



**KEEP MOVING FORWARD ►►**

Annual Report 2013

Electricity Generating Public Company Limited

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## KEEP MOVING FORWARD ►►

Today... EGCO Group continues to move forward with commitment to healthily grow its power business through efficient business management relentless effort to seek opportunity for growth while caring for community, society and environment in everywhere we operate our business and encouraging participation from stakeholders and public understanding for sustainable development

Every step we make today is moving towards the new vision Vision... that leads to becoming “a major sustainable Thai power company doing business in Thailand and the Asia Pacific region, with full commitment to environment protection and social development support”

Outstanding performance  
driven by efficient operations

Constant performance improvement >> Million Baht

2011

5,301

2012

6,060

2013

7,605\*

[ Moving towards sustainable growth ]

2011

\* Operating profit before the effects of Foreign Exchange (FX) gains (losses), Deferred Tax, and Amortisation of fair value uplift of Quezon.





2013

2012





Growth driven by prudent investment  
steadily increases assets

Constant assets increase >>

Million Baht

2011

72,956

2012

110,389

2013

130,937


[ Ready to complete the construction  
of power plants in Thailand  
and the Asia Pacific as scheduled ]











Lead with renewable energy power plant  
all fully completed

No. of new commercially operating power plant >>

**9 units**

8 solar power plants :

Bueng sam pan, Lopburi solar extension project  
and 6 Solarco power plants

1 wind power plant :

Theppana wind farm

[ Ready to boost electricity generating  
capacity from renewable energy to 300 MW  
by 2015 ]







Ready to support business expansion  
by enhancing skills and knowledge  
of our people

Enhancing employees' knowledge  
and competency in 2013 >>

Prepare succession plan

---

Introduce job rotation

---

Organize experts'  
knowledge sharing

---

[ Develop leadership skills,  
management skills  
and electricity business knowledge ]







A photograph of two young boys sitting on a grassy field in a forest. The boy in the foreground is wearing a bright green t-shirt and dark shorts, sitting cross-legged and smiling broadly. The boy behind him is wearing a grey t-shirt and is also smiling. Above the boy in the grey shirt is a thought bubble containing icons of a tent, a person, and a heart. Above the boy in the green shirt is a thought bubble containing an icon of a hand holding a small plant. The background is a lush green forest with many trees.

Participate in community and society development  
and care for the environment

Enhancing quality of life  
in community

Promoting learning about  
energy and the environment

Preserving  
watershed forests

[ Moving together towards sustainability ]





KEEP MOVING FORWARD ▶▶

HIGHLIGHTS

2013



## Award and Recognition

EGCO received the award of “Thailand’s Corporate Brand Rising Star 2013” organized by Chulalongkorn University in cooperation with ASTV- Manager Group and Settrade.com



EGCO received “the SET Award of Honor (Top Corporate Governance Report Awards)” for the 3<sup>rd</sup> consecutive year as a listed company with its market capitalization over 10,000 million baht, from the SET Awards 2013 hosted by the Stock Exchange of Thailand (SET) and the Finance and Bank Magazine



EGCO received the award of “CSRI Recognition 2013 Award”, award type “General” for continuously operating businesses with social responsibility given by the Corporate Social Responsibility Institute (CSRI) under The Stock Exchange of Thailand (SET)



EGCO received the best award of “Sustainability Report Award 2013” given by the CSR Club of Thai Listed Companies Association, which was organized in order to promote the disclosure of social responsibility information of the listed and non-listed companies of the Stock Exchange of Thailand





KEGCO received “the National Safety Award” for the 14<sup>th</sup> consecutive year, at the 27<sup>th</sup> National Work Safety Week by Ministry of Labour



Roi-Et Green received “the National Safety Award” for the 4<sup>th</sup> consecutive year, at the 27<sup>th</sup> National Work Safety Week by Ministry of Labour



SPP 2, SPP 3, SPP 4, and SPP 5 received the Awards and Certificates “Crown Standard” as a Clean Development Mechanism Project in Thailand in reducing CO<sub>2</sub> emission leading to decreasing the global warming, from Thailand Green-house Gas Management Organization (Public Organization)



EGCOM Tara received “the Corporate Social Responsibility - Department of Industrial Works (CSR-DIW) Continuous Award” for the 4<sup>th</sup> consecutive year from the Department of Industrial Works, Ministry of Industry



## Business Activities

EGCO entered into the Share Purchase Agreement through the acquisition of 100 percent equity in Asia Pacific Renewables Limited to invest in the Boco Rock Wind Farm Project, a Greenfield wind farm with an initial installed capacity of 113 MW, located in the State of New South Wales, Canberra, Australia



KEGCO signed the Power Purchase Agreement with EGAT for the Khanom 4 Project with total contracted capacity 930 MW, located in Nakhon Si Thammarat



KEGCO signed the Gas Supply Agreement for Khanom 4 Project with its installed capacity 930 MW with PTT Public Company Limited



Theppana Wind Farm is the First Wind Power Plant of EGCO starting the COD in July 2013



Solarco is the Solar Power Project consisting of 6 units : Sai Yai 1, Sai Yai 2, Sai Phet 1, Sai Phet 2, Sai Phet 3 in Nakhon Pathom and Sai Kheaw in Suphanburi, with its contracted capacity totaling 57 MW, and its COD gradually started since November - December 2013



## Community and Social Activities



EGCO organized mobile exhibitions titled “**Energy for Life On Tour**”, together with quiz competitions named “**Energy for Life Quiz**”, aiming at educating on energy and environment conservation across 10 schools participating in the “Energy for Life ... How to Fight Global Warming with Sustainable Living” Project.



EGCO Group held the “**41<sup>st</sup> EGCO Forest Youth Camp Project**” at the Doi Inthanon National Park, Chiang Mai with a total of 60 young people from the “Energy for Life ... How to Fight Global Warming with Sustainable Living Project” participating. The youth camp is aimed to raise awareness on watershed forest conservation and demonstrate hill tribe’s way of life, living coexistently with the watershed forest.



Rayong Power Plant held the “**Open Rayong Power Plant Project**” by inviting youths, community leaders and primary public health volunteers in the communities surrounding the power plant to study the electricity generating process and sightsee the power plant.



Khanom Power Plant in collaboration with Nakhon Si Thammarat Coastal Fisheries Research and Development Center has conducted the “**Breeding of Blue Swimming Crab Project**” for 7<sup>th</sup> consecutive year. Blue swimming crabs bred at the research center were released into the sea at Khanom Bay, while crab breeders were released into floating baskets located on Plao Sub-district Beach and Pratub Cape at Khanom District.

Roi-Et Green Power Plant arranged the “1<sup>st</sup> - 3<sup>rd</sup> Mobile Medical Unit of 2013 Project”. The activity took place in March, July and November 2013 offering medical check-ups to people in the communities surrounding the power plant.



EGCO Cogen Power Plant has arranged the “Mobile Medical Unit Project” for the 6<sup>th</sup> consecutive year by offering medical and dental check-ups to people in the communities surrounding the power plant.



EGCOM Tara coordinated with Provincial Waterworks Authority - Pak Tor District and Samutsongkram District to conduct the “Save Water School 2013 Project”. In the activity, the company invited teachers and students of 2 schools - Wat Nhong Som and Wat Amornwadee to study the water producing process at the water plant.





## 2013 Highlights

### Award and Recognition

#### EGCO

August	Full score of 100 for 2013 AGM arrangement for the 5 <sup>th</sup> consecutive year rated by Thai Investors Association
September	EGCO Group received an award of “Thailand’s Corporate Brand Rising Star 2013” organized by Chulalongkorn University in cooperated with ASTV- Manager Group and Settrade.com
November	EGCO Group received an award of “CSRI Recognition 2013 Award”, award type “General” for continuously operating businesses with social responsibility given by the Corporate Social Responsibility Institute (CSRI), under The Stock Exchange of Thailand (SET)
November	EGCO Group received best award of “Sustainability Report Award 2013” given by Thai Listed Companies Association
November	SET Award of Honor (Top Corporate Governance Report Awards) for the 3 <sup>rd</sup> consecutive year from SET Awards for the listed companies with the market capitalization over 10,000 million baht, hosted by the Stock Exchange of Thailand (SET) and the Finance and Bank Magazine
December	Excellent Corporate Governance Performance in 2013, with the score of 94 out of 100 rated by Thai Institute of Directors Association (IOD)

#### Rayong Power Plant

June	Passing the Green Industry Level 3 ( Green system) certified by Ministry of Industry
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#### Khanom Electricity Generating Company Limited (KEGCO)

July	National Safety Award for the 14 <sup>th</sup> consecutive year, at the 27 <sup>th</sup> National Work Safety Week by Ministry of Labour
August	Zero Accident for 5 million hours award, under Zero Accident Campaign project, Ministry of Labour



EGCO Cogeneration Company Limited (EGCO Cogen)	
June	Passing the Green Industry Level 2 regarding activities on reducing environmental impact certified by Ministry of Industry
RoiEt Green Company Limited (Roi Et Green)	
July	National Safety Awards for the 4 <sup>th</sup> consecutive year, at the 27 <sup>th</sup> National Work Safety Week by Ministry of Labour
September	Outstanding Establishment in the year 2013 for Achievement on Labor Relations and Welfare for the 3 <sup>rd</sup> consecutive years, by Ministry of Labour
EGCOM Tara Company Limited (EGCOM Tara)	
July	Certificate of Standard for projects promoting health in the workplace by Ministry of Public Health
August	Certificate of Standard for Very Good Evaluating the plant healthy (Happy factory) by Public Health of Ratchaburi
August	Certificate of Standard for Employee health in the workplace under the plant healthy by Public Health of Ratchaburi
September	Certificate for Evaluated as learning centers Metabolic Model 2013 by Health Center 4 Ratchaburi
September	Certificate of Standard for Corporate Social Responsibility (CSR-DIW Continuous) by Ministry of Industry

## Business Activities

### A. Incorporation/Acquisition/Business Transfer/New Investment

June 25	EGCO entered into the Share Purchase Agreement through the acquisition of 100 percent equity in Asia Pacific Renewables Limited to invest in the Boco Rock Wind Farm Project (Boco Rock), located in the State of New South Wales, Canberra, Australia, is a Greenfield wind farm with an initial installed capacity of 113 MW.
July 25	Khanom Electricity Generating Company Limited (KEGCO), in which EGCO holds 99.99% of stakes, entered into a Power Purchase Agreement (PPA) for the Khanom 4 projects (KN4) with Electricity Generating Authority of Thailand (EGAT). KN4 project is a cogeneration

	power plant, operating with natural gas as a primary fuel to generate electricity at total contracted capacity 930 megawatt, located in Nakhon Si Thammarat, Thailand.
<b>November 15</b>	New Growth B.V. (BV), a wholly-owned subsidiary of EGCO, and Meralco PowerGen Corporation (MPG), a wholly-owned subsidiary of Manila Electric Company entered into a partnership agreement for the proposal to develop a new 460 MW (approximately) coal-fired power plant, located in Quezon Power existing plant.
<b>December 17</b>	Chaiyaphum Wind Farm Company Limited (Chaiyaphum) in which EGCO holds 90% of stakes, entered into a Power Purchase Agreement (PPA) with EGAT. Chaiyaphum is a wind farm power plant with the contracted capacity of 90 MW, located in Chaiyaphum province

## Business Activities

### B. Accreditation of Standard Systems

#### Rayong Power Plant

<b>September 20</b>	Passing Environment Audit by SECOT
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#### KEGCO

<b>February 4 - 6</b>	Passing Re-certification audit for ISO 9001:2008, TIS 18001:1999 & OHSAS 18001: 2007, and ISO 14001:2004 by TUV NORD
<b>November 18</b>	Passing surveillance audit for ISO 9001:2008 by TUV NORD

