

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR TO ANY U.S. PERSON.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this offering circular or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. and that you consent to delivery of such offering circular by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of RH International (Singapore) Corporation Pte. Ltd. and/or Ratchaburi Electricity Generating Holding Public Company Limited in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of RH International (Singapore) Corporation Pte. Ltd., Ratchaburi Electricity Generating Holding Public Company Limited, BNP Paribas, MUFG Securities Asia (Singapore) Limited or MUFG Securities EMEA plc or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from RH International (Singapore) Corporation Pte. Ltd., Ratchaburi Electricity Generating Holding Public Company Limited, BNP Paribas, MUFG Securities Asia (Singapore) Limited or MUFG Securities EMEA plc.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



RATCHABURI ELECTRICITY GENERATING HOLDING PUBLIC COMPANY LIMITED

*(incorporated with limited liability in the Kingdom of Thailand)
(as Issuer and as Guarantor in relation to any Notes issued by an Issuer other than Ratchaburi Electricity Generating Holding Public Company Limited)*



RH INTERNATIONAL (SINGAPORE) CORPORATION PTE. LTD.

(incorporated with limited liability in Singapore)

**U.S.\$1,000,000,000
Guaranteed Medium Term Note Programme
(subject to the Maximum Guaranteed Amount)**

Under the Guaranteed Medium Term Note Programme described in this Offering Circular (the “**Programme**”), RH International (Singapore) Corporation Pte. Ltd. (“**RHIS**”) and Ratchaburi Electricity Generating Holding Public Company Limited (“**Ratchaburi**” or the “**Company**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the “**Notes**”). The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$1,000,000,000 (or the equivalent in other currencies), subject to increases as described herein.

The Dealer Agreement, the Trust Deed and the Agency Agreement each contains provisions enabling additional issuers to accede as issuers under the Programme. In such event, RHIS, Ratchaburi and such additional issuers (together, the “**Issuers**” and each, an “**Issuer**”) shall make available a supplemental Offering Circular in relation to such accession. Notes issued by an Issuer other than Ratchaburi (the “**Guaranteed Notes**”) will be guaranteed (the “**Guarantee**”) by Ratchaburi (in such capacity, the “**Guarantor**”). In order to comply with applicable requirements of Thai law, the Trust Deed will provide that the Guarantor’s maximum liability under the Guarantee will be capped at an amount equal to U.S.\$1,500,000,000 (or its equivalent in other currencies). Notes issued by Ratchaburi will not be guaranteed. References in this Offering Circular to the Guarantor and the Guarantee shall only apply to any Guaranteed Notes that are issued under the Programme. Guaranteed Notes are subject to the Maximum Guaranteed Amount (as defined in the Terms and Conditions of the Notes herein (the “**Conditions**”). The Trust Deed will also provide that for so long as any Note is outstanding, each Issuer (other than Ratchaburi) will not issue any Notes which would otherwise be guaranteed by the Guarantor but the payment obligations related to which, when taken together with the payment obligations related to which, when taken together with the payment obligations of all other outstanding Notes, would exceed the Maximum Guaranteed Amount. Unless and until a supplemental Offering Circular is published providing details of the accession of an additional Issuer under the Programme, references in this Offering Circular to “the Issuers” should be taken as references to RHIS and Ratchaburi only.

The Notes may be issued by any Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “**Risk Factors**”.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of Notes which are agreed at the time of issue thereof to be so listed on the official list of the SGX-ST (the “**Official List**”). Formal approval will be granted when a particular series of Notes has been admitted to the Official List of the SGX-ST. Unlisted series of Notes may also be issued pursuant to the Programme and Notes may also be listed on stock exchanges other than SGX-ST. The relevant Pricing Supplement (as defined herein) in respect of any series of Notes will specify whether or not such Notes will be listed on the SGX-ST or on any other stock exchange. There is no assurance that any application to the SGX-ST for the listing of the Notes will be approved. The approval in-principle, admission to the Official List of the SGX-ST and listing of any Notes on the SGX-ST is not to be taken as an indication of the merits of any Issuer, the Guarantor, the Group (as defined herein) or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

The Notes may be issued in bearer form (the “**Bearer Notes**”) or in registered form (the “**Registered Notes**”). The Notes of each Series to be issued in bearer form (“**Bearer Notes**”) will be sold in an “**offshore transaction**” within the meaning of Regulation S (“**Regulation S**”) under the United States Securities Act of 1933 (the “**Securities Act**”) and will initially be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”). In the case of Notes that are expressed in the relevant Pricing Supplement to be subject to the D Rules (as defined herein), interests in temporary Global Notes generally will be exchangeable for interests in permanent global notes (each a “**permanent Global Note**” and, together with the temporary Global Notes, the “**Global Notes**”) or if so stated in the relevant Pricing Supplement, definitive Notes (“**Definitive Notes**”), on or after the date falling 40 days after the relevant issue date of such Tranche of Notes, upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under “**Summary of Provisions Relating to the Notes while in Global Form**”.

Notes in registered form will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. The Notes of each Series to be issued in registered form and which are sold in an “**offshore transaction**” within the meaning of Regulation S will initially be represented by a permanent global certificate (each a “**Global Certificate**”) without interest coupons. The Global Notes and Global Certificates may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the relevant Dealer.

The Notes and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantee may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), or, in the case of Bearer Notes, delivered within the United States. Registered Notes are subject to certain restrictions on transfer, see “**Subscription and Sale**”.

Each Issuer and the Guarantor (in the case of Guaranteed Notes only) may agree with any Dealer and DB Trustees (Hong Kong) Limited (in its capacity as trustee, the “**Trustee**”) that Notes may be issued in a form not contemplated by the Conditions, in which event a supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Tranches of Notes to be issued under the Programme will be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Offering Circular is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

Arrangers and Dealers

BNP PARIBAS

MUFG

Each Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular. Each Issuer and the Guarantor confirm that this Offering Circular contains all information relating to the Issuers, the Guarantor, the Group, the Notes and the Guarantee which is material in the context of the issuance and offering of Notes and the giving of the Guarantee, that the information contained or incorporated by reference in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that the opinions, expectations and intentions expressed in this Offering Circular are honestly held and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading in any material respect.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated by reference in this Offering Circular (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

Each Tranche of Notes will be issued on the terms set out in the Conditions as amended and/or supplemented by a document specific to such Tranche called a pricing supplement (a “**Pricing Supplement**”). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

No person is or has been authorised by any of the Issuers or the Guarantor to give any information or to make any representation other than those contained in this Offering Circular and the relevant Pricing Supplement in connection with any issue or sale of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or any Agent (as defined in the Conditions). Neither the delivery of this Offering Circular nor any sale of Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in any of the Issuers’, the Guarantor’s or the Group’s affairs since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in any of the Issuers’, the Guarantor’s or the Group’s financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation of the Issuers, the Guarantor or the Group or (ii) should be considered as a recommendation by any of the Issuers, the Guarantor, the Arrangers, any of the Dealers, the Trustee or any of the Agents that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers, the Guarantor and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. The Issuers, the Guarantor, the Arrangers, the Dealers, the Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuers, the Guarantor, the Arrangers, the Dealers, the Trustee or any of the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction

where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular comes are required by each of the Issuers, the Guarantor, the Arrangers and the Dealers to inform themselves about and to observe any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan and Thailand (see “*Subscription and Sale*”).

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES AND THE GUARANTEE MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES.

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE “SUBSCRIPTION AND SALE”.

The Notes have not been, and will not be, registered with the Securities Exchange Commission of Thailand. Any public offering or distribution, as defined under Thai laws and regulations, of the Notes in Thailand is not legal without such prior registration. Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Thailand, as the offering of the Notes is not a public offering of securities in Thailand, nor may they be used in connection with any offer for subscription or sale of the Notes to the public in Thailand.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or any of the Agents to subscribe for, or purchase, any Notes.

The Arrangers, the Dealers, the Trustee and the Agents have not separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arrangers, any Dealer, the Trustee or any of the Agents accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers, any Dealer, the Trustee or any Agent or on their behalf in connection with the Issuers, the Guarantor or the issue and offering of any Notes. Each of the Arrangers, the Dealers, the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arrangers, any Dealer, the Trustee or any Agent undertakes to review the Issuers’ or the Guarantor’s financial condition or affairs during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor of any information coming to the attention of any of them.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the relevant Pricing Supplement are provided as general information only. Investors should consult their own financial, tax, accounting and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

From time to time, in the ordinary course of business, certain of the Dealers and their affiliates have provided advisory and investment banking services, and entered into other commercial transactions with one or more Issuers or the Guarantor and any of their respective affiliates, including commercial banking services, for which customary compensation has been received. It is expected that the Dealers and their affiliates will continue to provide such services to, and enter into such transactions, with such Issuer, the Guarantor and each of its affiliates in the future.

The Dealers or certain of their respective affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes and not with a view to distribution.

In making an investment decision, investors must rely on their own examination of the Issuers, the Guarantor and the Group and the terms of the Notes being offered, including the merits and risks involved. None of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or any Agent makes any representation to any investor regarding the legality of its investment under any applicable laws. Investors should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

MiFID II product governance / target market — The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

IMPORTANT — EEA RETAIL INVESTORS — If the Pricing Supplement in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may

be ended at any time, but it must end no later than the earlier of 30 days after the issue of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Ratchaburi is a limited liability public company organised under the laws of Thailand. Most of the directors and officers of Ratchaburi are residents of Thailand and a substantial portion of the assets of Ratchaburi and of such officers and directors are located in Thailand. As a result, it may not be possible for investors to effect service of process upon Ratchaburi or such persons outside Thailand, or to enforce judgments against them obtained in courts outside Thailand predicated upon civil liabilities of Ratchaburi or such directors and officers under laws other than Thailand, including any judgment predicated upon United States federal securities laws. Ratchaburi has been advised by Baker & McKenzie Ltd., its Thai counsel, that a judgment or order obtained in a court outside Thailand would not be enforced as such by the courts of Thailand, but such judgment or order in the discretion of the courts of Thailand may be admitted as evidence of any obligation in new proceedings instituted in the courts of Thailand, which would consider the issue on the evidence before it.

PRESENTATION OF INFORMATION

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed thereto in “Terms and Conditions of the Notes” or any other section of this Offering Circular. In addition, all references to “Thailand” are references to the Kingdom of Thailand. All references to the “Government” are references to the government of Thailand. All references to “Singapore” are to the Republic of Singapore. All references to “United States”, “U.S.”, “U.S.A.” or “US” are to the United States of America. All references to “United Kingdom” herein are to the United Kingdom of Great Britain and Northern Ireland. References herein to “Baht” are to the lawful currency of Thailand, references to “S\$” or “SGD” are to the lawful currency of Singapore, references to “JPY” are to the lawful currency of Japan, references to “A\$” or “AUD” are to the lawful currency of Australia and references to “U.S. dollar” and “U.S.\$” are to the lawful currency of the United States. In addition, all references to “Sterling” and “£” refer to pounds sterling and references to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

For convenience, unless otherwise specified, certain Baht amounts have been translated into U.S. dollar amounts as of 31 December 2017 based on the prevailing exchange rate of Baht 32.659 = U.S.\$1.00, being the middle market spot rate of exchange for Baht against the U.S. dollar quoted by the Bank of Thailand on 29 December 2017. Unless otherwise indicated, all financial information has been presented in Baht.

No representation is made that the Baht or U.S. dollar amounts shown herein could have been or could be converted into U.S. dollars or Baht, as the case may be, at any particular rate or at all.

Certain figures in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places

throughout this Offering Circular and include statements regarding the intentions, beliefs or current expectations of the Group concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies, capital expenditures, investment plans and the businesses of the Group.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and the Group's actual results of operations, financial condition and liquidity, and the development of the businesses of the Group, may differ materially from those made in or suggested by the forward-looking statements contained in this Offering Circular. In addition, even if the results of operations, financial condition and liquidity and the development of the businesses of the Group are consistent with the forward-looking statements contained in this Offering Circular, those results or developments may not be indicative of results or developments in subsequent periods.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Group or persons acting on its behalf may issue. The Group does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Offering Circular.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”.

Any forward-looking statements that the Group makes in this Offering Circular speak only as at the date of such statements, and the Group undertakes no obligation to update such statements.

Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, and should only be viewed as historical data.

FINANCIAL STATEMENTS

This Offering Circular contains Ratchaburi's historical audited consolidated financial statements as at and for the year ended 31 December 2017 (with comparative data as at and for the year ended 31 December 2016) which have been audited by KPMG Phoomchai Audit Ltd., independent auditors (“**KPMG**”). The audit report on these financial statements contains an “Emphasis of Matters” paragraph in relation to the fair value of the foreign currency forward contracts, interest rate swap and cross currency swap contracts of the Group. See “*Risk Factors — Risks relating to the Group — The unqualified audit opinion included in the Group's audited consolidated financial statements as at and for the year ended 31 December 2017*” contains an “Emphasis of Matters” paragraph and “*Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries Notes to the financial statements for the year ended 31 December 2017 — Note 35 — Financial Instruments*”. These financial statements have been prepared in accordance with Thai Financial Reporting Standards (“**TFRS**”), which differ in certain significant respects from International Financial Reporting Standards (“**IFRS**”). See “*Index to Financial Statements*” and “*Summary of Principal Differences between TFRS and IFRS*”.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with (i) each relevant Pricing Supplement, (ii) the most recently published audited consolidated annual financial statements and any interim financial statements published subsequently to such annual financial statements of the Group from time to time, in each case with the report of the auditors in connection therewith (if any), and (iii) all amendments and supplements from time to time to this Offering Circular, each of which shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Copies of all such documents which are so deemed to be incorporated by reference in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays and public holidays excepted) from the specified office of the Issuing and Paying Agent (as defined herein), currently as set out at the end of this Offering Circular.

SUPPLEMENTAL OFFERING CIRCULAR

Each Issuer and the Guarantor have given undertakings to the Arrangers and the Permanent Dealers that, unless they have notified the Arrangers and the Permanent Dealers in writing that no Issuer intends to issue Notes under the Programme for the time being, if at any time during the duration of the Programme a significant new factor arises, or a material mistake or inaccuracy arises or is noted relating to information contained in this Offering Circular which is capable of affecting an assessment by investor of the assets and liabilities, financial position, profits and losses, and prospects of the Issuers and the Guarantor and/or the rights attaching to the Notes or the Guarantee, each Issuer and the Guarantor shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes.

Each Issuer and the Guarantor have also given an undertaking to the Arrangers and the Permanent Dealers that, in order for an additional Issuer to accede to the Programme as an Issuer and to issue Notes thereunder, each Issuer, each such additional Issuer and the Guarantor shall prepare and publish a supplement to this Offering Circular giving details of such additional Issuer.

TABLE OF CONTENTS

	Page
SUMMARY OF THE GROUP	1
SUMMARY OF THE PROGRAMME	5
SELECTED FINANCIAL INFORMATION	12
RISK FACTORS	16
TERMS AND CONDITIONS OF THE NOTES	38
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM ..	66
USE OF PROCEEDS	71
CAPITALISATION AND INDEBTEDNESS	72
DESCRIPTION OF RH INTERNATIONAL (SINGAPORE) CORPORATION PTE. LTD.	73
DESCRIPTION OF THE GROUP	74
DESCRIPTION OF MATERIAL INDEBTEDNESS	100
MANAGEMENT	103
TAXATION	111
PRINCIPAL SHAREHOLDERS	118
RELATED PARTY TRANSACTIONS	119
CLEARANCE AND SETTLEMENT	121
SUBSCRIPTION AND SALE	123
FORM OF PRICING SUPPLEMENT	129
SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN TFRS AND IFRS	139
GENERAL INFORMATION	141
INDEX TO FINANCIAL STATEMENTS	F-1

SUMMARY OF THE GROUP

Overview

The Company is an investment company in the electricity generation business based in Thailand. The three core businesses of the Group are power generation, renewable energy and related businesses. The Group is the largest independent power producer in Thailand by total capacity. As at the date of this Offering Circular, the Group has a total capacity from its domestic and overseas projects of 6,496MW, comprising 19 power plants powered by natural gas, coal, hydroelectric and alternative renewable energy. The Group's projects that are under construction and development have a total capacity of 884 MW and are due to complete between 2018 and 2021. The Group plans to expand its operations through joint investments and acquisitions both in and outside of Thailand, including renewable energy and other power generation related businesses.

The Company was incorporated as a company with limited liability under the Civil and Commercial Code of Thailand on 7 March 2000 pursuant to the Master Plan of Privatisation as approved by the Thai Government on 30 November 1999. The Company had been converted into a public company with limited liability on 18 August 2000 and has been listed on the SET under the "RATCH" stock symbol since 2 November 2000 with a market capitalisation of Baht 78,663 million (U.S.\$2,408.62 million) as at 31 December 2017. For the financial year ended 31 December 2017, the Group had total revenue of Baht 46,438 million (U.S.\$1,421.92 million) and recorded a profit of Baht 6,107 million (U.S.\$186.98 million), compared to Baht 51,280 million (U.S.\$1,570.16 million) and Baht 6,166 million (U.S.\$188.79 million) for the previous financial year. The Group's total assets as at 31 December 2017 amounted to Baht 94,225 million (U.S.\$ 2,885.11 million) compared to Baht 96,391 million (U.S.\$2,951.44 million) as at 31 December 2016.

As at the date of this Offering Circular, the Company is 45 per cent. owned by EGAT. EGAT is a state-owned enterprise under the Ministry of Energy of Thailand, which is responsible for electric power generation and transmission in Thailand. EGAT purchases bulk electricity from private power producers and sells it to two distributing authorities in Thailand, a small number of direct industrial customers as well as neighbouring countries. EGAT also owns and operates a high voltage transmission network in Thailand which covers all parts of the country.

The Company's registered office is at 8/8 Moo 2, Ngamwongwan Road, Bangkok, Muang, Nonthaburi 11000, Thailand.

Competitive Strengths

The Group believes that its competitive strengths are as follows:

Strong track record and experience in executing diversified types of power projects

The Group believes that it has a strong track record of successfully implementing a diversified range of power projects, ranging from large scale gas-fired and coal-fired thermal power projects to small scale solar and biomass projects. Some of these examples include the setting up of the 3,645MW Ratchaburi Power Plant and the 1,878MW Hongsa Thermal Power Plant. The Group has also implemented renewable energy power projects such as the Huay Bong 2 and Huay Bong 3 Wind-Turbine Power Plants, which have a total capacity of 207MW generated from 90 wind turbines, making these the largest wind farms in Southeast Asia. The Group has the ability to expand its existing generation capabilities and to manage the various complexities involved with integrating new units with existing units. Most of the Group's projects to date have been completed on schedule, enabling their commercial operations to commence in a timely manner which leads to faster revenue generation. As at the date of this Offering Circular, the Group has power projects under construction and development which have the potential to generate a total capacity of 884 MW.

Strong relationship with EGAT

As at the date of this Offering Circular, the Company is 45 per cent. owned by EGAT. As a result of this relationship, the Group has secured long-term PPAs with EGAT to supply almost all of the output of its power plants. The Group has stable and secure access to the EGAT-operated transmission and distribution network in Thailand. The Group's relationship with EGAT provides a stable operating environment, enabling the Group to focus on pursuing its growth and improving its operational efficiency. As at 31 December 2017 and 31 December 2016, EGAT contributed 94 per cent. and 95 per cent. to the Group's revenue, respectively.

Geographically well placed to expand in Southeast Asia and Australia

The Group believes that it is geographically well placed to expand in Thailand and also into other countries in Southeast Asia. The Group has strong relationships with IPPs such as PTT Public Company Limited, CK Power Public Company Limited as well as other industry participants such as off-takers, financiers and regulatory agencies in the various local markets, which provides access to opportunities to invest in power projects in the region. In addition, the Group is able to utilise its experience acquired in the region through its cross-border Thailand-Laos power projects, leverage on the complex technical knowledge and project management capabilities it has developed from such experience and apply them to any future power projects which it undertakes in Southeast Asia.

In Australia, RAC has been focussed on the renewable energy market, in line with Australia's Renewable Energy Target which currently aims to generate 20 per cent. of electricity in Australia from renewable energy sources by 2020. RAC is able to leverage on its relationship with its local joint venture partner, Broadspectrum, as well as its successful track record in implementing wind farm and gas-fired power projects, to access opportunities for investments in power projects in Australia.

Steady cash flows and strong balance sheet

The Group derives its steady cash flows from long-term PPAs which it has in place with EGAT and other customers and its ability to pass on variable costs such as fuel costs under most of its PPAs. As at 31 December 2017, the Group's balance sheet is healthy, with total assets of Baht 94,225 million (U.S.\$2,885.11 million) and shareholders equity of Baht 63,281 million (U.S.\$1,937.63 million). The Group's current ratio and net debt/equity ratio was 2.47 times and 0.19 times as at 31 December 2017, respectively. Given its strong cash flow and balance sheet, the Group is well equipped to pursue its strategic expansion plans and to mitigate against some of the inherent risks in the industry.

Strong and experienced management team

The Group has an experienced management team with a strong understanding of both the financial and technical aspects of the power generation business with an average of 17 years of experience. The Group's senior management has broad operational and management experience in the power generation industry as a whole and extensive knowledge of the Thai power industry and regulatory environment in particular. The Group believes it has a good reputation with regulatory agencies and other industry participants, and that its reputation and management expertise will be key factors in ensuring the sustainability and growth of its operations.

Secured fuel supply

The Group has long-term fuel supply contracts in place for most of its power plants, including the Ratchaburi Power Plant, the Tri Energy Power Plant and the Ratchaburi Power Power Plant, which are the Group's major power plants. This ensures fuel availability and minimises the risk of any disruptions in operations due to fuel supply issues. The Group's key supplier of natural gas in Thailand is PTT Public Company Limited under 25-year gas sale agreements. The Group is not subject to any take-or-pay obligations under these gas sale agreements. The Group also passes on a substantial portion of its fuel costs through the PPAs it has entered to with EGAT. See "*Fuel — Natural Gas*".

Strategy

The Group's key strategies are as follows:

Increase capacity and expand regionally

Under the terms of its existing PPAs, revenue receivable for the relevant power projects is paid at a higher level for the initial years of the term of the PPA and is gradually reduced for the remainder of the term. This structure is to match its debt servicing obligations under the relevant financing agreements during the initial years of the term of the PPAs and is common for all IPPs in Thailand. In line with the structure of its PPAs, the Group seeks to increase its revenue by increasing its capacity and expanding regionally. The Group aims to increase its total capacity to 7,380 MW by the end of 2021 from 6,496 MW as at the date of this Offering Circular.. The Group intends to achieve this by seeking new potential investments and projects both in Thailand to meet the domestic demand for electricity consumption and in neighbouring countries in order to support the Group's corporate growth. The Group is currently involved in the operation, construction and development of projects in Thailand, Laos, Australia, Indonesia and the PRC. The Group will leverage on the existing relationships with its joint venture partners and the regulatory authorities in these jurisdictions to pursue opportunities to invest in further future power projects. In addition, the Group is also actively seeking potential opportunities to be involved in power projects in other countries in Asia, both in greenfield developments and investments through mergers and acquisitions, based on acceptable risks and returns.

Expand its renewable energy power generation business

The Group currently operates eight power plants and is constructing and developing two additional power plants which use renewable energy. It intends to leverage its experience and technical knowledge from developing and operating these power plants to expand its renewable energy power generation business both in Thailand and in other countries. The Group aims to increase its total capacity from renewable energy by 306 MW by 2018.

Secure long-term PPAs

The Group aims to secure long-term PPAs for each of its operational power projects. The Group also secures PPAs prior to commencing the construction and development of any new power projects. The Group's operational power plants have the benefit of PPAs ranging from five to 25 years while all of its power projects under construction or development have entered into PPAs ranging from 20 to 27 years. The Group intends to continue to achieve long-term PPAs for its power projects by leveraging on its relationship with existing customers such as EGAT and the PEA.

Improve operating efficiency and plant availability

The Group intends to improve its operating efficiency across all of its core businesses. The current organisation structure of the Group was a result of an internal reorganisation of the Group which was undertaken in early 2014 to improve the Group's overall investment structure and to maximise synergies. The Group also appoints its directors and executives to be the directors and management of the businesses in which it has invested both during the construction and after commercial operations begin. This is to ensure that its subsidiaries and affiliates align with the operations of the rest of the Group and support the Group's investment policy.

The Group also seeks to improve its operating efficiency at the power plants level. The Group aims to do so by increasing the power plants' availability through frequent monitoring of the condition of the machines and spare parts and ensuring that strict maintenance programmes are in place by conducting maintenance in accordance with the schedule.

Furthermore, the Group continuously upgrades the technology for its power plants, which are provided by experienced parties such as General Electric International Operations Inc. and Mitsubishi Heavy Industry, Ltd.. The Group believes that this will improve the power plants' performances and enable the Group to operate and maintain its power plants efficiently for their entire life of commercial operations.

Capitalise on the growth of the Thai power sector

Thailand's power demand has remained relatively inelastic to external shocks. Thailand's new Power Demand Forecast shows predicted annual growth of 2.67% from 2014 to 2036. Thailand has only seen declining power demand growth rates twice, once during the Asian financial crisis in 1998 and the other in 2011 due to severe and unprecedented floods. Based on the PDP 2015, which was approved by the NEPC and the Cabinet, peak power demand is expected to grow from 26,942MW in 2014 to 49,655MW in 2036. In addition, to ensure the stability and security of the Thailand power system, the PDP 2015 also stipulates that Thailand should have a reserve margin of not less than 15 per cent. of peak power demand. The PDP 2015 further stipulates that the proportion of power purchase from neighbouring countries should be not greater than 20 per cent. of total generating capacity, which underscores Thailand's desire for high levels of energy security and self-sufficiency.

Based on this, the country's target generation capacity is expected to increase from 37,612MW in 2014 to 70,335MW in 2036. The PDP 2015 calls for a total increase of 57.5GW of generating capacity from 2015 to 2036, taking into account the deduction of some capacity to be retired.

It is also expected that the Government will promote the increase of clean coal-fired power plants and renewable power plants, especially power plants using solar power and biomass fuel, with financial incentives to help power producers recoup high initial development costs. The Government is aiming to increase the proportion of renewable energy generation from 8 per cent. in 2014 to 20 per cent. of the total power requirement in 2036, resulting in the replacement of some planned conventional (coal-fired or gas-fired based) power plants by renewable energy power plants. By the end of 2036, the share of gas-fired capacity is expected to decrease to 37 per cent. while the proportion of renewable energy would increase to 18 per cent.

The Group's projects are positioned and structured to take advantage of these benefits and policies. The Group has a strong existing relationship with EGAT, which it intends to leverage in seeking opportunities for new power projects in Thailand. The Group believes that it is well-placed to win tenders for these projects given its experience in the Thailand IPP sector as the largest IPP in Thailand by total capacity.

Enhance value by diversifying into energy-related and other businesses

Driven by term of PPA, increasingly intensified competition in power market and disruptive technology, the Group is aware of challenges towards the Group's sustainable growth. Therefore, the Group has revised its business strategy by expanding investment boundary from power generation to integrated energy business from fuel sourcing to transmission and distribution, and diversifying to other potential business. Up to date, the Group has already had interests in coal mining supply for 1,878-MW coal-fired Hongsa power plant in Lao PDR and operation and maintenance service providing for 1,490-MW gas-fired Ratchaburi-Power power plant in Rachaburi province. In 2016, the Company successfully invested a 10 per cent. stake in 2 monorail projects: the Pink Line project (Khao Rai - Min Buri section) and the Yellow Line project (Lat Phrao - Samrong section). The project under the 30-year concession from the Mass Rapid Transit Authority of Thailand will commence operation by 2020. Moreover, the Group continues to explore investment opportunities in utilities and infrastructure domestically and internationally.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in “Terms and Conditions of the Notes” or elsewhere in this Offering Circular have the same meanings in this summary.

Issuers	RH International (Singapore) Corporation Pte. Ltd., Ratchaburi Electricity Generating Holding Public Company Limited and any additional issuer that may accede as an Issuer to the Programme.
Accession of Additional Issuers .	The Dealer Agreement, the Trust Deed and the Agency Agreement contain provisions enabling additional Issuers to accede as an Issuer under the Programme. In such event, the Issuers, the Guarantor and such additional issuers shall publish a supplement to this Offering Circular. Unless and until a supplemental Offering Circular is published providing details of the accession of an additional Issuer under the Programme, references in this Offering Circular to the “Issuers” should be taken as references to RHIS and Ratchaburi only.
Guarantor	Notes issued by Issuers other than Ratchaburi will be guaranteed by Ratchaburi. In order to comply with applicable requirements of Thai law, the Trust Deed will provide that the Guarantor’s maximum liability under the Guarantee will be capped at an amount equal to U.S.\$1,500,000,000 (or its equivalent in other currencies). Notes issued by Ratchaburi will not be guaranteed. References in this Offering Circular to the Guarantor and the Guarantee shall only apply to any Guaranteed Notes that are issued under the Programme.
Maximum Guaranteed Amount .	See “ <i>Terms and Conditions of the Notes — Guarantee and Status</i> ”.
Description	Guaranteed Medium Term Note Programme (subject to the Maximum Guaranteed Amount).
Size	Up to U.S.\$1,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any time. The Issuers and the Guarantor may increase the aggregate principal amount of the Programme in accordance with the terms of the Dealer Agreement.
Arrangers	BNP Paribas and MUFG Securities Asia (Singapore) Limited.

Dealers BNP Paribas, MUFG Securities Asia (Singapore) Limited and MUFG Securities EMEA plc.

The Issuers and the Guarantor may from time to time appoint dealers either in respect of one or more Tranches or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Offering Circular to “Permanent Dealers” are to the persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Trustee DB Trustees (Hong Kong) Limited.

Issuing and Paying Agent. Deutsche Bank AG, Hong Kong Branch.

Registrar. Deutsche Bank Luxembourg S.A.

Transfer Agent Deutsche Bank AG, Hong Kong Branch.

Method of Issue The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement.

Issue Price Notes may be issued at their principal amount or at a discount or premium to their principal amount.

Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes. The Notes may be issued as Bearer Notes or Registered Notes. Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) Definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with D Rules (as defined in “*Selling Restrictions*” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Global Certificates represent Registered Notes that are registered in the name of a nominee for one or more clearing systems.

Clearing Systems	Euroclear, Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the relevant Dealer(s) and notified in writing to the Trustee and the Issuing and Paying Agent.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only), the Trustee, the Issuing and Paying Agent, the Registrar and the relevant Dealer(s). Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the relevant Dealers. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the relevant Dealer(s).
Cross Default	See “ <i>Terms and Conditions of the Notes — Events of Default</i> ”.
Maturities	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued with any maturity as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the relevant Dealer(s).
Specified Denomination	Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“ FSMA ”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Fixed Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. as amended, supplemented or replaced; or (ii) by reference to LIBOR, EURIBOR or HIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Pricing Supplement.
Index Linked Notes	Payments of principal in respect of Index Linked Redemption Notes or payments of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption of Notes	The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by an Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of (FSMA) must have a minimum redemption amount of £100,000 (or its equivalent in other currencies). The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Other Notes	Terms applicable to Notes such as high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes and any other type of Note that the relevant Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement and any relevant supplemental Offering Circular.
Optional Redemption of Notes . .	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the Issuer's option (either in whole or in part) and/or at the option of the holders, and if so the terms applicable to such redemption.
Status of Notes and Guarantee .	The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and (other than in relation to Notes issued by Ratchaburi) of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and (other than in relation to Notes issued by Ratchaburi) the Guarantor, respectively, present and future.
Negative Pledge in relation to Notes	See " <i>Terms and Conditions of the Notes — Negative Pledge</i> ".
Early Redemption for Taxation .	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the relevant Issuer prior to maturity for tax reasons. See " <i>Terms and Conditions of the Notes — Redemption, Purchase and Options</i> ".
Withholding Tax	All payments of principal and interest by or on behalf of the relevant Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of incorporation of the Issuer or, in the event of payments made pursuant to the terms of the Guarantee, the jurisdiction of incorporation of the Guarantor or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain conditions as set out in the Terms and Conditions of the Notes. See " <i>Terms and Conditions of the Notes — Taxation</i> ".

Governing Law	The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
Listing and Admission to Trading	Approval in-principle has been received from the SGX-ST for the listing of Notes which are agreed at the time of issue thereof to be so listed on the Official List of the SGX-ST. Formal approval will be granted when a particular series of Notes has been admitted to the Official List of the SGX-ST. There is no assurance that any application to the SGX-ST will be approved. The approval in-principle, admission to the Official List of the SGX-ST and listing of any Notes on the SGX-ST is not to be taken as an indication of the merits of any Issuer, the Guarantor, the Group or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST must be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies). Unlisted Series of Notes may also be issued pursuant to the Programme. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the relevant Dealer in relation to each Series of Notes. The Pricing Supplement relating to each Series of Notes will state whether or not the Notes of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Notes are to be initially listed.
Redenomination, Renominalisation and/or Consolidation	Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Pricing Supplement.

Selling Restrictions	The United States of America, the European Economic Area, the United Kingdom, Hong Kong, Singapore, Japan and Thailand. See “<i>Subscription and Sale</i>”. For the purposes of Regulation S, Category 2 selling restrictions shall apply unless otherwise indicated in the relevant Pricing Supplement. Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of any of the Issuers and/or the Guarantor to fulfil their respective obligations under the Notes are discussed in “<i>Risk Factors</i>”.
Ratings	Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Legal Entity Identifier for RHIS	213800DFBAY9ELFJAI17
Legal Entity Identifier for Ratchaburi	2138004IGHN9UQGDSH20

SELECTED FINANCIAL INFORMATION

The following tables set forth the selected financial information of the Group for each of the financial years ended 31 December 2016 and 2017. The Group has derived its selected financial information from its audited consolidated financial statements as of and for the year ended 31 December 2017 and this should be read in conjunction with the Group's historical financial statements and their related notes included elsewhere in this Offering Circular (see "Index to Financial Statements").

