,407.79</u></u> |

4.1 Net cash from operating activities increased cash flow in the amount of Baht 7,168.57 million. The reason was the operating result of year 2018 improved cash position by Baht 4,247.86 million, together with the change in operating assets and liabilities in the amount of Baht 2,920.71 million.

4.2 Net cash used in investing activities decreased cash flow in the amount of Baht 9,015.14 million. The main reasons were as follows:-

4.2.1 RATCH-Australia Corporation Pty Limited, a subsidiary, paid for the construction of Mount Emerald Wind Farm Project and Collinsville Solar Power Project in the total amount of AUD 213.80 million or equivalent to approximately THB 5,200.98 million.

4.2.2 RH International (Singapore) Corporation Pte. Limited "RHIS", a subsidiary, has purchased ordinary shares in Fareast Renewable Development Pte. Limited ("FRD") in the portion of 50 percent from its existing shareholders in order to participate in the operation of Asahan-1 Hydroelectric Power Project ("Asahan-1") in the Republic of Indonesia. The investment value is approximately USD 81.92 million or equivalent to approximately Baht 2,688.57 million. The details are as described in no.1.7.

4.2.3 The Company had invested in the MRT Pink Line Project and the MRT Yellow Line Project in the total amount of Baht 1,680 Million.

4.2.4 The Company paid cash for current investments in the amount of Baht 1,202.97 million.

4.2.5 The Company received dividends from associates and joint ventures in the total amount of Baht 2,568.13 million.

4.3 Net cash from financing activities increased cash flow in the amount of Baht 3,789.82 million. The main reasons were as follows:-

4.3.1 RH International (Singapore) Corporation Pte. Limited, a subsidiary, repurchased existing notes in aggregate principal amount of USD 193 million, and completed its issuance and offering of USD 300 million notes. The details are described in No. 3.2.2.

4.3.2 RATCH-Australia Corporation Pty Limited, a subsidiary, received long-term loans from financial institutions during the year in the net amount of AUD 411.30 million for corporate purpose and for Mount Emerald Wind Farm Project and Collinsville Solar Power Project.

4.3.3 The dividend payment to shareholders during the year in the amount of Baht 3,479.19 million.

4.3.4 RATCH-Australia Corporation Pty Limited, a subsidiary, unwinded its interest rate swap contracts with financial institutions in Australia and incurred the unwinding cost in the amount of Baht 3,058.60 million.

4.3.5 The Company paid for interest expenses in the amount of Baht 1,354.41 million.

4.3.6 On May 3, 2018, RH International (Singapore) Corporation Pte. Limited acquired shares from Broadspectrum Pty Limited to increase investment proportion in RATCH-Australia Corporation Pty Limited from 80 percent to 100 percent and repaid the outstanding long-term loan in the amount of AUD 39.75 million. The details are described in No. 1.2.

## 5. Significant Financial Ratios (Excluded the Effect of Foreign Exchange Rate)

| Ratios   |                | 2018     | 2017 **  |
|--|----------------|----------|----------|
| 1) Current Ratio                                 | (Times)        | 2.22     | 2.44     |
| 2) Profit to Total Revenue (excluded fuel costs) | (%)            | 43.53    | 36.15    |
| 3) Return on Equity                              | (%)            | 10.79    | 9.43     |
| 4) Return on Assets                              | (%)            | 6.60     | 5.75     |
| 5) EBITDA *                                      | (Million Baht) | 9,600    | 9,236    |
| 6) EBITDA to Total Assets                        | (%)            | 9.84     | 9.73     |
| 7) Debt to Equity Ratio                          | (Times)        | 0.69     | 0.59     |
| 8) Debt Service Coverage Ratio                   | (Times)        | 6.75     | 1.58     |
| 9) Book Value per Share                          | (Baht)         | 41.34    | 41.16    |
| * Not included the change in lease receivable    | (Million Baht) | 3,654.89 | 3,920.38 |

\*\* Restated