#### EGCOM Tara

<b>February 19</b>	Passing surveillance audit for ISO 9001:2008, ISO14001:2004 and TIS 18001:1999 & OHSAS 18001:2007 by United Registrar of Systems (Thailand) Limited (URS : UKAS)
<b>August 14</b>	Passing surveillance audit for ISO 9001:2008 , ISO14001:2004 and TIS 18001:1999 & OHSAS 18001:2007 by United Registrar of Systems (Thailand) Limited (URS : UKAS)
<b>September 18</b>	Certificate of Standard for ISO/IEC 17025:2005 (for 20 parameter) by Thai Industrial Standards Institute
<b>September 19</b>	Certificate of Green Industries Level 3 (Lak Mueng Plant) by Ministry of Industry

## RoiEt Green

<b>December 19</b>	Passing 2 <sup>nd</sup> surveillance audit for ISO 9001:2008 by SGS
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## Activities for Shareholders and Investors

### A. Shareholders' Meeting

<b>April 24</b>	2013 Annual General Shareholders' Meeting
<b>May 3</b>	2012 Final Dividend Payment at 3.25 baht per share
<b>September 20</b>	2013 Interim Dividend Payment at 2.75 baht per share

### B. Opportunity Day/Analyst Meeting

<b>March 13</b>	Opportunity Day/Analyst Meeting No. 1/2013 to announce 2012 annual performance
<b>May 30</b>	Opportunity Day/Analyst Meeting No. 2/2013 to announce 2013's first quarter performance
<b>August 22</b>	Opportunity Day/Analyst Meeting No. 3/2013 to announce 2013's second quarter performance
<b>November 20</b>	Opportunity Day/Analyst Meeting No. 3/2013 to announce 2013's third quarter performance

### C. Investor Meeting

<b>January 29</b>	Thailand Conference 2013 by J.P. Morgan's Thailand
<b>March 28</b>	CIMB Corporate Day by CIMB Securities
<b>June 28</b>	TISCO Corporate Day by Deutsche TISCO Investment Advisory
<b>August 28 - 30</b>	Thailand Focus 2013 in Bangkok by SET & Phatra Securities
<b>November 21 - 24</b>	SET in the City 2013 in Bangkok by SET

### D. Knowledge Sharing and Site Visit

<b>March 13</b>	Newsletter to Shareholders & Investors
<b>June 6</b>	Site Visit to SPP 2 Power Plant at Saraburi Province and Lopburi Solar Power Plant at Lopburi Province
<b>June 13</b>	Site Visit to SPP 2 Power Plant at Saraburi Province and Lopburi Solar Power Plant at Lopburi Province



June 14	Newsletter to Shareholders & Investors
September 10	Site Visit to SPP 2 Power Plant at Saraburi Province and Lopburi Solar Power Plant at Lopburi Province
September 30	Newsletter to Shareholders & Investors
December 25	Newsletter to Shareholders & Investors

### Activities for Employees

February 5, September 10	Communication Day between President and employees
April 3, 18, 19	Annual Physical Checkup for Employees
September 17	Annual fire drill
November 21	EGCO Group Sport Day
December 25	EGCO New Year Party

### Community and Social Activities

#### EGCO

January - December	<b>Watershed Forest: Source of Energy for Life. A project</b> , under the ‘Reduce Global Warming for His Majesty the King’ campaign, EGCO together with Department of Alternative Energy Development and Efficiency (DEDE), Ministry of Energy, developed the 4 <sup>th</sup> model mini hydro power plant at Hak Gia Village, Tambon Ban Luang, Amphoe Jom Thong, Chiang Mai with the collaboration of Thai Forest Conservation Foundation and Mae Jo University.
January - December	<p>Under the collaborative agreements to promote energy and environmental learning under the concept of <b>“Energy for Life ... How to Fight Global Warming with Sustainable Living”</b>: EGCO Group, Energy Policy and Planning Office (EPPO), Ministry of Energy, Office of the Basic Education Commission (OBEC), Ministry of Education and Thailand Environment Institute, together organized 2 activities, as follows :</p> <ul style="list-style-type: none"> <li>• <b>July - August : “Energy for Life On Tour”</b> roadshow edutainment activity in 10 schools nearby EGCO’s Power Plants in four</li> </ul>

	<p>regions, to promote energy and environmental conservation. Activities included the mobile exhibitions, energy conservation tips, and knowledge on electricity generating process and the quiz show “Energy for Life Quiz” .</p> <ul style="list-style-type: none"> <li>• <b>September - November : 2013 Energy for Life School Award</b>, six schools, being 1 primary school and 5 high schools were awarded for their outstanding energy and environmental conservation activities.</li> </ul>
March 24 - 30	<b>EGCO Forest Conservation Youth Camp : Batch 41</b> organized at Doi Inthanon National Park, Chiang Mai in collaboration with Doi Inthanon National Park and the Thai Forest Conservation Foundation.
Rayong Power Plant	
February - October	<b>Community Relations Project</b> : Monk robe offering ceremonies were organized at 12 temples in the surrounding area of the power plant, Rayong Province
September 26	<b>Basic Firefighting Training Project. Demonstration</b> was arranged for communities around power plant being Ban Bon, Mapya, Wat Huay Pong, Huay Pong Nai-Saphan Namtum
October 9 - 11	<b>11<sup>th</sup> EGCO Youth Camp Project</b> : Youth camp was organized at Khao Laem Ya, Samet Island to build awareness in natural resources preservation, including site visit to Rayong Power Plant to learn about electricity generating process
November 4 - 6	<b>Electrical System Improving and Repair Project for Nearby Temple, Schools and Communities</b> : Helped repair the electrical system at Wat Chak Luaya School
November 28	<b>Sport Activities</b> : Co-organized sport activities with the Office of Disaster Prevention and Mitigation, Map Ta Phut with the objective to promote good relationships and good health
December 1	<b>Open Rayong Power Plant Project</b> : Invited youth, community leaders and volunteers to visit and learn about the the power generation process
December 23	<b>Community and Namcha Canal Cleaning Project</b> : To improve the ecological system, environment and life quality of the community as a royal charity for King Bhumibol’s 85 <sup>th</sup> birthday.

KEGCO	
January - December	<p><b>Biological Agriculture for Sustainable Living Project</b> : Organizing trainings and demonstration of “ Organic Fertilizer for Agricultural Use” for 11 schools in Amphoe Khanom, Nakon Si Thammarat</p> <p><b>Breeding of Blue Swimming Crab Project</b> : In collaboration with Nakhon Sri Thammarat Coastal Fisheries Research and Development Center in breeding blue swimming crabs, and releasing baby crabs and breeders into the sea at Khanom Bay, Amphoe Khanom</p> <p><b>Community Relations Project</b> : Electrical system repair and maintenance for schools, temples, child development center and Islamic communities.</p> <p><b>Computer knowledge for Community Project</b> : Guiding Microsoft Office Application and basic internet for schools in Amphoe Khanom</p> <p><b>Community Living Development Project</b> :</p> <ul style="list-style-type: none"> <li>• Provided medical screening such as blood pressure, weight, height, blood sugar, bio mass Index to Tong Nian municipality, in collaboration with Ban Bangpang Primary Health Care Volunteer and Ban Na Pae Community Enterprise, Moo 8,</li> <li>• Assisted and supported Ban Tha Muang Islamic community including infrastructure and career development</li> </ul>
January 12	<b>Children’s Day 2013</b> : Offered children, youths and communities in the surrounding areas of power plant the opportunity to participate in the activities and visit Khanom Power Plant
March 11	<b>2013 Scholarship Program</b> : In collaboration with Ban Tha Muang School, organized 14 <sup>th</sup> primary school knowledge contest and awarded certificates and scholarships to winners
June 26	<b>Annual Scholarship Ceremony</b> : scholarships and sport equipment were given to 23 schools in Amphoe Khanom
July 17	<b>Annual Presentation of Lent Candle Activity</b> : offered lent candles to 16 temples in Amphoe Khanom to carry on this tradition
July 28 - August 2	<b>Elder Trip</b> : arranged a bus tour for elder people from the Elderly Club of Khanom Hospital and those living nearby the power plant to the central part of Thailand.



August 20 - 24	<b>Youth Field Trip</b> : arranged a field trip for students from 23 schools in Amphoe Khanom to broaden their learnings.
September 4 - October 1	<b>Youth Training Project</b> : Arranged, in collaboration with the Learning Center's history and culture and the Office of Educational Service Area of Maha Chulalongkorn University, 4 batches of "Tonkla Kunnatham" youth training to build morale and ethics.
October 15 - 18	<b>The 42<sup>nd</sup> EGCO Forest Conservation Youth Camp</b> : organized youth camp for students from 7 schools in Amphoe Noppitam at Khao Luang National Park, Nakhon Sri Thammarat
October 27	<b>Presentation of Monk Robes Activity</b> : hosted annual presentation of monk robes at Wat Bang Khu and participated in monk robes offering in 15 temples
December 16 - 20	<b>Community Leader Field Trip</b> : organized EGCO Group's plant tour for community leaders, to visit Rayong Power Plant
Roi-Et Green	
January	<b>Children's Day 2013</b> : <ul style="list-style-type: none"> <li>Offered food containers to schools in Nuanmuang district, Roi-et Province being Ban Nong Nasang School, Ban Daeng Nonsawang School, Ban Samyak Phochai School, Ban Nonmuang and Ban Nongphakvan School</li> <li>Donated food container sets to Roi-Et National Museum</li> </ul>
March - November	<b>Mobile Medical Unit Project</b> offered medical check-ups to people living in surrounding areas of the power plant <ul style="list-style-type: none"> <li>Ban Bua Temple Nongwaeng district</li> <li>Wat Ampawan-Ban Nongmuang, Nuamuang district</li> <li>Sriaram Temple-Ban Thangam, Yangyai district</li> </ul>
May	<b>Repairing Sermon Hall Project</b> : Repaired sermon hall of Ampawan Temple-Ban Nongmuang in Nuamuang district
December	<b>Open House 2013 Project</b> : offered scholarships and sport jackets to students from 6 schools in Nuamuang district

EGCO Cogen	
January - December	<b>Mobile Medical Unit Project</b> : offered mobile medical and dental unit to give guidance, checkup and dental service at Map Kha, Nikompattana district, Rayong Province for the 6 <sup>th</sup> consecutive year
January - December	<b>RIP Club</b> : joined the club with the aim to build good relationship with customers in Rayong Industrial Park
January 10	<b>Children's Day 2013</b> : supported Children's day activities with Mab Kha Municipality, Mab Kha school, Nikomsrang Tong school No.2 and No.5
April 19	<b>SongKran Festival</b> : supported Mab Kha Municipality in organizing activities for Songkran Festival.
November 27	<b>Red Cross Day</b> : supported Rayong Province in arranging red cross day.
EGCOM Tara	
January 11	<b>Children's Day 2013</b> : participated in activities with local authorities and offered gifts and bottled water to Wat Sri Da Ram School, Ratchaburi Province
February 24 - 25	<b>Save Water School 2013 Project</b> : together with Provincial Waterworks Authority Regional Office 3, offered teachers and students Wat Nong Som School and Wat Amornwadee School a visit to EGCO Tara water plant and gave lecture on water production process
February 24	<b>Visit Ratchaburi Walk Rally 2013</b> : joined the walk rally activity and offered drinking water
November 9	<b>Presentation of Monk Robes Activity</b> : co-hosted the annual presentation of monk robes at Tree Yad Temple, Tambon Pongsawai, Muang District