The Group's financial statements are prepared and presented in accordance with TFRS which differ in certain significant respects from IFRS. For a discussion of differences between TFRS and IFRS that are relevant to the Group's TFRS financial statements, see "Summary of Principal Differences between TFRS and IFRS".

Historical results are not necessarily indicative of results that may be achieved in any future period.

Consolidated Statements of Financial Position

	As of 31 December		
	2017	2017	2016
	(in U.S.\$)	(in Baht)	
Assets			
Current assets			
Cash and cash equivalents	284,376,673	9,287,457,748	9,419,212,345
Current investments	22,140,356	723,081,885	3,175,475,498
Trade accounts receivable from related parties	204,277,074	6,671,484,944	7,369,136,556
Trade accounts receivable from other parties	3,477,379	113,567,705	195,288,443
Other current receivables	23,040,833	752,490,564	182,323,080
Dividend receivable	2,124,989	69,400,000	41,000,000
Advances to and other receivables from related parties	1,043,862	34,091,488	36,363,398
Short-term loans to related parties	—	—	—
Current portion of long-term loans to related party	108,842,362	3,554,682,715	3,770,047,948
Spare parts and supplies	65,140,409	2,127,420,610	2,053,869,162
Other current assets	5,886,668	192,252,682	60,306,346
Total current assets	720,350,603	23,525,930,341	26,303,022,776
Non-current assets			
Investments held as available for sale	97,845,229	3,195,527,324	3,730,280,429
Investments in associates	42,571,024	1,390,327,066	1,561,569,970
Investments in subsidiaries	—	—	—
Investments in joint ventures	750,161,090	24,499,511,039	23,867,733,237
Investment in other company	23,341,189	762,299,900	62,299,900
Other long-term investments	11,847,323	386,921,708	434,299,684
Advance payment for investment	21,196,417	692,253,783	—
Long-term receivable from related parties	223,568	7,301,515	5,559,796
Long-term loans to related parties	1,310,914	42,813,144	46,947,120
Land for future development projects	9,467,760	309,207,570	309,207,570
Property, plant and equipment	525,587,158	17,165,150,997	13,806,678,875
Goodwill	7,052,902	230,340,735	297,329,455
Intangible assets	108,613,837	3,547,219,288	3,932,951,168
Finance lease receivable from related party	541,061,113	17,670,514,880	21,225,197,596
Deferred tax assets	4,073,704	133,043,088	53,463,264
Other non-current assets	20,406,897	666,468,865	754,550,482
Total non-current assets	2,164,760,124	70,698,900,902	70,088,068,546
Total assets	2,885,110,727	94,224,831,243	96,391,091,322

	As of 31 December		
	2017	2017	2016
	(in U.S.\$)	(in Baht)	
Liabilities and equity			
Current liabilities			
Short-term loans from financial institutions . .	—	—	3,800,000,000
Trade accounts payable to related party	—	—	1,002,755
Trade accounts payable to other parties	158,916,433	5,190,051,801	5,552,565,863
Other current payables	42,893,303	1,400,852,391	1,254,163,270
Current portion of long-term loans from financial institutions	81,395,054	2,658,281,083	—
Current portion of financial lease liabilities . .	41,585	1,358,132	1,272,585
Current income tax payable	2,739,674	89,475,009	116,649,445
Other current liabilities	6,173,383	201,616,531	142,109,622
Total current liabilities	<u>292,159,434</u>	<u>9,541,634,947</u>	<u>10,867,763,540</u>
Non-current liabilities			
Long-term loans from related party	31,042,066	1,013,802,834	1,029,085,384
Long-term loans from financial institutions . .	64,834,049	2,117,415,202	2,567,008,909
Other non-current payable to related parties . .	4,604,538	150,379,622	79,930,550
Debentures	494,184,775	16,139,580,580	17,327,198,043
Financial lease liabilities	55,369	1,808,283	3,170,965
Deferred tax liabilities	52,067,288	1,700,465,565	1,804,033,782
Non-current provisions for employee benefits .	5,379,456	175,687,661	158,706,387
Other non-current provisions	3,150,073	102,878,229	101,425,636
Total non-current liabilities	<u>655,317,615</u>	<u>21,402,017,976</u>	<u>23,070,559,656</u>
Total liabilities	<u>947,477,048</u>	<u>30,943,652,923</u>	<u>33,938,323,196</u>
Equity			
Share capital			
Authorised share capital	443,981,751	14,500,000,000	14,500,000,000
Issued and paid share capital	<u>443,981,751</u>	<u>14,500,000,000</u>	<u>14,500,000,000</u>
Share premium on ordinary shares	46,902,171	1,531,778,000	1,531,778,000
Retained earnings			
Appropriated			
Legal reserve	44,398,175	1,450,000,000	1,450,000,000
Unappropriated	1,531,028,301	50,001,853,281	47,375,153,080
Other components of equity	<u>(129,163,264)</u>	<u>(4,218,343,055)</u>	<u>(2,535,457,215)</u>
Total equity attributable to owners of the parent	<u>1,937,147,133</u>	<u>63,265,288,226</u>	<u>62,321,473,865</u>
Non-controlling interests	486,546	15,890,094	131,294,261
Total shareholders' equity	<u>1,937,633,679</u>	<u>63,281,178,320</u>	<u>62,452,768,126</u>
Total liabilities and shareholders' equity . .	<u>2,885,110,727</u>	<u>94,224,831,243</u>	<u>96,391,091,322</u>

Consolidated Statements of Comprehensive Income

	For the year ended 31 December		
	2017	2017	2016
	(in U.S.\$)	(in Baht)	
Revenue from sale and rendering of services .	1,163,554,185	38,000,516,141	43,087,042,578
Revenue from finance lease contracts	122,338,539	3,995,454,342	4,491,341,200
Cost of sale and rendering of services	<u>(1,128,245,489)</u>	<u>(36,847,369,413)</u>	<u>(41,623,271,506)</u>

For the year ended 31 December

	2017	2017	2016
	(in U.S.\$)	(in Baht)	
Gross profit	157,647,236	5,148,601,070	5,955,112,272
Management service income	7,491,439	244,662,892	258,240,751
Interest income	5,081,483	165,956,139	164,919,575
Dividend income	5,783,917	188,896,940	204,719,417
Other income	8,135,105	265,684,385	166,424,603
Administrative expenses	(51,632,332)	(1,686,260,338)	(1,476,045,264)
Net foreign exchange gain (loss)	13,854,361	452,469,580	157,662,359
Finance costs	(46,005,751)	(1,502,501,810)	(1,402,436,048)
Share of profit of associates and joint ventures	109,530,730	3,577,164,123	2,907,196,397
Profit before income tax expense	209,886,187	6,854,672,981	6,935,794,062
(Tax expense) income	26,666,307	(870,894,919)	(863,242,504)
Profit for the year	183,219,880	5,983,778,062	6,072,551,558
Other comprehensive income (loss)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translating financial statement	(39,422,954)	(1,287,514,240)	(78,679,113)
Losses on remeasurement of investments held as available for sale	(11,868,446)	(387,611,588)	(638,271,510)
Share of other comprehensive income (loss) of joint ventures	(7,411)	(242,040)	233,696
Total items that will be reclassified subsequently to profit or loss	(51,298,811)	(1,675,367,868)	(716,716,927)
<i>Items that will not be reclassified to profit or loss</i>			
Losses on remeasurements of defined benefit plans	—	—	(23,180,839)
Share of other comprehensive income (expense) of joint ventures	—	—	(8,225,621)
Total items that will not be reclassified to profit or loss	—	—	(31,406,460)
Other comprehensive income (loss) for the year, net of tax	(51,298,811)	(1,675,367,868)	(748,123,387)
Total comprehensive income (loss) for the year	131,921,069	4,308,410,194	5,324,428,171
Profit (loss) attributable to:			
Owners of parent	186,983,686	6,106,700,201	6,165,722,471
Non-controlling interests	(3,763,806)	(122,922,139)	(93,170,913)
Profit for the year	183,219,880	5,983,778,062	6,072,551,558
Total comprehensive income (loss) attributable to:			
Owners of parent	135,454,679	4,423,814,361	5,423,454,176
Non-controlling interests	(3,533,610)	(115,404,167)	(99,026,005)
Total comprehensive income for the year	131,921,069	4,308,410,194	5,324,428,171
Basic earnings per share	0.13	4.21	4.25

Selected Financial Information

	As of 31 December		
	2017	2017	2016
	(in U.S.\$)		(in Baht)
Total Revenue ⁽¹⁾	1,421,915,397	46,438,334,962	51,279,884,521
EBITDA ⁽²⁾	411,278,561	13,431,946,525	12,690,905,035
Interest Expense	46,005,751	1,502,501,810	1,402,436,048
Net Profit	183,219,880	5,983,778,062	6,072,551,558

Notes:

- (1) Total Revenue means the sum of revenue from sale and rendering of service, management service income, dividend income, interest income, other income, share of profit of jointly-controlled and associate entities and extraordinary gain (except gain on exchange rate).
- (2) EBITDA means earnings before interest expenses, income tax expense, depreciation, amortisation, provision for obsolescence for spare parts and supplies, reversal of allowance for decline in value in fuel oil, change in finance lease receivable and fair value adjustment of finance lease receivable from related party.

Consolidated Financial Ratios

	As of 31 December	
	2017	2016
Current ratio ⁽¹⁾	2.47x	2.42x
Total Debt to Equity ⁽²⁾	0.35x	0.40x
Net Debt to Equity ⁽³⁾	0.19x	0.19x
Total Debt to EBITDA ⁽⁴⁾	1.63x	1.95x
Net Debt to EBITDA ⁽⁵⁾	0.89x	0.96x
EBITDA to Interest Expense ⁽⁶⁾	8.94x	9.05x
Total Debt to Total Capitalisation ⁽⁷⁾	25.74%	28.36%
Net Profit Ratio ⁽⁸⁾	12.89%	11.84%

Notes:

- (1) Current Ratio means total current assets divided by total current liabilities.
- (2) Total Debt to Equity means total debt (the sum of short-term loans, long-term loans and debentures) divided by total equity.
- (3) Net Debt to Equity means total debt minus cash and cash equivalents and current investments divided by total equity.
- (4) Total Debt to EBITDA means total debt (the sum of short-term loans, long-term loans and debentures) divided by EBITDA.
- (5) Net debt to EBITDA means total debt minus cash and cash equivalents and current investments divided by EBITDA.
- (6) EBITDA to Interest Expense means EBITDA divided by interest expense.
- (7) Total Debt to Total Capitalisation means total debt (the sum of short-term loans, long-term loans and debentures) divided by total capitalisation (the sum of total debt and total equity).
- (8) Net Profit Ratio means profit for the year divided by total revenue (the sum of revenue from sale and rendering of service, management service income, dividend income, interest income, other income share of profit of jointly-controlled and associate entities and extraordinary gain (except gain on exchange rate)).

RISK FACTORS

Before making an investment decision, investors should carefully consider all of the information set out in this Offering Circular, including the risk factors set forth below. Any of the risks described below could materially and adversely affect any Issuer's and/or the Guarantor's ability to satisfy their respective obligations, including those under the Notes and/or the Guarantee, as the case may be, and have a material adverse effect on any of the Issuer's, the Guarantor's or the Group's business, operations and prospects. In that event, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The risks and uncertainties described below are not the only risks and uncertainties the Issuers, the Guarantor and the Group face. In addition to the risks described below, there may be other risks and uncertainties not currently known to the Issuers, the Guarantor or the Group or that the Issuers, the Guarantor or the Group currently deem to be immaterial which may in the future become material risks. The risks discussed below also include forward-looking statements and each of the Issuers', the Guarantor's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Risks Relating to the Group

Failure of one or more of the Group's strategic partnerships may negatively impact the Group's business, financial condition and results of operations

There are a number of risks associated with the Group's multiple strategic partnerships (whether through joint ventures or similar arrangements or through being joint investors), including management conflict, financial risk undertaking, conflicts of interest and joint-investor policy conflicts.

The success of these strategic partnerships depends significantly on the satisfactory performance by the partners and the fulfilment of their obligations. If a partner fails to perform its obligations satisfactorily, the partnership may be unable to perform adequately or deliver its contracted services. The Group's level of participation in each joint venture varies and it does not have a controlling interest in some operations. In certain instances, the Group's ability to withdraw funds (including dividends) from its participation in and its ability to exercise management control over, joint ventures and investments therein depends on receiving the consent of its partners. The Group's operations and revenues may be adversely affected to a material extent if disagreements develop with its strategic partners and are not resolved in a timely manner.

Additionally, if any of the strategic partners of the Group discontinues its arrangement with the Group, is unable to provide expected expertise, resources or assistance, or competes with the Group on business opportunities that are attractive to the Group, the Group may not be able to find a substitute for such strategic partner immediately or at all.

Failure of one or more of the Group's strategic partnerships may adversely impact the Group's business, financial condition and results of operations.

Inability to manage growth effectively could disrupt the Group's business, reduce profitability and adversely affect its results of operation and financial conditions

The Group expects that its growth strategy will place significant demands on its management, financial and other resources. It will require the Group to develop and improve its operational, financial and internal controls on a continuous basis. In particular, continued expansion and diversification increases the challenges involved in financial and technical management, recruitment, training and retaining sufficiently skilled technical and management personnel and developing and improving internal administrative infrastructure. The Group's growth is dependent upon its ability to

meet such challenges successfully and may require significant expenditure and allocation of valuable management resources. An inability to manage such growth effectively could disrupt the Group's business, reduce its profitability and adversely affect its results of operations and financial condition.

If the Group is unable to identify, develop, operate and finance any additional projects or related businesses successfully, this may negatively impact its business, financial condition and results of operations

The Group intends to invest in additional power projects to expand its power generating capacity and also increase its power related businesses. No assurance can be given, however, that the Group will be able to identify, develop, operate and finance any additional projects or related businesses successfully.

These power projects are expected to involve the building of and investment in large and complex electric power generating plants, the completion and operation of which may be subject to substantial risks. Power projects have a long gestation period of typically three to five years, due to the process involved in commissioning power projects. Before construction on any project may commence, preliminary and final feasibility studies addressing issues relating to financing, site selection, design, grid access, fuel supply and transport, and environmental and other matters must be submitted to and approved by various government authorities. Project participants will be required to obtain various approvals which are essential for completion of a project or facilities essential to its operations. Obtaining such approvals could take a substantial amount of time.

The commencement of operation of a newly constructed power plant involves many risks, including the possible breakdown or failure of equipment or processes and performance below expected levels of output or efficiency. New plants may employ recently developed and technologically complex equipment. The operation of any new electric power generating plants may be adversely affected by other factors, such as labour disputes, natural disasters and the need to comply with government regulations and various industry standards.

The Group has invested, and may further invest, considerable resources in constructing and developing power plants and other related businesses. The construction and expansion of the Group's various power projects involves substantial capital expenditure and other risks associated with major projects, such as cost overruns, delays in implementation, technical and economic viability and changes in market conditions. Although the companies in the Group may enter into turnkey contracts for the supply or installation of certain equipment or for certain civil works of its plants and facilities, the Group faces the risk that it will have to fund any project delays or cost overruns arising from various factors, such as the availability, cost and quality of materials for construction such as steel or cement required for such projects.

The scheduled completion dates for the Group's projects are estimates and are subject to delays and other risks. Among other things, the Group is subject to risks on account of significant increases in prices or shortages of equipment and building material (which may prove defective), technical skills and labour, adverse weather conditions, third party performance risks, environmental risks, changes in market conditions, changes in government or regulatory policies, litigation, delays in obtaining requisite approvals, permits, licences or certifications from the relevant authorities. These and other unforeseeable problems and circumstances could adversely affect the Group's ability to develop its power projects in the time estimated. These could result in cost overruns, termination of a project's development and/or a breach of the financial covenants imposed by lenders. Although the Group builds a contingency into its expected total project costs, there can be no certainty that such a contingency will be sufficient to fund any such costs.

In addition, failure to complete a project according to its original specifications or schedule, if at all, may give rise to potential liabilities and could render certain benefits available under various government statutes being unavailable. As a result of this, the Group's returns on investments may be lower than originally expected.

If the Group is unable to identify, develop, operate and finance any additional projects or related businesses successfully, this may adversely impact its business, financial condition and results of operations.

The Group's projects are subject to risks associated with the engagement of third party contractors

The construction work at certain of the Group's projects is being, and will be, performed by third party contractors, including in relation to equipment, engineering and civil work contracts. Neither the Group nor its joint venture companies have direct control over the day-to-day activities of such contractors and are reliant on such contractors performing these services in accordance with the relevant contracts. If the Group or the relevant joint venture company fails to enter into such contracts or if the contractors fail to perform their obligations in a manner consistent with their contracts, the Group's projects may not be completed as or when envisaged, if at all, thus leading to unexpected costs.

The Group may not recover all or any losses they incur because of legal action in respect of breach by third party contractors of their respective obligations. If a contractor engaged to work on a project becomes insolvent, it may prove impossible to recover compensation for such defective work or materials and the Group may incur losses because of funding the repair of the defective work or paying damages to persons who have suffered any loss as a result of such defective work.

Disruption to the development or operation of any of the Group's assets could adversely affect the Group's business

The development or operation of the Group's projects may be disrupted for reasons that are beyond its control. These include, among other things, the occurrence of explosions, fires, earthquakes and other natural disasters, breakdown, failure or substandard performance of equipment, improper installation or operation of equipment, accidents, operational problems, transportation interruptions, other environmental risks and labour disputes. In addition, the Group's projects may also be a target of terrorist attack or other civil disturbance.

Further, the Group relies on extremely sophisticated and complex machinery that is built by third parties and may be susceptible to malfunction. Although, in certain cases, the Group is entitled to be compensated by manufacturers for certain equipment failures and defects, such arrangements may not fully compensate the Group for the damage and loss suffered as a result thereof. In addition, the Group may not be entitled to compensation for indirect losses such as loss of profits or business interruption under such agreements. If such operational difficulties occur in the future, they may adversely affect on the Group's business, financial condition and results of operations.

Negative actions by Electricity Generating Authority of Thailand could adversely impact the Group's business, financial condition and results of operations

The Group sells substantially all of the electricity that it produces to EGAT and derives substantially all of its revenue from electricity sales to EGAT. Any failure by EGAT to fulfil its contractual obligations (including payment obligations) and the failure of the Group to obtain timely and full compensation from EGAT for its electricity sales could negatively affect the Group's business, financial condition and results of operations.

In addition, as a significant shareholder, EGAT will have the ability to exert significant influence over the actions of the Group. EGAT may also engage in activities or implement policies that conflict with the interest of the Group. EGAT could also cause the Group to pursue strategic objectives that conflict with its investment objectives.

A downgrade to Thailand's sovereign credit rating or the credit rating of the Electricity Generating Authority of Thailand may impact negatively the Group's business, financial condition and results of operations

The Group's rating is closely related to the credit rating of EGAT and Thailand's sovereign credit rating as EGAT is the Group's largest shareholder and EGAT is 100 per cent. owned by the Government.

Therefore, any reduction in the credit rating of either EGAT or Thailand will very likely result in a downgrade to the Group's own credit rating, which may adversely impact its business, financial condition and results of operations.

The Group faces a number of financial risks, which may adversely impact its business, financial condition and results of operations

Due to the nature of the Group's business, the Group has short- and long-term investment plans for a number of projects of various sizes in Thailand and internationally, which require high levels of capital investment and may significantly reduce the Group's liquidity.

The acquisition, construction and expansion of power plants, in addition to the ongoing improvements required to maintain or upgrade existing assets, are capital intensive. Such costs are usually funded from a mixture of operating cash flow and third party financing. The Group intends to finance 60 per cent. to 75 per cent. of the cost of each of its prospective projects with third party debt. As at 31 December 2017, the Group had outstanding loans amounting to Baht 21,929 million, which is equivalent to U.S.\$671.45 million. Given its growth plans, the Group expects that it will incur substantial borrowings in the future. The availability of such borrowings and access to the capital markets for financing would depend on various factors including but not limited to prevailing market conditions, any regulatory approvals, if required, and the acceptability of the financing terms offered. There can be no assurance that future financings in the form of debt or equity will be available, whether on acceptable terms, in sufficient amounts or otherwise.

In addition, adequate short and long-term cash flow forecasts may lead to failure to meet capital requirements, reduced credibility of assets, failure to meet financial obligations under past and future debt obligations and failure to maintain the current credit rating from Standard and Poor's Ratings Services and Moody's Investors Services Limited.

Any of the financial risks listed above may negatively impact the Group's business, financial condition and results of operations.

The structure and specific provisions of the Group's financing arrangements could give rise to certain additional risks

The use of borrowings presents certain additional risks for the Group. The Group may be unable to service interest payments and principal repayments or comply with other requirements of any loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost. In addition, the borrowings of any Group company will generally be secured against some or all of the relevant company's assets and in particular the assets related to the relevant project. Any event of default would result in the lenders enforcing their security and taking possession of the underlying properties. Any cross-default provisions could magnify the effect of an individual default and if such a provision were exercised, this could result in a substantial loss to the Group.

The companies in the Group may be required to re-finance any borrowings they have from time to time. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Group's control) may make it difficult for the companies in the Group to obtain such new finance on attractive terms or at all. There will be an

adverse impact on the results of operations of the Group if borrowings become more expensive relative to the income received from investments. If the companies in the Group are not able to obtain new finance for any reason, the relevant company may suffer a substantial loss as a result of having to dispose off those of their investments which cannot be re-financed.

The Group may also guarantee the payment and performance of the obligations of certain of its joint venture companies under various contracts and loan agreements. As default by such joint venture company would require the Group to fulfil its payment obligations under such guarantees, which could have an adverse effect on the Group's cash flows and results of operations.

Fluctuations in interest rates and exchange rates could result in foreign exchange losses or could have a material adverse impact on certain repayment obligations

A depreciation of the value of the Baht will affect the cost of the Group's purchases denominated in currencies other than the Baht. Any significant fluctuation in exchange rates to the Group's disadvantage may have a material adverse effect on the results of operations of the Group.

The Group does continually monitor its exposure to exchange rate fluctuations and periodically engage in currency hedging in order to decrease its foreign exchange exposure when it is deemed to be appropriate. However, there can be no assurance that such hedging arrangements will be adequate. A weakening of the Baht against the U.S. dollar and other major foreign currencies may have a material adverse effect on its cost of borrowing in Baht terms, and consequently may increase the cost of financing of its expenditure in Baht terms. This could have a material adverse effect on the Group's results of operations and financial condition.

The Group may not be able to service all of its existing or proposed debt obligations, which could adversely affect its business and results of operations

The Group's ability to meet its existing and future debt service obligations and to repay outstanding borrowings under its funding arrangements will depend primarily upon the ongoing cash flow generated by its business. Certain of its borrowings are subject to floating interest rates which may increase. However, revenues under the PPAs may not increase correspondingly. In addition, the duration of the Group's PPAs may not match the duration of the related financial arrangements and thereby expose the Group to refinancing risk. The Group may not generate sufficient cash to enable it to service existing or proposed borrowings, comply with covenants or fund other liquidity needs.

Further, the Group will face additional risks if it fails to meet the debt service obligations or financial covenants required under the terms of its financing documents. In such a scenario, the relevant lenders could declare it in default under the terms of its borrowings, accelerate the maturity of its obligations, exercise rights of substitution over the financed project or replace directors on the board of the borrower. There can be no assurance that in the event of any such acceleration, the Group will have sufficient resources to repay these borrowings. Failure to meet obligations under debt financing arrangements could have a adversely impact the Group's business, financial condition and results of operations.

If the Group or any of their joint ventures do not operate their facilities efficiently, or otherwise breaches their contractual obligations, they may face penalties under the terms of the PPAs into which they have entered or may enter in the future

The PPAs which the Group has entered into, primarily with EGAT, set out certain penalties in the event the Group's or any of its joint ventures' performance does not meet certain levels. This includes the potential payment of liquidated damages in connection with unavailability of contracted power or non-satisfaction of certain other conditions. The Group will not be reimbursed for any increased costs arising as a result of its plants' failure to operate within the agreed norms. This could, in turn, have an adverse affect on the Group's business, financial condition and results of operations.

The tenure of the power purchase agreements for each of the Group's power projects is fixed and each of them will benefit from these projects only for such fixed terms

The Group's various PPAs with EGAT for its power projects are for a duration between 20 and 27 years. The PPAs are not subject to an option to extend. There can be no assurance that the tenure of the PPAs for each of these projects will be extended beyond its initial term. If there is no extension, the Group's business, financial condition and results of operations may be adversely affected.

Operating hazards, including a failure in equipment or machinery breakdown or accidents could have a material adverse effect on the Group's business, results of operations and financial condition

The generation and distribution of electricity involve many significant hazards that could result in fires, explosions, spills, discharges, leakages, release of hazardous materials, and other unexpected or dangerous conditions, accidents and environmental risks. Although the Group performs regular maintenance on its equipment, its plants are subject to equipment failure and accidents. A failure in equipment or machinery breakdown could result in reduced output at the Group's facilities or require temporary or permanent shutdown of the Group's facilities. In addition, many of these events may cause personal injury and loss of life, severe damage to or destruction of the Group's properties and the properties of others and environmental pollution, and may result in suspension of operations and the imposition of civil or criminal penalties. Such events at the Group's properties could expose the Group to liability and reputational damage. Any of these factors could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's insurance may be insufficient or may become unavailable in the future, which may negatively impact the Group's business, financial condition and results of operations

Although the Group maintains insurance for its power plants that it believes are reasonable for a power plant operator in Thailand, Laos, Australia, Indonesia, Japan and the People's Republic of China (the "PRC"), its insurance coverage may be insufficient or may become unavailable in the future. There can be no assurance that the insurance coverage it maintains for these risks will cover such risks or be adequate to compensate the Group for all damages and economic losses which it may suffer as a result of any such events. If any of the Group's power generation facilities suffers a large uninsured loss, or if any insured loss suffered significantly exceeds available insurance coverage or is not covered by the Group's insurance policies, the Group may have to allocate additional capital to cover such losses and its the business, financial condition and results of operations may be adversely affected.

In addition, the insurance coverage for the Group is subject to annual renewal. Numerous factors outside the Group's control can affect market conditions, which in turn can affect the availability of insurance coverage as well as premium levels for policies. The Group's insurance coverage is also subject to certain exclusions, limitations and deductibles. If the availability of insurance coverage is reduced significantly, the Group may become exposed to certain risks for which it is not or could not

be insured. Also, if premiums for the insurance coverage required for these facilities increase significantly, the Group could incur substantially higher costs for such coverage or may decide to reduce the coverage amounts, either of which could have an adverse effect on their financial condition and results of operations.

Failure to obtain and retain approvals and licences, or changes in applicable regulations or their implementation, may adversely affect the Group's operations

The Group is subject to extensive government regulation. The Group requires certain approvals, licences, registrations and permissions for operating its businesses, some of which may have expired and for which they have either made, or are in the process of making, an application for obtaining the approval or its renewal.

If the Group fails to obtain or retain any of these approvals or licences, or renewals thereof, in a timely manner, their business may be adversely affected. Furthermore, although the Group currently obtains and maintains all required regulatory licences, there can be no guarantee that any such licence will not be withdrawn in the future, or that any applicable regulation or method of implementation will not change. This could have a material adverse effect on the Group's business, financial condition and results of operations.

Compliance with environmental requirements may require significant expenditures by the Group that could adversely affect its ability to expand the Group's business and its results of operations

The Group's operations are regulated by a wide range of environmental requirements in Thailand. The environmental impact of new projects also attracts public interest and the regulation of new projects may be subject to political considerations that are beyond the Group's control. In the future, new or more stringent environmental requirements or changes in the application, interpretation or enforcement of existing requirements could result in substantially increased capital, operating or compliance costs, and could impose conditions that restrict or limit the Group's operations. These changes could limit the availability of the Group's funds for other purposes, which could adversely affect the Group's business, results of operations and financial condition. In addition, failure to comply with environmental requirements may result in reputational damage as well as in civil or criminal fines or sanctions, claims for environmental damages, remediation obligations, the revocation of environmental authorisations or the temporary or permanent closure of facilities.

The Group may not be able to acquire sufficient land for project site development or on commercially acceptable terms

There are limited sites which are suitable for the development of power projects as a result of geographical considerations and also Government policies. The Group faces this limitation when it seeks to expand its power generating capacity and also to develop new power plants. There is no assurance that the Group will be able to acquire or lease the land best suited for its power projects, in which case it may need to settle for alternative land, which may impair its operations. There is also no assurance that such acquisitions or leases will be completed in a timely manner, on terms that are commercially acceptable to the Group, or at all.

Interruption in fuel supplies or an increase in the cost of fuel may adversely affect the Group's business costs and revenues

The success of the Group's existing and planned operations will depend on, among other things, its ability to source a sufficient amount of fuel at competitive prices for its projects. Any delays or interruption in the supply of natural gas or coal any increase in the cost of such fuel or any deterioration in the relationship between the Group and its suppliers may have an adverse effect on the costs allocated for the projects.

100 per cent. of the Group's natural gas requirement is supplied by PTT Public Company Limited. Dependence on a limited number of fuel suppliers for power projects exposes the Group's power projects to serious vulnerabilities. These include non-supply due to reserves depletion, pro-rata scaling down of supply to all consumers, onerous contractual terms and an inability to obtain alternative fuel at short notice.

Failure to obtain sufficient fuel supplies for any of the Group's power projects in a timely manner, on appropriate terms and at competitive prices may have a material adverse impact on the Group's revenues and results of operations.

The success of the Group's power plants depends on the reliable and stable supply of water to its power plants

All of the Group's thermal and hydro power plants require a reliable water source. There can be no assurance that water supply to the Group's thermal power plants will continue to be dependable. In the event of water shortages, its power plants may be required to reduce water consumption, which would reduce their power generation capability and have an adverse impact on the Group's business and results of operations.

Changes in technology may affect the Group's business by making its equipment or power projects less competitive or obsolete

The Group's future success will depend, in part, on its ability to respond to technological advances and emerging power generation industry standards and practices on a cost-effective and timely basis. Changes in technology and high fuel costs of thermal power projects may make newer generation power projects or equipment more competitive than more traditional power projects or may require the Group to make additional capital expenditures to upgrade its facilities. In addition, there are other technologies that can produce electricity. If the Group is unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its business and financial performance could be adversely affected.

Failure to get power to market may significantly adversely affect the Group's business, financial condition and results of operations

The Group's operations are dependent upon it being able to deliver power to its customers including EGAT. The following events could prevent the Group from supplying power to its customers:

- unplanned outages of any of the Group's generating stations;
- failure in transmission systems;
- failure in inter-regional transmission as a result of inadequate inter-regional transmission capacity and consequent network congestion; or
- failures in distribution systems.

The occurrence of these events or any other similar events could adversely impact the Group's business, financial condition and results of operations.

The extent and reliability of Thailand's and Laos' infrastructure could adversely effect the Group's results of operations and financial condition

Thailand's and Laos' physical infrastructures are less developed than that of many developed nations. Any congestion or disruption in its road networks, electricity grid, communication systems or any other public facility could disrupt normal business activity. Any deterioration of the physical

infrastructure of Thailand or Laos would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in these countries. These problems could interrupt the Group's business operations, which could have an adverse effect on the Group's results of operations and financial condition.

The Group competes with other Thai and foreign companies in the power sector

A large number of power projects are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. Once the prospective bidders meet the technical requirements of the tender, the contract is usually awarded to the lowest bidder. The Group faces intense competition in the bidding process from domestic as well as international companies. In addition, new entrants to this sector may reduce their margin in order to gain market share. The nature of the bidding process may cause the Group and its competitors to lower prices to win contracts so as to maintain their respective market share. As a result of this competition, the Group faces substantial margin pressure, which could adversely impact the business, financial condition and results of operations of the Group.

The Group's long term success is dependent upon its ability to attract and retain key personnel and in sufficient numbers

The Group depends on senior executive and other key management members to implement its projects and business strategies. If any of these individuals resigns or discontinues his or her service, it is possible that an adequate replacement may not be found easily or at all. If this were to happen, there could be a material adverse effect on the Group's ability to successfully implement its projects and business strategies.

Competition for management and industry experts in the power sector is intense. The Group's future performance depends on its ability to identify, hire and retain technical, support, sales and other qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on its ability to implement planned projects and on the Group's business in general.

The unqualified audit opinion included in the Group's audited consolidated financial statements as at and for the year ended 31 December 2017 contains an "Emphasis of Matters" paragraph

The Group's audited consolidated financial statements as at and for the year ended 31 December 2017 included an unqualified audit opinion with an "Emphasis of Matters" paragraph in relation to the fair value of the foreign currency forward contracts, interest rate swap and cross currency swap contracts of the Group. See "*Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries Notes to the financial statements for the year ended 31 December 2017 — Note 35 — Financial Instruments*". Potential investors must therefore exercise caution when reading such financial statements to evaluate the Group's financial condition, results of operations and results.

Risks Relating to Thailand

Economic, political, legal and regulatory conditions in Thailand may materially and adversely affect the Group's business, financial condition, results of operations and prospects

The Group is subject to political, legal and regulatory conditions in Thailand that differ in certain significant respects from those prevailing in other countries with more developed economies. The Group's business and operations are subject to the changing economic and political conditions prevailing from time to time in Thailand. The Government has frequently intervened in the Thai

economy and occasionally made significant changes in policy. The Government's policies have included, among other things, wage and price controls, capital controls and limits on imports. The Group's business, cash flows, financial condition, results of operations and prospects may be adversely affected by changes in Government policies.

According to the Office of the National Economic and Social Development Board ("NESDB"), Thailand's GDP grew by 2.9 per cent. in 2015, 3.3 per cent. in 2016 and 3.9 per cent. in 2017. The NESDB also forecasts that Thailand's GDP will grow between 3.6 per cent. and 4.6 per cent. in 2018. However, there can be no assurance that Thailand's GDP will continue to grow in the future. There is also no assurance that current or future governments will adopt economic policies conducive to sustaining economic growth.