## KEEP MOVING FORWARD ►►

### Financial Overview

#### Consolidated Financial Statements

		Restated		Restated	
	2013	2012	2011	2010	2009 <sup>1</sup>
<b>FINANCIAL PERFORMANCE (Million Baht)</b>					
Sales and service income	18,686	13,734	7,661	8,609	9,145
Other income	983	737	449	386	349
Accounting gains on a business combination achieved in stages, net	-	4,310	-	-	-
Cost of sales and services	12,060	9,673	5,589	5,678	5,411
Administrative expenses and income taxes	4,083	2,882	1,933	1,888	1,772
Finance costs	2,824	703	694	564	568
Share of profit (loss) from Subsidiaries, an associated and interest in joint ventures	6,252	5,541	5,200	6,109	6,273
Net Profit (loss) attributable to Non-controlling interests	173	29	126	115	114
Fx gain (loss)	133	205	22	(56)	33
Net Profit (loss) attributable to the Company	6,914	11,240	4,990	6,803	7,936
Net Profit (loss) attributable to the company before FX gain (loss), Deferred Tax and Amortisation of fair value uplift of Quezon	7,605	6,060	-	-	-
<b>FINANCIAL POSITION (Million Baht)</b>					
Total assets	130,937	110,389	72,956	67,040	62,920
Total liabilities	60,794	45,388	14,423	11,712	11,826
Parent's shareholders' equity	69,269	64,160	57,978	54,819	50,572
Non-controlling interests' shareholders' equity	874	841	555	509	521
Issued and paid-up share capital	5,265	5,265	5,265	5,265	5,265
<b>PER SHARE DATA (Baht)</b>					
Basic earnings per share	13.13	21.35	9.48	12.92	15.07
Book Value	131.57	121.87	110.13	104.13	96.06
Dividend	N/A	6.00	5.25	5.25	5.25
<b>RATIO ANALYSIS</b>					
Liquidity ratio (Time)	2.11	1.32	11.72	10.26	8.30
Cashflows liquidity ratio (Time)	0.43	0.51	1.82	2.08	1.08
Gross profit ratio (%)	35.46	29.57	27.05	34.04	40.83
Earnings ratio (%)	26.67	35.27*	37.49	45.04	50.33
Return on equity ratio (%)	10.36	11.56*	8.85	12.91	16.60
Return on assets ratio (%)	5.73	7.70*	7.13	10.47	13.09
Debt to equity ratio (Time)	0.87	0.70	0.25	0.21	0.23

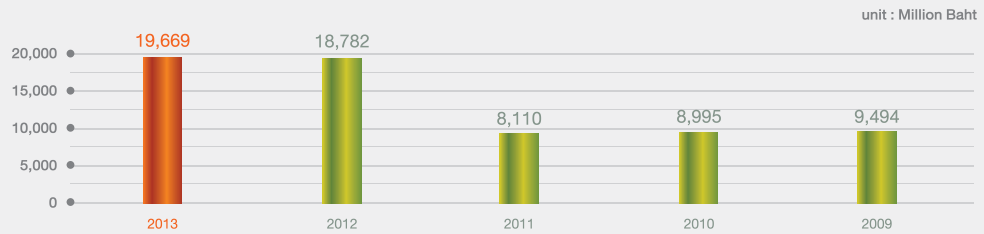
\* Excluding accounting gain on business combination after deducted the amortization amount 4,182 million baht of 52.125% of Quezon, before the company purchased the additional shares in the portion of 45.875%. This method was performed in accordance with the accounting standard.

Remarks :

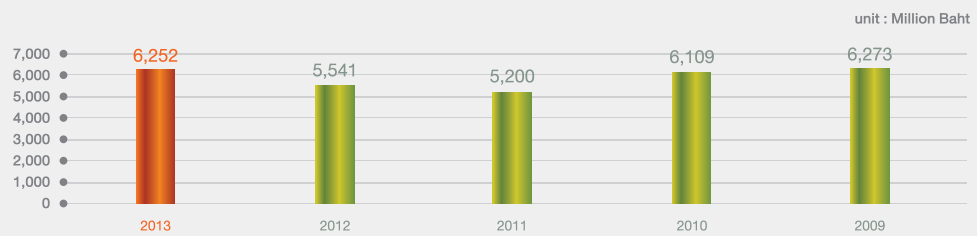
<sup>1</sup> According to the announcement published by the Department of Business Development regarding the 2009 financial statements format, the Group is required to present directors and management remuneration that used to include in cost of sales. Therefore, comparative figures have been adjusted to conform with changes in presentation in the current year.



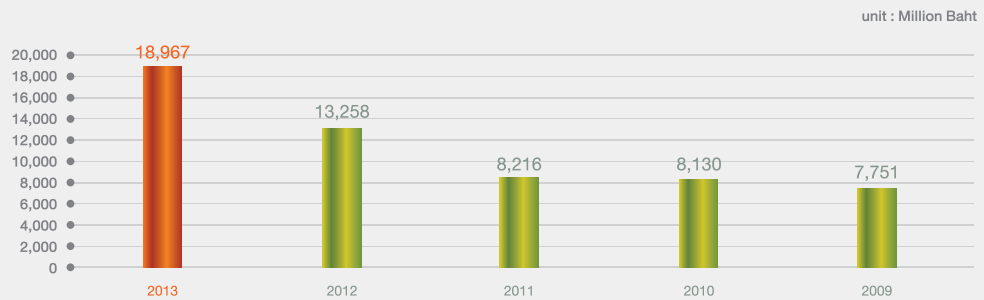
## Total Revenues



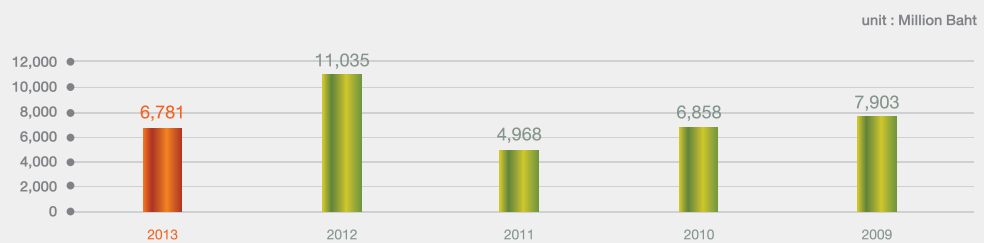
## Share of profit (loss) from Subsidiaries, an associated and interest in joint ventures



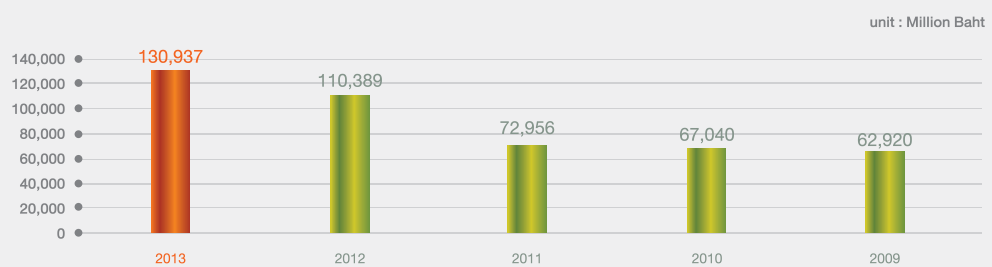
## Total Expenses Excluding Currency Exchange Gains or Losses



## Net Profit Excluding Currency Exchange Gains or Losses



## Total Asset



“

Moving forward for  
business prosperity,  
with great determination  
to be a leading  
Thai power company  
with sustainable growth

”



## Message from the Chairman

In 2013, Electricity Generating Public Company Limited or EGCO Group continued to successfully achieve its sustainable growth and prosperity. Our business strategies encompassed three major areas: operate group's power plant operation with highest efficiency, manage power project construction to complete within project schedule and pursue investment opportunities continually. Having persistently executed these three strategies since 2011, the outcome became substantial in 2012 and 2013 respectively. Despite the limited growth opportunities in Thailand and high competition, EGCO Group has continued to be robust and prosper and make 2013 another successful year.

Meanwhile, the expansion of the industrial sector and the need for electricity in ASEAN nowadays tend to favor the main economic development direction; that is, the integration of the countries in different regions in order to prosper from the same market and production facilities. Consequently, it would be the great opportunity for EGCO Group to expand its business towards the overseas markets of the high potential and the tendency for increased electricity consumption. This would bring the opportunity to help strengthen the reliability of power system and the participation in creating a more favorable environment and society. Such movements was to emphasize our vision as *"to be a major sustainable Thai power company doing business in Thailand and the Asia Pacific region, with full commitment to environment protection and social development support"*.

Apart from our accomplishment in power plant operations, in 2013 Egco Group successfully completed power project construction within schedule and to successfully expanded our business to the ASEAN region. EGCO Group has been successful in developing 9 power plants project to operate and transmit electricity into the system with the total installed capacity of 52 MW. These projects included 8 solar power plants and 1 wind power plant. Besides, Khanom Electricity Generating Company Limited had signed the 25-year sales contract with Electricity Generating Authority of Thailand (EGAT) with the total capacity of 930 MW and expected to begin the operation in June 2016. Chaiphaphum Wind Farm Company Limited also signed the sales contract with EGAT with the total capacity of 90 MW and expected to start the operation in December 2016. As for the overseas market, Egco Group had invested in a new power plant project by acquiring all shares of Boco Rock



Wind Farm Pty Limited, a wind power plant in Australia with the total capacity of 113 MW. Its full operation is expected to start in February 2015.

Our achievements resulted in the increase of EGCO Group's electricity capacity to 4,518.01 MW according to the contract of sales of commercially operated power plants as of December 31, 2013. Moreover, the Group also has the total electricity capacity of 1,838.65 MW according to the contract of sales of several projects under construction and development.

In 2013, EGCO Group continued to record better-than-expected operating results. The operating profit before the effects of Foreign Exchange (FX) gains (losses), Deferred Tax, and Amortisation of fair value uplift of Quezon was 7,605 million baht, a rise of 1,545 million baht from the previous year. EGCO Group's total assets were 130,937 million baht, an increase of 20,548 million baht, compared to 2012.

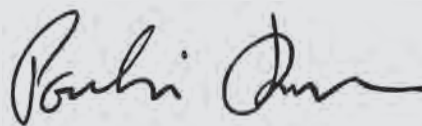
Aside from its relentless commitment to driving business growth and prosperity, EGCO Group realizes the importance of *environmental and social development* and sustainability as a way to build credibility and gain acceptance from every stakeholders, to enable our company to compete in the long run which would lead to the sustainable development as stated in the Company's vision. To accomplish these objectives, EGCO Group invested in renewable power projects, in response to the government's policy of reducing dependence on fossil fuels. EGCO Group also placed priority on technology selection that is environmental friendly. In addition, we were well aware of utilizing sustainable resources to generate electricity by means of regular maintenance of our power plants for the minimum fuel usage in generating electricity. EGCO Group also collaborated with the communities around our power plants and other organizations to carry out more than 40 community and social development projects. Moreover, the group continued to work with every sectors in supporting the Foundation of Thailand Forest Conservation (Thai Rak Pa Foundation) to promote the conservation of watershed forests for the sustainability of natural resources.



From EGCO's continuous commitment towards its mission, the Company had gained numerous awards and recognition from various institutions. EGCO was awarded the Excellent Corporate Governance Performance Report 2011 - 2013 from SET Awards 2013, Thailand Corporate Brand Rising Stars 2013 from the Marketing Department of the Faculty of Commerce and Accountancy, Chulalongkorn University in cooperation with ASTV-Manager and Settrade.com, CSRI Recognition 2013 Award by CSRI for the listed company with a strong commitment to develop business as well as being responsible for society, the Sustainability Report Award from Thai Listed Companies Association and CSR Club. In addition, EGCO was also awarded the Excellent Corporate Governance Performance by IOD and was rated the Annual General Meeting with full scores of 100 for 5<sup>th</sup> consecutive year by Thai Investors Association.