Factors that may adversely affect the Thai economy include:

- recessions or potential economic downturns in the United States, Europe, Asia or elsewhere in the world;
- exchange rate fluctuations;
- a prolonged period of inflation or change in regional interest rates;
- changes in taxation;
- natural disasters, including tsunamis, earthquakes, fires, floods, drought and similar events;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the region;
- fluctuations in world oil prices and other commodity prices;
- other regulatory, political or economic developments in or affecting Thailand;
- recent and threatened terrorist activities in Southeast Asia; and
- a potential recurrence or outbreak of avian influenza, severe acute respiratory syndrome (SARS), the H1N1 virus or the contagious diseases in Thailand or other Asian countries.

The Group's results may be influenced in part by the political situation in Thailand which has been unstable from time to time in the past. Changes in government, recent political unrest and protests, as well as the failure of any coalition to develop, could result in the delay or curtailment of economic reforms in Thailand and decrease confidence in the Government and Thai economy and the performance of Thai companies generally. There can be no assurance that the current or any future political instability in Thailand or any changes in the Government's policies or in Thailand's political environment will not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Political conditions and continued conflict in Thailand may have a direct impact on the Group's business

The Group's business, financial condition, results of operations and prospects may be influenced in part by the political situation in Thailand, which has been unstable from time to time since 2006.

In May 2014, Thailand's Army Commander-in-Chief Gen. Prayuth Chan-ocha declared a coup. The military imposed a curfew nationwide and subsequently lifted the curfew for certain major tourist destinations. The junta also announced the set-up of the National Council for Peace and Order ("NCPO"), comprising of leaders from the army, navy, air force and police. Gen. Chan-ocha as the Head of NCPO issued orders abrogating the 2007 Constitution and announced the implementation of

an interim constitution. In March 2016, the Constitution Drafting Commission, which is tasked with preparing the new constitution of Thailand, published the final draft of the constitution. In August 2016, a referendum was held and the draft constitution was approved. A definitive date for a general election has yet to be announced, and it is not expected until 2019. There can be no assurance that there will be no further political disruptions in the future. The outcome of the military coup and the success of the interim political leadership, including their impact on political, economic and legal conditions in Thailand cannot be predicted at this stage. It is also unclear whether the military coup and the interim political leadership will lead to policy reforms affecting the industry generally or the Group in particular. The effect of these events on political, economic and legal conditions in Thailand remains uncertain. Prolonged political instability in Thailand could have a material adverse effect on the economic and legal conditions in Thailand, which in turn could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Extreme weather and natural disasters may adversely affect the Group's business

Natural disasters, such as the flooding experienced in parts of Thailand in the second half of 2013, could adversely affect the operations of the Group's power plants. While the Group has contingency plans and insurance coverage in place to cope with the flooding, the property damage and business interruption caused by the unpredictable flooding and any future flooding could materially and adversely affect the Group's business and results of operations.

Non-enforceability of non-Thai judgments and the application of the parties' choice of law by Thai courts may limit the Trustee or a Noteholder's ability to recover damages from the Group

Under Thai law, judgments entered by an English court or any other non-Thai court are not enforceable in Thailand. The Trustee and any Noteholder would have to bring a separate action or claim in Thailand. While a non-Thai judgement could be introduced as evidence in a court proceeding in Thailand, a Thai court would be free to examine de novo issues arising in the case. Thai counsel has advised that in a court proceeding in Thailand, a Thai court would base its judgment on English law, the governing law of the Notes (except for provisions in relation to subordination, set-off and payment void and default and enforcement which are governed by Thai law) and the Trust Deed, provided that evidence satisfactory to the court as to the relevant provisions of English law is provided to the court and such provisions are not contrary to Thai public order or good morals. Thus, to the extent the Trustee or the Noteholders are entitled to bring legal action against the Group, they may be limited in their remedies and any recovery in any Thai proceeding might be limited depending on the relevant court's discretion. To the extent the Trustee or any Noteholders are entitled to any recovery with respect to the Notes in any Thai proceedings, recovery might be limited to payments in Baht.

The Thai regulatory framework applicable to electricity companies may be subject to significant revision

The Thai regulatory framework applicable to electricity companies has undergone significant structural changes in the past and may undergo significant changes in the future. In 2007, the Energy Industry Act B.E. 2550 (2007) (the "**Energy Industry Act**") was enacted. The Energy Industry Act restructures the energy industry management by separating the policy-making, regulation and operating functions of the energy industry from each other. The Energy Industry Act also established the Energy Regulatory Commission ("**ERC**") to regulate the energy industry as well as the Office of the Energy Regulatory Commission to perform the administrative functions in connection with energy industry supervision. Separately, following the enactment of the Act on the Administrative Organization of State Affairs (No. 5) B.E. 2545 (2002), the Energy Policy and Planning Office ("**EPPO**") was also set up to succeed to the duties of the National Energy Policy Office. One of the primary responsibilities of the EPPO is to make recommendations to the National Energy Policy Council ("**NEPC**"), a government body, and the Government regarding energy-related policies and plans, including power development plans, tariff structure, privatization of state-owned enterprises and private sector participation. In addition, the Ministry of Energy (the "**MOE**") was also established

in 2002 with the responsibility to set energy policy in consultation with the NEPC and regulating the energy sector through EPPPO. The MOE is authorised to formulate, make recommendations on and oversee implementation of policies related to matters pertaining to the country's present and future energy requirements.

There have been a variety of proposals for reform of several portions of Thailand's electricity industry as well as to formulate and implement the power development plan in the past, including by the Government. A number of proposals have subsequently been delayed, cancelled or significantly modified prior to their implementation. Accordingly, there can be no assurance that the regulatory changes promulgated by the relevant authority will be implemented, or if implemented, will be similar to the original proposals, or that other significant regulatory or structural reforms to the Thai power industry will not be made in the future. Any uncertainty regarding the extent of the new regulatory regime could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Differences between TFRS and IFRS and changes in accounting standard

The historical financial statements for the year ended 31 December 2017 appearing elsewhere in this Offering Circular were prepared in accordance with TFRS effective at the time such financial statements were prepared, which differ from IFRS in certain material respects. Ratchaburi has not (i) performed a reconciliation of the financial statements included in this Offering Circular to IFRS or (ii) quantified the differences between TFRS and IFRS with respect to such financial statements. If such a reconciliation or quantification had been performed, other material differences might have been identified and disclosed in the "*Summary of Principal Differences between TFRS and IFRS.*" Accordingly, there is no assurance that the identified differences in "*Summary of Principal Differences Between TFRS and IFRS*" represents all material differences.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features and risks associated:

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-Paid Notes

Any Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment on a Partly-Paid Note could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or vice versa. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Index Linked Notes and Dual Currency Notes

Any Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each a **"Relevant Factor"**). In addition, it may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) such Notes may receive no interest;
- (iii) the payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be or used as “benchmarks”, are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. For example, the sustainability of the London interbank offered rate (“**LIBOR**”) has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, the United Kingdom Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. Any changes to the administration of LIBOR or the emergence of alternatives to LIBOR as a result of these reforms, may cause LIBOR to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark; (ii) trigger changes in the rules or methodologies used in the benchmark or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Risks Relating to the Notes Generally

The Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Modification and waivers

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may agree, without the consent of Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or the Conditions that is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed and the Conditions that is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders.

Noteholders should be aware that definitive Notes and Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note or Certificate in respect of such holding (should definitive Notes or Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. If definitive Notes or Certificates are issued, holders should be aware that definitive Notes or Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Issuer (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

Performance of contractual obligations

The ability of the Issuers and the Guarantor to make payments in respect of the Notes may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent, the Transfer Agent, the Registrar, and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the relevant Issuer or the Guarantor of their obligations to make payments in respect of the Notes, the relevant Issuer and/or the Guarantor may not, in such circumstances, be able to fulfil their obligations to the Noteholders and the Couponholders.

Noteholders are exposed to financial risk

Interest payment, where applicable, and principal repayment for debts occur at specified periods regardless of the performance of the relevant Issuer and the Guarantor. The relevant Issuer or the Guarantor may be unable to make interest payments, where applicable, or principal repayments, under a series of Notes should it suffer serious decline in net operating cash flows.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Singapore taxation

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2018 are intended to be “qualifying debt securities” for the purposes of the ITA subject to the fulfilment of certain conditions more particularly described in the section “Singapore Taxation”. However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time. It was announced in the Singapore Budget Statement 2018 that the qualifying debt securities scheme (“**Qualifying Debt Securities Scheme**”) will be extended till 31 December 2023, subject to details to be announced by MAS.

Change of law

The Conditions of the Notes are based on English law, in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Where the Global Notes or Global Certificates are held by or on behalf of Euroclear or Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the relevant Issuer and the Guarantor

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates. Such Global Notes or Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (each of Euroclear and Clearstream, Luxembourg, a “**Clearing System**”). Except in the circumstances described in the relevant Global Note or Global

Certificate, investors will not be entitled to receive definitive Notes or Certificates. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by one or more Global Notes or Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Certificates, the relevant Issuer or the Guarantor will discharge their payment obligations under the Notes by making payments to or to the order of the common depositary for Euroclear and Clearstream, Luxembourg, for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The Issuers and the Guarantors have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg, as the case may be, to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer following an Event of Default or Default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

The Trustee may request that the Noteholders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including the giving of notice to the Issuer pursuant to Condition 10), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security, and/or prefunding to its satisfaction before it takes actions on behalf of Noteholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured, and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security, and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed constituting the Notes and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

Risks relating to the Guarantee

Certain provisions under the Guarantee may not be enforceable against the Guarantor in Thai court

A judgment of a foreign court will not be enforced by a Thai court but may, at the sole discretion of the court, be admissible as evidence in an action in court. Therefore, even if the Trustee and the Noteholders obtain a judgment against the Guarantor in a foreign country, the Trustee and the Noteholders will still have to bring another action against the Guarantor in a Thai court. As the Guarantee is governed by English law, in order for the Trustee and the Noteholders to enforce the Guarantee against the Guarantor in a Thai court, the relevant provisions of English law must be proven to the satisfaction of the Thai court and such English law must not be considered to be contrary to the public order or good morals of the people of Thailand. If the Thai court deems that the provisions of the Guarantee which the Trustee and the Noteholders are looking to enforce are contrary to the public order or good morals of the people of Thailand, such provisions will not be enforceable against the Guarantor.

Thai guarantee law has imposed certain limitations and requirements which may adversely affect the Trustee and the Noteholders' ability to enforce their rights under the Guarantee fully

Even though the Trustee and the Noteholders may have certain rights as provided in the Guarantee, such rights may be limited under Thai guarantee law or not fully enforced if certain procedures are not strictly followed. For instance, upon an Event of Default (as defined under the Trust Deed), the Trustee and the Noteholders, may declare, among other items, the principal amount of the Notes and accrued and unpaid interest due and payable. However, under Thai guarantee law, the Guarantor may (in its discretion) determine either to (i) pay in full the principal amount, together with accrued and unpaid interest to the date of payment or (ii) pay any amount under the Notes in accordance with the original payment schedule as if the Event of Default had not occurred. If the Guarantor opts to make the payment in accordance with the original payment schedule rather than making the full payment in one lump sum while making the full payment in one lump sum to its other creditors, payment under the Notes will not be accelerated and the rights of the Noteholders may be inferior relative to the Guarantor's other creditors.

Thai guarantee law does not permit the Guarantor to contract out of its rights to raise its own defences and defences of the Issuer against the Trustee and the Noteholders in connection with claims under the Notes and the Trust Deed. Therefore, the Guarantor is able to assert any defences it has and/or defences of the Issuer against the Trustee and the Noteholders during the enforcement process of the Guarantee, which may materially and adversely affect the recovery of any amount claimed under the Guarantee from the Guarantor.

Pursuant to Thai guarantee law, a guarantor has a right of recourse against the relevant debtor for any principal and/or interest discharged by such guarantor, including for losses and damages suffered or incurred by such guarantor, by reason of its making any payment pursuant the underlying obligations relating to the guarantee. Such right of the guarantor cannot be waived or contracted out. However, it is unclear from this provision of law as to whether the guarantor can agree to subordinate its rights to the holders of the relevant securities to which the guarantee relates in receiving payment from the debtor, which would effectively result in the guarantor only receiving payment from the debtor after all outstanding debts have fully been paid to such holders. There is currently no court decision or precedent as to how Thai courts will interpret and construe this Thai guarantee law provision. It is possible in the case of the Notes and the Guarantee that a Thai court could take the view that the Guarantor is able to take immediate recourse against the Issuer to the extent of any principal or interest discharged by it (whether in full or in part) and for losses and damages suffered or incurred by it by reason of payments pursuant to the terms of the Guarantee, even though the terms of the Guarantee provide otherwise. Any such action on the part of the Guarantor could result in a lower recovery for Noteholders in the event of any enforcement action in relation to the Notes and the Guarantee.

Thai guarantee law mandatorily releases the Guarantor from its obligations under the Guarantee if the Trustee or the Noteholders have granted the Issuer an extension of time to perform its obligations without consent of the Guarantor. Any pre-consent by the Guarantor in any agreement to any extension of time for the Issuer to perform its obligations granted by the Trustee or the Noteholders is unenforceable.

In enforcing the Guarantee against the Guarantor, the Trustee and the Noteholders will have to strictly comply with the requirements and procedures provided under the Thai guarantee law. Otherwise, their ability to recover the amount claimed against the Guarantor may be entirely or partially jeopardised

Thai guarantee law requires that a creditor must send a written notice to a guarantor within 60 days of the date of the debtor's default, failing which the creditor shall not have the right to any interest or compensation that accrues after such 60-day period. Furthermore, the creditor shall not have the right to demand payment from the guarantor before such written notice reaches the guarantor. Therefore, if the Trustee or Noteholders give a notice of default to the Guarantor later than 60 days

from the date of the default, the Trustee and the Noteholders will no longer have the right to claim from the Guarantor interest, costs, damages or expenses payable following such 60-day period. In addition, the scope of “default” under Thai guarantee law has not been definitely established particularly whether it would include both payment and non-payment defaults. The payment and non-payment defaults are much broader in nature than an Event of Default set out in the Trust Deed. If the Thai court takes the view that a default includes payment and non-payment default, and if the Trustee or Noteholders fails to give a notice of such default to the Guarantor within 60 days from the date of the default, the Trustee and the Noteholders will not be entitled to claim from the Guarantor interest, costs, damages or expenses payable following such 60-day period.

The Trustee and the Noteholders may not be able to recover any debt in excess of the Maximum Guaranteed Amount

Under Thai law, the Maximum Guaranteed Amount represents the absolute number which sets out the maximum liability of the Guarantor under the Guarantee. The Maximum Guaranteed Amount shall cover all principal, interest and other sums payable under the Trust Deed and the Notes. Therefore, once the Guarantor has made payments under the Guarantee up to the Maximum Guaranteed Amount, neither the Trustee nor the Noteholders shall be able to claim against the Guarantor under the Guarantee any shortfall between the amount already paid by the Guarantor under the Guarantee and the amount that has become due and payable under the Trust Deed and the Notes.

Notwithstanding that each Issuer (other than Ratchaburi) has in the Trust Deed provided an undertaking that for so long as any Note is outstanding it shall not issue any Notes which would otherwise be guaranteed by the Guarantor but the payment obligations related to which, when taken together with the payment obligations of all other outstanding Notes, would exceed the Maximum Guaranteed Amount, there is no assurance that when the Guarantee is called, the Maximum Guaranteed Amount will be sufficient to cover all amounts due and payable under the Trust Deed and the Notes. If the Maximum Guaranteed Amount has been fully satisfied by the Guarantor, neither the Trustee nor the Noteholders can request any additional payment from the Guarantor. Therefore, the rights of the Trustee and the Noteholders to recover the full amounts claimed under the Trust Deed and the Notes against the Guarantor under the Guarantee may be materially and adversely affected.

The obligations of the Guarantor under the Guarantee will be released and discharged upon the obligations of the Issuer under the Trust Deed and the Notes having been extinguished

Under Thai guarantee law, following the extinguishment of the obligations of the Issuer under the Trust Deed and the Notes by any cause whatsoever, the Guarantor will be released from its obligations under the Guarantee, regardless of whether the obligations of the Issuer may have subsequently revived or been reinstated for whatever reasons. Although there are no precedents in interpreting this provision of law, if all amounts payable by the Issuer under the Trust Deed and the Notes have been fully satisfied by the Issuer, but the Trustee and/or the Noteholders are subsequently ordered by any competent authority to return all or portion of such sum to the Issuer or its creditors for whatever reasons, it is likely that the Trustee and/or the Noteholders will no longer have any right of recourse against the Guarantor under the Guarantee for such returned amount because the obligations of the Guarantor under the Guarantee will have already been released and discharged when the obligations of the Issuer under the Trust Deed and the Notes have been fully satisfied.

In such event, the rights of the Trustee and the Noteholders to recover the full amounts claimed against the Guarantor under the Guarantee may be materially and adversely affected.

Claims of the secured creditors of the Guarantor will have priority with respect to their security over the claims of unsecured creditors, such as the holders of the Notes, to the extent of the value of the assets securing such indebtedness

Claims of the secured creditors of the Guarantor will have priority with respect to the assets securing their indebtedness over the claims of holders of the Notes. Therefore, the Guarantee will be effectively

subordinated to any secured indebtedness and other secured obligations of the Guarantor to the extent of the value of the assets securing such indebtedness or other obligations. In the event of any foreclosure, dissolution, winding up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding of the Guarantor that has secured obligations, holders of secured indebtedness will have prior claims to the assets of the Guarantor that constitute its collateral. The holders of the Notes will participate, pro rata, with all holders of the unsecured indebtedness of the Guarantor, and potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the Guarantor. In the event that any of the secured indebtedness of the Guarantor becomes due or the creditors thereunder proceed against the operating assets that secure such indebtedness, the Guarantor's assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Guarantee. As a result, while the holders of the Notes may receive the repayments pro rata, the holders of the Notes may receive less than holders of secured indebtedness of the Guarantor.

Payments under the Guarantee will be structurally subordinated to liabilities and obligations of certain of the Guarantor's subsidiaries

The Guarantor has only a shareholder's claim on the assets of any of its subsidiaries. This shareholder's claim is junior to the claims that creditors of any such subsidiary have against it. As a result, liabilities of any of the Guarantor's subsidiaries, including any claims of trade creditors and preferred stockholders and any secured obligations, will be effectively senior to the Guarantee. Any of these other subsidiaries may in the future have other liabilities, including contingent liabilities, that may be significant.

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

The Guarantee given by the Guarantor provides holders of Notes with a direct claim against the Guarantor in respect of an Issuer's obligations under the Notes, subject to the Conditions. Enforcement of the Guarantee would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*action pauliana*), voidable preference, financial assistance, corporate purpose, liability in tort and subordination or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuer(s) and, if payment had already been made under the Guarantee, the court could require that the recipient return the payment to the Guarantor.

The purchase and remittance of foreign currency by the Guarantor for payment of any sum payable pursuant to the Guarantee to the Trustee or Noteholders is subject to applicable exchange control regulations and requires approval from the Bank of Thailand. The Bank of Thailand's approval in this regard normally limits the amount of the remittance to the net worth of the Guarantor (calculated based on its latest audited financial statements). Although the Bank of Thailand's approval should be forthcoming upon the Guarantor's submission of supporting evidence to the Bank of Thailand, there can be no assurance that the Bank of Thailand will not exercise further discretion nor impose any additional conditions or restrictions which may affect or delay the outward remittance.

The bankruptcy law of Thailand differs from the laws of other jurisdictions with which the holders of the Notes may be familiar

The Guarantor was incorporated under the laws of Thailand, and principal assets of the Guarantor are located in Thailand. As such, any insolvency proceedings by or against the Guarantor would most likely be based on the bankruptcy law of Thailand, which may differ in significant respects from and may not be as favourable to holders of the Notes as compared to similar provisions under the laws of other jurisdictions with which the holders of the Notes may be familiar. For example, the courts of Thailand may not recognise the jurisdiction of the courts of foreign countries. Accordingly, holders of the Notes may have difficulties in administering a bankruptcy case involving a Thai debtor in the courts of a foreign jurisdiction with property located outside of that jurisdiction, and any order or judgment of a court in the foreign jurisdiction may not be enforceable outside of that jurisdiction. See *“Service of Process and Enforcement of Civil Liabilities”* and *“— Risks relating to the Guarantee — The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability”*.

Risks Relating to the Market Generally

The secondary market generally

There is no existing market for any Notes and there can be no assurances that a secondary market for the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

The market value of any Notes may fluctuate. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the relevant Issuer’s performance and the market for similar securities. No assurance can be given as to the liquidity of, or trading market for, any Notes and an investor in such Notes must be prepared to hold such Notes for an indefinite period of time or until their maturity.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes in the currency specified in the applicable Pricing Supplement (the **“Currency”**). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the **“Investor’s Currency”**) other than the Currency. These include the risk that foreign exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Currency would decrease (i) the Investor’s Currency-equivalent interest on the Notes, (ii) the Investor’s Currency-equivalent value of the principal payable on the Notes and (iii) the Investor’s Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable foreign exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

The market value of the Notes may fluctuate

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Issuers, the Guarantor and/or the Group, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuers, the Guarantor and/or the Group generally. Adverse economic developments, acts of war and health hazards in countries in which the relevant Issuer or the Guarantor operate could have a material adverse effect on the Issuers' or the Guarantor's operations, operating results, business, financial position, and performance.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, reduced or withdrawn by the rating agency at any time.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) or the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the relevant Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in these Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a series (“**Series**”) of Notes issued by RH International (Singapore) Corporation Pte. Ltd., Ratchaburi Electricity Generating Holding Public Company Limited (“**Ratchaburi**”, and together with its Subsidiaries (as defined in Condition 4), the “**Group**”) or any other entity specified hereon as being the issuer of this Note (each, in relation to Notes issued by it, the “**Issuer**”) pursuant to the Trust Deed (as defined below). Issues of Notes by the Issuer (except where the issuer of the Note is Ratchaburi) will be guaranteed (subject to the Maximum Guaranteed Amount (as defined herein)) by Ratchaburi (in such capacity, the “**Guarantor**”). References in these Conditions to the Guarantor and the Guarantee (as defined below) shall only apply to Notes issued by an Issuer other than Ratchaburi. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement and/or the Trust Deed.

The Notes are constituted by an Amended and Restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), (the “**Trust Deed**”) dated 9 March 2018 between, *inter alia*, RH International (Singapore) Corporation Pte. Ltd., the Guarantor and DB Trustees (Hong Kong) Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). The Trust Deed contains provisions for additional Issuers of Notes to accede to the Trust Deed in order to become an Issuer of Notes. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 9 March 2018 has been entered into in relation to the Notes between, *inter alia*, RH International (Singapore) Corporation Pte. Ltd., the Guarantor, the Trustee, Deutsche Bank AG, Hong Kong Branch as the initial issuing and paying agent and the other agents named in it. The issuing and paying agent, the other paying agents, the registrar, the transfer agent, and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**” (such Issuing and Paying Agent, Paying Agents, Registrar and Transfer Agents being together referred to as the “**Agents**”). The Agency Agreement contains provisions for additional Issuers of Notes to accede to the Agency Agreement in order to become an Issuer of Notes. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts (the “**Receipts**”) for the payment of instalments of principal (the “**Receiptholders**”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** Subject to Condition 2(f), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes

scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar at the Issuer's expense to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(b) or Condition 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the other relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents to Noteholders, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other Transfer Agent may require) in respect of tax or charges.
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)).

3 Guarantee and Status

- (a) **Guarantee:** The Guarantor has unconditionally and irrevocably guaranteed (subject to the Maximum Guaranteed Amount) the due payment of all sums expressed to be payable by the Issuer (other than Notes issued by Ratchaburi) under the Trust Deed, the Notes, the Receipts and the Coupons. Its obligations in that respect (the “**Guarantee**”) are contained in the Trust Deed.

For the purposes of these Conditions:

“**Maximum Guaranteed Amount**” means an aggregate amount of amounts payable from time to time by each Issuer (other than Ratchaburi) equal to U.S.\$1,500,000,000 (or its equivalent in currencies other than U.S. dollars) in respect of the Trust Deed, the Notes, the Receipts and the Coupons (which shall include any principal, interest, default interest, expenses, fees, indemnities, or otherwise accrued and payable thereunder) which are guaranteed by the Guarantor.

- (b) **Status of Notes and Guarantee:** The Notes and the Receipts and the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and the Coupons relating to them and (other than in relation to Notes issued by Ratchaburi) of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer and (other than in relation to Notes issued by Ratchaburi) the Guarantor, respectively, present and future.

4 Negative Pledge

So long as any Note, Receipt or Coupon remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will create or permit to subsist, and Ratchaburi will procure that no Subsidiary (as defined below) will create or permit to subsist, any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Investment Securities (as defined below) or to secure any guarantee or indemnity in respect of any Investment Securities unless, at the same time or prior thereto, the obligations of the Issuer or the Guarantor, as the case may be, under the Notes and the Trust Deed (i) are secured equally and rateably therewith, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement, in each case, as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

For the purposes of these Conditions:

“**Investment Securities**” means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes, loan stock or other investment securities which (i) are for the time being, or are intended to be or capable of being, quoted, listed, dealt in or traded on any stock exchange or over the counter or other securities market, (ii) are by their terms payable, or confer a right to receive payment, in any currency other than Thai Baht, and (iii) are not due for repayment within 12 months from the date of issuance thereof; and

“**Subsidiary**” or “**subsidiary**” of any person means any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity

or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

5 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(h).
- (b) **Interest on Floating Rate Notes and Index Linked Interest Notes:**
 - (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Conditions 5(h). The Issuing and Paying Agent and each other Paying Agent shall be entitled to rely on all determinations and calculations made by the Calculation Agent without any responsibility to verify any of the same and without liability to the Noteholders or any other person for so doing. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "Interest Payment Date" shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
 - (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 5(b)(iii)(A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified hereon;
- (b) the Designated Maturity is a period specified hereon; and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Condition 5(b)(iii)(A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (a) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - (1) the offered quotation; or
 - (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time in the case of LIBOR, Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR, EURIBOR or HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon;

- (b) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) of Condition 5(b)(iii)(B) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) of Condition 5(b)(iii)(B) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (y) of Condition 5(b)(iii)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in

accordance with the foregoing provisions of this Condition 5(b)(iii)(B), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined by the Calculation Agent in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)(B)).
- (d) **Dual Currency Notes:** In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined by the Calculation Agent in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.
- (f) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (g) **Margin, Maximum Rate of Interest/Minimum Rate of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
 - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to Condition 5(g)(ii).
 - (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (h) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (i) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

- (j) **Determination or Calculation by an agent of the Issuer:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall appoint another agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by an agent of the Issuer pursuant to this Condition 5(j) shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.
- (k) **Reset Interest Rate:** The interest rate payable on the Notes will be subject to an increase of 1.0% upon the occurrence of a Change of Control Triggering Event (the interest rate subject to such increase, the “**Reset Interest Rate**”). The Reset Interest Rate will have effect from and including the first Interest Payment Date following the date of the occurrence of such Change of Control Triggering Event and shall apply to all subsequent Interest Payment Dates regardless of any future increase in the ratings of the Notes. As soon as possible and in any event within five Business Days after becoming aware of the occurrence of a Change of Control Triggering Event, Ratchaburi shall provide a notice to the Trustee and the Noteholders setting forth the date of the occurrence of such Change of Control Triggering Event and the first Interest Payment Date from which the Reset Interest Rate applies. Any such notice shall be provided in accordance with Condition 16.
- (l) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of Notes denominated in a currency other than euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of Notes denominated in euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) in the case of Notes denominated in Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Hong Kong; and/or
- (iv) in the case of a currency and/or one or more Financial Centres, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Financial Centre(s) or, if no currency is indicated, generally in each Financial Centre.

“Change of Control” means (i) Electricity Generating Authority of Thailand (“**EGAT**”) ceasing to own and control, directly or indirectly, at least 35% of Ratchaburi’s issued and outstanding capital stock and (ii) any person or persons, acting together, becoming the owner, directly or indirectly, of a greater number of Ratchaburi’s issued and outstanding capital stock than that owned and controlled, directly or indirectly, by EGAT.

“Change of Control Triggering Event” means the occurrence of both a Change of Control and a Ratings Decline.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “Actual/Actual” or “Actual/Actual — ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y_2 - Y_1)) + [30 \times (M_2 - M_1)] + (D_2 - D_1))}{360}$$

where:

“Y₁” = is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” = is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y_2 - Y_1)) + [30 \times (M_2 - M_1)] + (D_2 - D_1))}{360}$$

where:

- “Y₁” = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” = is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and
- “D₂” = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{((360 \times (Y_2 - Y_1)) + [30 \times (M_2 - M_1)] + (D_2 - D_1))}{360}$$

where:

- “Y₁” = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y₂” = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M₁” = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M₂” = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “D₁” = is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- “D₂” = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30

(vii) if “Actual/Actual-ICMA” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or (ii) the day falling two Business Days in London for the

Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Rating Agency” means any of (i) S&P and (ii) Moody’s; provided that (A) if either of S&P or Moody’s, but not both, will not make a rating of the Notes publicly available, one other “nationally recognised statistical rating organisation” that is registered as such pursuant to Section 15E of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) and Rule 17g thereunder selected by Ratchaburi as a replacement agency will be substituted for S&P or Moody’s, as the case may be; and (B) if both S&P and Moody’s will not make a rating of the Notes publicly available, two other “nationally recognised statistical rating organisations” that are registered as such pursuant to Section 15E of the Exchange Act and Rule 17g thereunder selected by Ratchaburi as a replacement agency.

“Rating Category” means (1) with respect to S&P, any of the following categories: “AAA,” “AA,” “A,” “BBB,” “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (2) with respect to Moody’s, any of the following categories: “Aaa,” “Aa,” “A,” “Baa,” “Ba,” “B,” “Caa,” “Ca,” and “C” (or equivalent successor categories); and (3) the equivalent of any such category of S&P or Moody’s used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P; “1,” “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from “BB+” to “BB,” as well as from “B+” to “B-,” will constitute a decrease of one gradation).

“Ratings Decline” means, in connection with a Change of Control Triggering Event, the occurrence on, or within 90 days after, the earlier of the date, or public notice of the occurrence, of a Change of Control or the intention by EGAT to effect a Change of Control (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies), the public announcement by either Rating Agency of a decrease in the rating of the Notes by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

“Reference Banks” means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; and (iii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“S&P” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. and its successors.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (m) **Calculation Agent(s):** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for it or them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with prior notification to the Trustee) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. Any Calculation Agent appointed in respect of the Notes may not resign its duties without a successor having been appointed as aforesaid. The Calculation Agent shall not be responsible to the Issuer, Noteholders or any third party for any failure of the Reference Banks to provide quotations as requested of them or as a result of the Calculation Agent having acted on any quotation or other information given by any Reference Bank which subsequently may be found to be incorrect or inaccurate in any way.

6 Redemption, Purchase and Options

- (a) **Redemption by Instalments and Final Redemption:**
- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its principal amount) or, in the case of a Note falling within Condition 6(a)(i), its final Instalment Amount.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of Condition 6(b)(i)(C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(b)(i)(B), except that Condition 6(b)(i)(B) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(b)(i)(C) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in Condition 6(b)(i)), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b)) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or if the Guarantee was called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the jurisdiction of incorporation of the Issuer or the Guarantor or any political subdivision or, in each case, any authority thereof

or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a decision of a court of competent jurisdiction) or, in relation to Notes issued by an Issuer incorporated in Singapore, the Notes do not qualify as “qualifying debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts if a payment in respect of the Notes (or the Guarantee, as the case may be) were then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee a certificate signed by one director of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and an opinion, addressed to the Trustee, of independent legal or tax advisors of recognised standing to the effect that such change or amendment has occurred (irrespective of whether such amendment or change is then effective). The Trustee shall be entitled without further enquiry and without liability to any Noteholder or any other person to rely on such certificate and opinion and if it does so, such certificate shall be conclusive evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(c). Each such certificate and opinion shall be conclusive and binding on Noteholders and Couponholders.

- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as determined by the Issuer and notified in writing to the Trustee, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 30 nor more than 60 days’ notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any other Transfer Agent at its specified office, together with a duly

completed option exercise notice (an “**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6(f) and the provisions specified hereon.
- (g) **Purchases:** The Issuer, the Guarantor and any of their respective Subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.
- (i) **No Obligation to Monitor:** The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists pursuant to this Condition 6 and will not be responsible or liable to the Noteholders, Receiptholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance pursuant to this Condition 6, it shall be entitled to assume that no such event or circumstance has occurred or exists.

7 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(ii)), as the case may be:
 - (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
 - (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

In this Condition 7(a) and in Condition 7(b), “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) **Registered Notes:**

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made:
 - (a) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
 - (b) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 7(b)(ii), “registered account” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer and the Guarantor shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer or, where applicable, the Guarantor, any adverse tax consequence to it.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, and the Transfer Agents initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, and the Transfer Agents appointed under the Agency Agreement and any Calculation Agent(s) appointed in respect of any Notes act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar or any Transfer Agent in accordance with the provisions of the Agency Agreement and to appoint additional or other Paying Agents or Transfer Agents, in each case in accordance with the Agency Agreement, provided that the Issuer and the

Guarantor shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where these Conditions so require, (v) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in Condition 7(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) Unmatured Coupons and Receipts and unexchanged Talons:

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index Linked Notes), such Notes should be surrendered to the relevant Paying Agent for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmaturing Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer, the Issuing and Paying Agent and/or the Registrar may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation

(and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in the location of the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business and in the relevant place of presentation (if presentation and/or surrender of such Note, Receipt or Coupon is required), in such jurisdictions as shall be specified as “Financial Centres” hereon and:
 - (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
 - (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantor in respect of the Notes, the Receipts and the Coupons or under the Guarantee shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of incorporation of the Issuer or, in the event of payments made pursuant to the terms of the Guarantee, the jurisdiction of incorporation of the Guarantor or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

The Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of the jurisdiction of the Issuer or the Guarantor, as the case may be, or as having a permanent establishment in the jurisdiction of the Issuer or the Guarantor, as the case may be, for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the jurisdiction of the Issuer or the Guarantor, as the case may be, other than the mere holding of the Note, Receipt or Coupon; or

- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

For the avoidance of doubt, none of the Trustee or the Agents shall be responsible or liable for (a) determining whether a Noteholder, a Receipholder, a Couponholder or the Issuer is liable to pay any taxes or the amounts payable (if any) in connection with this Condition; or (b) determining the sufficiency or insufficiency or any amounts so paid and none of the Trustee or the Agents shall be liable for any failure of the Issuer, any Noteholder, Receipholder or Couponholder to pay such taxes.

9 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each such case to being indemnified and/or secured and/or prefunded by the Noteholders to its satisfaction), give notice (a “Default Notice”) to the Issuer that the Notes are, and they shall accordingly thereby become, immediately due and repayable at their Early Redemption Amount together (if applicable) with accrued interest, if any of the following events (each an “Event of Default”) has occurred and is continuing:

- (a) a default is made in the payment of any principal, premium or interest due in respect of the Notes and in the case of any payment of interest, such default is not rectified within five days;
- (b) the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Notes or the Trust Deed which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after the date a Default Notice shall have been given to the Issuer by the Trustee;

- (c) the Issuer, the Guarantor or any other member of the Group is (or is, or could be, deemed by law or by a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of any of (or a particular type of) such debts (or of any part which it will otherwise be unable to pay when due), commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any other member of the Group;
- (d) (i) any other present or future indebtedness of the Issuer or the Guarantor or any other member of the Group for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness of the Issuer, the Guarantor or such other member of the Group in respect of borrowed money is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, the Guarantor or any other member of the Group fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(d) have occurred equals or exceeds U.S.\$35,000,000 or its equivalent (as determined on the basis of the middle spot rate for the relevant currency against the U.S. Dollar as quoted by any leading bank selected by the Issuer (and notified in writing to the Trustee) on the day on which this paragraph operates) in any other currency;
- (e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, the Guarantor or any other member of the Group and is not discharged or stayed within 30 days;
- (f) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, the Guarantor or any other member of the Group becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person);
- (g) an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, the Guarantor or any other member of the Group, or the Issuer, the Guarantor or any other member of the Group shall apply or petition for a winding-up or administration order in respect of itself or ceases or threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders;
- (h) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer, the Guarantor or any other member of the Group;
- (i) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of their respective obligations under any of the Notes or the Trust Deed;

- (j) (i) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer or the Guarantor in order (a) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Notes and the Trust Deed, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Notes and the Trust Deed admissible in evidence in the courts of England is not taken, fulfilled or done or (ii) the Trust Deed is not (or is claimed by the Issuer or the Guarantor not to be) in full force and effect and enforceable against the Issuer and the Guarantor;
- (k) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect and enforceable against the Guarantor; or
- (l) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 10(a) to 10(j) (both inclusive).

11 Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, or (viii) to modify or cancel the Guarantee, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

- (b) **Modification of the Trust Deed:** The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provisions of applicable law or as required by Euroclear and/or Clearstream, Luxembourg, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or these Conditions that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Noteholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee, acting for and on behalf of Noteholders, shall not be entitled to require on behalf of any Noteholder or Couponholder, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or the Guarantor any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders. For the avoidance of doubt, the provisions of this Condition 11(c) shall not restrict or prevent the Trustee from claiming any indemnity or payment from the Issuer or the Guarantor for its own account.

12 Enforcement

At any time after the Notes become due and payable, the Trustee (i) may, at its discretion or (ii) shall, if so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least 25 per cent. in principal amount of the Notes outstanding, and without further notice, institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Notes, the Receipts and the Coupons, but it need not take any such proceedings unless it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder, Receiptholder or Couponholder may proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

13 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, the Guarantor, any Subsidiary of the Issuer or the Guarantor and any entity related to the Issuer and/or the Guarantor without accounting for any profit.

The Trustee may accept and rely without liability to Noteholders or Couponholders on any report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice conclusively and without liability to the Noteholders or any other person and such report, confirmation or certificate or advice shall be binding on the Issuer, the Guarantor, the Trustee and the Noteholders and the Couponholders.

14 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer, the Guarantor, the Issuing and Paying Agent and/or the Registrar may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Asia (which is expected to be *The Wall Street Journal Asia*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Asia. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The Issuer shall also ensure that notices are duly published in a manner that complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by these Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

17 Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Arbitration:** Each of the Issuer and the Guarantor irrevocably agrees that any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including any dispute relating to any non-contractual obligations arising out of or in connection with any Notes, Receipts, Coupons or Talons) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including any dispute relating to any non-contractual obligations arising out of or in connection with any Notes, Receipts Coupons or Talons) (“**Proceedings**”) will, upon the written request of the Trustee, be settled by arbitration in accordance with the Arbitration Rules of the Singapore International Arbitration Centre from time to time in force, which rules are deemed to be incorporated by reference into this Condition 18(b) (the “**Rules**”). The place of arbitration shall be Singapore at the facilities of the Singapore International Arbitration Centre and the language of the arbitration shall be English. The number of arbitrators shall be three, each of whom are appointed in accordance with the Rules, shall be disinterested in the claim, dispute or difference, shall have no connection with the Issuer, the Guarantor, the Trustee or any Noteholder and shall be an attorney experienced in international finance transactions. The costs of the arbitration shall be determined and paid by the parties to the arbitration as provided in the Rules.

Each of the Issuer and the Guarantor agrees that, if the Trustee has requested for a Proceeding to be settled by arbitration under the Rules pursuant to this Condition 18(b), save only to enforce in any court having jurisdiction any award rendered by the arbitrators, it shall not institute any Proceedings on the same facts in any other court and shall request for any Proceedings in any other court to be dismissed. In the event that any Proceedings are instituted in any court to enforce any arbitration award, the person or persons against whom enforcement of that arbitration award is sought shall pay all costs, including without limitation, the costs of legal counsel and translation fees, of the person or persons seeking the enforcement of that arbitration award. The arbitration shall be held within six months of the date of the appointment of the arbitrators and the arbitrators are authorised to assess costs against a party who has caused delay or who has failed to comply with any Rules. The decision of the arbitrators shall be final, binding and incontestable and may be used as a basis for judgment thereon in any jurisdiction.

- (c) **Jurisdiction:** Without prejudice to the right of the Trustee to revert to arbitration pursuant to Condition 18(b), the courts of England are to have jurisdiction to settle any Proceedings and accordingly any Proceedings may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Trustee, the Noteholders, the Receiptholders and the Couponholders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction whether concurrently or not).

- (d) **Service of Process:** Each of the Issuer and the Guarantor irrevocably appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer and/or the Guarantor, as the case may be). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent and shall immediately notify the Trustee and the Noteholders of such appointment in accordance with Condition 16. Nothing shall affect the right to serve process in any manner permitted by law.
- (e) **Waiver of Immunity:** Each of the Issuer and the Guarantor hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”).

Upon the initial deposit of a Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear or Clearstream, Luxembourg (as the case may be), and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer or the Guarantor, as the case may be, to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer or the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or in a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”) is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

The holder of a temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due presentation of the temporary Global Note for exchange or delivery of a permanent Global Note or for delivery of Definitive Notes is improperly withheld or refused.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

The following will apply in respect of transfers of Notes held in Euroclear, Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made:

- (i) in whole but not in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) in whole or in part with the prior consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer. Where the holding of Notes represented by the Global Certificate is only transferable in whole, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear, and/or an Alternative Clearing System.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any Exchange Date (as defined in paragraph 3.6 below) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

“Exchange Date” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be enfaced on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 7(h).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

So long as the Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, the Issuer has promised, *inter alia*, to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by the Global Note or Global Certificate.

4.2 Prescription

Claims against the relevant Issuer or the Guarantor in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the register of the certificateholders, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the relevant Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by such Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Conditions while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with

a Paying Agent set out in the Conditions, in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent for notation.

4.8 Trustee's Powers

For so long as any of the Notes is represented by any Global Note or a Global Certificate, and the permanent Global Note is held by or on behalf of any clearing system or nominee or sub-custodian for a clearing system or the Global Certificate is registered in the name of, or in the name of any nominee or sub-custodian for, a clearing system, in considering the interests of each person who is for the time being shown in the records of such clearing system, nominee or sub-custodian, the Trustee and the Issuing and Paying Agent are entitled to have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and are entitled to consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

Notices required to be given in respect of the Notes represented by any Global Note or a Global Certificate may be given by their being delivered (so long as such Global Note or Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, (in the case of a Global Certificate) for communication by it to accountholders entitled to an interest in the Notes in substitution as required by the Conditions, rather than by mailing to the addresses in the Register as required by the Conditions, or (in the case of a Global Note) otherwise to the holder of such Global Note, rather than by publication as required by the Conditions, except that in each case, so long as the Notes are listed and/or admitted to trading, notices required to be given to the holders of the Notes pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are listed and/or admitted to trading.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holders in respect of them.

USE OF PROCEEDS

Unless otherwise specified in the relevant Pricing Supplement, the net proceeds from the issue of each Tranche of Notes will be applied by the Group 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.

CAPITALISATION AND INDEBTEDNESS

As at 31 December 2017, the Group had an authorised and paid up share capital of Baht 14,500 million divided into 1,450 million ordinary shares at par value of Baht 10 each.

The following table sets out the Group's capitalisation and indebtedness as at 31 December 2017. The table is derived from the Group's audited consolidated financial statements as at and for the year ended 31 December 2017 and should be read in conjunction with these financial statements.

	As at 31 December 2017	
	<i>(U.S.\$'000)</i>	<i>(Baht'000)</i>
Short term indebtedness ⁽¹⁾	81,395	2,658,281
Long term indebtedness ⁽²⁾	590,061	19,270,799
Total indebtedness	<u>671,456</u>	<u>21,929,080</u>
Equity attributable to owners of the parent:		
Share capital	443,982	14,500,000
Retained earnings	1,575,426	51,451,853
Other reserves (including share premium and other component of equity)	(82,261)	(2,686,565)
Total equity	<u>1,937,147</u>	<u>63,265,288</u>
Total capitalisation and indebtedness	<u>2,608,603</u>	<u>85,194,368</u>

Notes:

- (1) Short term indebtedness comprises short term loans from financial institution, bill of exchange payables and current portion of debentures.
- (2) Long term indebtedness comprises long term loans from related party, long term loans from financial institutions and debentures.

There has been no material change in the Group's total capitalisation and indebtedness since 31 December 2017.

DESCRIPTION OF RH INTERNATIONAL (SINGAPORE) CORPORATION PTE. LTD.

History and Business

RHIS was incorporated with limited liability under the laws of the Republic of Singapore on 6 September 2010. The immediate holding company of RHIS is RH International (Mauritius) Corporation Ltd, which is incorporated in the Republic of Mauritius. Ratchaburi Electricity Generating Holding Public Company Limited is the ultimate holding company of RHIS.

RHIS was incorporated as part of Ratchaburi's regionalisation strategy and its principal activities relate to investment holding. Ratchaburi's investments and offshore projects in the power generation sector are primarily undertaken by RHIS. Apart from the issue of Notes under the Programme, it is also intended that RHIS may enter into other transactions for the purpose of raising funds to meet the funding requirements of the Ratchaburi Group.

The registered office of RHIS as at the date of this Offering Circular is at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981.

Shareholding and Capital

As at the date of this Offering Circular, the issued and fully paid up share capital of RHIS is U.S.\$523,832,000 , comprising S\$120,000 and U.S.\$523,740,000 in ordinary shares.

Directors

As at the date of this Offering Circular, the Directors of RHIS are:

- (1) Raluke Satayaporn;
- (2) Sunee Rajatamutha;
- (3) Swanya Ratanadirek; and
- (4) Lim Chia Wei Roy.

DESCRIPTION OF THE GROUP

Overview

The Company is an investment company in the electricity generation business based in Thailand. The three core businesses of the Group are power generation, renewable energy and related businesses. The Group is the largest independent power producer in Thailand by total capacity. As at the date of this Offering Circular, the Group has a total capacity from its domestic and overseas projects of 6,496MW, comprising 19 power plants powered by natural gas, coal, hydroelectric and alternative renewable energy. The Group's projects that are under construction and development have a total capacity of 884 MW and are due to complete between 2018 and 2021. The Group plans to expand its operations through joint investments and acquisitions both in and outside of Thailand, including renewable energy and other power generation related businesses.

The Company was incorporated as a company with limited liability under the Civil and Commercial Code of Thailand on 7 March 2000 pursuant to the Master Plan of Privatisation as approved by the Thai Government on 30 November 1999. The Company had been converted into a public company with limited liability on 18 August 2000 and has been listed on the SET under the "RATCH" stock symbol since 2 November 2000 with a market capitalisation of Baht 78,663 million (U.S.\$2,408.62 million) as at 31 December 2017. For the financial year ended 31 December 2017, the Group had total revenue of Baht 46,438 million (U.S.\$1,421.92 million) and recorded a profit of Baht 6,107 million (U.S.\$186.98 million), compared to Baht 51,280 million (U.S.\$1,570.16 million) and Baht 6,166 million (U.S.\$188.79 million) for the previous financial year. The Group's total assets as at 31 December 2017 amounted to Baht 94,225 million (U.S.\$2,885.11 million) compared to Baht 96,391 million (U.S.\$2,951.44 million) as at 31 December 2016.

As at the date of this Offering Circular, the Company is 45 per cent. owned by EGAT. EGAT is a state-owned enterprise under the Ministry of Energy of Thailand, which is responsible for electric power generation and transmission in Thailand. EGAT purchases bulk electricity from private power producers and sells it to two distributing authorities in Thailand, a small number of direct industrial customers as well as neighbouring countries. EGAT also owns and operates a high voltage transmission network in Thailand which covers all parts of the country.

The Company's registered office is at 8/8 Moo 2, Ngamwongwan Road, Bangkok, Muang, Nonthaburi 11000, Thailand.

Competitive Strengths

The Group believes that its competitive strengths are as follows:

Strong track record and experience in executing diversified types of power projects

The Group believes that it has a strong track record of successfully implementing a diversified range of power projects, ranging from large scale gas-fired and coal-fired thermal power projects to small scale solar and biomass projects. Some of these examples include the setting up of the 3,645MW Ratchaburi Power Plant and the 1,878MW Hongsa Thermal Power Plant. The Group has also implemented renewable energy power projects such as the Huay Bong 2 and Huay Bong 3 Wind-Turbine Power Plants, which have a total capacity of 207MW generated from 90 wind turbines, making these the largest wind farms in Southeast Asia. The Group has the ability to expand its existing generation capabilities and to manage the various complexities involved with integrating new units with existing units. Most of the Group's projects to date have been completed on schedule, enabling their commercial operations to commence in a timely manner which leads to faster revenue generation. As at the date of this Offering Circular, the Group has power projects under construction and development which have the potential to generate a total capacity of 884 MW.

STRONG RELATIONSHIP WITH EGAT

As at the date of this Offering Circular, the Company is 45 per cent. owned by EGAT. As a result of this relationship, the Group has secured long-term PPAs with EGAT to supply almost all of the output of its power plants. The Group has stable and secure access to the EGAT-operated transmission and distribution network in Thailand. The Group's relationship with EGAT provides a stable operating environment, enabling the Group to focus on pursuing its growth and improving its operational efficiency. As at 31 December 2017 and 31 December 2016, EGAT contributed 94 per cent. and 95 per cent. to the Group's revenue, respectively.

Geographically well placed to expand in Southeast Asia and Australia

The Group believes that it is geographically well placed to expand in Thailand and also into other countries in Southeast Asia. The Group has strong relationships with IPPs such as PTT Public Company Limited, CK Power Public Company Limited as well as other industry participants such as off-takers, financiers and regulatory agencies in the various local markets, which provides access to opportunities to invest in power projects in the region. In addition, the Group is able to utilise its experience acquired in the region through its cross-border Thailand-Laos power projects, leverage on the complex technical knowledge and project management capabilities it has developed from such experience and apply them to any future power projects which it undertakes in Southeast Asia.

In Australia, RAC has been focussed on the renewable energy market, in line with Australia's Renewable Energy Target which currently aims to generate 20 per cent. of electricity in Australia from renewable energy sources by 2020. RAC is able to leverage on its relationship with its local joint venture partner, Broadspectrum, as well as its successful track record in implementing wind farm and gas-fired power projects, to access opportunities for investments in power projects in Australia.

Steady cash flows and strong balance sheet

The Group derives its steady cash flows from long-term PPAs which it has in place with EGAT and other customers and its ability to pass on variable costs such as fuel costs under most of its PPAs. As at 31 December 2017, the Group's balance sheet is healthy, with total assets of Baht 94,225 million (U.S.\$2,885.11 million) and shareholders equity of Baht 63,281 million (U.S.\$1,937.63 million). The Group's current ratio and net debt/equity ratio was 2.47 times and 0.19 times as at 31 December 2017, respectively. Given its strong cash flow and balance sheet, the Group is well equipped to pursue its strategic expansion plans and to mitigate against some of the inherent risks in the industry.

Strong and experienced management team

The Group has an experienced management team with a strong understanding of both the financial and technical aspects of the power generation business with an average of 17 years of experience. The Group's senior management has broad operational and management experience in the power generation industry as a whole and extensive knowledge of the Thai power industry and regulatory environment in particular. The Group believes it has a good reputation with regulatory agencies and other industry participants, and that its reputation and management expertise will be key factors in ensuring the sustainability and growth of its operations.

Secured fuel supply

The Group has long-term fuel supply contracts in place for most of its power plants, including the Ratchaburi Power Plant, the Tri Energy Power Plant and the Ratchaburi Power Power Plant, which are the Group's major power plants. This ensures fuel availability and minimises the risk of any disruptions in operations due to fuel supply issues. The Group's key supplier of natural gas in Thailand is PTT Public Company Limited under 25-year gas sale agreements. The Group is not subject to any take-or-pay obligations under these gas sale agreements. The Group also passes on a substantial portion of its fuel costs through the PPAs it has entered to with EGAT. See “— *Fuel — Natural Gas*”.

Strategy

The Group's key strategies are as follows:

Increase capacity and expand regionally

Under the terms of its existing PPAs, revenue receivable for the relevant power projects is paid at a higher level for the initial years of the term of the PPA and is gradually reduced for the remainder of the term. This structure is to match its debt servicing obligations under the relevant financing agreements during the initial years of the term of the PPAs and is common for all IPPs in Thailand. In line with the structure of its PPAs, the Group seeks to increase its revenue by increasing its capacity and expanding regionally. The Group aims to increase its total capacity to 7,380 MW by the end of 2021 from 6,496 MW as at the date of this Offering Circular.. The Group intends to achieve this by seeking new potential investments and projects both in Thailand to meet the domestic demand for electricity consumption and in neighbouring countries in order to support the Group's corporate growth. The Group is currently involved in the operation, construction and development of projects in Thailand, Laos, Australia, Indonesia and the PRC. The Group will leverage on the existing relationships with its joint venture partners and the regulatory authorities in these jurisdictions to pursue opportunities to invest in further future power projects. In addition, the Group is also actively seeking potential opportunities to be involved in power projects in other countries in Asia, both in greenfield developments and investments through mergers and acquisitions, based on acceptable risks and returns.

Expand its renewable energy power generation business

The Group currently operates eight power plants and is constructing and developing two additional power plants which use renewable energy. It intends to leverage its experience and technical knowledge from developing and operating these power plants to expand its renewable energy power generation business both in Thailand and in other countries. The Group aims to increase its total capacity from renewable energy by 306 MW by 2018.

Secure long-term PPAs

The Group aims to secure long-term PPAs for each of its operational power projects. The Group also secures PPAs prior to commencing the construction and development of any new power projects. The Group's operational power plants have the benefit of PPAs ranging from five to 25 years while all of its power projects under construction or development have entered into PPAs ranging from 20 to 27 years. The Group intends to continue to achieve long-term PPAs for its power projects by leveraging on its relationship with existing customers such as EGAT and the PEA.

Improve operating efficiency and plant availability

The Group intends to improve its operating efficiency across all of its core businesses. The current organisation structure of the Group was a result of an internal reorganisation of the Group which was undertaken in early 2014 to improve the Group's overall investment structure and to maximise

synergies. The Group also appoints its directors and executives to be the directors and management of the businesses in which it has invested both during the construction and after commercial operations begin. This is to ensure that its subsidiaries and affiliates align with the operations of the rest of the Group and support the Group's investment policy.

The Group also seeks to improve its operating efficiency at the power plants level. The Group aims to do so by increasing the power plants' availability through frequent monitoring of the condition of the machines and spare parts and ensuring that strict maintenance programmes are in place by conducting maintenance in accordance with the schedule.

Furthermore, the Group continuously upgrades the technology for its power plants, which are provided by experienced parties such as General Electric International Operations Inc. and Mitsubishi Heavy Industry, Ltd.. The Group believes that this will improve the power plants' performances and enable the Group to operate and maintain its power plants efficiently for their entire life of commercial operations.

Capitalise on the growth of the Thai power sector

Thailand's power demand has remained relatively inelastic to external shocks. Thailand's new Power Demand Forecast shows predicted annual growth of 2.67% from 2014 to 2036. Thailand has only seen declining power demand growth rates twice, once during the Asian financial crisis in 1998 and the other in 2011 due to severe and unprecedented floods. Based on the PDP 2015, which was approved by the NEPC and the Cabinet, peak power demand is expected to grow from 26,942MW in 2014 to 49,655MW in 2036. In addition, to ensure the stability and security of the Thailand power system, the PDP 2015 also stipulates that Thailand should have a reserve margin of not less than 15 per cent. of peak power demand. The PDP 2015 further stipulates that the proportion of power purchase from neighbouring countries should be not greater than 20 per cent. of total generating capacity, which underscores Thailand's desire for high levels of energy security and self-sufficiency.

Based on this, the country's target generation capacity is expected to increase from 37,612MW in 2014 to 70,335MW in 2036. The PDP 2015 calls for a total increase of 57.5GW of generating capacity from 2015 to 2036, taking into account the deduction of some capacity to be retired.

It is also expected that the Government will promote the increase of clean coal-fired power plants and renewable power plants, especially power plants using solar power and biomass fuel, with financial incentives to help power producers recoup high initial development costs. The Government is aiming to increase the proportion of renewable energy generation from 8 per cent. in 2014 to 20 per cent. of the total power requirement in 2036, resulting in the replacement of some planned conventional (coal-fired or gas-fired based) power plants by renewable energy power plants. By the end of 2036, the share of gas-fired capacity is expected to decrease to 37 per cent. while the proportion of renewable energy would increase to 18 per cent.

The Group's projects are positioned and structured to take advantage of these benefits and policies. The Group has a strong existing relationship with EGAT, which it intends to leverage in seeking opportunities for new power projects in Thailand. The Group believes that it is well-placed to win tenders for these projects given its experience in the Thailand IPP sector as the largest IPP in Thailand by total capacity.

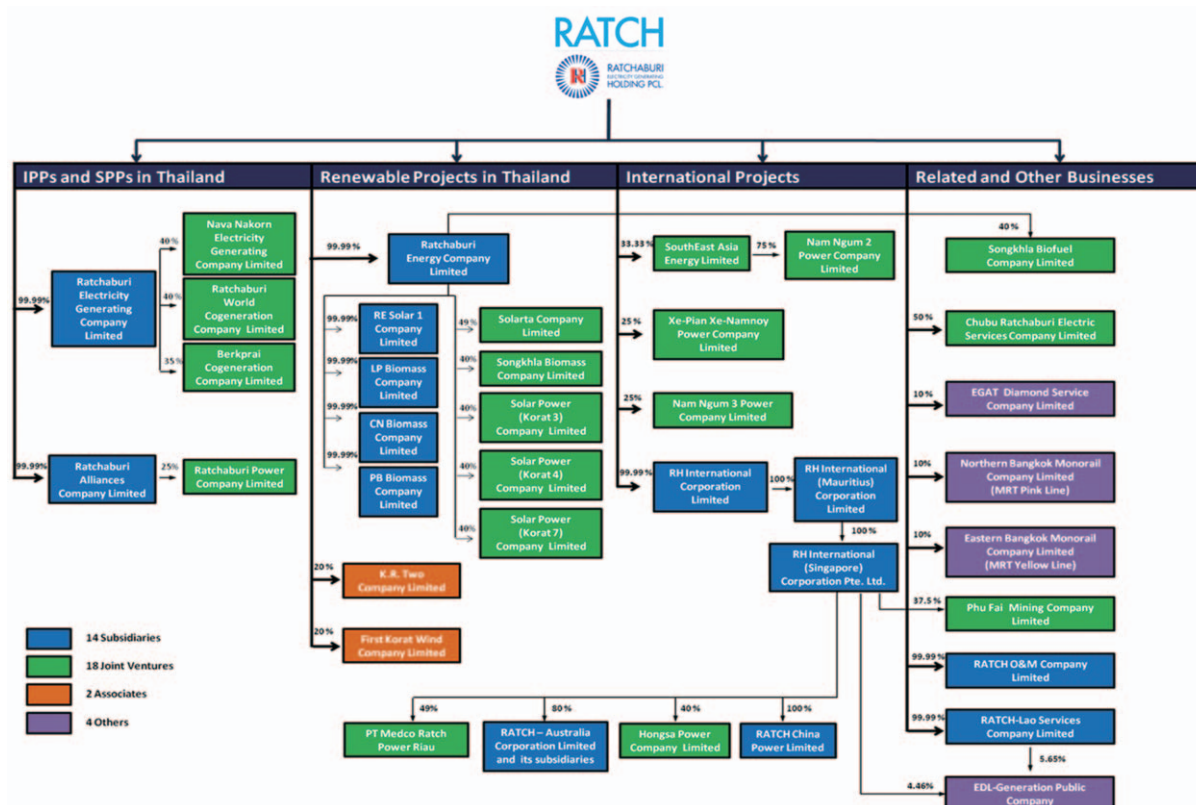
Enhance value by diversifying into energy-related and other businesses

Driven by term of PPA, increasingly intensified competition in power market and disruptive technology, the Group is aware of challenges towards the Group's sustainable growth. Therefore, the Group has revised its business strategy by expanding investment boundary from power generation to integrated energy business from fuel sourcing to transmission and distribution, and diversifying to other potential business. Up to date, the Group has already had interests in coal mining supply for 1,878-MW coal-fired Hongsa power plant in Lao PDR and operation and maintenance service

providing for 1,490-MW gas-fired Ratchaburi-Power power plant in Rachaburi province. In 2016, the Company successfully invested a 10 per cent. stake in 2 monorail projects: the Pink Line project (Khae Rai - Min Buri section) and the Yellow Line project (Lat Phrao - Samrong section). The project under the 30-year concession from the Mass Rapid Transit Authority of Thailand will commence operation by 2020. Moreover, the Group continues to explore investment opportunities in utilities and infrastructure domestically and internationally.

Organisational Structure

The current organisational structure of the Group is set out in the chart below.



Business

The Group is primarily involved in the construction, development and operation of power plants in Thailand, Laos, Australia, Indonesia and the PRC. This includes thermal (gas and coal), hydro and nuclear power as well as renewable energy such as wind and solar power. In addition, the Group is also involved in power related businesses such as operation and maintenance services and lignite mining. The Group's operations are conducted through its domestic and overseas subsidiaries as well as jointly controlled entities.

The Company divides its business activities into core business groups as follows:

- Power generation, which consists of power plant projects in Thailand;
- Renewable energy, which consists of renewable power plant projects in Thailand;
- International investment, which consists of power plant and renewable projects; and
- Related businesses, which mainly consist of operating and maintenance services companies.

The table below sets out the contribution of each of the Group's core businesses in terms of revenue and profit as at and for the year ended 31 December 2017:

	Power Generation	Renewable Energy	International Investment	Related Businesses	Total
	<i>(in Baht million)</i>				
Revenue ⁽¹⁾	39,621	—	2,375	—	41,996
Profit	4,015	498	2,324	(730)	6,107 ⁽²⁾

Notes:

(1) Revenue from sales and rendering of services and revenue from financial lease contracts.

(2) Includes share of profit from joint ventures and associates.

The following table sets out the contribution to the Group's revenue and profit by geography as at 31 December 2017:

	Thailand	Australia	Others	Total
	<i>(in Baht million)</i>			
Revenue ⁽¹⁾	39,621	2,324	51	41,996
Profit	3,875	169	2,063	6,107

Note:

(1) Revenue from sales and rendering of services and revenue from financial lease contracts.

The following table sets out the Group's portfolio (in MW) by location as at the date of this Offering Circular:

	Power Generation (Thailand)	Renewable Energy (Thailand)			International Investment				Related Businesses	
	Gas	Wind	Solar	Biomass	Gas	Coal	Hydro	Wind	Capital Investment	Total
Location										
Thailand	4,886.75	41.40	29.37	3.96	—	—	—	—	—	4,961.48
Laos	—	—	—	—	—	751.20	153.75	—	114.36	1,019.31
Australia	—	—	—	—	461.92	—	—	52.80	—	514.72
Total	4,886.75	41.40	29.37	3.96	461.92	751.20	153.75	52.80	114.36⁽¹⁾	6,495.51

Notes:

(1) Based on the Group's 10.11 per cent. interest in EDL-Generation Public Company.

The following table sets out the Group's projects under development and construction (in MW) from 2018 to 2021

	Power Generation (Thailand)	International Investment					Other business	Total
	Gas	Hydro	Coal	Nuclear	Wind	Solar		
Location								
Thailand	34.73	—	—	—	—	—	191.00	225.73
Laos	—	102.50	—	—	—	—	—	102.50
Australia	—	—	—	—	144.36	34.00	—	178.36
PRC	—	—	—	236.00	—	—	—	236.00
Indonesia	—	—	141.03	—	—	—	—	141.03
Total	34.73	102.50	141.03	236.00	144.36	34.00	191.00⁽¹⁾	883.62

Notes:

(1) Based on the Group's 10 per cent. interest in MRT Pink Line and Yellow Line Projects.

Power Generation

The Group develops, constructs and operates power plants and projects in Thailand through its wholly-owned subsidiaries and jointly controlled entities. As at the date of this Offering Circular, the Group's power plants in Thailand have a total capacity of 4,886.75 MW, with a further 34.73 MW under construction.

The following table sets out the Group's power plants which are in operation, under construction or under development in Thailand.

						Terms of the PPA		
Name of Power Plant/Project	Name of Company	Location	Technology	Total Capacity (MW)	Capacity contributed to the Group (MW) ⁽¹⁾	PPA Party (MW purchased)	Tenure/Expiry Year ⁽²⁾	Renewal/Option to Extend
In operation								
Ratchaburi Power Plant	Ratchaburi Electricity Generating Company Limited	Ratchaburi Province	Thermal	1,470	1,470 (100%)	EGAT/ (1,470MW)	25 years/2025 (1,470MW)	Not Applicable
			Combined Cycle	2,175	2,175 (100%)	EGAT (2,175MW)	25 years/2027 (2,175MW)	Not Applicable
Tri Energy Power Plant	Ratchaburi Electricity Generating Company Limited	Ratchaburi Province	Combined Cycle	720	720 (100%)	EGAT (720MW)	20 years/2020	Possibility to extend on mutually agreed terms
Ratchaburi Power Plant	Ratchaburi Power Company Limited	Ratchaburi Province	Combined Cycle	1,490	372.5 (25%)	EGAT (1,490MW)	25 years/2033	Not Applicable
Ratchaburi World Cogeneration Project	Ratchaburi World Cogeneration Company Limited	Ratchaburi Industrial Estate, Ratchaburi Province	Cogeneration	234	93.6 (40%)	EGAT (180MW)	Block 1: 25 years/ 2039 (117MW) Block 2: 25 years/ 2040 (117MW)	Not Applicable

						Terms of the PPA		
Name of Power Plant/Project	Name of Company	Location	Technology	Total Capacity (MW)	Capacity contributed to the Group (MW) ⁽¹⁾	PPA Party (MW purchased)	Tenure/Expiry Year ⁽²⁾	Renewal/Option to Extend
In operation								
Nava Nakorn Electricity Generating Project	Nava Nakorn Electricity Generating Company Limited	Nava Nakorn Industrial Promotion Zone, Pathumthani Province	Cogeneration	139.13	55.65 (40%)	EGAT (90MW)	25 years/2041	Not Applicable
Under Construction								
Berkprai Cogeneration	Berkprai Cogeneration Company Limited	Ratchaburi Province	Cogeneration	99.23 MW and steam generation 15 ton/hour	34.73 (35%)	EGAT (90MW)	25years/2044 (Expected COD : 2019)	Not Applicable

Notes:

- (1) Based on shareholding of the Group in the power plant or project indicated in brackets.
- (2) The tenure of the PPAs for the projects under construction and development will commence upon the commercial date of operations (“COD”) of such projects.

Ratchaburi Power Plant

The Ratchaburi Power Plant is a gas-fired thermal and combined cycle power plant located at Phikunthong Sub-district, Muang District in Ratchaburi Province. The Ratchaburi Power Plant was commissioned in 2000 and began commercial operations in 2000 in respect of its thermal power plant and 2002 in respect of its combined cycle power plant. The plant has five units and a total capacity of 3,645MW (1,470MW from the gas-fired thermal power plant and 2,175MW from combined cycle power plant).