In addition, EGCO Group's power plants continuously won scores of awards and recognition from various institutions. Our Khanom Power Plant was received the the National Safety Award for its 14<sup>th</sup> consecutive year from the Ministry of Labor. Roi-Et Green power plant, likewise, received the National Safety Award for its 4<sup>th</sup> consecutive year as well as its Labor Relations and Welfare Award for 3 consecutive years.

On behalf of the Board of Directors, Management and staffs of the Electricity Generating Public Company Limited, I would like to express my sincere gratitude to all shareholders and other supporting parties for your continued trust and support that have rendered our success today. We pledge that we will adhere to achieve further success, to create higher returns for shareholders through the practice of good corporate governance and to comply with ethics and fairness to all stakeholders. We strongly believe that by doing so, EGCO Group will prosper as will Thai society in the years to come.



Mr. Pornchai Rujiprapa  
Chairman of the Board of Directors

## EGCO' s Board of Directors

as of January 31, 2014



01 Mr. Pornchai Rujiprapa

- Chairman
- Chairman of Investment Committee



05 Pol. Gen. Pansiri Prapawat

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee



02 Mr. Thanapich Mulapruk

- Independent Director
- Chairman of Audit Committee



03 Mr. Somphot Kanchanaporn

- Independent Director
- Member of Audit Committee



06 Mr. Phaiboon Siripanoosathien

- Independent Director
- Chairman of Corporate Governance and Social Responsibility Committee
- Member of Nomination and Remuneration Committee



04 Mr. Pongstorn Kunanusorn

- Independent Director
- Member of Audit Committee



07 Mr. Chotchai Charoenngam

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee



09 Mr. Piboon Buacham

- Director
  - Member of Nomination and Remuneration Committee
- (Authorized Director)



10 Mr. Kulit Sombatsiri

- Director
- Member of Corporate Governance and Social Responsibility Committee



08 Mr. Mongkol Sakulkao

- Director
  - Member of Investment Committee
- (Authorized Director)



11 Mr. Hideo Kuramochi

- Director
- (Authorized Director)



12 Mr. Shigeru Inano

- Director
  - Member of Investment Committee
- (Authorized Director)



13 Mr. Toshiro Kudama

- Director  
(Authorized Director)



15 Mr. Sahust Pratuknukul

- President
- Member of Investment Committee
- Member of Corporate Governance and Social Responsibility Committee
- Chairman of Risk Management Committee
- Chairman of Good Corporate Governance Committee
- Chairman of EGCO Management Committee  
(Authorized Director)



14 Mr. Satoshi Yajima

- Director
- Chairman of Nomination and Remuneration Committee
- Member of Investment Committee  
(Authorized Director)



## EGCO's Board of Directors

who Vacated the Office during the Year 2013 until January 31, 2014



01 Mr. Sorajak Kasemsuvan

- Independent Director
- Member of Corporate Governance and Social Responsibility Committee
- Member of Nomination and Remuneration Committee

(vacating the office by resignation with effect on October 18, 2013)



02 Mr. Pasan Teparak

- Independent Director
- Member of Audit Committee Member

(vacating the office by resignation with effect on November 8, 2013)



03 Mr. Pithsanu Tongveerakul

- Director
- Investment Committee Member (Authorized Director)

(vacating the office by resignation with effect on January 1, 2014)



04 Mr. Surasak Supavititpatana

- Director
- Member of Nomination and Remuneration Committee (Authorized Director)

(vacating the office by resignation with effect on January 1, 2014)

## EGCO' s Board of Directors

as of January 31, 2014

### Mr. Pornchai Rujiprapa (61)

- Chairman
- Chairman of Investment Committee

#### Education

- Ph.D. (Regional Economics.), University of Pennsylvania, USA
- Master of Science (Regional Economics.), University of Pennsylvania, USA
- Master of Public Administration (Programming Planning Administration), National Institute of Development Administration (NIDA)
- Bachelor of Science (Agro-Industry), Kasetsart University
- Certificate of Executive Program, Capital Market Academy
- Certificate of Directors Accreditation Program, Thai Institute of Directors Association
- Certificate of National Defense Course, National Defense College

#### Working Experience (during the recent 5 years)

##### Listed Companies in SET

2008 - 2011	Chairman PTT Aromatics and Refining Public Company Limited
Dec 2006 - 2008	Chairman PTT Public Company Limited
2005 - 2009	Chairman PTT Chemical Public Company Limited

##### Other Organizations

2012 - present	Advisor Thailand Center of Excellence for Life Sciences (Public Corporation)
Jul 2012 - present	Chairman National Innovation Agency
2009 - present	Honorable Committee Member Kasetsart University Council
Oct 2006 - Feb 2013	Chairman Electricity Generating Authority of Thailand
2012	Advisor Board of Investment (BOI)
Oct 2010 - Sep 2012	Permanent Secretary Ministry of Science and Technology
2006 - Sep 2010	Permanent Secretary Ministry of Energy

### Mr. Thanapich Mulapruk (65)

- Independent Director
- Chairman of Audit Committee

#### Education

- Master of Laws, Chulalongkorn University
- Bachelor of Laws, Thammasart University
- Certificate of Thai Bar, Thai Barrister at law of Thailand
- Certificate of National Defense Course, National Defense College
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Executive Program, Capital Market Academy
- Certificate of Audit Committee and Continuing Development Program, Thai Institute of Directors Association
- Certificate of Monitoring Fraud Risk Management, Thai Institute of Directors Association
- Certificate of Monitoring the System of Internal Control and Risk Management, Thai Institute of Directors Association
- Certificate of Monitoring the Quality of Financial Reporting, Thai Institute of Directors Association
- Certificate of Monitoring the Internal Audit Function, Thai Institute of Directors Association

#### Working Experience (during the recent 5 years)

##### Listed Companies in SET

Feb 2009 - Present	Director The Airports of Thailand Public Company Limited
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##### Other Organizations

Oct 2011 - present	Senior Prosecutor Office of Attorney - General
Oct 2005 - Present	Director The Transport Company Limited
Oct 2009 - 2011	Director General of Department of Special Litigation Office of Attorney - General
Apr 2008 - Jun 2011	Director The Port Authority of Thailand
Oct 2008 - Feb 2009	Director The Government Lottery Office
Dec 2006 - Sep 2009	Director General of Department of Economic Crime Litigation Office of Attorney - General
Apr 2008 - Oct 2008	Executive Director The Bangkok Mass Transit Authority
Oct 2007 - Feb 2008	Director The Marketing Organization for Farmers, Ministry of Agriculture and Cooperatives

**Mr. Somphot Kanchanaporn (67)**

- Independent Director
- Member of Audit Committee

**Education**

- Master of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor of Police Science and Administration, California State University at Los Angeles
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Directors Accreditation Program, Thai Institute of Directors Association
- Certificate of National Defense Course, National Defense College
- Certificate of Executive Program, Capital Market Academy
- Certificate of Monitoring Fraud Risk Management, Thai Institute of Directors Association
- Certificate of Monitoring the System of Internal Control and Risk Management, Thai Institute of Directors Association
- Certificate of Monitoring the Quality of Financial Reporting, Thai Institute of Directors Association
- Certificate of Finance for Non-Finance Directors, Thai Institute of Directors Association

**Working Experience (during the recent 5 years)****Listed Companies in SET**

Aug 2012 - Nov 2013	Advisor to Audit Committee Electricity Generating Public Company Limited
Apr 2010 - Feb 2012	Independent Director Electricity Generating Public Company Limited
2008 - Apr 2009	Independent Director PTT Aromatics and Refining Public Company Limited
2007	Independent Director Aromatics (Thailand) Public Company Limited

**Other Organizations**

2008 - Nov 2010	Chairman of the Inspector General Ministry of Energy
Oct 2006 - 2008	Member The National Legislative Assembly
Dec 2006 - 2008	Chairman of Standing Committee on Energy The National Legislative Assembly

**Mr. Pongstorn Kunanusorn (62)**

- Independent Director
- Member of Audit Committee

**Education**

- Master of Business Administration, North Texas State University, Denton, Texas USA
- Mini MBA (Joint Program between Finance Associate and Thammasart University)
- Bachelor of Business Administration, Chiangmai University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Audit Committee Program, Thai Institute of Directors Association
- Certificate of Public Director Certification Program, Public Director Institute
- Advanced Grid Seminar: Effective Resources Management

**Working Experience (during the recent 5 years)****Listed Companies in SET**

Sep 2011 - Sep 2013	Director The Amanah Leasing Public Company Limited
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**Other Organizations**

Present	Chairman - Audit Committee The Church of Christ in Thailand
Present	Chairman - Ministering in Treasury and Asset The Church of Christ in Thailand
Present	Director - The Committee of the Foundation of the Church of Christ in Thailand Development Fund Administration
Present	Ministering in Treasury and Asset The Bangkok Christian Hospital
Present	Chairman The World Vision Foundation of Thailand
Present	Director The Mass Rapid Transit Authority of Thailand (MRTA)
Mar 2005 - Sep 2011	Senior Executive Vice President Islamic Bank of Thailand
Jun 2010 - Jan 2011	Chairman CAT Wireless Network Company Limited
Jun 2010 - Jan 2011	Director CAT Mobile Company Limited
Jun 2010 - Jan 2011	Director CAT Contact Center Company Limited
Apr 2008 - Sep 2009	Director Dhanarak Asset Development Company Limited

### Pol. Gen. Pansiri Prapawat (60)

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee

#### Education

- Master of Political Science, Thammasart University
- Master of Science Police Administration Criminal Justice, Eastern Kentucky University USA
- Bachelor of Public Administration (Police Science), Royal Police Cadet Academy
- Diploma of the National Defense Course, the National Defense College
- Certificate of Program for Executive on Criminal Justice Administration, Judicial Training Institute
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Capital Market Course, Capital Market Academy

#### Working Experience (during the recent 5 years)

2010 - 2013	Chairman of Settlement Committee under the Securities and Exchange Act, B.E. 2535 (1992) Securities and Exchange Commission, Thailand
2009 - 2013	Deputy Commissioner General Royal Thai Police
2007 - 2009	Advisor (Level 10), equivalent to Deputy Commissioner General Royal Thai Police
2005 - 2007	Assistant Commissioner General Royal Thai Police
2005 - 2006	Independent Director Metropolitan Electricity Authority
2005 - 2006	Independent Director Metropolitan Waterworks Authority

### Mr. Phaiboon Siripanoosatien (51)

- Independent Director
- Chairman of Corporate Governance and Social Responsibility Committee
- Member of Nomination and Remuneration Committee

#### Education

- Master of Political Science, Sukhothai Thammathirat University
- Bachelor of Engineering, Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Public Law and Management, King Prajadhipok's Institute
- Certificate of Democratic Politics and Governance for High-Level Administrators, King Prajadhipok's Institute
- Certificate of Executive Program, Capital Market Academy

#### Working Experience (during the recent 5 years)

##### Listed Companies in SET

2008 - Present	Independent Director and Audit Committee Member Finansia Syrus Securities Public Company Limited
2008 - 2013	Independent Director Metrostar Property Public Company Limited

##### Other Organizations

2013 - Present	Executive Director Geo-Informatics and Space Technology Development Agency (Public Organization)
2011 - Present	Executive Director Office of Small and Medium Enterprises
2009 - 2013	Independent Director Asia Credit Securities Company Limited



**Mr. Chotchai Charoenngam (50)**

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee

**Education**

- Ph.D. (Construction Engineering and Project Management), University of Texas at Austin, USA
- Master of Science (Construction Engineering and Project Management), University of Kansas, USA
- Bachelor of Science (Construction Engineering) (Honors Class), King Mongkut's University of Technology Thonburi

**Working Experience (during the recent 5 years)**

1998 - present	Associate Professor, Construction Engineering and Infrastructure Management, Faculty of Engineering and Technology Asian Institute of Technology (AIT)
2002 - 2013	Consultant for Budget System Development, Bureau of Budget Office of the Prime Minister