The net generation for the plant was 13,901 gigawatt hour (“GWh”) for the year ended 31 December 2017. The Equivalent Availability Factor¹ and the Dispatch Factor² for the plant for the year ended 31 December 2017 was 88 per cent. and 52 per cent., respectively. The Ratchaburi Power Plant is interconnected to a 230 kilovolt (“kV”) and a 500kV substation owned by EGAT located at Ratchaburi Power Plant (Ratchaburi 3 Substation) in Ratchaburi Province. The Ratchaburi Power Plant received its ISO 14001 certification on 14 July 2006 and OHSAS 18001 certification on 22 March 2011.

The Company owns a 100 per cent. interest in the Ratchaburi Power Plant through its wholly owned subsidiary, RG. The plant is situated on a 345 hectare site covering Sam Ruean, Phikunthong of Mueang district, Ban Rai of Damnoen Saduak district and Ban Sing of Photharam district in Ratchaburi Province. The total completion cost of the Ratchaburi Power Plant was Baht 60,775 million, which was financed through an equity contribution of Baht 18,275 million and debt of Baht 42,500 million. In connection with the project, RG has entered into a loan agreement with local financial institutions for Baht 42,500 million dated 9 October 2000.

The Ratchaburi Power Plant utilises gas which is sourced from the Yanada Yetagun and Zawtika gas fields in Myanmar under a gas sale agreement with PTT Public Company Limited.

¹ The fraction of a given operating period in which a generating unit is available without any outages and equipment or seasonal deratings.

² The percentage of operation (MW) determined by the National Control Center of EGAT divided by the plant’s capacity (MW).

RG and EGAT entered into a PPA on 9 October 2000. The PPA has a term of 25 years and expires in 2025 for the thermal power plant and 2027 for the combined cycle power plant. Under the PPA, EGAT has agreed to purchase all of the output of the Ratchaburi Power Plant.

Tri Energy Power Plant

The Tri Energy Power Plant is a gas-fired combined cycle power plant located at Hinkong Sub-district, Muang District in Ratchaburi Province. The Tri Energy Power Plant was commissioned in 1999 and began commercial operations in 2000. The plant has one block and a capacity of 720MW.

The net generation for the plant was 4,461GWh for the year ended 31 December 2017. The Equivalent Availability Factor and the Dispatch Factor for the plant for the year ended 31 December 2017 was 94 per cent. and 80 per cent., respectively. The Tri Energy Power Plant is interconnected to a 230kV substation owned by EGAT located at RB2 Substation in Ratchaburi Province. The Tri Energy Power Plant received its ISO 14001 certification in 2003.

The Company, through its wholly-owned subsidiary, RG, owns a 100 per cent. interest in the Tri Energy Power Plant. The plant is situated on a 54 hectare site which could be expanded to include another plant. The total completion cost of the Tri Energy Power Plant was U.S.\$405 million, which was financed through an equity contribution of U.S.\$101 million and debt of U.S.\$304 million. In connection with the project, TECO entered into a loan agreement with international financial institutions for U.S.\$303.75 million dated 30 June 1998, which has been fully paid.

The Tri Energy Power Plant utilises gas which is sourced from the Yadana, Yetagun and Zawtika gas fields in Myanmar under a gas sale agreement with PTT Public Company Limited. See “— *Fuel — Natural Gas*”.

The Tri Energy Power Plant entered into a PPA with EGAT on 10 November 1997 for a period of 20 years. The PPA expires on 30 June 2020, with the possibility to extend on terms mutually agreed by RG and EGAT. Under the PPA, EGAT has agreed to purchase all of the output of the Tri Energy Power Plant.

Ratchaburi Power Power Plant

The Ratchaburi Power Power Plant is a gas-fired combined cycle power plant located at the Ratchaburi Power Complex in Ratchaburi Province. The Ratchaburi Power Power Plant was commissioned in 2008 and began commercial operations in 2008. The plant has two blocks and a capacity of 1,490MW.

The net generation for the plant was 8,750 GWh for the year ended 31 December 2017. The Equivalent Availability Factor and the Dispatch Factor for the plant for the year ended 31 December 2017 was 91 per cent. and 78 per cent., respectively. The Ratchaburi Power Power Plant is interconnected to a 500kV substation owned by EGAT located at Ban Rai Sub-district, Damnernsaduak District in Ratchaburi Province. The Ratchaburi Power Power Plant received its OHSAS 18001/TIS and ISO 14001 certification in 2009.

The Company, through its wholly-owned subsidiary, Ratchaburi Alliances Company Limited (“**RACL**”), holds a 25 per cent. interest in Ratchaburi Power Company Limited (“**RPCL**”), which owns and operates the Ratchaburi Power Power Plant. The remaining interests in RPCL are held by PAI International Power (Mauritius) Ltd. (25 per cent.), Chubu Electric Power Company International B.V. (15 per cent.), Global Power Synergy Company Limited (15 per cent.), Saha-Union Public Company Limited (10 per cent.) and Toyota Tsusho Corporation (10 per cent.).

The power plant is situated on a 24 hectare site which is located at Ban Rai Sub-district, Damernsaduak District in Ratchaburi Province. The total completion cost of the Ratchaburi Power Plant was U.S.\$893 million, which was financed through an equity contribution of U.S.\$223 million and debt of U.S.\$670 million. In connection with the project, RPCL has entered into a loan agreement with international and local financial institutions for U.S.\$670 million dated 14 December 2005.

The Ratchaburi Power Plant utilises gas as primary fuel which is sourced from Myanmar under a gas sale agreement with PTT Public Company Limited. See “— *Fuel — Natural Gas*”.

RPCL and EGAT entered into a PPA on 30 June 1997. The PPA has a term of 25 years and expires on 31 May 2033. Under the PPA, EGAT has agreed to purchase all of the output of the Ratchaburi Power Plant.

Ratchaburi World SPP Power Plant

The Ratchaburi World Power Plant consists of two unit gas-fired power plants located at Ratchaburi Industrial Estate in Ratchaburi Province with a capacity of 117MW each. The Ratchaburi World SPP Power Plant was commissioned in 2014 and began commercial operations on 1 November 2014 for Unit 1 and 1 March 2015 for Unit 2.

The net generation for the power plant was 1,271 GWh for the year ended 31 December 2017. The Equivalent Availability Factor for the power plant for the year ended 31 December 2017 was 96 per cent.

RG holds a 40 per cent. interest in the Ratchaburi World SPP Power Plant through its shareholding in Ratchaburi World Cogeneration Company Limited (“**RWC**”) and the remaining 60 per cent. is held by major shareholder group of Thai Agri Food Public Company Limited.

The two power plants are interconnected to a 115kV substation owned by PEA located at Ratchaburi 2 Substation and Photharam Substation in Ratchaburi Province.

The total completion cost of the Ratchaburi World SPP Power Plant was Baht 10,620million, which was financed through an equity contribution of Baht 2,695 million and debt of Baht 7,925 million. In connection with the construction of the Ratchaburi World SPP Power Plant, RWC entered into a loan agreement with local financial institutions dated 20 December 2012.

The power plants utilises gas which is sourced under a gas sale agreement with PTT Public Company Limited.

RWC entered into two PPAs with EGAT on 25 December 2012 in relation to Unit 1 and 30 August 2011 in relation to Unit 2 for a period of 25 years each, the tenure of which commenced from the COD of the power plant’s units. Under the PPAs, EGAT agreed to purchase 90MW from each unit of the Ratchaburi World SPP Power Plant.

Nava Nakorn SPP Power Plant

The Nava Nakorn SPP Power Plant is a gas-fired combined cycle power plant located at Nava Nakorn Industrial Promotion Zone in Pathumthani Province with a capacity of 139.13MW. The Nava Nakorn SPP Power Plant was commissioned in early 2016 and began commercial operations on 3 June 2016.

The net generation for the power plant was 881 GWh for the year ended 31 December 2017. The Equivalent Weight Availability Factor for the power plant for the year ended 31 December 2017 was 99 per cent.

RG holds a 40 per cent. interest in the project through its shareholding in Nava Nakorn Electricity Generating Company Limited (“NNEG”). The other shareholders in NNEG are by Global Power Synergy Company Limited (“GPSC”) (30 per cent.) and Nava Nakorn Public Company Limited (30 per cent.).

The Nava Nakorn SPP Power Plant was completed at a cost of Baht 6,000 million, which was financed through an equity contribution of Baht 1,230 million and debt of Baht 4,770 million. In connection with the construction of the Nava Nakorn SPP Power Plant, NNEG entered into a loan agreement with local financial institutions dated 28 May 2014.

The power plant utilises gas which is sourced under a gas sale agreement with PTT Public Company Limited.

In connection with the Nava Nakorn SPP Power Plant, NNEG entered into a PPA with EGAT on 20 August 2012 for a period of 25 years, which commenced from the COD of the power plant. Under the PPA, EGAT agreed to purchase 90 MW from the Nava Nakorn SPP Power Plant.

Berkprai Cogeneration SPP Power Plant

The Berkprai Cogeneration SPP Power Plant is a cogeneration combined cycle plant located in Ratchaburi Province with 99.23 MW electricity generating capacity and steam generation capacity of 15 ton per hour. The project is expected to begin commercial operations in 2019.

RG holds a 35 per cent. interest in the project through its shareholding in Berkprai Cogeneration Company Limited (“BPC”). The other shareholder in BPC is Rajburi Sugar Company Limited (65 per cent.).

The Company expects the project to cost approximately Baht 5,331 million, which is financed through an equity contribution of Baht 1,331 million and debt of Baht 4,000 million. In connection with the construction of The Berkprai Cogeneration SPP Power Plant, BPC entered into a loan agreement with a local financial institution dated 6 June 2017.

The power plant will utilise gas which will be sourced under a 25-years gas supply agreement with PTT Public Company Limited.

BPC entered into a PPA with EGAT on 11 December 2012 for a period of 25 years. The tenure of the PPA will commence from the COD of the power plant. Under the PPA, EGAT agreed to purchase 90 MW from the plant.

Renewable Energy

					Terms of the PPA			
Name of Power Plant/Project	Name of Company	Location	Technology	Total Capacity (MW)	Capacity contributed to the Group (MW) ⁽¹⁾	PPA Party (MW purchased)	Tenure/ Expiry Year	Renewal/ Option to Extend
In operation								
Huay Bong 2 Wind-Turbine Power Plant	K.R. TWO Company Limited	Nakorn Ratchasima Province, Thailand	Wind-Turbine	103.5	20.7 (20%)	EGAT (103.5MW)	5 years/2023	Automatic renewal for a further 5 years every 5 years
Huay Bong 3 Wind-Turbine Power Plant	First Korat Wind Company Limited	Nakorn Ratchasima Province, Thailand	Wind-Turbine	103.5	20.7 (20%)	EGAT (103.5MW)	5 years/2022	Automatic renewal for a further 5 years every 5 years
Solar Power Projects (Korat 3, Korat 4, Korat 7)	Solar Power Company Limited	Nakorn Ratchasima Province, Thailand	Solar Power	21.6	8.64 (40%)	PEA (21.6MW)	5 years/2020	Automatic renewal for a further 5 years every 5 years

Name of Power Plant/Project	Name of Company	Location	Technology	Total Capacity (MW)	Terms of the PPA			
					Capacity contributed to the Group (MW) ⁽¹⁾	PPA Party (MW purchased)	Tenure/ Expiry Year	Renewal/ Option to Extend
In operation								
Solarta Power Projects	Solarta Company Limited	Nakhon Sri Ayutthaya, Nakhon Pathom, and Supanburi Provinces, Thailand	Solar Power	42.30	20.73 (49%)	PEA (42.30MW)	5 years/2019	Automatic renewal for a further 5 years every 5 years
Songkhla Biomass Power Project	Songkhla Biomass Company Limited	Songkhla Province, Thailand	Thermal	9.9	3.96 (40%)	PEA (9.1MW)	20 years/2032	Not Applicable

Note:

(1) Based on shareholding of the Group in the power plant or project indicated in brackets.

Huay Bong 2 Wind-Turbine Power Plant

The Huay Bong 2 Wind-Turbine Power Plant is a wind farm located at Huaybong Sub-district, Dan Khun Thot District in Nakhon Ratchasima Province. The Huay Bong 2 Wind-Turbine Power Plant was commissioned in 2013 and began commercial operations in 2013. The plant has 45 wind turbines and a capacity of 103.5MW.

The net generation for the plant was 164GWh for the year ended 31 December 2017. The Average Commercial Availability³ and the Average Capacity Factor⁴ for the plant for the year ended 31 December 2017 was 97 per cent. and 16 per cent., respectively. The Huay Bong 2 Wind-Turbine Power Plant is interconnected to the 115kV Chai Ba Dan Substation owned by EGAT. The Huay Bong 2 Wind-Turbine Power Plant is in the process of applying for its ISO 9001-2008 certification.

The Company holds a 20 per cent. interest in K.R. Two Company Limited (“**KR Two**”), which owns and operates the Huay Bong 2 Wind-Turbine Power Plant. Aeolus Power Company Limited and Chubu Electric Power Korat, B.V. holds the remaining 60 per cent. and 20 per cent., respectively. The wind farm is situated on a 1,141 hectare site which is owned by, among others, the Agricultural Land Reform Office (the “**ALRO**”).

The total completion cost of the Huay Bong 2 Wind-Turbine Power Plant was Baht 6,100 million, which was financed through an equity contribution of Baht 1,840million and debt of Baht 4,260 million. In connection with the project, KR Two has entered into a loan agreement with local financial institutions dated 30 November 2011.

KR Two entered into a PPA with EGAT on 3 December 2011 for a period of five years, with automatic renewal for a further five years every five years. The tenure of the PPA commenced from the COD of the power plant. Under the PPA, EGAT has agreed to purchase all of the output of the Huay Bong 2 Wind-Turbine Power Plant.

³ The ratio of actual output over a period of time to the number of hours in the period.

⁴ The actual production unit (in MWh) per the plant’s production capacity (MWh).

Huay Bong 3 Wind-Turbine Power Plant

The Huay Bong 3 Wind-Turbine Power Plant is a wind farm located at Huaybong Sub-district, Dan Khun Thot District in Nakhon Ratchasima Province. The Huay Bong 3 Wind-Turbine Power Plant was commissioned in 2012 and began commercial operations in 2012. The plant has 45 wind turbines and a capacity of 103.5MW.

The net generation for the plant was 202GWh for the year ended 31 December 2017. The Average Commercial Availability and the Average Capacity Factor for the plant for the year ended 31 December 2017 was 98 per cent. and 19 per cent., respectively. The Huay Bong 3 Wind-Turbine Power Plant is interconnected to the 115kV Chai Ba Dan Substation owned by EGAT. The Huay Bong 3 Wind-Turbine Power Plant is in the process of applying for its ISO 9001-2008 certification.

The Company holds a 20 per cent. interest in First Korat Wind Company Limited (“First Korat”), which owns and operates the Huay Bong 3 Wind-Turbine Power Plant. Aeolus Power Company Limited and Chubu Electric Power Korat, BV holds the remaining 60 per cent. and 20 per cent., respectively. The wind farm is situated on a 2,383 hectare site which is owned by, among others, the ALRO.

The total completion cost of the Huay Bong 3 Wind-Turbine Power Plant was Baht 6,500 million, which was financed through an equity contribution of Baht 1,843 million and debt of Baht 4,657 million. In connection with the project, First Korat has entered into a loan agreement with local financial institutions dated 26 July 2011.

First Korat entered into a PPA with EGAT on 3 December 2011 for a period of five years, with an automatic renewal for a further five years every five years. The tenure of the PPA commenced from the COD of the power plant. Under the PPA, EGAT has agreed to purchase all of the electricity output of the Huay Bong 3 Wind-Turbine Power Plant.

Solar Power Projects (Korat 3, Korat 4, Korat 7)

Korat 3, Korat 4 and Korat 7 are solar farms located in the Nakhon Ratchasima Province with a combined capacity of 21.6MW, each with a capacity of 7.2MW. The solar farms were commissioned in 2012 and began commercial operations in the same year.

The net generation for the solar farms was 33GWh for the year ended 31 December 2017. The Average Commercial Availability and the Average Capacity Factor for the solar farms for the year ended 31 December 2017 was 100 per cent. and 21 per cent., respectively. The solar farms are interconnected to the Bua Yai substation, the Chok Chai sub station and the Dan Khun Thot substation. The solar farms received their ISO 9001-2008, ISO 14001-2004 and OHSAS18001:2007 certifications in January 2013.

The Company, through RE, holds a 40 per cent. interest in Korat 3, Korat 4 and Korat 7. The remaining 60 per cent. interest is held by Solar Power Company Limited (“SPC”). The total completion cost of the solar farms was Baht 1,950 million, which was financed through an equity contribution of Baht 457 million and debt of Baht 1,493 million. In connection with the projects, each project has entered into loan agreements with local banks for a total of Baht 1,493 million dated 3 February 2012.

The projects have entered into a five-year PPA with the PEA on 8 January 2010, with an automatic renewal for a further five years every five years. Under the PPA, all of the output of the solar farms is sold to PEA.

Solarta Power Projects

Solarta Company Limited (“SLT”) operates eight solar farms with a combined capacity of 42.30MW in Phra Nakhon Sri Ayutthaya, Nakhon Pathom and Supanburi Provinces in Thailand. The solar farms began commercial operations in 2011 and 2012.

The net generation for the solar farms was 65GWh for the year ended 31 December 2017. The Average Capacity Factor for the solar farms for the year ended 31 December 2017 was 21 per cent. The solar farms are interconnected to the PEA's substations. The solar farms are in the process of applying for ISO 9001-2008.

The Company, through RE, holds a 49 per cent. interest in SLT. The remaining 51 per cent. interest is held by Yanhee Solar Power Company Limited. The total completion cost of the solar farms was Baht 4,400 million, which was financed through an equity contribution of Baht 1,100 million and debt of Baht 3,300 million. In connection with the project, SLT has entered into a loan agreement with local financial institutions for Baht 3,300 million dated 8 June 2011.

SLT has entered into a five-year PPA with the PEA in 2009 with an automatic renewal for a further five years every five years. Under the PPA, all of the output of the solar farms is sold to the PEA.

Songkhla Biomass Power Plant

The Songkhla Biomass Power Plant is a thermal biomass-fired power plant located in Songkhla Province with a capacity of 9.9MW. The project was commissioned in 2014 and commenced commercial operations on 9 November 2015.

The net generation for the thermal biomass-fired power plant was 67 GWh for the year ended 31 December 2017. The Equivalent Availability Factor for the thermal biomass-fired power plant for the year ended 31 December 2017 was 84 per cent.

The Company, through RE, holds a 40 per cent. stake in Songkhla Biomass Company Limited ("SKB") while 40 per cent. is held by Precise Power Producer Company Limited and the remaining 20 per cent. is held by Assiddeek Saving Cooperative. RE also holds a 40 per cent. interest in Songkhla Biofuel Company Limited, which supplies biomass fuel to the power plant.

The power plant is interconnected to a 33kV substation owned by the PEA located in Songkhla Province. The total completion cost of the Songkhla Biomass Power Plant was Baht 846 million, which was financed through an equity contribution of Baht 246 million and debt of Baht 600 million. In connection with the Songkhla Biomass Power Plant, SKB entered into a loan agreement with a local financial institution dated 13 September 2012.

SKB entered into a PPA with the PEA on 18 July 2012 for a period of 20 years. Under the PPA, the PEA agreed to purchase 9.1 MW from the Songkhla Biomass Power Plant.

International Investment

The Group develops, constructs and operates power plants and projects (including renewable energy) in Laos, Australia, Indonesia, and the PRC through its wholly-owned subsidiaries and jointly controlled entities. As at the date of this Offering Circular, the Group's power plants in Laos, Australia, Indonesia, and the PRC have a total capacity of 1,419.67 MW, with a further 657.89 MW under construction and development.

Name of Power Plant/Project	Name of Company	Location	Technology	Total Capacity (MW)	Terms of the PPA			
					Capacity contributed to the Group (MW) ⁽¹⁾	PPA Party (MW purchased)	Tenure/ Expiry Year ⁽²⁾	Renewal/ Option to Extend
In operation								
Nam Ngum 2 Hydroelectric Power Plant	Nam Ngum 2 Power Company Limited	Laos	Hydro Power Plant	615 (3x205)	153.75 (25%)	EGAT (615)	25 years/ 2038	Not Applicable
Townsville Power Plant	RATCH- Australia Corporation Limited	North Queensland, Australia	Combined Cycle Gas Turbine	234	187.2 (80%)	North Queensland Energy Joint Venture	20 years/ 2025	Not Applicable

Name of Power Plant/Project	Name of Company	Location	Technology	Total Capacity (MW)	Terms of the PPA			
					Capacity contributed to the Group (MW) ⁽¹⁾	PPA Party (MW purchased)	Tenure/ Expiry Year ⁽²⁾	Renewal/ Option to Extend
Kemerton Power Plant	RATCH- Australia Corporation Limited	Western Australia, Australia	Open Cycle Gas/Diesel Turbine	308	246.40 (80%)	Synergy	25 years/ 2030	Not Applicable
BP Kwinana Power Plant	RATCH- Australia Corporation Limited	Western Australia, Australia	Cogeneration	118	28.32 (24%)	Verve Energy	25 years/ 2021	Subject to negotiation
Starfish Hill Wind-Turbine Power Plant	RATCH- Australia Corporation Limited	South Australia, Australia	Wind-Turbine	33	26.4 (80%)	Not Applicable ⁽³⁾	Not Applicable ⁽³⁾	Not Applicable ⁽³⁾
Toora Wind-Turbine Power Plant	RATCH- Australia Corporation Limited	Victoria, Australia	Wind-Turbine	21	16.8 (80%)	Not Applicable ⁽³⁾	Not Applicable ⁽³⁾	Not Applicable ⁽³⁾
Windy Hill Wind-Turbine Hill Power Plant	RATCH- Australia Corporation Limited	Queensland, Australia	Wind-Turbine	12	9.6 (80%)	Ergon Energy	3 years/ 2018	Not Applicable
Hongsa Thermal Power Plant	Hongsa Power Company Limited	Laos	Lignite-Fired Power Plant	1,878	751.20 (40%)	EGAT (1,473MW)	25 years/ 2040	Not Applicable
Under construction								
Xe Pian - Xe Namnoy Project	Xe-Pian Xe-Namnoy Power Company Limited	Laos	Hydro Power Plant	410	102.5 (25%)	EGAT (354MW)	27 years/ 2046 (Expected COD: 2019)	Not Applicable
Guangxi Fangchenggang Nuclear Power (II)	Guangxi Fangchenggang Nuclear Power (II) Co., Ltd	the PRC	Nuclear Power Plant	2,360	236	Not Applicable	(Expected COD : 2021)	Not Applicable
Mount Emerald Wind Farm Power Plant	RATCH- Australia Corporation Limited	Queensland, Australia	Wind-Turbine	180.45	144.36	Ergon Energy Queensland	12.5 years (Expect COD : 2018)	Not Applicable
Collinsville Solar Power Plant	RATCH- Australia Corporation Limited	Queensland, Australia	Solar Power	42.50	34	Braemar Power Projects	12 years (Expect COD : 2018)	Not Applicable
Under development								
Riau Combined-Cycle Power Plant	PT Medco Ratch Power Riau Company Limited	Indonesia	Combined Cycle	287.81	141.03	PT PLN (PERSERO) (287.81 MW)	20 years (Expect COD : 2021)	Not Applicable

Notes:

- (1) Based on shareholding of the Group in the power plant or project indicated in brackets.
- (2) The tenure of the PPAs for the projects under construction and development will commence upon COD of such projects.
- (3) RAC sells the output of the Starfish Hill Wind-Turbine Power Plant and the Toora Wind-Turbine Power Plant under merchant operation contracts with spot or market prices.

Power Plants in Laos

In Laos, the Company owns and operates two power plants through its participation in joint venture companies, namely the Nam Ngum 2 Hydroelectric Power Plant and the Hongsa Thermal Power Plant. The Company is also involved in the construction and development of a hydroelectric power plant (the Xe-Pian Xe-Namnoy Hydroelectric Power Plant).

Nam Ngum 2 Hydroelectric Power Plant

The Nam Ngum 2 Hydroelectric Power Plant is a hydroelectric power plant located at Vientiane in Laos, which was commissioned in 2010. The Nam Ngum 2 Hydroelectric Power Plant began initial operation in 2011 and commercial operations in 2013. The plant has three units and a total capacity of 615MW.

The net generation for the plant was 2,035GWh for the year ended 31 December 2017. The average of Equivalent Availability for the plant for the year ended 31 December 2017 was 98 per cent. The Nam Ngum 2 Hydroelectric Power Plant is interconnected to the 230kV Nabong substation owned by NN2PCL located at Vientiane in Laos. The Nam Ngum 2 Hydroelectric Power Plant received its ISO 9001: 2015 certification in 2018.

Nam Ngum 2 Power Company Limited (“**NN2PCL**”), which owns the Nam Ngum 2 Hydroelectric Power Plant, is a joint venture between Southeast Asia Energy Limited (“**SEAN**”), a consortium of Thai companies, and the Government of Laos. SEAN holds a 75 per cent. interest in NN2PCL while the Government of Laos owns the remaining 25 per cent. The Company holds a 33.33 per cent. interest in SEAN with the remaining interest being held by CK Power Public Company Limited (55.99 per cent.), P.T. Construction & Irrigation (5.33 per cent.) and Shlapak Development Company (5.33 per cent.). The Nam Ngum 2 Hydroelectric Power Plant is operated and maintained by EGAT.

The total completion cost of the Nam Ngum 2 Hydroelectric Power Plant was U.S.\$940 million, which was financed through an equity contribution of U.S.\$269 million and debt of U.S.\$671 million. In connection with the project, NN2PCL has entered into a loan agreement with local financial institutions for U.S.\$671 million dated 26 May 2006.

NN2PCL and EGAT entered into a PPA on 26 May 2006. The PPA has a term of 25 years and expires in 2038. Under the PPA, EGAT has agreed to purchase all of the output of the Nam Ngum 2 Hydroelectric Power Plant.

Hongsa Thermal Power Plant

The Hongsa Thermal Power Plant is a three unit coal-fired power plant located at Hongsa District, Xayaboury Province in Laos with a capacity of 1,878MW. The project was commissioned in 2015. The Unit 1, Unit 2 and Unit 3 of the Hongsa Thermal Power Plant began commercial operations in 2 June 2015, 2 November 2015 and 2 March 2016 respectively.

The Company, through RHIS, has a 40 per cent. interest in Hongsa Power Company Limited (“**HPC**”) which owns the Hongsa Thermal Power Plant. Banpu Power Limited (“**Banpu Power**”) and Lao Holding State Enterprise (“**LHSE**”) hold the remaining 40 per cent. and 20 per cent. of HPC, respectively.

The concession for the construction, development and operation of the power plant was obtained from the Government of Laos on 30 November 2009 for a period of 25 years. The Hongsa Thermal Power Plant will be interconnected to a 500kV substation at Nan border, Thailand.

The Hongsa Thermal Power Plant cost U.S.\$3,710million to complete, which was financed through an equity contribution of U.S.\$927 million and debt of U.S.\$2,783 million. In connection with the power plant, HPC entered into a loan agreement with Thai and international financial institutions for approximately U.S.\$2,783 million dated 5 August 2010.

HPC has obtained a concession from the Government of Laos for a lignite mine located next to the power plant site. The Company, through RHIS, has a 37.5 per cent. interest in the lignite mine through its shareholding in Phu Fai Mining Company Limited with the remaining 37.5 per cent. and 25 per cent. being held by Banpu Power and LHSE, respectively. The output of the lignite mine will be fully utilised for the power plant.

HPC entered into a PPA with EGAT on 2 April 2010 for a period of 25 years. Under the PPA, EGAT agreed to purchase 1,473MW from the Hongsa Thermal Power Plant, with the remaining output of the plant to be used for other purposes.

Xe-Pian Xe-Namnoy Hydroelectric Power Plant

The Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project is the development and construction of a hydroelectric power plant located in Attapeu and Champasack Provinces in Laos with a capacity of 410MW. The project is currently under construction and is expected to begin commercial operations in 2019.

The project company for the Xe-Pian Xe-Namnoy Hydroelectric Power Plant is Xe-Pian Xe-Namnoy Power Company Limited (“**PNPC**”). The Company holds a 25 per cent. interest in PNPC. The remaining shareholders are SK Engineering & Construction Company Limited (26 per cent.), Korea Western Power Company Limited (25 per cent.) and Lao Holding State Enterprise (24 per cent.).

The concession for the construction, development and operation of the power plant was obtained from the Government of Laos on 19 October 2012 for a period of 27 years. PNPC acquired 7,217 hectares of land for the project. PNPC is constructing the power plant, the transmission line the high voltage sub-station and the dams. In addition, PNPC is also constructing the resettlement village and other facilities.

After completion, the Xe-Pian Xe-Namnoy Hydroelectric Power Plant will be interconnected to a 500kV substation owned by EGAT located in Ubon Ratchathani.

The Company expects the project to cost approximately U.S.\$1,020 million, which will be financed through an equity contribution of U.S.\$306 million and debt of U.S.\$714 million. In connection with the project, PNPC has entered into a loan agreement with four Thai financial institutions for U.S.\$714 million dated 28 November 2013.

PNPC entered into a PPA with EGAT on 6 February 2013 for a period of 27 years. Under the PPA, EGAT has agreed to purchase 354 MW from the Xe-Pian Xe-Namnoy Hydroelectric Power Plant, with the remaining output of the plant to be used for other purposes. The tenure of the PPA will commence from the COD of the power plant.

Power Plants in Australia

In Australia, the Company owns an 80 per cent. interest in RAC through its wholly-owned subsidiary, RHIS. The remaining 20 per cent. interest is owned by Broadspectrum. RAC owns and operates three gas-fired power plants (the Townsville Power Plant, the Kemerton Power Plant and the BP Kwinana Power Plant). RAC owns 100 per cent. of the Townsville Power Plant and the Kemerton Power Plant and 30 per cent. of the BP Kwinana Power Plant.

Townsville Power Plant

The Townsville Power Plant is a combined cycle gas turbine power plant located at Yabulu in North Queensland. The gas turbine at Townsville Power Plant was originally commissioned in 1998 and began commercial operations in 1999. A combined cycle power plant was subsequently constructed and commissioned in 2004. The plant has one gas turbine unit and one steam turbine unit and a total capacity of 234MW.

The net generation for the plant was 360GWh for the year ended 31 December 2017. The Equivalent Availability Factor and the Dispatch Factor for the plant for the year ended 31 December 2017 was 99 per cent. and 19 per cent., respectively. The Townsville Power Plant is connected into the Australian National Electricity Market (“**NEM**”) through 2 separate connections. The Ergon distribution network connects the plant from the steam turbine, while the Powerlink transmission network connects the plant from the gas turbine. The Townsville Power Plant received its generation licence and environmental approvals from the Queensland State Government and complies with the rules and regulations of the Australian Energy Market Operator (“**AEMO**”).

The plant is situated on a 1.5-hectare site which is leased from QNI Nickel Refinery. The total completion cost of the Townsville Power Plant was A\$217 million, which was financed in 2004 through an equity contribution of A\$57 million and debt of A\$160 million.

The Townsville Power Plant utilises gas which is sourced from AGL Energy Limited.

All of the output of the Townsville Power Plant is sold to North Queensland Energy Joint Venture under a 20-year PPA which was signed by Transfield Townsville Pty Limited and Queensland Power Trading Corporation on 7 February 2005 and which will expire on 6 February 2025.

Kemerton Power Plant

The Kemerton Power Plant is an open cycle gas/diesel turbine power plant located at Kemerton Industrial Park in Western Australia. The Kemerton Power Plant was commissioned in October 2005 and began commercial operations in 2005. The plant has two units and a capacity of 308MW.

The net generation for the plant was 90GWh for the year ended 31 December 2017. The Equivalent Availability Factor for the plant for the year ended 31 December 2017 was 100 per cent. The Kemerton Power Plant is connected Western Australia's main power grid, South Western Interconnected System (SWIS). The Kemerton Power Plant received its generation and environmental licences from the Western Australian State Government and complies with the AEMO's regulations.

RAC's concession for the plant is for 27 years (from 5 July 2011). The plant is situated on a 27.3 hectare site which is owned by RATCH-Australia Kemerton Pty Ltd. The total completion cost of the Kemerton Power Plant was A\$248 million, which was financed in 2003 through an equity contribution of A\$47.5 million and debt of A\$200.5 million.

The Kemerton Power Plant utilises gas which is sourced from Western Power Corporation.

All of the output of the Kemerton Power Plant is sold to Synergy under a 25-year PPA which was signed by Transfield Services Kemerton Pty Limited and Western Power Corporation on 8 December 2003 and which will expire on 30 October 2030.

BP Kwinana Power Plant

The BP Kwinana Power Plant is a cogeneration power plant located at Kwinana Beach in Western Australia. The BP Kwinana Power Plant was commissioned in 1996 and began commercial operations in 1996. The plant has three units and a capacity of 118MW.

The net generation for the plant was 832GWh for the year ended 31 December 2017. The Equivalent Availability Factor and the Dispatch Factor for the plant for the year ended 31 December 2017 was 99 per cent. and 78 per cent., respectively. The BP Kwinana Power Plant is interconnected to the Mason Road Substation owned by Verve Energy. The BP Kwinana Power Plant received its ISO9001 certification in 2000.

RAC's concession for the plant is for 25 years. The plant is situated on a 1.8 hectare site which is leased from BP. The total completion cost of the BP Kwinana Power Plant was A\$150 million, which was financed through an equity contribution of A\$114 million.

The BP Kwinana Power Plant utilises gas which is sourced from Pilbara Gas Pty Ltd.

62 per cent. of the output of the BP Kwinana Power Plant is sold to Verve Energy under a 25-year PPA which was signed by Perth Power Partnership and Verve Energy on 10 March 1995 and which will

expire on 30 November 2021. The extension of the PPA is negotiable. Perth Power Partnership also entered into an Energy and Services Agreement with BP on 10 March 1995 which expires on 30 November 2021. Under this agreement, Perth Power Partnership shall provide electricity and steam to the power plant.