**Mr. Mongkol Sakulkao (60)**

- Director
- Member of Investment Committee (Authorized Director)  
(Appointed as Director with effect on January 1, 2014)

**Education**

- Master of Engineering (Water Resources Engineering), Asian Institute of Technology (AIT)
- Bachelor of Mechanical Engineering, Kasetsart University
- Certificate of Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association

**Working Experience (during the recent 5 years)**

Oct 2011 - present	Deputy Governor - Policy and Planning Electricity Generating Authority of Thailand
Oct 2008 - Sep 2011	Assistant Governor - Planning Electricity Generating Authority of Thailand
Oct 2005 - Sep 2008	Director - Energy Economic Division Electricity Generating Authority of Thailand

### Mr. Piboon Buacham (59)

- Director
- Member of Nomination and Remuneration Committee (Authorized Director)  
(Appointed as Director with effect on January 1, 2014)

#### Education

- Master of Science Program in Applied Statistics (Honors), National Institute of Development Administration (NIDA)
- Bachelor of Electrical Engineering, Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Public Law and Management King Prajadhipok's Institute

#### Working Experience (during the recent 5 years)

Oct 2012 - present	Deputy Governor - Administration Electricity Generating Authority of Thailand
Oct 2008 - Sep 2012	Assistant Governor - System Control Electricity Generating Authority of Thailand
Oct 2006 - Sep 2008	Director - Power System Control and Operation Division Electricity Generating Authority of Thailand

### Mr. Kulit Sombatsiri (48)

- Director
- Member of Corporate Governance and Social Responsibility Committee

#### Education

- Master of Business Administration, University of Southern California, USA
- Master of Public Administration, San Diego State University, USA
- Bachelor of Public Administration, Ramkhamhaeng University
- Certificate of Executive Program, Capital Market Academy
- Certificate of Directors Certification Program, Thai Institute of Directors Association

#### Working Experience (during the recent 5 years)

##### Listed Companies in SET

2009 - Present	Director Krung Thai Asset Management Public Company Limited
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##### Other Organizations

2011 - Present	Director Electricity Generating Authority of Thailand
Oct 2011 - Present	Inspector General Ministry of Finance
Oct 2010 - Sep 2011	Advisor to State Enterprise Development The State Enterprise Policy Office, Ministry of Finance
Sep 2008 - Sep 2010	Deputy - Director General The State Enterprise Policy Office, Ministry of Finance
2007 - Aug 2008	Director, Bureau of Monetary Management The Treasury Department, Ministry of Finance
2005 - 2007	Deputy Secretary General The National Telecommunications Commission

**Mr. Hideo Kuramochi (51)**

- Director  
(Authorized Director)

**Education**

- Bachelor of Engineering (Electronics and Communication),  
Waseda University, Tokyo, Japan

**Working Experience (during the recent 5 years)****Listed Companies in SET**

2008 - 2009      Director  
Electricity Generating Public Company

**Other Organizations**

Apr 2012 - present    Chief Executive Officer  
Diamond Generating Asia, Limited

Apr 2012 - present    Managing Director  
TEPDIA Generating B.V.

Mar 2012 - present    Director  
Natural Energy Development Company  
Limited

2011                  Deputy General Manager,  
EMEA Business Unit  
Mitsubishi Corporation

2010                  Deputy General Manager,  
New Energy Power Generation Unit  
Mitsubishi Corporation

2009                  Head of International IPP,  
Power Generation and Marketing  
International Unit  
Mitsubishi Corporation

2007                  Head of Southeast Asia IPP,  
Power Generation and Marketing  
International Unit  
Mitsubishi Corporation

**Mr. Shigeru Inano (43)**

- Director
- Member of Investment Committee  
(Authorized Director)

**Education**

- Bachelor of Commerce, Waseda University, Tokyo, Japan

**Working Experience (during the recent 5 years)**

2010 - present      Director of the Business Development  
& Head of Asset Management  
Diamond Generating Asia, Limited

Present              Director  
Natural Energy Development Company  
Limited

2008                  Power Generation and Marketing  
International Unit  
Mitsubishi Corporation

2005                  Director of Business Development  
Electricidad Aguila de Tuxpan  
Electricidad Sol de Tuxpan

### Mr. Toshiro Kudama (55)

- Director  
(Authorized Director)

#### Education

- Master of Mechanical Engineering, Tokyo Institute of Technology, Japan
- Bachelor of Mechanical Engineering, Tokyo Institute of Technology, Japan

#### Working Experience (during the recent 5 years)

2013 - present	Corporate Executive Officer, Head of International Operations Tokyo Electric Power Company, Inc.
2010 - 2013	Executive Officer, Executive General Manager, International Affairs Department Tokyo Electric Power Company, Inc.
2006 - 2010	Executive General Manager, International Affairs Department Tokyo Electric Power Company, Inc.

### Mr. Satoshi Yajima (46)

- Director
- Chairman of Nomination and Remuneration Committee
- Member of Investment Committee  
(Authorized Director)

#### Education

- Bachelor of Electrical Engineering, Waseda University,  
Tokyo, Japan

#### Working Experience (during the recent 5 years)

2013 - present	General Manager Business Planning & Coordination Group International Affairs Department Tokyo Electric Power Company, Inc.
2002 - 2013	General Manager Overseas Business Group 2 International Affairs Department Tokyo Electric Power Company, Inc.



**Mr. Sahust Pratuknukul (58)**

- President
- Member of Investment Committee
- Member of Corporate Governance and Social Responsibility Committee
- Chairman of Risk Management Committee
- Chairman of Good Corporate Governance Committee
- Chairman of EGCO Management Committee (Authorized Director)

**Education**

- Bachelor of Electrical Engineering, Chulalongkorn University
- Certificate of the Joint Public-Private Sectors Regular Course, National Defence College
- Certificate of Senior Executive Program, Capital Market Academy
- Certificate of Senior Executive Program, Thailand Energy Academy
- Certificate of Senior Executive Development Program-1, GE Co., Ltd.
- Certificate of Finance for Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association

**Working Experience (during the recent 5 years)****Listed Companies in SET**

Apr 2012 - Present    Director  
East Waster Public Company Limited

**Other Organizations**

Oct 2013 - Present    Chairman  
Gulf Electric Public Company Limited

Apr 2012 - Present    Chairman  
Yanhee EGCO Holding Company Limited

Apr 2012 - Present    Chairman  
Solarco Company Limited

Oct 2011 - Present    Chairman  
Khanom Electricity Generating Company Limited

Oct 2011 - Present    Chairman  
EGCO Engineering and Service Company Limited

Oct 2011 - Present    Director  
Xayaburi Power Company Limited

Oct 2011 - Present    Director  
BLCP Power Company Limited

Oct 2011 - Oct 2013    Director  
Gulf Electric Public Company Limited

Oct 2011 - Jan 2013    Chairman  
Natural Energy Development Company Limited

Oct 2011 - Jan 2013    Chairman  
NED Wind Company Limited

Oct 2010 - Sep 2011    Deputy Governor - Policy and Planning  
Electricity Generating Authority of Thailand

Jan 2009 - Dec 2010    Director  
EGAT International Company Limited

Oct 2006                Assistant Governor - Policy  
Electricity Generating Authority of Thailand

## EGCO's Board of Directors

who Vacated the Office during the Year 2013 until January 31, 2014

### Mr. Sorajak Kasemsuvan (59)

- Independent Director
- Member of Corporate Governance and Social Responsibility Committee
- Member of Nomination and Remuneration Committee (vacating the office by resignation with effect on October 18, 2013)

#### Education

- Ph.D. in International Law, London School of Economics, University of London, UK
- Master of Laws, University College, London, University of London, UK
- Bachelor of Politics and Laws (Hon.), University College of Wales, Aberystwyth, UK
- Certificate of Democratic Politics and Governance for High-Level Administrators, King Prajadhipok's Institute
- Certificate of Directors Accreditation Program, Thai Institute of Directors Association
- Certificate of Directors Certification Program, Thai Institute of Directors Association

#### Working Experience (during the recent 5 years)

##### Listed Companies in SET

Oct 2013 - Dec 2013	Director	Nok Airlines Public Company Limited
Sep 2012 - Dec 2013	President	Thai Airways International Public Company Limited
Dec 2011 - Oct 2012	Chairman	MCOT Public Company Limited

##### Other Organizations

Present	Vice - Chairman	Saranrom Institute of Foreign Affairs Foundation
Oct 2013 - present	Director	Seed Mcot Company Limited
2010 - 2011	Advisor to Deputy Minister	Ministry of Education
2009 - 2010	President	Stamford International University
2007 - 2009	Executive Director	International Institute for Trade and Development

### Mr. Pasan Teparak (52)

- Independent Director
- Member of Audit Committee (vacating the office by resignation with effect on November 8, 2013)

#### Education

- Master of Political Science (Public Administration), Thammasart University
- Bachelor of Political Science (International Relations), Thammasart University
- Government Executive Course
- Certificate of Financial Institutions Governance Program, Thai Institute of Directors Association
- Certificate of Successful Formulation and Execution of Strategy, Thai Institute of Directors Association
- Certificate, National Defense College

#### Working Experience (during the recent 5 years)

##### Listed Companies in SET

Mar 2012 - Oct 2012	Director	Krungthai Bank Public Company Limited
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##### Other Organizations

Oct 2012 - present	Ambassador Extraordinary and Plenipotentiary	Royal Thai Embassy, London, UK
Nov 2011 - Sep 2012	Ambassador Attached to Ministry of Foreign Affairs	Ministry of Foreign Affairs
Apr 2011 - Nov 2011	Minister	Royal Thai Embassy, Canberra, Australia
Apr 2006 - Apr 2011	Consul - General	Royal Thai Consulate-General, Dubai, U.A.E

**Mr. Pithsanu Tongveerakul (60)**

- Director
- Investment Committee Member  
(Authorized Director)  
(vacating the office by resignation with effect on January 1, 2014)

**Education**

- Master of Engineering, Lamar University, USA
- Bachelor of Mechanical Engineering, Chulalongkorn University
- Certificate of EGAT Senior Executive Program, Electricity Generating Authority of Thailand
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of EGAT Newly-Promoted Executive Program, Electricity Generating Authority of Thailand
- Certificate of Senior Executive Development Program, Foundation for International Human Resource Development
- Certificate of AMP-Negotiation

**Working Experience (during the recent 5 years)**

- Oct 2011 - Sep 2013 Deputy Governor - Business Development  
Electricity Generating Authority of Thailand
- Dec 2007 - Sep 2011 Assistant Governor - Operating and Maintenance Business  
Electricity Generating Authority of Thailand
- Oct 2006 - Dec 2007 Director - Mechanical Maintenance Division  
Electricity Generating Authority of Thailand

**Mr. Surasak Supavititpatana (61)**

- Director
- Member of Nomination and Remuneration Committee  
(Authorized Director)  
(vacating the office by resignation with effect on January 1, 2014)

**Education**

- Bachelor of Electrical Engineering, Kasetsart University
- Certificate of Management of Public Economy for Executive, King Prajadhipok's Institute
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of Finance for Executive Decision, Continuing Education Center, Chulalongkorn University
- Certificate of Positioning Utility Executives for Change, University of Idaho

**Working Experience (during the recent 5 years)**

- Jan 2010 - Sep 2013 Deputy Governor - Generation  
Electricity Generating Authority of Thailand
- Oct 2006 - Jan 2010 Assistant Governor - Power Plant 2  
Electricity Generating Authority of Thailand
- Nov 2000 - Sep 2006 Mae Moh Power Plant Production  
Division Manager  
Electricity Generating Authority of Thailand



## Company's Management



01 Mr. John Palumbo

Senior Executive Vice President  
- Business Development International 1



02 Mr. Niwat Adirek

Senior Executive Vice President  
- Business Development International 2



03 Mr. Voravit Potisuk

Senior Executive Vice President  
- Business Development Domestic



04 Mr. Piya Jetasanon

Chief Finance Officer



05 Mr. Sakul Pochanart

Senior Executive Vice President  
- Strategy and Asset Management



06 Mr. Chumsak Desudjit

Senior Executive Vice President



07 Mr. Chankij Jearaphunt

Senior Executive Vice President



08 Mr. Wajarapong Palakawong Na  
Ayudhaya

Senior Executive Vice President



09 Ms. Wimolwan Sasanawin

Executive Vice President  
- Business Development International 1



10 Ms. Saranya Kalawantwanich  
Executive Vice President  
- Business Development International 2



11 Mr. Danuja Simasathien  
Executive Vice President  
- Business Development Domestic



12 Mr. Suvapan Chomchalerm  
Executive Vice President - Accounting



13 Ms. Somsiri Yoosook  
Executive Vice President - Finance



14 Mr. Thongchai Chotkajornkiat  
Executive Vice President  
- Subsidiaries Accounting & Finance



15 Mr. Nattanont Meesuksabai  
Senior Vice President  
- Subsidiaries Accounting & Finance



16 Ms. Sirobon Danudomkit  
Senior Vice President  
- Accounting and Budget



17 Mr. Gumpanart Bumroonggit  
Executive Vice President  
- Asset Management



18 Mr. Pornsak Pornchanadham  
Executive Vice President  
- Project Management



19 Mr. Narong In-eav  
Executive Vice President  
- Khanom 4 Project



20 Ms. Vasana Vongprommek  
Executive Vice President  
- Office of the President



21 Ms. Ngamphis Chitphromphan  
Executive Vice President



22 Ms. Pantipa Moolasart  
Executive Vice President



23 Mr. Permsak Rattana-ubon  
Executive Vice President



24 Mr. Mana Vitvaskul  
Executive Vice President



25 Mr. Witchaya Prasertlap  
Executive Vice President

## The positions of the Management and the Control Persons

as of December 31, 2013

### Mr. John M. Palumbo (50)

- Senior Executive Vice President - Business Development - International 1
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- Group Business Committee Member
- EGCO Management Committee

### Education

- Bachelor of Science in Mechanical Engineering (Honors), Columbia - University, School of Engineering and Applied Science, New York.

### Working Experience (during the recent 5 years)

2013 - Present	Director Kalilayan Power Inc.
2013 - Present	Director Mauban Holdings Company Inc.
2013 - Present	Director Quezon Management Service Inc.
2013 - Present	Director Pearl Energy Philippines Operating Inc.
2013 - Present	Director Ogden Power Development - Cayman, Inc.
2013 - Present	Director Quezon Power Inc.
2013 - Present	Director Quezon Generating Company Ltd.
2013 - Present	Director GPI Quezon
2011 - Present	Director Khanom Electricity Generating Company Limited
2011 - Present	Director EGCO Engineering & Service Company Limited
2011 - Present	Director North Pole Investment Company Limited
2009 - 2010	Director Natural Energy Development Company Limited
2004 - 2010	Director Gulf Electric Public Company Limited
2007 - 2008	Director BLCF Power Limited
2005 - 2008	Director EGCO Joint Ventures & Development Company Limited
2004 - 2007	Director Nam Theun 2 Power Company Limited
2003 - 2004	Independent Consultant to the Managing Director and the Head of the Southeast Asia Business China Light & Power Group (Hong Kong)
2003 - 2004	Team Leader & Infrastructure Specialist ADB Technical Assistance Program
2003	Independent Consultant to Chief Executive Officer International Power PLC.
1995 - 2003	Principal and Managing Director Delta Associates (Thailand) Limited

### Mr. Niwat Adirek (55)

- Senior Executive Vice President Business Development - International 2
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Business Committee Member
- EGCO Management Committee

### Education

- Master of Engineering (Electric Power), Rensselaer Polytechnic Institute, Troy, New York, USA (Scholarship)
- Bachelor of Electrical Engineering, Chulalongkorn University (Honors)
- Certificate of Technology Transfer In Electrical Design of Gas Turbine Combined Cycle Power Plant Black & Veatch International

### Working Experience (during the recent 5 years)

2013 - Present	Director Khanom Electricity Generating Company Limited
2013 - Present	Director EGCO Engineering & Service Company Limited
2013 - Present	Director Millennium Energy B.V.
2013 - Present	Director South Pacific Power Pty Ltd
2013 - Present	Director Boco Rock Wind Farm Pty Limited
2013 - Present	Director Mauban Holdings Company Inc.
2012 - Present	Commissioner PT Manambang Muara Enim Company Limited
2011 - Present	Director EGCO International (B.V.I.) Limited
2011 - Present	Director Quezon Power Inc.
2011 - Present	Director Quezon Management Service Inc
2011 - Present	Director Quezon Management Company Limited
2011 - Present	Director Quezon Generating Company Limited
2011 - Present	Director Ogden Power Development Cayman Inc.
2011 - Present	Director Pearl Energy Philippines Operating Inc.
2010 - Present	Director North Pole Investment Company Limited
2010 - Present	Director New Growth Coöperatief U.A.
2010 - Present	Director New Growth B.V.
2010 - 2013	Director Conal Holdings Corporation
2010 - 2013	Director Alto Power Management Corporation



2010 - 2013	Director Northern Mindanao Power Corporation
2010 - 2013	Director Southern Philippines Power Corporation
2010 - 2013	Director Western Mindanao Power Corporation
2010 - 2013	Director Alsing Power Holding Inc.
2009 - 2012	Executive Vice President - Business Development (International) Electricity Generating Public Company Limited
2004 - 2011	Director Nam Theun 2 Power Company Limited
2003 - 2009	First Senior Vice President Business Development Electricity Generating Public Company limited
1997 - 2003	Vice President Business Development Electricity Generating Public Company limited

### Mr. Voravit Potisuk (56)

- Senior Executive Vice President - Business Development - Domestic
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- Group Business Committee Member
- EGCO Management Committee

### Education

- MBA, The University of The Thai Chamber of Commerce
- B.Eng. (Electrical & Communication) Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Executive Leadership Program (ELP-NIDA Wharton)

### Working Experience (during the recent 5 years)

2013 - Present	Director Yanhee EGCO Holding Company Limited
2012 - Present	Director Klong Luang Utilities Company Limited
2012 - Present	Director Banpong Utilities Company Limited
2012 - Present	Director Solarco Company Limited
2011 - Present	Director Theppana Wind Farm Company Limited
2011 - Present	Director Chaiphaphum Wind Farm Company Limited
2011 - Present	Director EGCO Engineering & Service Company Limited
2011 - Present	Director Khanom Electricity Generating Company Limited
2011 - Present	Director BLCP Power Limited
2011 - Present	Director Nam Theun 2 Power Company Limited
2011 - 2012	Director Gulf Electric Public Company Limited
2010 - 2011	Director Quezon Generating Company Ltd, Philippines
2010 - 2011	Director Conal Holdings Corporation, Philippines
2004 - 2011	Executive Vice President - Business Development Electricity Generating Public Company Limited
1996 - 2004	Senior Vice President - Engineering Business Division Electricity Generating Public Company Limited
2002 - 2003	Acting Managing Director Egcom Tara Company Limited

**Mr. Piya Jetasanon (56)**

- Senior Executive Vice President - Chief Financial Officer
- Risk Management Committee Member
- Group Business Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

**Education**

- MBA, Ramkhamhaeng University
- B.A. (Economics), Thammasat University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of TLCP Executive Development Program, Thai Listed Companies Association

**Working Experience (during the recent 5 years)**

2012 - Present	Director Yanhee Solar Power Company Limited
2012 - Present	Director Solarco Company Limited
2012 - Present	Commissioner PT Manambang Muara Enim, Indonesia
2012 - Present	Director Klong Luang Utilities Company Limited
2012 - Present	Director Banpong Utilities Company Limited
2012 - Present	Director Subyai Wind Farm Company Limited
2011 - Present	Director Gulf Electric Public Company Limited
2011 - Present	Director BLCP Power Limited
2011 - Present	Director EGCO International (B.V.I.) Limited
2011 - Present	Director North Pole Investment Company Limited
2011 - Present	Director EGCO Engineering & Service Company Limited
2011 - Present	Director Khanom Electricity Generating Company Limited
2007	Director EGCO Cogeneration Company Limited
2007	Director Thai LNG Power Corporation Ltd.
2005 - Present	First Senior Vice President - Finance Electricity Generating Public Company Limited
2003 - 2005	Senior Vice President - Finance Electricity Generating Public Company Limited
1996 - 2003	Manager - Finance Division Khanom Electricity Generating Company Limited
1994 - 1996	Manager - Treasury Management Section Electricity Generating Public Company Limited

**Mr. Sakul Pochanart (56)**

- Senior Executive Vice President - Strategy and Asset Management
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- Group Business Committee Member
- EGCO Management Committee

**Education**

- D.Sc. (Civil Engineering), Sever Institute of Technology, Washington University, USA
- M. Eng. (Civil Engineering) Chulalongkorn University
- B. Eng. (Civil Engineering) Chulalongkorn University

**Working Experience (during the recent 5 years)**

2013 - Present	Director Quezon Power Inc.
2012 - Present	Director EGCO Engineering & Service Company Limited
2012 - Present	Director Khanom Electricity Generating Company Limited
2012 - Present	Director Gulf Electric Public Company Limited
2012 - Present	Director Nam Theun 2 Power Company Limited
2012 - Present	Director Quezon Generating Company Limited, Philippines
2012 - Present	Commissioner PT Manambang Muara Enim, Indonesia
2012 - Present	Director Senior Executive Vice President - Strategy and Asset Management Electricity Generating Public Company Limited
2012 - 2013	Director Absolute Power P Company Limited
2012 - 2013	Director SPP Two Company Limited Director SPP Three Company Limited Director SPP Four Company Limited Director SPP Five Company Limited
2009 - 2012	Executive Vice President - Strategy and Corporate Management Electricity Generating Public Company Limited
2008 - Present	Director BLCP Power Limited
2006 - 2009	Executive Vice President - Project Management Electricity Generating Public Company Limited
2004 - 2006	Executive Vice President - Business Development Electricity Generating Public Company Limited
2003 - 2004	Senior Vice President - Business Development Electricity Generating Public Company Limited
1997 - 2003	General Manager - Power Plant Business Electricity Generating Public Company Limited

**Mr. Chumsak Desudjit (60)**

- Senior Executive Vice President
- Director - Rayong Power Plant
- Risk Management Committee Member
- Group Business Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

**Education**

- B. Eng. (Mechanical Engineering), Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate in Executive Leadership Program, Joint Program NIDA-Wharton, University of Pennsylvania
- Graduate Diploma in Management of Public Economy (MPE-7), King Prajadhipok's Institute

**Working Experience (during the recent 5 years)**

2011 - 2013	Director BLCP Power Company Limited
2009 - 2013	Chairman Roi-Et Green Company Limited EGCO Green Energy Company Limited
2008 - 2013	Director Khanom Electricity Generating Company Limited EGCO Engineering and Service Company Limited
2008 - 2009	Director and Managing Director Rayong Electricity Generating Company Limited
2008 - 2009	Director Nongkhae Cogeneration Company Limited Samutprakarn Cogeneration Company Limited
2007 - 2013	Chairman EGCO Cogeneration Company Limited
2006 - 2007	Director EGCO Cogeneration Company Limited
2002 - 2009	Director Gulf Cogeneration Company Limited
2001 - 2007	Deputy Managing Director Operation Group Rayong Electricity Generating Company Limited
1998 - 2000	Operation Division Manager Rayong Electricity Generating Company Limited

**Mr. Chankij Jearaphunt (59)**

- Senior Executive Vice President
- Managing Director - Khanom Electricity Generating Company Limited
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