Wind Farms in Australia

RAC owns and operates three wind turbine power plants in Australia; the Starfish Hill Wind-Turbine Power Plant, the Toora Wind-Turbine Power Plant and the Windy Hill Wind-Turbine Power Plant. RAC is also involved in the construction and development of a wind farm (the Mount Emerald Wind Farm in Australia).

Starfish Hill Wind Farm

The Starfish Hill Wind Farm is located at Cape Jervis in South Australia. It was commissioned in 2003 and began commercial operations in 2003. The plant has 22 wind turbines and a capacity of 33MW.

The net generation for the plant was 77GWh for the year ended 31 December 2017. The Average Commercial Availability and the Average Capacity Factor for the plant for the year ended 31 December 2017 was 96 per cent. and 27 per cent., respectively. The Starfish Hill Wind Farm is connected to the NEM through the 66kV Cape Jervis Substation owned by Electric Trust of South Australia. The Starfish Hill Wind-Turbine Power Plant received its generation and environmental licences from the Victorian State Government and complies with all AEMO's rules and regulations. The wind farm is situated on a site of more than 400 hectares which is owned by RATCH-Australia Star Fish Hill Wind Farm Pty Ltd. The total completion cost of the Starfish Hill Wind Farm was A\$73 million, which was financed in 2007 through an equity contribution of A\$13 million and debt of A\$60 million.

RAC currently sell the output of the Starfish Hill Wind Farm under two agreements a short term hedge contract for black energy to Alinta expires March 2020, and the Large-scale Generation Certificates (LGC's) contract with Ergon Energy which expires on December 2018.

Toora Wind Farm

The Toora Wind-Turbine Power Plant is a wind farm located at South Gippsland in Victoria. The Toora Wind-Turbine Power Plant was commissioned in August 2002 and began commercial operations in October 2002. The plant has 12 wind turbines and a capacity of 21MW.

The net generation for the plant was 46GWh for the year ended 31 December 2017. The Average Commercial Availability and the Average Capacity Factor for the plant for the year ended 31 December 2017 was 92 per cent. and 25 per cent., respectively. The Toora Wind Farm is connected to the NEM. The Toora Wind Farm received its generation certificate and environmental licences from Australian government related organisations and complies with all AEMO regulations.

The wind farm is situated on a 370-hectare site of which 12 hectares is owned by RATCH-Australia Toora Wind Farm Pty Ltd and the remainder is leased from seven different landlords. The total completion cost of the Toora Wind-Turbine Power Plant was A\$40 million, which was financed in 2007 through an equity contribution of A\$7 million and debt of A\$33 million.

RAC currently sells the LGCs created from the output of the Toora Wind Farm under a short term contract to Ergon Energy until December 2018, while black energy is sold into the NEM on a merchant basis.

Windy Hill Wind-Turbine Power Plant

The Windy Hill Wind-Turbine Power Plant is a wind farm located at Ravenshoe in Queensland. The Windy Hill Wind-Turbine Power Plant was commissioned in 2000 and began commercial operations in 2000. The plant has 20 wind turbines and a capacity of 12MW.

The net generation for the plant was 27GWh for the year ended 31 December 2017. The Average Commercial Availability and the Average Capacity Factor for the plant for the year ended 31 December 2017 was 96 per cent. and 26 per cent., respectively. The Windy Hill Wind-Turbine Power Plant is connected to the NEM at the Ravenshoe Substation owned by Ergon Energy Queensland Pty Ltd (**“Ergon Energy”**). The Windy Hill Wind Farm received its environmental licences from the Queensland State Government and complies with all AEMO regulations.

The wind farm is situated on a 200-hectare site of which 23 hectares is owned by RATCH-Australia Windy Hill Wind Farm Pty Ltd and the rest is leased from three landlords. The total completion cost of the Windy Hill Wind-Turbine Power Plant was A\$10 million, which was financed in 2007 through an equity contribution of A\$2 million and debt of A\$8 million.

RAC entered into PPA with Ergon Energy on 11 December 2007 which expired since August 2015. Currently, Windy Hill Wind Farm is fully contracted to Ergon Energy under a single offtake agreement which expires on December 2018.

Mount Emerald Wind Farm Power Plant

The Mount Emerald Wind Farm Power Plant is a wind farm located in Queensland with a capacity of 180.45 MW. The project is presently under construction and is expected to begin commercial operations in 2018.

Total project cost is approximately AUD 400 million, which will be financed through an equity contribution of AUD 141.70 million and debt of AUD 258.30 million. In connection with the project, the project has entered into a loan agreement with four financial institutions for AUD 258.30 million on 1 November 2016.

Mount Emerald Wind Farm Pty, the project company of the project, has currently completed the Engineering, Procurement and Construction Agreement, the Grid Connection Agreement, the Warranty Operation and Maintenance Agreement, enabling the project to commence the construction works by November 2016.

The project entered into a PPA with Ergon Energy Queensland, the state-owned enterprise of Queensland for a period of approximately 12.5 years. The tenure of the PPA will commence from the COD of the power plant.

Solar Farm in Australia

Collinsville Solar Power Plant

The Collinsville Solar Power Plant is a solar farm located in Queensland with a capacity of 42.50 MW. The plant is presently under construction and is expected to begin commercial operations in 2018. The project cost is approximately AUD 95 million, which consists of 60 per cent loan from financial institution, 30 per cent equity investment and 10 per cent grant fund for solar power project development from Australian Renewable Energy Agency (ARENA). In connection with the project, RATCH-Australia Collinsville Solar PV Pty Ltd, the project company of the project, has entered into financial agreement with Clean Energy Finance Corporation for AUS 57 million.

The project has entered into PPA with Braemar Power Projects, a subsidiary of Alinta Energy, for 70 per cent of the generated electricity for approximately 12 years. The tenure of the PPA will commence from the COD of the power plant. Moreover, the remaining 30 per cent of the total generated electricity will be sold in Australia's National Electricity Market.

Nuclear Power Plant in the PRC

Guangxi Fangchenggang Nuclear Power (II)

Guangxi Fangchenggang Nuclear Power (II) is a nuclear power plant located in Fangchenggang, within the Guangxi Autinomous Region, the PRC with a capacity of 2,360 MW. The project is currently under construction and is expected to begin commercial operations in 2021.

The project company for the project is Guangxi Fangchenggang Nuclear Power (II) Co., Ltd., which the Company, through its indirect subsidiary, RATCH China Power Limited, holds a 10 per cent interest in the project, and the remaining shareholders are China General Nuclear Power Corporation (51 per cent.) and Guangxi Investment Group Company Limited (39 per cent.).

The project involves the construction of 2 nuclear reactor units, with a capacity of 1,180MW each. The construction of Unit 3 and 4 which are under Phase II started in December 2015 and 2016, respectively. Additionally, the project adopts Hualong 1 technology (HPR1000), which is the third-generation nuclear technology designed to satisfy safety standards and requirements by International Atomic Energy Agency ("IAEA"), and uses uranium fuel to generate electricity which will be sold to China Southern Power Grid Co.,Ltd. ("CSG").

The Company expects the project to cost approximately 40,000 MRMB, which will be financed through an equity contribution of 13,300 MRMB and debt of 26,700 MRMB.

Power Plant in Indonesia

Riau Combined-Cycle Power Plant

Riau Combined-Cycle Power Plant is a gas-fired power plant located at Riau Province, Sumatra, Indonesia with a capacity of 287.81 MW. The project is expected to begin commercial operations in 2021.

RHIS holds a 49 per cent. interest in the project through its shareholding in PT Medco Ratch Power Riau Company Limited ("MRPR"). The other shareholder in MRPR is PT Medco Power Sentral Sumatera (51 per cent.).

The project is in the process for EIA approval for the power plant, while the Company is currently conducting the environmental impact assessment for the project. In addition, the selection of contractor for project construction has been progressed to the final stage.

The Company expects the project to cost approximately U.S.\$300 million, which is intended to be financed through an equity contribution of U.S.\$75 million and debt of U.S.\$225 million.

MRPR entered into a PPA with the PLN on 7 April 2017 for a period of 20 years. The tenure of the PPA will commence from the COD of the power plant. Under the PPA, the PLN will purchase 100 per cent. of the plant's output.

Related Businesses

Power Plant Operation and Maintenance Services

RATCH-Lao Services Company Limited

The Company owns 100 per cent. of RATCH-Lao, which is registered in Laos. RATCH-Lao provides power plant operation and maintenance services to Hongsa Thermal Power Plant under supervision of EGAT and administration services to Xe-Pian Xe-Namnoy Hydroelectric Power Plant.

Chubu Ratchaburi Electric Services Company Limited

The Company established Chubu Ratchaburi Electric Services Company Limited (“**CRESO**”) through a joint venture with JERA Power (Thailand) Company Limited on 18 October 2005. The Company and JERA Power (Thailand) Company Limited each owns a 50 per cent. interest in CRESO.

CRESO entered into a contract on 14 December 2005 with RPCL to provide operation and maintenance services for the Ratchaburi Power Plant for 12 years, with the possibility to extend on terms mutually agreed by CRESO and RPCL.

RATCH O&M Company Limited

The Company established RATCH O&M Company Limited (“**RATCH O&M**”) in March 2012 and owns 100 per cent. of this entity. RATCH O&M provides power plant operation and maintenance services to the Company’s small power plants which has not commenced commercial operations.

EGAT Diamond Service Company Limited

The Company established EGAT Diamond Service Company Limited (“**EDS**”) 15 December 2009. The Company owns 10 per cent. of EDS while 45 per cent. is held by EGAT, 30 per cent. is held by Mitsubishi Hitachi Power Systems Asia Pacific Pte. Ltd and 15 per cent. is held by Mitsubishi Corporation. EDS provides refurbishment work for the Hot Gas Path Parts of gas turbine to the electricity generating system.

Fuel Supply

Phu Fai Mining Company Limited

Phu Fai Mining Company Limited was established on 1 September 2009. The Company, through RHI6S, has a 37.5 per cent. interest in Phu Fai Mining Company Limited, with the remaining 37.5 per cent. and 25 per cent. being held by Banpu Power and LHSE, respectively.

Phu Fai Mining Company Limited develops and operates the coal mine located at Phu Fai and the coal output from the mine is supplied to the Hongsa Thermal Power Plant Project.

Songkhla Biofuel Company Limited

Songkhla Biofuel Company Limited was established on 28 February 2012. The Company, through RE, holds a 40 per cent. interest in Songkhla Biofuel Company Limited while of the remaining 40 per cent. is held by Precise Power Producer Company Limited and 20 per cent. is held by Assiddeek Saving Cooperative. Songkhla Biofuel Company Limited supplies biomass fuel derived from rubber wood to the Songkhla Biomass Power Project.

Capital Investment

EDL-Generation Public Company

In January 2011, RATCH-Lao and RHIS each subscribed to 56,112,000 ordinary shares and 25,000,000 ordinary shares of EDL-Generation Public Company (“**EDL-Gen**”), respectively, pursuant to its initial public offering. EDL-Gen is a power generation company in Laos and is 75 per cent. owned by the Electricite de Laos, a state-owned enterprise. During 2011 to 2017, RATCH-Lao and RHIS collectively subscribed to an additional 88,665,534 ordinary shares in EDL-Gen pursuant to its rights offering. As a result, the Company, through RATCH-Lao and RHIS, holds an aggregate of 169,777,534 ordinary shares or a 10.11 per cent. interest in EDL-Gen. The Group’s investment in EDL-Gen is in line with its plans to expand regionally and its commitment to long-term investment in Laos.

Other Business

MRT Pink Line and Yellow Line Projects

In November 2016, the Company, BTS Group Holding Public Company Limited (“**BTS**”) and Sino-Thai Engineering and Construction Public Company Limited (“**STEC**”) have jointly submitted the bidding proposals under the name of “BSR Joint Venture” for the development and construction of MRT Pink Line Project and MRT Yellow Line Project.

MRT Pink Line Project is developed and constructed under the project company, namely North Bangkok Monorail Company Limited, and consists of 30 stations with the total distance of 34.5 kilometres. Meanwhile, MRT Yellow Line Project is developed and constructed under the project company, namely Eastern Bangkok Monorail Company Limited and consists of 23 stations with the total distance of 30.4 kilometres. Both of the projects are expected to begin their commercial operations in 2020. The company holds a 10 per cent. interest in each project companies. The remaining shareholders are BTS (75 per cent.) and STEC (15 per cent.).

The project cost of the both projects are approximately Baht 100,000 million, which is intended to be financed through an equity contribution of Baht 28,000 million and debt of Baht 72,000 million. In connection with the projects, North Bangkok Monorail Company Limited and Eastern Bangkok Monorail Company Limited entered into the credit facilities agreements with financial institutions on 10 October 2017.

Moreover, both companies entered into the Concession Contracts with the Mass Rapid Transit Authority of Thailand on 16 June 2017 for a period of 33 years, consists of 3 years for design and construction and 30 years for train operation and maintenance services.

Maintenance and Outage

The Group has a scheduled maintenance programme in place for its power plants. The Group reviews its scheduled maintenance programme annually to determine the maintenance requirements of each of its power plants.

The Group conducts minor inspections which involve the inspection of a power plant’s main equipment every two years and major overhauls which are complete and thorough inspection of all of a power plant’s equipment every six years. A minor inspection requires between 30 and 40 days while a major overhaul requires between 52 and 57 days. The Group also performs warranty inspections when a power plant is initially set up, which require between 30 and 45 days, and combustion inspections for a power plant’s gas turbine annually, which require approximately 15 days.

The Group publishes its planned outages due the scheduled maintenance programme.

The Group has not experienced any significant unplanned outages or power interruptions at its power plants. The Group's minor unplanned outages of power interruptions have been due to the rescheduling or maintenance or inspection works.

Fuel

The Group's total operating expenses for fuel for the year ended 31 December 2017 and 31 December 2016 were Baht 31,042 million and Baht 36,447 million, respectively. Fuel and lubricants expenses accounted for 84 per cent. and 88 per cent. of the Group's total operating expenses for the years ended 31 December 2017 and 31 December 2016. The Group passes on a substantial portion of its fuel costs through the PPAs it has entered into with EGAT.

The Group's main fuel expenses comprise costs for natural gas. The Group's key supplier of natural gas in Thailand is PTT Public Company Limited under gas sale agreements entered into with respect of each power plant. The gas sale agreements are for a duration of 25 years. Under the gas sale agreements, PTT Public Company Limited assumes the fuel quality risk as the Group has the right to refuse any gas supply which does not meet the minimum standards of quality. There are no take-or-pay obligations imposed on the Group under the gas sale agreements as EGAT assumes this obligation under a master gas sales agreement with PTT Public Company Limited.

In Australia, the Group's suppliers of natural gas include as AGL Energy Limited, Arrow Energy Pty. Ltd. and Synergy.

Customers

The Group's largest customer is EGAT, who accounted for 94 per cent. and 95 per cent. of the Group's total revenues for the years ended 31 December 2017 and 31 December 2016, respectively. The Group has entered into various long-term PPAs with EGAT. Presently, RG is in the process of negotiation with EGAT for PPA extension of TECO power plant.

In addition, EGAT purchases almost all of the output of the Group's power plants under these PPAs. The Group's other customers comprise the PEA and industrial customers. The PPAs which the Group has entered into with the PEA is normally for a duration of five years with automatic renewal every five years for the renewable projects.

Competition

The Group's main competitors in the power generation business are other independent power producers in Thailand such as Glow Energy Public Company Limited, Electricity Generating Public Company Limited and Gulf Energy Development Public Company Limited. In the renewable energy business, the Group's main competitors are Gunkul Engineering Public Company Limited and SPCG Public Company Limited.

The Group may also face future competition in acquiring new power projects from international companies seeking to enter into the power generation business in Thailand and Southeast Asia. Such competitors may also compete with the Group for human resources, operational resources and capital.

Tariff Structure

EGAT

The Group's PPAs with EGAT provide for a mechanism for the determination of the tariff, which has two components comprising (i) the availability payment and (ii) the energy payment. The two-part tariff structure provides a mechanism for costs to be passed from the Group to EGAT as long as the Group's power plants perform as described in the PPAs.

The availability payment is designed as compensation for making a power plant's capacity available to EGAT without taking into account the power plant's actual electricity generation. This portion of the tariff covers a power plant's fixed costs associated with financing, operation and maintenance, including any foreign exchange and minimum loan rate. EGAT will make the availability payment regardless of the actual dispatch of electricity from the relevant power plant.

The energy payment is designed as compensation for electricity generated and delivered to EGAT. This portion of the tariff covers a power plant's variable costs associated with production, operation and maintenance, including fuel costs. EGAT will only make the energy payment when the electricity is dispatched from the power plant to end consumers.

The tariff is also structured such that amounts payable by EGAT are higher during the initial years of a power plant's operations and these amounts will gradually decrease in the later period of the PPAs. The Group's tariff arrangements with EGAT do not contain any significant incentive or penalty payments.

PEA

The Group's PPAs with PEA provides a mechanism for the determination of the tariff. The tariff structure consists of (1) payments based on time of use, which has two components comprising (i) peak and (ii) off-peak rates (2) a fuel adjustment charge (Ft) and (3) "adder" rates based on the Government's incentive scheme in the case of renewable power projects.

Environmental Matters

The Group's operations are subject to various environmental laws relating to water, air and noise pollution and the management of hazardous and toxic waste. Although the Group believes that it is in compliance in all material respects with these environmental laws, some risk of environmental costs and liabilities are inherent in the Group's operations and there can be no assurance that material costs and liabilities will not be incurred in the future in this regard.

Pursuant to the current environmental regulations, the Group is required to, among other things, obtain environmental impact assessment reports or approval of health impact assessment reports, or both for each of its power plants. The requirements vary depending on the capacity of the Group's relevant power plants. The Group is subject to the requirements of ISO and OHSAS.

Insurance

The Group has in place "property all risk" insurance policies and believes that its insurance coverage is in line with industry standards. These insurance policies are held by the Company, the Company's subsidiaries or the Group's jointly controlled entities. The policies are renewable annually. The Group carries business interruption insurance.

Employees

As at 31 December 2017, the Group had 274 full-time employees based in Thailand, Laos and Australia. These employees have a wide range of experience and skills in areas such as power project implementation, power project operation and power project maintenance. The Group, through its subsidiaries and jointly controlled entities, also employs contract labourers at its power plants and projects. The Group's employees are not represented by a labour union.

Litigation

As at the date of this Offering Circular, except for the following legal disputes, the Company had no legal disputes with the value of monetary claim exceeding five per cent of its total consolidated equity. The Company has not involved in other cases or legal disputes that had significant impact on the Company's business.

The Company was the defendant in a civil case no. Por 678/2557 where the plaintiff requested the Company to pay Baht 825 million for compensation. The plaintiff claimed that the Company allegedly breached the agreement on joint venture for the power plant project bidding. The action reportedly caused damage to the plaintiff and prevented it from realising benefits had it won the bidding. The Company's management, however, strongly believes that this case did not affect the Company and its subsidiaries' operation for the reason that the management is strongly confident in its defence in terms of factual and legal issues. The Company, therefore, does not make any provision against liability that may occur from such case in its financial statements. The case is under the consideration of the Civil Court of Thailand.

DESCRIPTION OF MATERIAL INDEBTEDNESS

The Company and other members of the Group have entered into financing arrangements with both local and international financial institutions for the purposes of general corporate funding and future investment. In addition, the members of the Group issue bonds from time to time which are offered to institutional investors and/or the public. As at 31 December 2017, the Group's total outstanding borrowings, including bonds issued, totalled Baht 21,929 million (U.S.\$ 671.45 million). Almost 80% of the Group's total outstanding borrowings were unsecured obligations. Of the total outstanding borrowings of Baht 21,929 million, foreign currency denominated bonds amounted to Baht 14,157 million, foreign currency denominated loans amounted to Baht 5,812 million, Baht denominated bonds amounted to Baht 2,000 million. A summary of the material terms and conditions of such loans, bonds and other material indebtedness of the Group is set forth below. This summary does not purport to be complete. Please refer to the Group's financial statements and the notes thereto included elsewhere in this Offering Circular for additional information with respect to such indebtedness. The Company and the other members of the Group are not restricted from incurring any new indebtedness, save for financial covenants set out in agreements to which the Company or such member of the Group is a party.

Bank Loans

The Company and other members of the Group have entered into loan agreements with both local and international financial institutions for the purposes of general corporate funding and future investment. These loans are both unsecured and secured.

RAC's long-term loan amounting AUD 100 million as at 31 December 2017 (equivalent to Baht 2,550.71 million) has a term of five years from its signing date and will be repayable in May 2018.

Mount Emerald Wind Farm Pty. Ltd., a subsidiary of RAC, has also entered into long-term secured loans with financial institutions in Australia amounting to AUD 86.38 million (equivalent to Baht 2,203.30 million) as at 31 December 2017 and will be repayable within 5 years during December 2018 to November 2023.

Furthermore, RATCH-Australia Collinsville Solar PV Pty. Ltd., a subsidiary of RAC, has also entered into long-term secured loans with financial institutions in Australia amounting to AUD 1.74 million (equivalent to Baht 44.38 million) as at 31 December 2017 and will be repayable within 2018.

Interest

The principal amounts outstanding under the bank loans generally bear floating interest rates. Interest payments are payable either monthly, quarterly or semi-annually, and the payments must be made on each interest payment date as provided in the respective loan agreements.

Covenants

Under the bank loans, the Company and other members of the Group are subject to financial covenants and other covenants that restrict them from carrying out certain activities, such as disposal of assets, negative pledge or change of general nature of business. The Terms and Conditions of the Notes do not breach the covenants contained in these loans.

Events of Default

The bank loan agreements contain certain customary events of default, such as failure to pay, failure to satisfy financial covenants, insolvency, insolvency proceedings, liquidation, dissolution or winding-up and the occurrence of certain bankruptcy.

Australian Dollar Long-term Loan Notes

RAC has entered into a long-term loan notes agreement with a related party in Australia for the issuance of long-term loan notes denominated in Australian Dollars (the “**Australian Dollar Long-term Loan Notes**”). The Australian Dollar Long-term Loan Notes amounting to AS\$125.93 million have terms of up to 30 years from their respective issue dates. As at 31 December 2017, the aggregate amount outstanding of the Australian Dollar Long-term Loan Notes is AS\$39.74 million (equivalent to Bath 1,013.80 million).

Interest

The principal amounts outstanding under the Australian Dollar Long-term Loan Notes bear floating interest rates. Interest payments are payable semi-annually each year and the payments must be made on each interest payment date as provided in the respective loan agreement.

Events of Default

The long-term loan notes agreement contains certain customary events of default, such as failure to pay and insolvency.

Maturity, Purchase and Redemption

The maturity date of the Australian Dollar Long-term Loan Notes is on 5 July 2041. At any time prior to the maturity date, RAC may redeem or purchase the Australian Dollar Long-term Loan Notes, which shall be cancelled by RAC and may not be reissued or resold after such redemption or purchase.

Thai Baht Bonds

On 3 March 2015, a subsidiary of the Company, RG, issued bonds in a principal amount of Baht 2,000 million (the “**Thai Baht Bonds due 3 March 2022**”). As at 31 December 2017, the outstanding amount under these bonds was Baht 2,000 million (equivalent to U.S.\$61.24 million).

Interest

The Thai Baht Bonds due 2022 bear fixed interest rate. Interest payments are payable semi-annually in Baht.

Covenants

Under the terms and conditions of the Thai Baht Bonds due 2022, RG is subject to covenants that restrict RG from carrying out certain activities, such as capital reduction, disposal of assets and negative pledge. The Terms and Conditions of the Notes do not breach the covenants contained in the Thai Baht Bonds due 2022.

Events of Default

The terms and conditions of the Thai Baht Bonds due 2022 contain certain customary events of default, including default in the payment of any principal or interest due in respect of the Thai Baht Bonds due 2022, and other events of default such as breach of financial covenants and other obligations or intervention.

Maturity, Purchase and Redemption

The Thai Baht Bonds due 2022 matures on 3 March 2022. RG may at any time repurchase the Thai Baht Bonds due 2022 in the open market or otherwise and at the market price. All Thai Baht Bonds due 2022 redeemed or purchased by RG shall be cancelled and may not be reissued or resold.

Japanese Yen Bonds

On 24 August 2011, RHIS issued bonds in a principal amount of JPY 15,000 million (the “**JPY Bonds due 2026**”). The JPY Bonds due 2026 are guaranteed by the Company. As at 31 December 2017, the outstanding amount under these bonds was JPY 15,000 million (equivalent to U.S.\$133.29 million).

Interest

The JPY Bonds due 2026 bear interest on their outstanding principal amount at the fixed interest rate and are payable semi-annually in JPY.

Covenants

Under the terms and conditions of the JPY Bonds due 2026, RHIS and the Company are subject to financial covenants and other covenants that restrict RHIS and the Company from carrying out certain activities, such as capital reduction, disposal of assets, negative pledge or change of control. The Terms and Conditions of the Notes do not breach the covenants contained in the JPY Bonds due 2026.

Events of Default

The terms and conditions of the JPY Bonds due 2026 contain certain customary events of default, including default in the payment of any principal or interest due in respect of the JPY Bonds due 2026, and other events of default such as breach of financial covenants and other obligations, insolvency and any government intervention.

Maturity, Purchase and Redemption

The maturity date of the JPY Bonds due 2026 is 24 August 2026.

At any time prior to the maturity date, neither RHIS nor the Company may redeem the JPY Bonds due 2026 except for certain specific events such as tax reason or change of control. RHIS, the Company or its subsidiaries (as defined in the terms and conditions of the JPY Bonds due 2026) may, however, at any time repurchase the JPY Bonds due 2026 in the open market or otherwise and at the market price.

All JPY Bonds due 2026 redeemed or purchased by RHIS, the Company or any of the subsidiaries shall be cancelled and may not be reissued or resold.

MANAGEMENT

Management

The management structure of the Group comprises the Board of Directors and four committees appointed by the Board of Directors. The committees are the Audit Committee, Human Resources and Remuneration Committee, Risk Management Committee and Investment Committee.

As a major shareholder of Ratchaburi, EGAT has the right to appoint six members of the Board of Directors.

Board of Directors

The following table sets forth certain information regarding the members of the Board of Directors as at the date of this Offering Circular.

Name	Age	Position	Date First Elected or Appointed Director
Mr. Sutat Patmasiriwat	64	Chairman of the Board of Directors and Chairman of the Investment Committee, Director	20 October 2014
Mr. Chuan Sirinunporn	64	Chairman of Corporate Governance and Social Responsibility Committee, member of the Human Resources and Remuneration Committee, Director	19 December 2014
Mr. Witoon Kulcharoenwirat	59	Chairman of Human Resources and Remuneration Committee, member of the Investment Committee, Director	20 October 2014
Mr. Kijja Sripatthangkura	57	Director, Chief Executive Officer, Secretary to the Board of Directors	1 January 2017
Mr. Chartchai Rojanaratanangkule	61	Chairman of Audit Committee, member of the Corporate Governance and Social Responsibility Committee, Independent Director	6 April 2017
Mr. Samack Chouvaparnante	68	Chairman of the Risk Management Committee, Independent Director	11 April 2015
Mr. Thaworn Ngamganokwan	59	Member of the Human Resources and Remuneration Committee, member of the Investment Committee, Director	6 April 2017
Mr. Viboon Rerksirathai	57	Member of the Investment Committee, member of the Risk Management Committee, Director	1 October 2017
Mr. Veerasak Pungrassamee	59	Member of the Risk Management Committee, Independent Director	8 April 2016

Name	Age	Position	Date First Elected or Appointed Director
Mr. Prapon Kitichantaropas	62	Member of the Corporate Governance and Social Responsibility Committee, Independent Director	11 April 2015
Ms. Prapa Puranachote	63	Member of the Audit Committee, Independent Director	1 February 2015
Ms. Siriporn Luangnual	58	Member of the Audit Committee, Independent Director	6 April 2017
Mr. Somboon Nhookeaw	56	Independent Director	23 February 2018

Mr. Sutat Patmasiriwat is the Chairman of the Board of Directors and the Investment Committee. He was previously a director of EGAT International Company Limited from 2013 to 2014. Mr. Patmasiriwat is currently also a member of the board of directors of EGAT, a position he held since 2015. He holds a Bachelor's degree in Mechanical Engineering from Chulalongkorn University, Thailand. He also holds a Certificate from the Advanced Management Program from Harvard Business School, U.S.A.

Mr. Chuan Sirinunporn is the Chairman of the Corporate Governance and Social Responsibility Committee and a member of the Human Resource and Remuneration Committee. He was previously a Director, General of the Department of Provincial Administration of Thailand. Mr. Sirinunporn is currently also a member of the board of directors of EGAT. He holds a Bachelor of Arts in the Program in Political Science from Chulalongkorn University, Thailand and a Graduate Diploma in Public Law from Thammasat University, Thailand. He also holds Honorary Doctorates Degrees from Ubon Ratchathani Rajabhat University and Ubon Ratchathani University.

Mr. Witton Kulcharoenwirat is the Chairman of the Human Resources and Remuneration Committee and a member of the Investment Committee. He was previously a member of the Specialisation in Petroleum Development Projects of the Pipeline Transportation of Fuel and Thermal Power Stations and a member of the board of directors of the National Environment Board of Thailand. He is currently the Director-General of the Department of Energy Business, Ministry of Energy of Thailand. Mr. Kulcharoenwirat holds a Master of Engineering in Safety Engineering from Kasetsart University, Thailand, a Master of Engineering in Transportation Engineering from Chulalongkorn University, Thailand and a Bachelor of Engineering (Civil Engineering) from Chiang Mai University, Thailand.

Mr. Kijja Sripatthangkura is the Chief Executive Officer of Ratchaburi and also the Secretary to the Board of Directors. He was previously the Deputy Governor of Policy and Planning at EGAT. He is also currently the Chairman of the board of directors at a few companies, including PT MEDCO RATCH POWER RIAU, Hongsa Power Company Limited, Phu Fai Mining Company Limited, RATCH-Australia Corporation Limited and Mount Emerald Wind Farm Pty. Mr. Sripatthangkura holds a Bachelor of Electrical Engineering from the Prince of Songkla University, Thailand.

Mr. Chartchai Rojanaratanangkule is the Chairman of the Audit Committee and a member of the Corporate Governance and Social Responsibility Committee. He was previously the Deputy Governor of Account and Finance, seconded to be the Chief Finance Officer at EGAT. Mr. Rojanaratanangkule holds a Bachelor of Accountancy from Chulalongkorn University, Thailand.

Mr. Samack Chouvaparnante is the Chairman of the Risk Management Committee. He was previously a Senator and the Advisory Chairman of the Senate Standing Committee on Justice and Police Affairs of Thailand. He is also currently the President of the Thammasat Law Association of Thammasat University and an executive committee member of the Thai Bar Association. Mr. Chouvaparnante holds a Bachelor of Law from Thammasat University, Thailand and a Master of Political Science (Politics and Governments) from Sukhothai Thammathirat Open University, Thailand.

Mr. Thaworn Ngamganokwan is a member of the Human Resources and Remuneration Committee and the Investment Committee. He was previously the Assistant Governor at Mae Moh Mine and Fuel Management at EGAT. He is currently the Deputy Governor of Fuel at EGAT. Mr. Ngamganokwan holds a Master of Public Administration from the National Institute of Development Administration, Thailand and a Bachelor Degree in Mining Engineering from Chulalongkorn University, Thailand.

Mr. Viboon Rerksirathai is a member of the Investment Committee and the Risk Management Committee. He was previously the Assistant Governor of Transmission System Engineering at EGAT. He is also currently the Deputy Governor of Transmission System Development at EGAT. Mr. Rerksirathai holds a Master of Business Administration (Management) from Kasetsart University, Thailand and a Bachelor of Engineering (Electrical Engineering) from Chulalongkorn University, Thailand.

Mr. Veerasak Pungrassamee is a member of the Risk Management Committee. He was previously the Deputy Director-General of the Department of Mineral Fuels in the Ministry of Energy of Thailand from December 2014 to November 2015. He was promoted to Director-General in November 2015. Mr. Pungrassamee holds a Bachelor of Engineering (Mechanical Engineering) from Prince of Songkla University, Thailand.

Mr. Prapon Kitichantaropas is a member of the Corporate Governance and Social Responsibility Committee. He was previously the Deputy Director General of the Department of Alternative Energy Development and Efficiency in the Ministry of Energy of Thailand. He is currently the Inspector General of the Ministry of Energy. Mr. Kitichantaropas holds a Bachelor of Engineering (Civil Engineering) from Chiang Mai University, Thailand.

Ms. Prapa Puranachote is a member of the Audit Committee. She was previously the Senior Executive Vice President and Chief of Provident Fund Division at Krung Thai Asset Management Public Company Limited. She is also currently a director at MFC Asset Management Public Company Limited and Padaeng Industry Public Company Limited. Ms. Puranachote holds a Master of Business Administration from the National Institute of Development Administration and a Bachelor of Arts under the Journalism and Mass Communication Program from Thammasat University, Thailand.

Ms. Siriporn Luangnual is a member of the Audit Committee. She was previously a director of Ratchaburi Electricity Generating Company Limited and Government Housing Bank. She is also currently the Advisor on Finance at the Ministry of Finance of Thailand and a director at Metropolitan Waterworks Authority and TOT Public Company Limited. Ms. Luangnual holds a Bachelor of Business Administration from Ramkhamhaeng University, Thailand and a Master of Business Administration from Pittsburgh State University, U.S.A.

Mr. Somboon Nhookeaw is an Independent Director of the Board of Directors. He is currently a deputy director of the Ministry of Energy of Thailand. Mr. Somboon holds a Bachelor of Engineering (Civil Engineering) from Chiang Mai University, Thailand and a Master of Engineering in Infrastructure Engineer and Management, Kasetsart University, Thailand.