**Education**

- Doctor of Philosophy (Ph. D.) (Administration Development - Executive Development), Pathumthani University
- Master of Public Administration (MPA), National Institute of Development Administration (NIDA)
- Bachelor of Engineering (B. Eng.) (Electrical Engineering), Chulalongkorn University

**Working Experience (during the recent 5 years)**

2004 - Present	Director and Managing Director Khanom Electricity Generating Company Limited
2004 - Present	Director EGCO Engineering & Service Company Limited
2008 - Present	Director Gulf Energy Company Limited Gulf IPP Company Limited Gulf Power Generation Company Limited
2007 - 2009	Chairman Roi-Et Green Company Limited EGCO Green Energy Company Limited
2004 - 2009	Director Rayong Electricity Generating Company Limited
2002 - 2008	Director Gulf Cogeneration Company Limited Nongkhae Cogeneration Company Limited Samutprakarn Cogeneration Company Limited

**Mr. Wajarapong Palakawong Na Ayudhya (60)**

- Managing Director - EGCO Engineering & Service Company Limited
- Risk Management Committee Member
- Group Business Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

**Education**

- Bachelor Degree of Mechanical Engineering, Chulalongkorn University
- Certificate of Directors Certification Program, Thai Institute of Directors Association
- Certificate of NIDA Executive Leadership Program, Joint Program NIDA-Wharton of University of Pennsylvania
- Certification of The Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**Working Experience (during the recent 5 years)**

2012 - 2013	Director Quezon Power Inc.
2012 - 2013	Director Pearl Energy Philippines Operating Inc.
2011 - 2013	Director Khanom Electricity Generating Company Limited
2011 - 2012	Director Covanta Philippines Operating Inc.
2011 - 2013	Managing Director EGCO Engineering and Service Company Limited
2008 - 2556	Director EGCOM Tara Co., Ltd.
1999 - 2556	Chairman Agro Energy Co., Ltd.
1997 - Feb 2011	Deputy Managing Director - Operation EGCO Engineering & Service Co., Ltd.

**Mr. Suvapan Chomchalerm (53)**

- Executive Vice President - Accounting

**Education**

- M.Sc. (Accounting), Thammasat University
- B.Sc. (Accounting), Chulalongkorn University

**Working Experience (during the recent 5 years)**

2013 - Present	Director PT Manambang Muara Enim Company Limited
2013 - Present	Director Nam Theun 2 Power Company Limited
2013 - Present	Director G-Power Source Company Limited
2013 - Present	Executive Vice President - Accounting Electricity Generating Public Company Limited
2011 - 2012	Executive Vice President - Finance Electricity Generating Public Company Limited
2010 - 2011	Chief Financial Officer (EGCO's Representative) BLCP Power Limited
2000 - 2010	Senior Vice President - Accounting and Budget Division Electricity Generating Public Company Limited
1994 - 2000	Vice President - Accounting and Budget Analysis Section, Accounting and Budget Division Electricity Generating Public Company Limited



**Ms. Somsiri Yoosook (49)**

- Executive Vice President - Finance

**Education**

- Master of Business Administration (Finance), Youngstown State University USA
- Bachelor of Science (Accounting) (2<sup>nd</sup> Class Honors), Kasetsart University

**Working Experience (during the recent 5 years)**

2013 - Present	Director Chaiyaphum Wind Farm Company Limited
2013 - Present	Executive Vice President - Finance Electricity Generating Public Company Limited
2012 - 2013	Director EGCO Cogeneration Company Limited
2011 - 2012	Senior Vice President - Finance Electricity Generating Public Company Limited
2003 - 2011	Vice President - Subsidiaries Finance Electricity Generating Public Company Limited
2001 - 2002	Vice President - Project Finance Electricity Generating Public Company Limited
1996 - 2003	Manager - Loan Section Khanom Electricity Generating Company Limited
1994 - 1995	Manager - Disbursement Section Electricity Generating Public Company Limited

**Mr. Thongchai Chotkajornkiat (53)**

- Executive Vice President - Subsidiaries Accounting & Finance

**Education**

- M.B.A (Finance), Thammasat University
- B.B.A. (Accounting), Thammasat University
- Director Certificate Program (DCP)  
Thai Institute of Directors (IOD)
- CFO Certificate Program Federation of Accounting Professions (FAP)

**Working Experience (during the recent 5 years)**

2013 - Present	Director EGCO Cogeneration Company Limited Director EGCO Green Energy Company Limited Director Roi-Et Green Company Limited Director SPP Two Company Limited Director SPP Three Company Limited Director SPP Four Company Limited Director SPP Five Company Limited Director Theppana Wind Farm Company Limited Director Egcom Tara Company Limited Director Agro Energy Company Limited
2012 - Present	Executive Vice President - Accounting & Finance - Subsidiaries Electricity Generating Public Company Limited
2011 - 2012	Chief Financial Officer BLCP Power Limited
2009 - 2011	Director and General Manager Egcom Tara Company Limited
1999 - 2011	Deputy Managing Director - Finance & Administration EGCO Engineering and Service Company Limited

**Mr. Nattanont Meesuksabai (53)**

- Senior Vice President - Subsidiaries Accounting and Finance

**Education**

- Master of Business Administration (MBA), Chulalongkorn University
- B.Sc. (Cost Accounting), Chulalongkorn University

**Working Experience (during the recent 5 years)**

2013 - Present	Senior Vice President - Subsidiaries Accounting & Finance Electricity Generating Public Company Limited
2011 - 2012	Senior Vice President - Accounting and Budget Division Manager Electricity Generating Public Company Limited
2009 - 2011	Administration Division Manager EGCO Engineering and Service Company Limited
2005 - 2009	Internal Audit Section Manager Electricity Generating Public Company Limited
1997 - 2005	Accounting Section Manager Electricity Generating Public Company Limited

**Ms. Sirobon Danudomkit (42)**

- Senior Vice President - Accounting and Budget

**Education**

- M.Sc. (Financial Accounting), Chulalongkorn University
- B.Sc. (Accounting), Chiang Mai University

**Working Experience (during the recent 5 years)**

2013 - Present	Senior Vice President - Accounting & Budget Electricity Generating Public Company Limited
2012	Vice President - Accounting Electricity Generating Public Company Limited
2011 - 2012	Vice President - Tax compliance/Planning Electricity Generating Public Company Limited
2010 - 2011	Vice President - Accounting Electricity Generating Public Company Limited
2004 - 2010	Vice President - Tax compliance/Planning Electricity Generating Public Company Limited

# The Position of EGCO's Management and the Control Persons in the Subsidiaries and Other Related Companies as of January 31, 2014

Name		EGCO		Major Subsidiaries		Subsidiaries (Core Business)		Subsidiaries					Joint Ventures																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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4	Mr. Chotchai Charoenngam (effective on December 1, 2013)	I, N, C																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	Mr. Sorajak Kasemsuvan (resign on October 18, 2013)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
5	Mr. Somphot Kanchanaporn (effective on December 16, 2013)	I, A																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
	Mr. Pasan Theparak (resign on November 8, 2013)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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7	Mr. Phalboon Siripanoosaitien	I, N, CC <sup>1</sup>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
8	Mr. Kulit Sombatsiri	D, C		D																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
9	Mr. Mongkol Sakulao (effective on January 1, 2014)	D, X		Deputy Governor																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
	Mr. Pithsanu Thongveerakul (resign on January 1, 2014)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
10	Mr. Piboon Buacham (effective on January 1, 2014)	D, N		Deputy Governor																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
	Mr. Surasak Supavittitpatana (resign on January 1, 2014)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														

## Remark

A. DDD = Chairman D = Director XX = Chairman of Investment Committee X = Investment Committee Member I = Independent Director AA = Chairman of Audit Committee A = Audit Committee Member NN = Chairman of Nomination and Remuneration Committee N = Nomination and Remuneration Committee Member CC = Chairman of Corporate Governance and Social Responsibility Committee C= Corporate Governance and Social Responsibility Committee Member GG = Chairman of Good Corporate Governance Committee G = Good Corporate Governance Committee Member CC<sup>1</sup> = appointed as a new Chairman of CC to succeed Mr. Sorajak Kasemsuvan NN<sup>1</sup> = appointed as a new Chairman of NRC to succeed Mr. Hideo Kuramochi





# The Positions of KEGCO's Management and the Control Persons in EGCO Group Companies as of December 31, 2013

Name		KEGCO																		Other Companies in EGCO Group																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18																		
1	Mr. Sahut Pratumkul		DD					D								D		DD																			
2	Mr. Piya Jetsanon		D	D				D								D			D																		
3	Mr. John Palumbo		D																D																		
4	Mr. Nivat Adirek		D	D															D																		
5	Mr. Voravit Potisuk		D												D	D																					
6	Mr. Chumsak Desudjit	DD	D		DD	DD										D																					
7	Mr. Wajarapong Palakawong Na Ayudhya		D, Managing Director				DD																														
8	Mr. Sakul Pochanart		D					D							D	D																					
9	Mr. Chankij Jearaphunt		D						D				D	D																							
10	Mr. Mana Vitaskul	Deputy Managing Director - Operation																																			
11	Mr. Tanit Kalunkul	Maintenance Division Manager																																			
12	Mr. Annat Tippayarak	Production Control Division Manager																																			
13	Mr. Apichai Komhant	Accounting & Finance Division Manager																																			
14	Mr. Pairote Boornmak	Corporate Affairs Division Manager																																			

## Remark

A. DD = Chairman D = Director

B. 1 = EGCO Cogeneration Co., Ltd.

2 = EGCO Engineering & Service Co., Ltd.

3 = EGCO International (B.V.I) Ltd.

4 = EGCO Green Energy Co., Ltd.

5 = Roi-Et Green Co., Ltd.

6 = Egcom Tara Co., Ltd.

7 = Gulf Electric Public Co., Ltd.

8 = Gulf Power Generation Co., Ltd.

9 = Gulf Cogeneration Co., Ltd.

10 = Nongkhae Cogeneration Co., Ltd.

11 = Samutprakarn Cogeneration Co., Ltd.

12 = Gulf Energy Co., Ltd.

13 = Gulf IPP Co., Ltd.

14 = Nam Thuen 2 Power Co., Ltd.

15 = BLCP Power Ltd.

16 = Eastern Water Resources Development and Management Public Co., Ltd.

17 = Natural Energy Development Co., Ltd.

18 = North Pole Investment Co., Ltd.