The Board of Directors continually formulates the Group's operational policies and directives and supervises management to ensure efficient and effective operations in line with the Group's objectives. The Board of Directors monitors the Group's operations through regular meetings and policies that are consistent with changing conditions in the market place.

Audit Committee

The Audit Committee comprises three members of the Board of Directors. The Audit Committee reports directly to the Board of Directors and perform its tasks and responsibilities as assigned by the Board of Directors and in compliance with the regulations of the Securities and Exchange Commission and SET. The Audit Committee's responsibilities include:

- reviewing and ensuring that the Group has accurate and adequate financial reports;
- reviewing and ensuring that the Group has an appropriate and effective internal control system;
- reviewing and ensuring that the Group complies with the securities and exchange law and the SET's rules and regulations and other laws relating to the Group's business;
- selecting and nominating the auditors of the Group and recommending the auditors' fee;
- reviewing related party transactions that may result in a conflict of interest based on the SET's rules and regulations;
- preparing the Audit Committee's report to be published in the Group's annual report;
- reviewing the Internal Audit Division's performance and independence;
- reviewing the audit criteria and process to ensure that they comply with the current business environment; and
- reporting issues such as fraud or irregularities in the Group's internal audit system to the Board of Directors;

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee comprises three members of the Board of Directors. Its responsibilities include:

- formulating the Group's visions and strategies on human resources management;
- reviewing and ensuring that the Board of Directors is of the appropriate size and composition;
- establishing clear, transparent and appropriate policies, criteria and procedures in nominating, selecting, removing or terminating Directors and members of the Group's senior management;
- selecting and nominating persons with the appropriate qualifications to be the Chief Executive Officer and a member of the Group's senior management;
- preparing the succession plan for key executive posts;
- establishing policies and strategies on compensation which include salary, meeting allowance, per diem, bonus and other benefits for the Directors and the senior management of the Group before proposing them to the Board of Directors for further approval;
- formulating effective guidelines, criteria, procedures and processes for assessing the performance of the Board of Directors and the senior management of the Group; and
- disclosing the policies relating to remuneration as well as the amount of remuneration for the Board of Directors and the senior management in the Group's annual report.

Risk Management Committee

The Risk Management Committee comprises three members of the Board of Directors. The Risk Management Committee reports directly to the Board of Directors and its responsibilities include:

- reviewing the Group's risk management policy and framework, including financial risk, investment risk, corporate reputation risk and compliance risk, before proposing them to the Board of Directors for approval;
- formulating risk management strategies and framework in compliance with the Group's risk management policy;
- monitoring and ensuring that risk management activities are in line with the Group's policy and framework approved by the Board of Directors;
- establishing the risk measurement criteria and limits at the acceptable level;
- establishing the appropriate risk management measures for different situations;
- reviewing the sufficiency and effectiveness of risk management policy and system; and
- reporting regularly to the Board of Directors about the management, operation, risk status, changes and areas of improvement to keep risk management in line with the Group's policy and strategy.

Investment Committee

The Investment Committee comprises four members of the Board of Directors. The Investment Committee reports directly to the Board of Directors and its responsibilities include:

- determining the strategic plan, investment plan, investment budget, optimum investment return and other benefits from a project investment with the aim to increase the Group's generating capacity and growth;
- reviewing and scrutinising project investment proposed by the senior management to ensure that it is consistent with the Group's policy and targets stated in its investment plan, taking into account the cost-effective investment return and managing risks at an acceptable level; and
- monitoring and evaluating the approved investment projects and providing reports on the progress of such projects to the Board of Directors.

Executive Officers

The following table sets forth certain information regarding the Group's senior management as at the date of this Offering Circular:

Name	Age	Position
Mr. Kijja Sripatthangkura	57	Chief Executive Officer
Mr. Peerawat Pumthong	59	Chief Business Development Officer
Mr. Raluke Satayaporn	58	Chief Project Development Officer
Mr. Somnuk Jindasup	59	Chief Asset Management Officer
Mrs. Sunee Rajatamutha	59	Chief Financial Officer
Mr. Prayut Thongsuwan	59	Executive Vice President — Corporate Administration and Managing Director — Ratchaburi Energy Company Limited
Mrs. Wadeerat Charoencoop	43	Executive Vice President — Financial
Mr. Sakchai Sripetch	58	Senior Vice President and Head of Financial Planning and Management Division Company Limited
Ms. Suwannee Sirisajjawat	47	Acting Head of Accounting Control and Analysis Division
Mrs. Supatra Thongkarn	57	Senior Vice President — Head of General Accounting Division
Mr. Sommai Poosanachakorn	53	Senior Vice President — Head of Company Secretary Office and Company Secretary
Ms. Chatuporn Laohapiboonratana	46	Vice President — Head of Tax Management and General Ledger Division

Mr. Kijja Sripatthangkura is the Chief Executive Officer. see “— *Board of Directors*”.

Mr. Peerawat Pumthong is the Chief Business Development Officer. He was previously the Chief of the Engineering and Project Implementation Group of the Business Venture Division, Chief of the Contract Negotiation and Management Group of the Domestic Power Purchase Division, and Chief of the Business Venture Group in the Portfolio Management Division of EGAT, as well as Senior Director of the Business Management Division and an Executive Vice President of Business Development of Ratchaburi. He was also formerly a member of the Executive Committee at Southeast Asia Energy Limited and Nam Ngum 2 Power Company Limited, Director of the Executive Committee of Ratchaburi Power Company Limited and Senior Executive Vice President of Business Development at Ratchaburi. Mr. Pumthong has served as member of the board of directors of K K Power Company Limited, Nava Nakorn Electricity Generating Company Limited, Xe-Pian Xe-Namnoy Power Company Limited and Ratchaburi Electricity Generating Company Limited. In addition, he was the Chairman of the board of directors of Yanhee Solar Power Company Limited, Khao Kor Wind Power Company Limited, Ratchaburi Alliances Company Limited, Ratch Udom Company Limited, Ratchaburi Energy Company Limited, RATCH-Lao Services Company Limited and Sustainable Energy Corporation Limited. He is currently the Secretary to the Investment Committee at Ratchaburi, a member on the board of directors of RH International (Singapore) Corporation Limited, RH International (Mauritius) Corporation Limited, Phu Fai Mining Company Limited, Hongsa Power Company Limited (also Executive Member), Nam Ngum 2 Power Company Limited, Southeast Asia Energy Limited and RATCH-Australia Corporation Limited and the Chairman of the board of directors of RH International Corporation Limited and Ratchaburi World Cogeneration Company Limited. Mr. Pumthong obtained his Bachelor's degree in Engineering from Khonkaen University, Master's degree in Engineering from the Asian Institute of Technology and MBA from Monash University, Australia.

Mr. Raluke Satayaporn is the Chief Project Development Officer. He was previously the Executive Vice President — Project Development of Ratchaburi. He was also previously the Chairman of the board of directors of Oversea Green Energy Company Limited from 2014 to 2017. Mr. Satayaporn is currently a member of the board of directors at certain subsidiaries of Ratchaburi, including PT

MEDCO RATCH POWER RIAU, Ratchaburi Energy Company Limited and Xe-Pian Xe-Namnoy Power Company Limited. He holds a Bachelor of Engineering (Civil Engineering) from Kasetsart University, Thailand and a Master of Engineering (Civil Engineering) from the Asian Institute of Technology, Thailand.

Mr. Somnuk Jindasup is the Chief Asset Management Officer. He was previously the Operation Project Team Leader and Head of the Thermal Power Plant Operation Section of the South Bangkok Thermal Power Plant of EGAT and Chief of the Plant Maintenance Department at Wang-Noi Power Plant of EGAT. He was a member of the board of directors and Managing Director of Tri Energy Company Limited. In addition, he was a member of the board of directors of Ratch-Lao Services Company Limited and EGAT Diamond Service Company Limited. Mr. Jindasup is currently a member of the board of directors of RATCH O&M Company Limited and Ratchaburi Electricity Generating Company Limited. He holds a Bachelor of Science in Electrical Engineering from King Mongkut's Institute of Technology, North Bangkok Campus and a Master's degree in Engineering, specialising in Electrical Engineering, from Chulalongkorn University.

Mrs. Sunee Rajatamutha is the Chief Financial Officer. Previously, she was the Executive Vice President — Financial and before joining Ratchaburi, the Chief of the Management Accounting Financing and Budgeting Department at EGAT, Senior Manager at Tri Energy Company Limited, Director of Finance Division at Ratchaburi Power Company Limited and was a member of board of directors and Managing Director at Ratch Udom Power Company Limited. At Ratchaburi, she held the positions of Manager of the Management Accounting and Budgeting Department, Manager of the Finance Department, Director of the Finance Division and Senior Vice President — Finance. At present, Mrs. Rajatamutha is a member of the board of directors of Nava Nakorn Electricity Generating Company Limited and Ratchaburi Energy Company Limited. She is also the Chairman of the board of directors of Ratchaburi Alliances Company Limited and Ratchaburi Gas Company Limited. She has a Bachelor of Accounting and MBA from Chulalongkorn University, as well as a Master's degree in Accounting from Thammasat University.

Mr. Prayut Thongsuwan is the Executive Vice President — Corporate Administration and Managing Director — Ratchaburi Energy Company Limited. He was formerly a Chief of the Procurement and General Service Department in the Demand Side Management and Planning Division of EGAT as well as the Director of the Ratchaburi Power Plant Communication Centre. He was also the Director of the General Administration Division and Executive Vice President — Corporate Administration at Ratchaburi. Mr. Thongsuwan is presently also a member of the board of directors of Solarta Company Limited and Ratchaburi Energy Company Limited. Mr. Thongsuwan holds a Bachelor of Political Sciences (Public Administration) from Thammasat University and a Master's degree in Public and Private Management from the National Institute of Development Administration.

Mrs. Wadeerat Charoencoop is the Executive Vice President — Financial. She was previously the Head of Group Finance Treasury, Tax and Investor Relations at Siam City Cement Public Company Limited and Vice-President — Head of Financial Planning and Management Division at Ratchaburi. Mrs. Charoencoop holds a Bachelor of Business Administration (Finance) from Chulalongkorn University, Thailand and a Master of Business Administration from The University of Washington, U.S.A.

Mr. Sakchai Sripetch is the Senior Vice President — Head of Financial Planning and Management Division. He was previously the Senior Vice President, seconded to the Chief Finance Officer at Ratchaburi Power Company Limited. Mr. Sripetch holds a Bachelor of Law from Sukhothai Thammathirat Open University, Thailand, a Bachelor of Accountancy (Cost Accounting) from Chulalongkorn University, Thailand and a Master of Business Administration from Thammasat University, Thailand.

Ms. Suwannee Sirisajjawat is the Acting — Head of Accounting Control and Analysis Division. She was previously the Senior Manager, Head of Management Accounting Department at Ratchaburi. Ms. Sirisajjawat holds a Bachelor of Business Administration (Accounting) from Prince of Songkla University, Thailand and a Master of Business Administration from Kasetsart University, Thailand.

Mrs. Supatra Thongkarn is the Senior Vice President — Head of General Accounting Division. She previously worked in the Accounting and Finance Department of Levers Brother (Thailand) Company Limited and was the Assistant Finance and Administrative Manager and Financial Controller at Jebsen & Jessen Group (Thailand) Company Limited, Accounting and Finance Manager of VR Computer Company Limited and Chief Financial Officer of Xe-Pian Xe-Namnoy Power Company Limited. At Ratchaburi, she has been a Manager — Head of Affiliate Accounting and Tax Management Department, Manager — Head of the Management Accounting and Budgeting Department and Senior Manager of the Tax Management Department. She obtained a Bachelor of Accountancy from Chulalongkorn University and a Mini MBA from Thammasat University.

Mr Sommai Poosanachakorn is the Senior Vice President — Head of Company Secretary Office and the Company Secretary. He was previously a Vice President — Head of Accounting Control and Analysis Division and Ratchaburi. He is also currently a member of the board of directors at RATCH China Power Limited. Mr. Poosanachakorn holds a Bachelor of Accounting from Thammasat University, Thailand and a Master of Public and Private Management from The National Institute of Development Administration, Thailand.

Ms. Chatuporn Laohapiboonratana is the Vice President — Head of Tax Management and General Ledger Division. She was previously the Senior Manager — Head of Financial Planning Department at Ratchaburi. Ms. Laohapiboonratana holds a Bachelor of Accountancy from Chiang Mai University, Thailand and a Master of Business Administration from Kasetsart University, Thailand.

Remuneration

Total remuneration for Directors was Baht 22.71 million for the year ended 31 December 2017, in the forms of salaries, bonuses and allowances. The Group paid its Executive Officers a total of Baht 55.22 million for the year ended 31 December 2017, in the form of salaries, bonuses and allowances. All of the Group's named Executive Officers have formal employment contracts.

TAXATION

The following summary of certain Thai and Singapore tax consequences (including administrative guidelines issued by the MAS and the Inland Revenue Authority of Singapore) of the purchase, ownership and disposition of the Notes is based upon applicable laws, regulations, rulings and decisions in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or any persons acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. Prospective holders of the Notes are advised to consult their own tax advisors as to the Thai, Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither the Issuers, the Guarantor, the Arrangers, the Dealers nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Thailand

Income Tax

The following is a summary of the principal Thai tax consequences with respect to any payment made to the holders of the Notes by the Company as the Issuer or the Guarantor (in respect of the Notes issued by an Issuer other than the Company) pursuant to its obligations under the Guarantee if part of the guaranteed payment is considered by the Thai authorities as payment of interest and/or premium from or in Thailand.

Non-resident Individual Holders

In considering whether the individual holder is a tax resident of Thailand, Thai law does not look at the nationality of such individual holder, but will determine whether the holder has resided in Thailand at one or more times for a period equal in the whole to 180 days in any tax year (i.e. a calendar year).

Interest and premium

Interest and premium in respect of the Notes paid to a non-resident individual holder is generally subject to a 15.0 per cent., withholding tax, unless (a) the terms and conditions of an applicable double taxation agreement between Thailand and the resident country of such non-resident individual holder provide otherwise or (b) the non-resident individual holder is otherwise exempt from or not subject to Thai income tax.

Capital gains

Unless the terms and conditions of an applicable double taxation agreement entered into between Thailand and the resident country of the non-resident individual holders provide otherwise, a capital gain, which is the amount in excess of the cost of acquisition, derived from the transfer of the Notes and paid in or from Thailand is subject to 15.0 per cent., withholding tax.

Non-resident Corporate Holders

A non-resident corporate holder is a company or a registered partnership established pursuant to a foreign law and not doing business in Thailand but receives from or in Thailand interest or capital gains from the transfer of the Notes.

Interest and premium

Interest and premium in respect of the Notes paid to a non-resident corporate holder is generally subject to a 15.0 per cent.; withholding tax, unless (a) the terms and conditions of an applicable double taxation agreement between Thailand and the resident country of such non-resident individual corporate holder provide otherwise or (b) the non-resident corporate holder is otherwise exempt from or not subject to Thai income tax.

Capital Gain

Unless the terms and conditions of an applicable double taxation agreement entered into between Thailand and the resident country of the non-resident corporate holder provide otherwise, a capital gain derived from the transfer of the Notes paid in or from Thailand is subject to a 15.0 per cent., withholding tax.

Stamp Duty

Each of the Notes will be subject to Baht 5 stamp duty in Thailand when brought into Thailand. In this regard, stamp duty is due within 30 days from the date that it is brought into Thailand.

Singapore

Interest and Other Payments

Interest, discount income, “prepayment fee”, “redemption premium” and “break cost” (references in this tax disclosure to the terms in quotation marks as defined in the ITA) derived by a Noteholder who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as such income is likely to be regarded as arising from a source outside Singapore.⁵ If, however, should such income should be regarded as being sourced in Singapore, they can nonetheless be exempt from tax, including withholding of tax, if the Notes qualify as “qualifying debt securities” for the purposes of the ITA as discussed below.

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (“ITA”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. Where the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax

⁵ The assumption is that the relevant Issuer will issue the Notes outside Singapore and not through a branch or otherwise in Singapore.

of 15 per cent. The rate of 15 per cent., may be reduced by applicable tax treaties. Where the payment is not so derived, the rate at which tax is to be withheld for the payment to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent.

Notwithstanding the above, with effect from 29 December 2009, the said deeming provisions of Section 12(6) of the ITA would not apply to payments for any arrangement, management, service or guarantee relating to any loan or indebtedness, where: (i) the arrangement, management or service is performed outside Singapore; or (ii) the guarantee is provided, for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a non-resident person who:

- (i) is not incorporated, formed or registered in Singapore (where the non-resident person is not an individual); and
- (ii) (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or
(B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but (a) the arrangement, management or service is not performed through; or (b) the giving of the guarantee is not effectively connected with, that business carried on in Singapore or that permanent establishment.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms “prepayment fee”, “redemption premium” and “break cost” are defined in the ITA as follows:

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “prepayment fee”, “redemption premium” and “break cost” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Qualifying Debt Securities Scheme

As the Programme as a whole is arranged by (a) Standard Chartered Bank, Singapore Branch, which was the sole arranger of the Programme at the time of establishment of the Programme and was at such time a Financial Sector Incentive (Standard Tier) (“**FSI-ST**”) Company (as defined in the ITA) and (b) BNP Paribas, Singapore Branch and MUFG Securities Asia (Singapore) Limited, each of which is a FSI-ST Company or Financial Sector Incentive (Capital Market) Company or Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes which are debt securities issued under the Programme by the relevant Issuer from the date of this Offering Circular to 31 December 2018 (“**Relevant Notes**”) are “qualifying debt securities” for the purposes of the ITA to which the following treatments apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, of a return on debt securities in respect of the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require to MAS and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively the “**Specified Income**”) from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax.

“Funds from Singapore operations”, in relation to a person, means the funds and profits of that person’s operations through a permanent establishment in Singapore;

- (b) subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the MAS may direct, of a return on debt securities in respect of the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require to MAS), Specified Income derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.; and
- (c) subject to:
 - (i) the relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the relevant Issuer, or such other person as the MAS may direct, furnishing to MAS a return on debt securities in respect of the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

Specified Income derived from the Relevant Notes is not subject to withholding of tax by the relevant Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Notes would not qualify as “qualifying debt securities” (unless otherwise approved by the Minister of Finance or such other person as he may appoint); and
- (b) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Specified Income derived by:
 - (i) any related party of the relevant Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the relevant Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“QDS Plus Scheme”), subject to certain conditions having been fulfilled (including the submission by the relevant Issuer or such other person as the MAS may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the MAS may specify and such other particulars in connection with the qualifying debt securities as the MAS may require to MAS), income tax exemption is granted on Specified Income derived by any investor from “qualifying debt securities” (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity date of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where —
 - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such qualifying debt securities; and
 - (ii) the qualifying debt securities do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the qualifying debt securities at the time of their issue; and

- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

In determining an investor's income that is to be exempted from tax under the QDS Plus Scheme, prescribed conditions apply in relation to how the investor's losses, expenses and capital allowances which are attributable to exempt income are to be treated.

However, even if a particular tranche of Relevant Notes are "qualifying debt securities" which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Specified Income from such Relevant Notes derived by:

- (i) any related party of the relevant Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

In the Singapore Budget Statement 2018, it was announced that the Qualifying Debt Securities Scheme will be extended till 31 December 2023. However, the QDS Plus Scheme will be allowed to lapse after 31 December 2018. Debt securities that are issued on or before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions under the QDS Plus Scheme are satisfied for such debt securities. The MAS is anticipated to release further details of the changes by May 2018.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of the Notes as part of a trade or business carried on by a person in Singapore may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement ("FRS 39") or Singapore Financial Reporting Standard 109 — Financial Instruments ("**FRS 109**"), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109. See also the section below on "*Adoption of FRS 39 and FRS 109 treatment for Singapore income tax purposes*".

Adoption of FRS 39 and FRS 109 treatment for Singapore income tax purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 — Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 - Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

PRINCIPAL SHAREHOLDERS

The following table sets out certain information about Ratchaburi's top 10 shareholders as at 28 February 2018.

Shareholder	Number of shares held	Percentage of shares held
Electricity Generating Authority of Thailand	652,500,000	45.00
Thai NVDR Company Limited	291,154,491	20.08
EGAT Saving and Credit Cooperative Limited	49,203,000	3.39
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	47,783,200	3.30
Social Security Office	47,472,800	3.27
AIA COMPANY LIMITED - EQ3-P.	27,325,400	1.88
STATE STREET EUROPE LIMITED	23,864,065	1.65
Mr. Min Tieworn	14,900,000	1.03
CHASE NOMINEES LIMITED	10,315,955	0.71
Krungsri Dividend Stock LTF	5,891,500	0.41
Others	279,589,589	19.28
Total issued and outstanding shares	1,450,000,000	100.00

RELATED PARTY TRANSACTIONS

The Group is party to a number of transactions with certain related parties, including certain of its employees and its controlling shareholder. The Group believes that these transactions have been entered into on arms' length terms or on terms that it believes have generally been at least as favourable to the Group as similar transactions with non-affiliates would have been. The following tables set out the related party transactions for the relevant members of the Group as at and for the year ended 31 December 2017.

Ratchaburi Electricity Generating Holding Public Company Limited

Related Party Transaction	Related Parties	Currency	Value
			<i>(in millions)</i>
Management service agreements/ Service agreements	Ratchaburi Electricity Generating Company Limited	Baht	116.97
	Ratchaburi Power Company Limited	Baht	90.09
	Chubu Ratchaburi Electric Services Company Limited	Baht	10.23
	Xe-Pian Xe-Namnoy Power Company Limited	Baht	72.96
	Ratchaburi Energy Company Limited	Baht	0.35
	RATCH-Lao Services Company Limited	Baht	4.02
	RH International Corporation Ltd.	Baht	0.90
	Ratchaburi Alliances Company Limited	Baht	0.12
	SouthEast Asia Energy Limited	Baht	3.03
	Nava Nakorn Electricity Generating Company Limited	Baht	8.46
	Solarta Company Limited	Baht	9.69
	First Korat Wind Company Limited	Baht	1.07
	K.R.Two Company Limited	Baht	1.07
	RH International (Singapore) Corporation Pte. Ltd.	Baht	44.26
	Hongsa Power Company Limited	Baht	17.53
	Nam Ngum 2 Power Company Limited	Baht	25.00
	Oversea Green Energy Company Limited	Baht	2.39
	SongKhla Biomass Company Limited	Baht	2.42
Loan to subsidiaries/associates and joint ventures	Ratchaburi Electricity Generating Company Limited	Baht	2,730.00
	Ratchaburi Energy Company Limited	Baht	203.00
	RATCH-Lao Services Company Limited	U.S.\$	32.75
	Xe-Pian Xe-Namnoy Power Company Limited	U.S.\$	1.32

Ratchaburi Electricity Generating Company Limited

Related Party Transaction	Related Parties	Currency	Value
			<i>(in millions)</i>
Power purchase agreement	EGAT	Baht	39,621.23
Station service power and power for water supply system	EGAT	Baht	(204.40)
Power plant operation and maintenance agreement	EGAT	Baht	(1,239.80)
Management service agreements/ Service agreements	EGAT	Baht	(3.39)
	Ratchaburi Power Company Limited	Baht	50.78

RH International (Singapore) Corporation Pte. Ltd.

Related Party Transaction	Related Parties	Currency	Value
			<i>(in millions)</i>
Loan to subsidiary	RATCH-Australia Corporation Limited	A\$	250.00

RATCH-Lao Services Co., Ltd.

Related Party Transaction	Related Parties	Currency	Value
			<i>(in millions)</i>
Operation and maintenance agreement	EGAT	Baht	50.88

CLEARANCE AND SETTLEMENT

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers and the Guarantor believe to be reliable, but none of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or any of the Agents takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, the Arrangers, any Dealer, the Trustee or any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

The Clearing Systems

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant paying agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

Book-Entry Ownership

Bearer Notes

The relevant Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg or an Alternative Clearing System as agreed between the relevant Issuer and the relevant Dealer. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of the Euroclear and Clearstream, Luxembourg or, if appropriate, the Alternative Clearing System.

Registered Notes

The relevant Issuer may make applications to Euroclear and/or Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a common depositary for, and registered in the name of, a nominee of Euroclear and/or Clearstream, Luxembourg will have an ISIN and/or a Common Code.

All Registered Notes will initially be in the form of a Global Certificate. Definitive Certificates will only be available, in the case of Notes initially represented by a Global Certificate, in amounts specified in the relevant Pricing Supplement.

Transfers of Registered Notes

Transfers of interests in Global Certificates within Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant Clearing System.

In the case of Registered Notes to be cleared through Euroclear or Clearstream, Luxembourg, transfers may be made at any time by a holder of an interest in a Global Certificate in accordance with the relevant rules and regulations of the applicable Clearing Systems.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 9 March 2018 (the “**Dealer Agreement**”) between the Issuers, the Guarantor (in the case of Guaranteed Notes only), the Arrangers and the Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, each Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as its agents. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Each Issuer and the Guarantor (in the case of Guaranteed Notes only), has agreed to reimburse the Arrangers for certain of its expenses incurred in connection with the establishment, and any future update, of the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant subscription agreement between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the relevant Dealer(s). The relevant Issuer and the Guarantor (in the case of Guaranteed Notes), may also from time to time agree with the relevant Dealer(s) that it may pay certain third parties, commissions (including, without limitation, rebates to private banks).

Each Issuer and the Guarantor (in the case of Guaranteed Notes only) has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Each of the Arrangers and the Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Each of the Arrangers and the Dealers and their respective affiliates may have performed, and may in the future perform, certain banking and advisory services and other services for any Issuer and/or the Guarantor and/or their respective affiliates and/or other persons and entities with relationships with any Issuer or the Guarantor from time to time, which may also include swaps (for example, currency or interest rate swaps) and other financial instruments entered into for hedging purposes in connection with the issuance of any Notes under the Programme, for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for any Issuer and/or the Guarantor and/or their respective affiliates in the ordinary course of such Issuer's, the Guarantor's or their business. The Arrangers and the Dealers or certain of their respective affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution.

In the ordinary course of their various business activities, the Arrangers, the Dealers or any of their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of any Issuer and/or the Guarantor and/or their respective affiliates and/or persons and entities with relationships with any Issuer or the Guarantor. The Arrangers, the Dealers or any of their respective affiliates may communicate independent investment recommendations, market colour or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Arrangers, the Dealers or any of their respective affiliates may also purchase the Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Notes and/or other securities of the Issuer or its associates at the same time as the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes).

Selling Restrictions

United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and, subject to certain exceptions, the Notes and the Guarantee may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) or (in the case of Bearer Notes) delivered within the United States. Terms in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States in reliance on Regulation S.

The Bearer Notes and the Guarantee are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or, in the case of Bearer Notes that are expressed in the applicable Pricing Supplement to be subject to the D Rules, to a United States person, under those requirements except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or (in the case of Bearer Notes) deliver the Notes and the Guarantee (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes or the Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States. Each Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of each Issuer and the Guarantor of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (1) a retail client as defined in point (11) of Article 4(1) of **MiFID II**; or
 - (2) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (3) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (a) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered, and will not be, as a prospectus with the Monetary Authority of Singapore (the “MAS”) and the Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell the Notes nor make the Notes the subject of an invitation for subscription or purchase, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any persons in Singapore other than (i) to an institutional investor pursuant to Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or Section 275 of the SFA, the Notes shall not be sold within the period of 6 months from the date of the initial acquisition of the Notes, except to any of the following persons:

- (a) an institutional investor (as defined in Section 4A of the SFA)
- (b) a relevant person (as defined in Section 275(2) of the SFA); or
- (c) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable within six (6) months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA, except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) pursuant to Section 276(7) of the SFA; or
- (e) pursuant to Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

Thailand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell in Thailand, whether directly or indirectly, any Notes, has not made and will not make, whether directly or indirectly, any advertisement, invitation or document relating to the Notes in Thailand, and has not circulated or distributed, nor will it circulate or distribute, the Offering Circular in relation to the Notes or any other documents or material in connection with the offering of the Notes, or invitation for subscription or purchase, of the Notes, either directly or indirectly, in Thailand or to any resident of Thailand.

No invitation will be made to any person in Thailand to subscribe for any Notes. Notes cannot be offered, sold or transferred in Thailand.

FORM OF PRICING SUPPLEMENT

MiFID II product governance / Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.

[PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (“**IMD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

Pricing Supplement dated [●]

[ISSUER]

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed (subject to the Maximum Guaranteed Amount) by Ratchaburi Electricity
Generating Holding Public Company Limited]
under the U.S.\$1,000,000,000 Guaranteed Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 9 March 2018 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular as so supplemented.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated [●]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.]

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of

Singapore (the “ITA”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|---|--|--|
| 1 | (i) Issuer | [ISSUER] |
| | (ii) [Guarantor | Ratchaburi Electricity Generating Holding Public Company Limited] |
| 2 | (i) [Series Number:] | [●] |
| | (ii) [Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)] | [●] |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | |
| | (i) [Series:] | [●] |
| | (ii) [Tranche: | [●]] |
| 5 | (i) Issue Price: | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)] |
| | (ii) Net Proceeds: | [●] |
| 6 | (i) Specified Denominations: | [●] |
| | (ii) Calculation Amount: | [●] |
| 7 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | <i>[Specify/Issue date/Not Applicable]</i> |
| 8 | Maturity Date: | <i>[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i> ⁶ |
| 9 | Interest Basis: | [[●] per cent. Fixed Rate]
[[<i>specify reference rate</i>] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (<i>specify</i>)]
(further particulars specified below) |

⁶ Note that Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option.

- 10 Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (*specify*)]
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis*]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- 13 Status of the Notes: Senior
- 14 Status of the Guarantee: Senior
- 15 Listing and admission to trading: [[●] (*specify*)/None]
- 16 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 17 Fixed Rate Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Center(s) for the definition of “Relevant Business Day”]/[not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount⁷
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360/Actual/Actual(ICMA/ISDA)/other]
- (vi) [Determination Dates: [●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

⁷ For Renminbi or Hong Kong Dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes to the nearest HK\$0.01, HK\$0.005 for the case of Hong Kong Dollar denominated Fixed Rate Notes, being rounded upwards”.

18	Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Interest Period(s):	[●]
	(ii) Specified Interest Payment Dates:	[●]
	(iii) Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Date)</i>
	(iv) First Interest Payment Date:	[●]
	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
	(vi) Business Centre(s):	[●]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i>]
	(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]):	[●]
	(ix) Screen Rate Determination:	
	— Reference Rate:	[●] <i>(Either LIBOR, EURIBOR, HIBOR, or other, although additional information is required if other)</i>
	— Interest Determination Date(s):	[●] <i>(the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, euro or Hong Kong Dollars or Renminbi or first day of each Interest Accrual Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro)</i>
	— Relevant Screen Page:	[●] <i>[(In the case of EURIBOR, if not Reuters page EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)]</i>

- (x) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: 2006 (if different to those set out in the Conditions, please specify)
- (xi) Margin(s): [+/-] [●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction: [●]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 19 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
 - (ii) Any other formula/basis of determining [●] amount payable: [●]
- 20 Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula: [give or annex details]
 - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): [●]
 - (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable or otherwise disrupted: [●]

- (iv) Interest Period(s): [●]
- (v) Specified Interest Payment Dates: [●]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (vii) Business Centre(s): [●]
- (viii) Minimum Rate of Interest: [●] per cent. per annum
- (ix) Maximum Rate of Interest: [●] per cent. per annum
- (x) Day Count Fraction: [●]
- 21 Dual Currency Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent): [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

- 22 Call Option: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [[●] per Calculation Amount] / [With respect to each Note, as determined by the Issuer, the aggregate of the principal amount of such Note and the greater of:
(1) 1.0 per cent. of the principal amount of such Note; or

(2) the excess of:

- (a) the present value at such Optional Redemption Date of (i) the principal amount of such Note plus (ii) all required interest payments due on such Note through the Maturity Date (excluding accrued but unpaid interest to the Optional Redemption Date), computed using a discount rate equal to the Applicable Benchmark Rate as at such Optional Redemption Date [plus/minus] [●] basis points; over
- (b) the principal amount of such Note. “Applicable Benchmark Rate” means [insert relevant benchmark].]

(iii) If redeemable in part:

(a) Minimum Redemption Amount: [●] per Calculation Amount

(b) Maximum Redemption Amount: [●] per Calculation Amount

(iv) Notice period: [●]

23 Put Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): [●]

(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation amount

(iii) Notice period: [●]

- 24 Final Redemption Amount of each Note: [●] per Calculation Amount
- 25 Early Redemption Amount:
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26 Form of Notes: [Bearer Notes/Registered Notes] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, EUR100,000 (or its equivalent in other currencies) and integral multiples thereof)
- [Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate] [Definitive Notes]
- 27 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
- 28 Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not the end dates of interest periods for the purpose of calculating the amount of interest, to which sub-paragraphs 17(ii), 18(vi) and 20(vii) relate]
- 29 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 30 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]

- 31 Details relating to Instalment Notes: [Not Applicable/*give details*]
amount of each instalment, date on
which each payment is to be made:
- 32 Redenomination renominatisation [Not Applicable/The provisions [annexed to this
and reconventioning provisions: Pricing Supplement] apply]
- 33 Consolidation provisions: [Not Applicable/The provisions [in Condition [●]]
[annexed to this Pricing Supplement] apply]
- 34 Other terms or special conditions: [Not Applicable/*give details*]

DISTRIBUTION

- 35 (i) If syndicated, names of [Not Applicable/*give name*]
Managers:
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- 36 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 37 U.S. selling restrictions: Reg. S Category 2; [TEFRA D/TEFRA C/TEFRA Not
Applicable] The Notes are being offered and sold only
in accordance with Regulation S.
- 38 Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

- 39 ISIN: [●]
- 40 Common Code: [●]
- 41 Any clearing system(s) other than [Not Applicable/*give name(s) and number(s)*]
Euroclear Bank or Clearstream,
Luxembourg and the relevant
identification number(s):
- 42 Delivery: Delivery [against/free of] payment
- 43 Additional Paying Agent(s) (if any): [●]

GENERAL

- 44 The aggregate principal amount of [Not applicable/Exchange rate of Specified Currency:
Notes in the Specified Currency U.S. Dollar/U.S. Dollar equivalent: [●]]
issued has been translated into U.S.
Dollars at the rate specified,
producing a sum of:
- 45 Private Bank rebate: [Applicable/Not Applicable]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the
[specify relevant stock exchange/market] of the Notes described herein pursuant to the
U.S.\$1,000,000,000 Guaranteed Medium Term Note Programme guaranteed by Ratchaburi Electricity
Generating Holding Public Company Limited.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [ISSUER]:

By: _____

Duly authorised

[Signed on behalf of Ratchaburi Electricity Generating Holding Public Company Limited as Guarantor:

By: _____

Duly authorised

SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN TFRS AND IFRS

The following is a general summary of certain principal differences between TFRS and IFRS as applicable to the Group.

The financial statements comprise the consolidated financial statements of Ratchaburi and its subsidiaries and the separate financial statements of Ratchaburi.

For the purposes of this Offering Circular a summary of certain significant differences between TFRS and IFRS which are relevant to the Group's financial statements is provided below. The differences identified below are limited to those significant differences that are appropriate to the Group's financial statements for the years ended 31 December 2016 and 2017. However, they should not be construed as being exhaustive. The International Accounting Standard Board ("IASB") and the Federation of Accounting Professions ("FAP") in Thailand have issued new pronouncements that may impact subsequent periods and have significant on-going projects that could affect the differences between TFRS and IFRS described below and the impact of these differences relative to the Group's financial statements in the future. Accordingly, no attempt has been made to identify future differences between TFRS and IFRS as a result of prescribed changes in accounting standards or to identify all future differences that may affect the Group's financial statements as a result of transactions or events that may occur in the future.

TFRS and accounting interpretations are issued by the FAP and endorsed by the Supervisory Board on Audit Profession of the Business Development Department, the Ministry of Commerce. These standards and interpretations are supplemented by the Stock Exchange of Thailand's requirements and the Thai Securities and Exchange commission's requirements and announcements of the FAP. If TFRSs does not address a particular accounting issue, IFRS and U.S. GAAP may be used as guidance.

In making an investment decision, investors must rely on their own examination of the Group, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between TFRS and IFRS and how these differences might affect the financial information in this Offering Circular.

Financial Instruments: Recognition and Measurement

Currently, there is no specific guidance for the presentation and measurements of derivatives under TFRS. The Group does not recognise derivatives on the statement of financial position at fair value. The Group only discloses outstanding derivatives in the notes to financial statements.

While there is no one single TAS covering accounting for all types of financial instruments similar to IFRS, there are a number of TAS standards which provide guidance on accounting for financial instruments such as TAS 105 *Accounting for Investment in Debt and Equity Securities* and TAS 101 *Doubtful Accounts and Bad Debts*.

Under IFRS, IAS 39 *Financial Instruments: Recognition and Measurement* has extensive guidance on the recognition and measurement of financial instruments, including the classification of financial assets and liabilities, accounting for derivatives and hedging activities, and impairment.

Significant differences between TFRS and IFRS 9 as applicable to the Group are as follows:

Classification of Financial Assets and Liabilities

IFRS 9 contains three principal classification categories for financial assets i.e. measured at: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification depends on the objective of the business model within which the financial asset is held. Financial liabilities are either classified into financial liabilities at fair value through profit or loss or financial liabilities carried at amortized cost. Subsequent measurement depends on their respective categories.

On recognition of a financial asset, IFRS 9 requires an assessment of its underlying terms to establish if these constitute solely payments of principal and interest, the “SPPI test”. If the asset does not pass this test it is mandatorily classified at fair value through profit or loss. No such assessment is required under TFRS.

Derivative Financial Instruments and Hedge Accounting

We enter into derivative contracts to manage our exposure from fluctuation of interest rate, foreign exchange rate and commodity price. We do not recognize derivatives on the balance sheet at fair value. We recognize realized derivative gain or loss upon settlement.

No assessment of embedded derivative is made by us. Under IFRS 9, any embedded derivatives identified in financial assets would need to be considered in the context of the SPPI test referred to under the classification section above. In the case of liabilities, any embedded derivatives would need to be either a) bifurcated from the host contract and recognized separately at fair value through profit or loss or b) not bifurcated, but with the whole financial liability being recorded at fair value through profit or loss. Under IFRS, derivative financial instruments are required to be recognised at fair value. Changes to fair value are recognized through profit and loss. If hedge accounting is elected and the specific criteria of IFRS 9 are met, volatility in profit and loss is minimized. If a hedge is designated as a fair value hedge, changes in the derivative’s fair value are recorded in profit and loss and the hedged item is adjusted for changes in fair value associated with the hedged risk. If designated as a cash flow hedge, the effective portion of the hedge is recorded in equity as a component of other comprehensive income, and released from other comprehensive income into earnings as the hedged item affects earnings. All ineffectiveness in the hedging relationship, as well as derivative instruments not qualifying for hedge accounting, is reflected in the statement of income immediately.

Effective Interest Method and Impairment

Currently, we recognize loans initially based on the proceeds received. Interest expenses are recognized based on contractual interest rate. IFRS 9 requires loans to be initially recognized at fair value net of transaction costs. Unless designated as at fair value through profit or loss, the loans are subsequently carried at amortized cost using the effective interest method.

IFRS 9 requires that financial assets that are not measured at fair value through profit and loss, including loans, lease and trade receivables and debt securities are considered for impairment based on an “expected credit loss” model. The model uses a dual measurement approach, under which the loss allowance is measured as either the twelve month expected credit losses or the lifetime expected credit losses. The measurement basis generally depends on whether there has been a significant increase in credit risk since initial recognition. The impairment assessment as required by current TFRS is not as prescriptive.

Financial Instruments: Presentation and Disclosure

TFRS requires entities to disclose significant transactions related to financial instruments but not as extensive as those required by IFRS 7 *Financial Instruments: Disclosures*. IFRS 7 requires that an entity discloses qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe management’s objectives, policies and processes for managing those risks. The quantitative disclosures provide information about the extent to which an entity is exposed to risk, based on information provided internally to such entity’s key management personnel. Together, these disclosures provide an overview of an entity’s use of financial instruments and the exposures to risks they create.

GENERAL INFORMATION

- (1) Approval in-principle has been received from the SGX-ST for the listing of Notes which are agreed at the time of issue to be listed on the Official List of the SGX-ST. Formal approval will be granted when a particular series of Notes has been admitted to the Official List of the SGX-ST. There can be no assurance that any application to the SGX-ST will be approved. The approval in-principle, admission to the Official List of the SGX-ST and listing of any Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Issuer, the Guarantor, the Group or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. The Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 or its equivalent in other currencies so long as any of the Notes remain listed on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint or maintain a paying agent in Singapore, where such Notes may be presented or surrendered for payment or redemption, in the event that the Global Note(s) representing such Notes is exchanged for Definitive Notes. In addition, in the event that the Global Note(s) is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the relevant Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.
- (2) RHIS and Ratchaburi have obtained all necessary consents, approvals and authorisations in Singapore and Thailand respectively in connection with the establishment of the Programme and the guarantee relating to the Programme in respect of Notes issued by any Issuer other than Ratchaburi. The establishment of the Programme was authorised by a resolution of the Board of Directors of RHIS on 11 September 2013 and the update of the Programme was authorised by a resolution of the Board of Directors of RHIS on 6 March 2018. The establishment of the Programme and the giving of the guarantee relating to the Programme was authorised by a resolution of the Board of Directors of Ratchaburi passed on 18 November 2013 and the update of the Programme and the giving of the guarantee relating to the Programme was authorised by a resolution of the Board of Directors of Ratchaburi passed on 22 February 2018.
- (3) The legal entity identifiers for RHIS and Ratchaburi are 213800DFBAY9ELFJAI17 and 2138004IGHN9UQGDSH20 respectively.
- (4) Except as disclosed in this Offering Circular, none of RHIS, Ratchaburi or any other member of the Group are involved in any material litigation or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Circular, a material adverse effect on the Group's financial position, taken as a whole, nor are RHIS or Ratchaburi aware that any such proceedings are pending or threatened.
- (5) Except as disclosed in this Offering Circular, there has been no material adverse change in RHIS's, Ratchaburi's or the Group's financial position or prospects since 31 December 2017 and there has been no material adverse change in its financial condition, capitalisation or prospects since 31 December 2017.
- (6) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

- (7) Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The relevant ISIN, the Common Code and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1 855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Pricing Supplement.

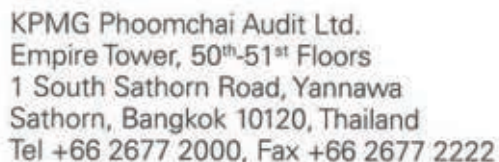
- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Pricing Supplement of each Tranche, based on the prevailing market conditions.
- (9) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the Issuing and Paying Agent's specified office:
- (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons), the Agency Agreement and any Supplemental Trust Deed;
 - (ii) the Memorandum and Articles of Association of RHIS and Ratchaburi;
 - (iii) each Pricing Supplement (save that Pricing Supplement relating to an unlisted series of Notes will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer, the Guarantor (in the case of Guaranteed Notes only) and the Issuing and Paying Agent as to its holding of Notes and identity);
 - (iv) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular and any documents incorporated by reference in the Offering Circular or such supplement or further Offering Circular; and
 - (v) copies of the Group's latest published annual and interim report and accounts (including financial statements, whether audited or not).
- (10) The consolidated and separate financial statements of Ratchaburi for the year ended 31 December 2017 included in this Offering Circular have been audited by KPMG, as stated in their auditor report appearing herein. These financial statements included an emphasised matter in relation to the fair value of the foreign currency forward contracts, interest rate swap and cross currency swap contracts of the Group. See "*Risk Factors — Risks relating to the Group — The unqualified audit opinions included in the Group's audited consolidated financial statements as at and for the year ended 31 December 2017 contains an emphasised matter*" and "*Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries Notes to the financial statements for the year ended 31 December 2017 — Note 35 — Financial Instruments*".

INDEX TO FINANCIAL STATEMENTS

	Page
Audited consolidated financial statements in respect of the Group for the year ended 31 December 2017	
Independent Auditor's Report.	F-3
Statement of financial position.	F-7
Statement of comprehensive income.	F-9
Statements of changes in equity.	F-10
Statement of cash flow.	F-14
Notes to the financial statements	F-16

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

Financial statements for the year ended
31 December 2017
and
Independent Auditor's Report



บริษัท เคทีเอ็นจี ภูมิไชย สอนบัญญัติ จำกัด
ชั้น 50-51 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000 แฟกซ์ +66 2677 2222

To the Shareholders of Ratchaburi Electricity Generating Holding Public Company Limited

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).

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.

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2017	2016	2017	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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated financial statements 31 December		Separate financial statements 31 December	
		2017	2016	2017	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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of comprehensive income

	Note	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	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	(133,236,238)	(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)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
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)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Losses on remeasurements of defined benefit plans		-	(23,180,839)	-	(24,777,044)
Share of other comprehensive income (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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

	Consolidated financial statements									
	Retained earnings					Other components of shareholders' equity				
	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	Gains (losses) on remeasurements of defined benefit plans	Total other components of shareholders' equity	Equity attributable to owners of parent
Note										
(in Baht)										
Year ended 31 December 2016										
Balance at 1 January 2016	14,500,000,000	1,531,778,000	1,450,000,000	44,506,939,669	(2,625,745,662)	826,826,091	277,090	5,453,561	(1,793,188,920)	60,189,519,689
Dividends to owners of the Company	-	-	-	(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
Other comprehensive income (loss)	-	-	-	-	(72,824,021)	(638,271,510)	(7,991,925)	(23,180,839)	(742,268,295)	(742,268,295)
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
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

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Statement of changes in equity

Consolidated financial statements												
		Retained earnings		Other components of 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	Gains (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
Year ended 31 December 2017												
	14,500,000,000	1,531,778,000	1,450,000,000	47,375,153,000	(2,698,569,683)	188,554,581	(7,714,835)	(17,727,278)	(2,535,457,215)	62,321,473,865	131,294,261	62,452,768,126
	-	-	-	(3,480,000,000)	-	-	-	-	-	(3,480,000,000)	-	(3,480,000,000)
Dividends to owners of the Company												
Comprehensive income (loss) for the year												
	-	-	-	-	-	-	-	-	-	6,106,700,201	(122,922,139)	5,983,778,062
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)
	-	-	-	-	(1,295,032,212)	(387,611,588)	(242,040)	-	(1,682,885,840)	4,423,814,361	(115,404,167)	4,308,410,194
Total comprehensive income (loss) for the year												
	14,500,000,000	1,531,778,000	1,450,000,000	50,001,553,281	(3,993,601,895)	(109,087,007)	(7,956,875)	(17,727,278)	(4,218,343,055)	63,365,288,226	15,890,094	63,381,178,320
Balance at 31 December 2017												

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

		Separate financial statements				
		Retained earnings			Other components of shareholders' equity	
					Gains (losses) on remeasurements of defined benefit plans	
					Total shareholders' equity	

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of changes in equity

	Separate financial statements					
	Note	Issued and paid share capital	Share premium	Difference arising from common control transaction	Other components of shareholders' equity	
					Legal reserve (in Baht)	Unappropriated
Year ended 31 December 2017						
Balance at 1 January 2017		14,500,000,000	1,531,778,000	221,308,748	1,450,000,000	38,235,684,376
						(22,819,288)
						55,915,951,836
Dividends to owners of the Company	34	-	-	-	(3,480,000,000)	(3,480,000,000)
Comprehensive income (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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flows

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
	Note	2017	2016	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
<i>Adjustments to reconcile profit to cash receipts (payments)</i>					
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
<i>Cash flows from investing activities</i>					
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
<i>Cash flows from financing activities</i>					
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Note Contents

1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related parties
5	Cash and cash equivalents
6	Other investments
7	Trade accounts receivable
8	Other current receivables
9	Spare parts and supplies
10	Investments in associates and joint ventures
11	Investments in subsidiaries
12	Non-controlling interests
13	Investments in other companies
14	Advance payment for investment
15	Land for future development projects
16	Property, plant and equipment
17	Goodwill and intangible assets
18	Deferred tax
19	Other non-current assets
20	Interest-bearing liabilities
21	Trade accounts payable
22	Other payables
23	Provisions for employee benefits
24	Share capital
25	Reserves
26	Segment information
27	Other income
28	Administrative expenses
29	Employee benefit expenses
30	Expenses by nature
31	Finance costs
32	Income tax expense
33	Basic earnings per share
34	Dividends
35	Financial instruments
36	Commitments with non-related parties
37	Events after the reporting period
38	Reclassification of accounts

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
<i>Direct subsidiaries</i>				
Ratchaburi Electricity Generating Company Limited	Generating and selling electricity and investing in the power energy business	Thailand	99.99	99.99
Ratchaburi Energy Company Limited	Developing and operating power plant and investing in the power energy business	Thailand	99.99	99.99
RATCH-Lao Services Company Limited	Providing operation and maintenance services	Lao PDR	99.99	99.99
RH International Corporation Limited	Investing in the power energy business	Thailand	99.99	99.99
RATCH O&M Company Limited	Providing operation and maintenance services	Thailand	99.99	99.99
Tri Energy Company Limited (Complete liquidation in 2017)	Generating and selling electricity	Thailand	-	99.99
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	99.99	99.99

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2017	2016
<i>Indirect subsidiaries</i>				
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
<i>Direct associates</i>				
First Korat Wind Company Limited	Generating and selling electricity	Thailand	20	20
K.R. TWO Company Limited	Generating and selling electricity	Thailand	20	20
<i>Direct joint ventures</i>				
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2017	2016
<i>Direct joint ventures</i>				
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
<i>Indirect joint ventures</i>				
Ratchaburi Power Company Limited	Generating and selling electricity	Thailand	25	25
Nava Nakorn Electricity Generating Company Limited	Generating and selling electricity and steam	Thailand	40	40
Ratchaburi World Cogeneration Company Limited	Generating and selling electricity and steam	Thailand	40	40
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2017	2016
<i>Indirect joint ventures</i>				
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	-
<i>Subsidiary of a direct joint venture</i>				
Nam Ngum 2 Power Company Limited	Generating and selling electricity	Lao PDR	25	25
<i>Subsidiaries of indirect joint ventures</i>				
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

<i>Items</i>	<i>Measurement bases</i>
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

(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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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:

<i>Trade accounts receivable from related party</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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	-	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

<i>Dividend receivables</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
 <i>Advances to and other current receivables from related parties</i>				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<i>Short-term loans</i>						
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
<i>Less allowance for doubtful accounts</i>			-	-	-	-
Short-term loans to related party-net			-	-	2,730,000	5,400,000
<i>Long-term loans</i>						
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
<i>Less current portion due within one year allowance for doubtful accounts</i>			-	-	-	-
Long-term loans to related parties-net			42,813	46,947	1,307,890	1,628,157
<i>Summary of loans to related parties</i>						
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
<i>Less allowance for doubtful accounts</i>			-	-	-	-
Total loans to related parties-net			42,813	46,947	4,037,890	7,028,157
<i>Bad and doubtful debts expense for the year</i>			-	-	-	-

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

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Short-term loans</i>				
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

<i>Loans to related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Long-term loans</i>				
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	<u>42,813</u>	<u>46,947</u>	<u>1,307,890</u>	<u>1,628,157</u>

<i>Finance lease receivable from related party</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			

Major Shareholder
Electricity Generating Authority
of Thailand

	<u>21,225,198</u>	<u>24,995,245</u>	<u>-</u>	<u>-</u>
--	-------------------	-------------------	----------	----------

	Consolidated financial statements					
	Portion due within one year		Portion due after one year		Total	
	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>					
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)
	<u>3,554,683</u>	<u>3,770,048</u>	<u>17,670,515</u>	<u>21,225,197</u>	<u>21,225,198</u>	<u>24,995,245</u>
Less allowance for doubtful accounts	-	-	-	-	-	-
Receivable under finance lease contracts-net	<u>3,554,683</u>	<u>3,770,048</u>	<u>17,670,515</u>	<u>21,225,197</u>	<u>21,225,198</u>	<u>24,995,245</u>

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
	<i>(in thousand Baht)</i>			
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
	<u>35,740,458</u>	<u>21,225,198</u>	<u>43,161,186</u>	<u>24,995,245</u>
Less unearned interest income	(14,515,260)		(18,165,941)	
Receivable under finance lease contracts-net	<u>21,225,198</u>		<u>24,995,245</u>	

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

<i>Other non-current receivables from related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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	<u>7,301</u>	<u>5,560</u>	<u>8,467</u>	<u>37,944</u>
 <i>Trade account payable to related party</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	-	1,003	-	-
 <i>Other current payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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	<u>84,211</u>	<u>80,210</u>	<u>19,474</u>	<u>19,069</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

<i>Other non-current payables to related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	-	1,884	-	-
Other related party				
Broadspectrum Limited	150,380	78,046	-	-
Total	<u>150,380</u>	<u>79,930</u>	<u>-</u>	<u>-</u>

<i>Long-term loans from related party</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
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			<u>1,013,803</u>	<u>1,029,085</u>	<u>-</u>	<u>-</u>

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

<i>Long-term loans from related party</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	1,029,085	1,071,599	-	-
Decrease	-	(26,177)	-	-
Exchange rate adjustment	(15,282)	(16,337)	-	-
At 31 December	<u>1,013,803</u>	<u>1,029,085</u>	<u>-</u>	<u>-</u>

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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
<i>Current investments</i>				
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
	<u>3,582,449</u>	<u>4,164,580</u>	<u>383,000</u>	<u>430,000</u>
Total	<u>4,305,531</u>	<u>7,340,055</u>	<u>1,074,018</u>	<u>3,400,856</u>

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
	<i>(in thousand Baht)</i>			
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	<u>493,082</u>	<u>482,475</u>	<u>461,018</u>	<u>447,856</u>
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	<u>3,195,527</u>	<u>3,730,280</u>	<u>-</u>	<u>-</u>

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).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

7 Trade accounts receivable

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

8 Other current receivables

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
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	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

10 Investments in associates and joint ventures

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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	<u>25,889,838</u>	<u>25,429,303</u>	<u>5,044,942</u>	<u>4,393,296</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
(in thousand Baht)													
Direct associates													
First Korat Wind Company Limited	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	1,827,000	1,827,000	365,400	365,400	414,281	458,380	-	-	414,281	458,380	130,000	63,000
				<u>764,604</u>	<u>764,604</u>	<u>906,228</u>	<u>1,022,354</u>	<u>-</u>	<u>-</u>	<u>906,228</u>	<u>1,022,354</u>	<u>316,000</u>	<u>143,000</u>
Indirect associates													
Perth Power Partnership (Kwinana)*	24	2,311,167	2,311,167	618,531	618,531	484,099	539,216	-	-	484,099	539,216	103,304	124,197
				<u>618,531</u>	<u>618,531</u>	<u>484,099</u>	<u>539,216</u>	<u>-</u>	<u>-</u>	<u>484,099</u>	<u>539,216</u>	<u>103,304</u>	<u>124,197</u>
Total				<u>1,383,135</u>	<u>1,383,135</u>	<u>1,390,327</u>	<u>1,561,570</u>	<u>-</u>	<u>-</u>	<u>1,390,327</u>	<u>1,561,570</u>	<u>419,304</u>	<u>267,197</u>
Direct joint ventures													
Chubu Ratchaburi Electric Services Company Limited	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	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	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	8,270,543	6,203,936	2,067,636	1,415,990	1,981,631	1,653,052	-	-	1,981,631	1,653,052	-	-
				<u>4,280,338</u>	<u>3,644,138</u>	<u>4,685,983</u>	<u>4,378,553</u>	<u>-</u>	<u>(15,156)</u>	<u>4,685,983</u>	<u>4,363,397</u>	<u>275,045</u>	<u>651,417</u>
Indirect joint ventures													
Ratchaburi Power Company Limited	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	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
Phu Fai Mining Company Limited	37.50	1,679	1,679	630	630	272,239	134,904	-	-	272,239	134,904	-	-

*30% shareholding by an indirect subsidiary.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost		Equity		Impairment	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(in thousand Baht)									
<i>Indirect joint ventures</i>										
Nava Nakorn Electricity Generating Company Limited	40	40	1,525,000	1,525,000	610,000	610,000	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	-	-
Solara Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	1,162,565	1,025,646	-	-
Solar Power (Korat 3) Company Limited	40	40	188,750	188,750	75,500	75,500	127,295	116,713	-	-
Solar Power (Korat 4) Company Limited	40	40	199,250	199,250	79,700	79,700	131,450	117,157	-	-
Solar Power (Korat 7) Company Limited	40	40	188,750	188,750	75,500	75,500	125,800	112,252	-	-
Songkhla Biomass Company Limited	40	40	246,000	246,000	98,400	98,400	135,104	124,181	-	-
Songkhla Biofuel Company Limited	40	40	1,000	1,000	400	400	351	366	-	-
Berkprai Cogeneration Company Limited	35	35	1,331,000	333,500	465,850	116,462	457,605	114,648	-	-
Oversea Green Energy Company Limited	-	60	-	16,000	-	9,600	-	12,235	-	-
RICI International Investment Pte. Ltd.	-	60	-	510,947	-	306,568	-	312,270	-	-
PT Medco Ratch Power Riau	49	-	7,762	-	3,803	-	-	-	-	-
Total							<u>19,813,528</u>	<u>19,504,336</u>	<u>(15,156)</u>	<u>1,677,257</u>
							<u>24,499,511</u>	<u>23,867,733</u>	<u>1,952,302</u>	<u>2,216,078</u>
										<u>2,867,495</u>

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(%)											
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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)
<i>Direct joint venture</i>		
Xe-Pian Xe-Namnoy Power Company Limited	Called for additional paid-up share capital	651.65
<i>Indirect joint ventures</i>		
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
	<i>(in thousand Baht)</i>			
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Ratchaburi Power Company Limited		Hongsa Power Company Limited	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
	<i>(in thousand Baht)</i>			
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	<u>257,354</u>	<u>308,486</u>	<u>969,375</u>	<u>944,760</u>

11 Investments in subsidiaries

	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 January	40,690,558	30,040,558
Additions investment	-	10,650,000
At 31 December	<u>40,690,558</u>	<u>40,690,558</u>

During the year ended 31 December 2017 there were no acquisitions and disposals of investments in subsidiaries.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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	
	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	-	-	-
Ratchaburi Alliances								
Company Limited	99.99	99.99	420,200	420,200	420,200	-	-	-
Ratchaburi Energy								
Company Limited	99.99	99.99	640,000	640,000	640,000	-	-	-
RATCH-Lao Services								
Company Limited	99.99	99.99	77,858	77,858	77,858	-	-	-
RH International								
Corporation Limited*	99.99	99.99	17,650,000	17,650,000	17,650,000	-	-	-
RATCH O&M								
Company Limited	99.99	99.99	2,500	2,500	2,500	-	-	-
Total								
			<u>40,690,558</u>	<u>40,690,558</u>	<u>40,690,558</u>	<u>2,500</u>	<u>4,107,131</u>	<u>5,048,608</u>

*Please see note to the financial statement - 17 Impairment testing for CGUs containing goodwill.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

16 Property, plant and equipment

	Consolidated financial statements					
	Power plants, substation & transmission systems and operating & maintenance equipment	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	Total	
<i>Cost</i>						
At 1 January 2016	1,359,333	486,184	23,396	1,670	26,974,622	
Additions	-	3,447	-	1,273,874	1,507,125	
Transfers	-	985	-	(139,453)	-	
Disposals	-	-	(3,430)	-	(19,359)	
Effect of movements in exchange rates	(3,457)	(1,899)	-	(16,960)	(389,039)	
At 31 December 2016						
At 1 January 2017	1,355,876	488,717	19,966	1,119,131	28,073,349	
Additions	8,989	-	-	4,379,543	4,584,200	
Transfers	-	6,696	-	(237,003)	-	
Disposals	-	(6,540)	-	(1,700)	(14,333)	
Effect of movements in exchange rates	(3,685)	(1,790)	-	(80,726)	(432,159)	
At 31 December 2017	1,361,180	487,083	19,966	5,179,245	32,211,057	

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
				<i>(in thousand Baht)</i>		
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	13,479,050
At 31 December 2016 and 1 January 2017	1,355,876	344,269	10,864,602	122,269	532	13,806,679
At 31 December 2017	1,361,180	319,902	10,251,337	53,210	277	17,165,151

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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 1,349.51 million 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					Total
	Land	Buildings, structures and building improvements	Furniture, fixtures and office equipment (in thousand Baht)	Vehicles	Assets under construction and installation	
Cost						
At 1 January 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).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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 (in thousand Baht)	Right to power purchase agreements	Total
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
 <i>Net book value</i>	
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
Total	29,942	27,593	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	29,942	27,593	-	-

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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 (in thousand Baht)	Exchange differences	At 31 December 2017
<i>Deferred tax assets</i>					
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 (in thousand Baht)	Exchange differences	At 31 December 2016
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)

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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)		
<i>Deferred tax assets</i>				
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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
	<i>(in thousand Baht)</i>			
<i>Current</i>				
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
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).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
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	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

23 Provisions for employee benefits

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Statement of financial position:				
<i>Current (included in other current payables)</i>				
Unused vacation leave	<u>16,200</u>	<u>15,000</u>	<u>7,418</u>	<u>6,888</u>
<i>Non-current</i>				
Post-employment benefits	<u>175,688</u>	<u>158,706</u>	<u>142,293</u>	<u>131,076</u>
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	<u>23,417</u>	<u>24,142</u>	<u>16,897</u>	<u>15,377</u>
	<u>32,401</u>	<u>33,483</u>	<u>18,357</u>	<u>16,548</u>
Recognised in other comprehensive income:				
Actuarial losses recognised in the year	-	23,181	-	22,743
Effect of movements in exchange rates	<u>(186)</u>	<u>(164)</u>	<u>-</u>	<u>-</u>
	<u>(186)</u>	<u>23,017</u>	<u>-</u>	<u>22,743</u>

The post-employment benefits expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Movement in the present value of the provisions for employee benefits were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
Demographic assumptions	-	5,093	-	4,157
Financial assumptions	-	6,027	-	4,797
Experience adjustment	-	12,061	-	13,789
Total	-	23,181	-	22,743

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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)

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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		2016	
		Number	Baht (thousand shares/ thousand Baht)	Number	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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Segment information - Principle business

	Domestic Electricity Generating		Renewable Energy		International Power Projects		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in thousand Baht)</i>									
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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 (in thousand Baht)	Others	Total
<i>Total assets</i>					
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
<i>Total liabilities</i>					
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

28 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
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
	<i>(in thousand Baht)</i>			
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
	<u>182,464</u>	<u>177,255</u>	<u>84,790</u>	<u>77,755</u>
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
	<u>497,227</u>	<u>462,130</u>	<u>381,464</u>	<u>369,237</u>
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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
	<i>(in thousand Baht)</i>			
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

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<i>Interest expense:</i>					
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

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
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)

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

Reconciliation of effective tax rate

	Consolidated financial statements			
	Rate	2017	Rate	2016
	(%)	(in thousand Baht)	(%)	(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			
	Rate	2017	Rate	2016
	(%)	(in thousand Baht)	(%)	(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:

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht/ thousand shares)</i>			
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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
<i>(in thousand Baht)</i>					
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
<i>(in thousand Baht)</i>					
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years	After 5 years	
		(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		<u>5,488,400</u>	<u>1,940,666</u>	<u>46,947</u>	<u>7,476,013</u>

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

	Effective interest rate (% per annum)	Consolidated financial statements			
		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		<u>3,800,000</u>	<u>13,299,775</u>	<u>7,623,517</u>	<u>24,723,292</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	Separate financial statements			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years
	(% per annum)			
2016				
Current				
Short-term loans from financial institutions	1.63 to 1.71	<u>3,800,000</u>	<u>-</u>	<u>-</u>
				<u>3,800,000</u>

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	<u>(1,770,362)</u>	<u>(1,032,028)</u>	<u>1,078,437</u>	<u>1,282,548</u>
Estimated forecast purchases	(2,443,656)	(4,134,227)	-	-
Gross exposure	<u>(4,214,018)</u>	<u>(5,166,255)</u>	<u>1,078,437</u>	<u>1,282,548</u>
Foreign currency forward contracts	2,598,205	3,464,402	-	-
Cross currency swap contracts	4,353,096	4,606,036	-	-
Net exposure	<u>2,737,283</u>	<u>2,904,183</u>	<u>1,078,437</u>	<u>1,282,548</u>

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		(in thousand Baht)			
31 December 2017					
<i>Financial assets measured at fair value</i>					
<i>Current</i>					
Debt securities held for trading	493,082	-	493,082	-	493,082
<i>Non-current</i>					
Investments held as available for sale	3,195,527	3,195,527	-	-	3,195,527
<i>Financial liabilities not measured at fair value</i>					
<i>Current</i>					
Current portion of long-term loans from financial institutions	(2,658,281)	-	(2,658,281)	-	(2,658,281)
<i>Non-current</i>					
Long-term loans from financial institutions	(2,117,415)	-	(2,117,415)	-	(2,117,415)
Debentures	(16,139,581)	-	(16,915,170)	-	(16,915,170)

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

		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 <i>(in thousand Baht)</i>
<i>Gain</i>	
At 1 January 2017	487,648
Decrease	(346,299)
At 31 December 2017	141,349
<i>Loss</i>	
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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	<i>Market comparison/discounted cash flow:</i> The fair value is estimated considering (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.

Financial instruments disclosed at fair value

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

Financial instruments not measured at fair value

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

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

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).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the year ended 31 December 2017

	2016					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
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)	-	-	-
		<u>-</u>			<u>-</u>	

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.

ISSUER

RH International (Singapore) Corporation Pte. Ltd.
8 Marina Boulevard
#05-02 Marina Bay Financial Centre Tower 1
Singapore 018981

ISSUER AND GUARANTOR (IN RESPECT OF NOTES ISSUED BY AN ISSUER OTHER THAN RATCHABURI ELECTRICITY GENERATING HOLDING PUBLIC COMPANY LIMITED)

Ratchaburi Electricity Generating Holding Public Company Limiter
8/8 Moo 2, Ngamwongwan Road
Bangkhen, Muang
Nonthaburi 11000
Thailand

ARRANGERS

BNP Paribas
20 Collyer Quay, #01-01
Singapore 049319

MUFG Securities Asia (Singapore) Limited
Marina One East Tower
7 Straits View, #23-01
Singapore 018936

DEALERS

BNP Paribas
20 Collyer Quay, #01-01
Singapore 049319

MUFG Securities Asia (Singapore) Limited
Marina One East Tower
7 Straits View, #23-01
Singapore 018936

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ, United Kingdom

TRUSTEE

DB Trustees (Hong Kong) Limited
Level 52 International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

ISSUING AND PAYING AGENT

Deutsche Bank AG, Hong Kong Branch
Level 52 International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

REGISTRAR

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

LEGAL ADVISERS

*To RHIS
in respect of Singapore law*

WongPartnership LLP
12 Marina Boulevard, Level 28
Marina Bay Financial Centre, Tower 3
Singapore 018982

*To the Issuers and the Guarantor
in respect of Thai law*

Baker & McKenzie Ltd.
25th Floor, Abdulrahim Place
990 Rama IV Road
Silom, Bang Rak
Bangkok 10500

*To the Arranger and the Dealers
in respect of English law*

Linklaters Singapore Pte. Ltd.
One George Street, #17-01
Singapore 049145

*To the Trustee
in respect of English law*

Linklaters Singapore Pte. Ltd.
One George Street, #17-01
Singapore 049145

AUDITORS

KPMG Phoomchai Audit Ltd.
50th-51st Floors, Empire Tower
1 South Sathorn Road
Yannawa, Sathorn
Bangkok 10120