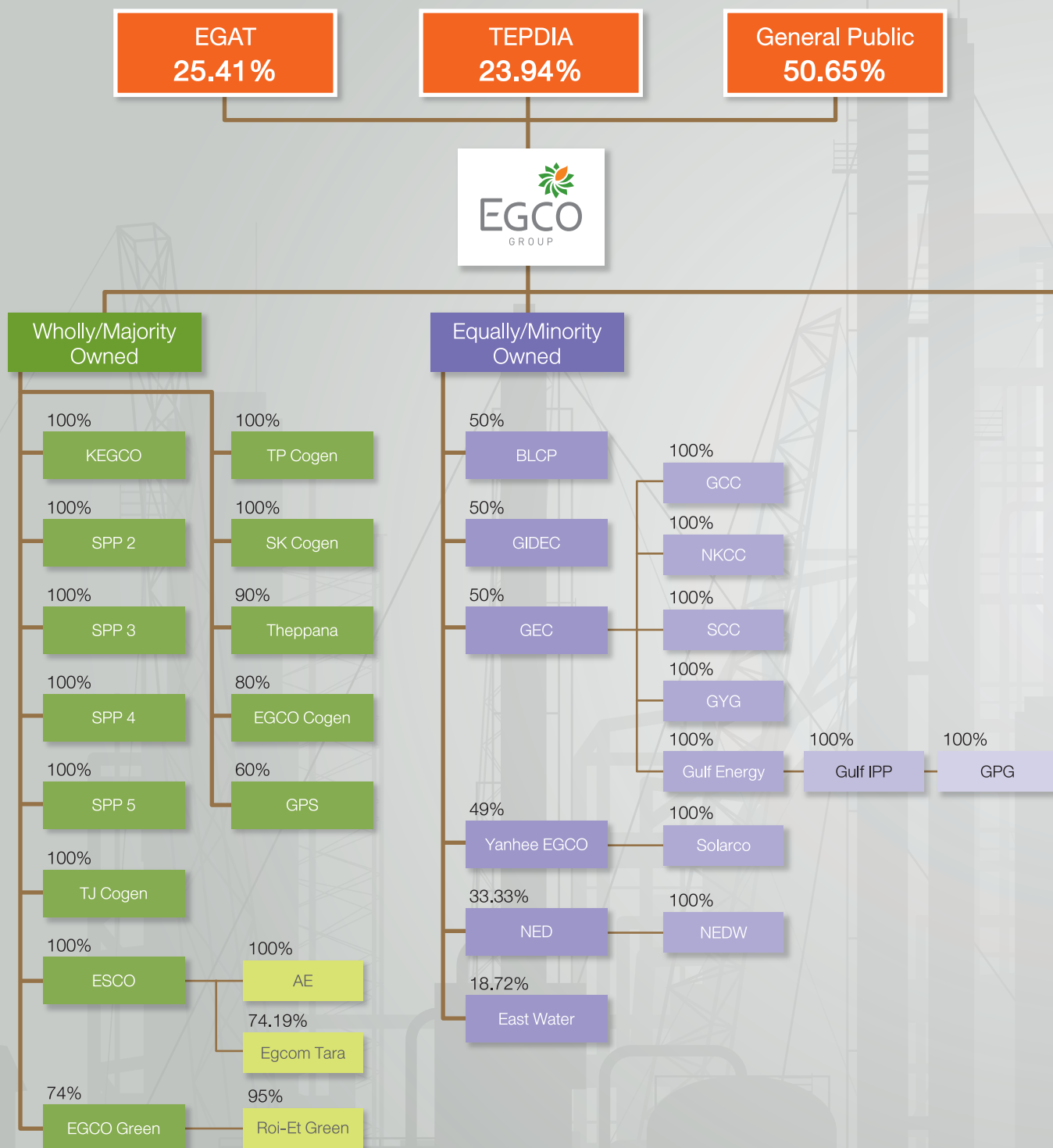
The Positions of EGCO Cogen's Management and the Control Persons in EGCO Group Companies as of December 31, 2013

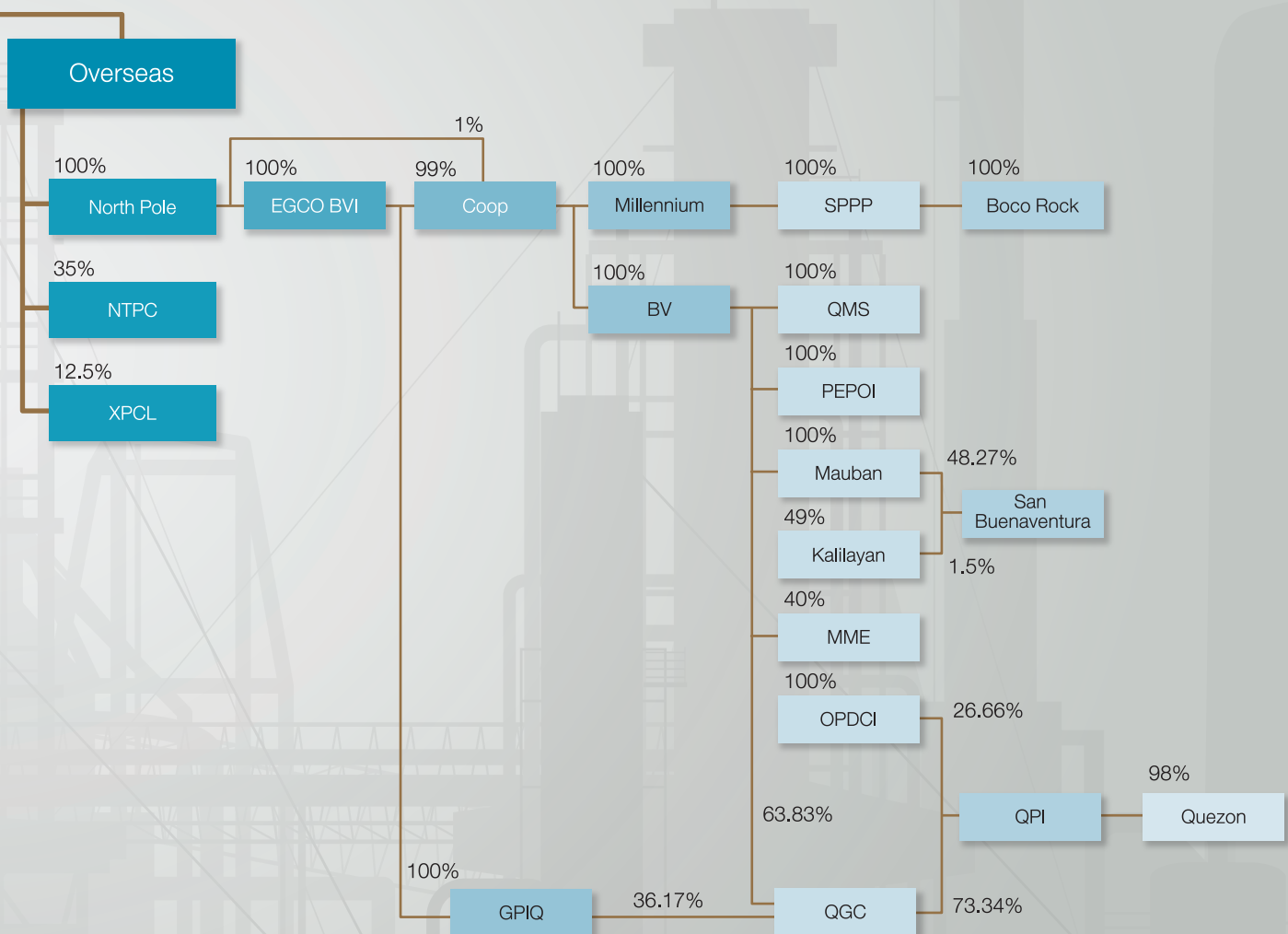
Name	EGCO Cogen	Other Companies in EGCO Group													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 Mr. Pornsak Pornchanadham (effective on April 17, 2013) Mr. Chumsak Desudjit (retired by rotation on April 17, 2013)	DD			DD	DD										
2 Mr. Thongchai Chotkajornkiat (effective on April 17, 2013) Mr. Narong In-eav (retired by rotation on April 17, 2013)	D			D	D										
3 Ms. Saranya Kalawantvanich (effective on April 17, 2013) Ms. Somsiri Yosook (retired by rotation on April 17, 2013)	D														
4 Mr. Pasagorn Sasanawin (effective on April 17, 2013) Mr. Supoth Chantavilartkul (retired by rotation on April 17, 2013)	D, General Manager														
5 Mr. Yasuhiro Koide	D			D	D										

Remark

- A. DD = Chairman D = Director
- B. 1 = Khanom Electricity Generating Co., Ltd.  
2 = EGCO Engineering & Service Co., Ltd.  
3 = EGCO Green Energy Co., Ltd.  
4 = Roi-Et Green Co., Ltd.  
5 = Egcom Tara Co., Ltd.  
6 = Gulf Electric Public Co., Ltd.  
7 = EGCO International (B.V.) Ltd.  
8 = North Pole Investment Co., Ltd.  
9 = Nam Theun 2 Power Co., Ltd.  
10 = BLCP Power Ltd.  
11 = Gulf Energy Co., Ltd.  
12 = Conal Holdings Corporation  
13 = Northern Mindanao Power Corporation  
14 = Quezon Generating Co., Ltd.

## Group Structure and Shareholders

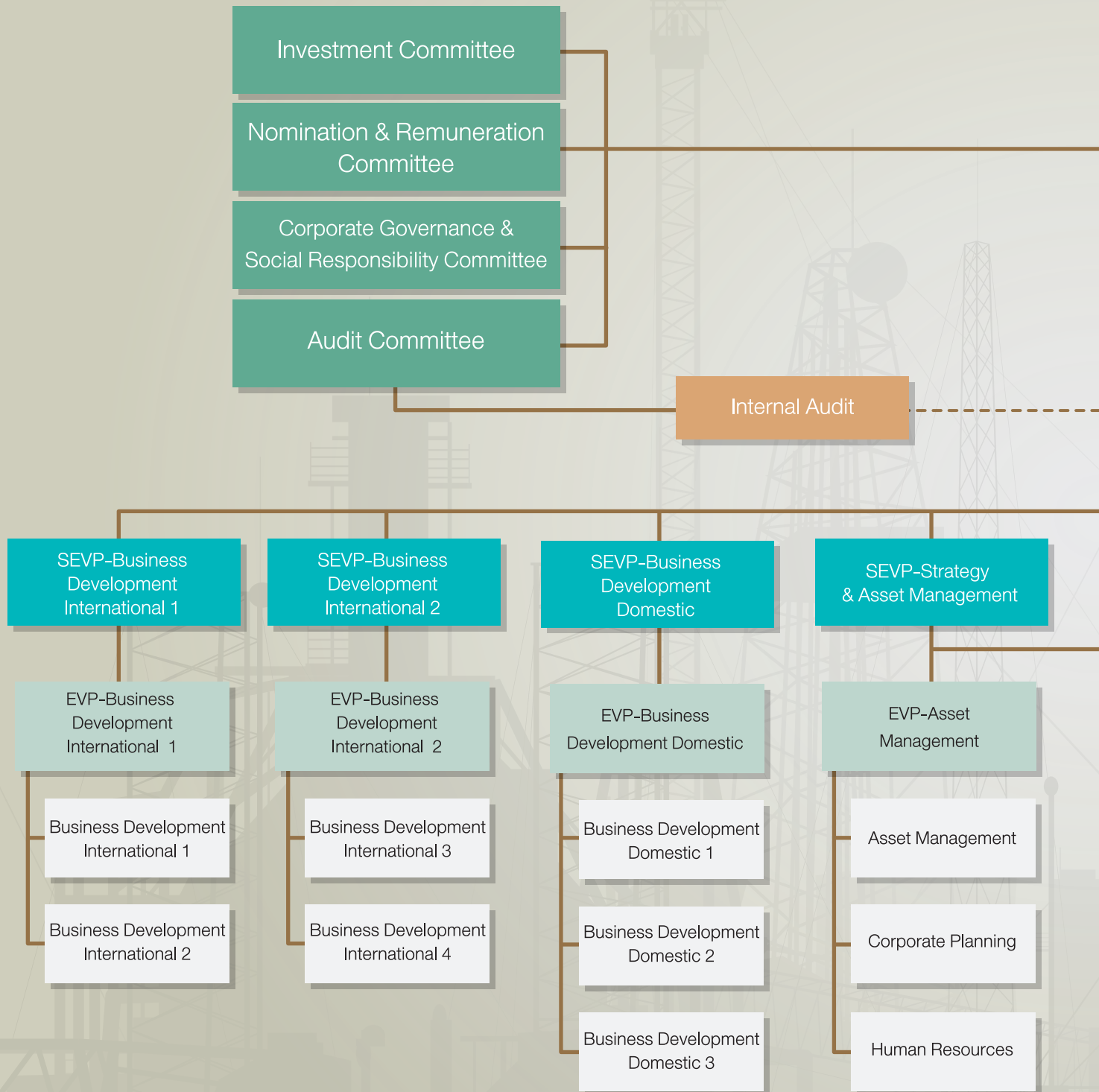


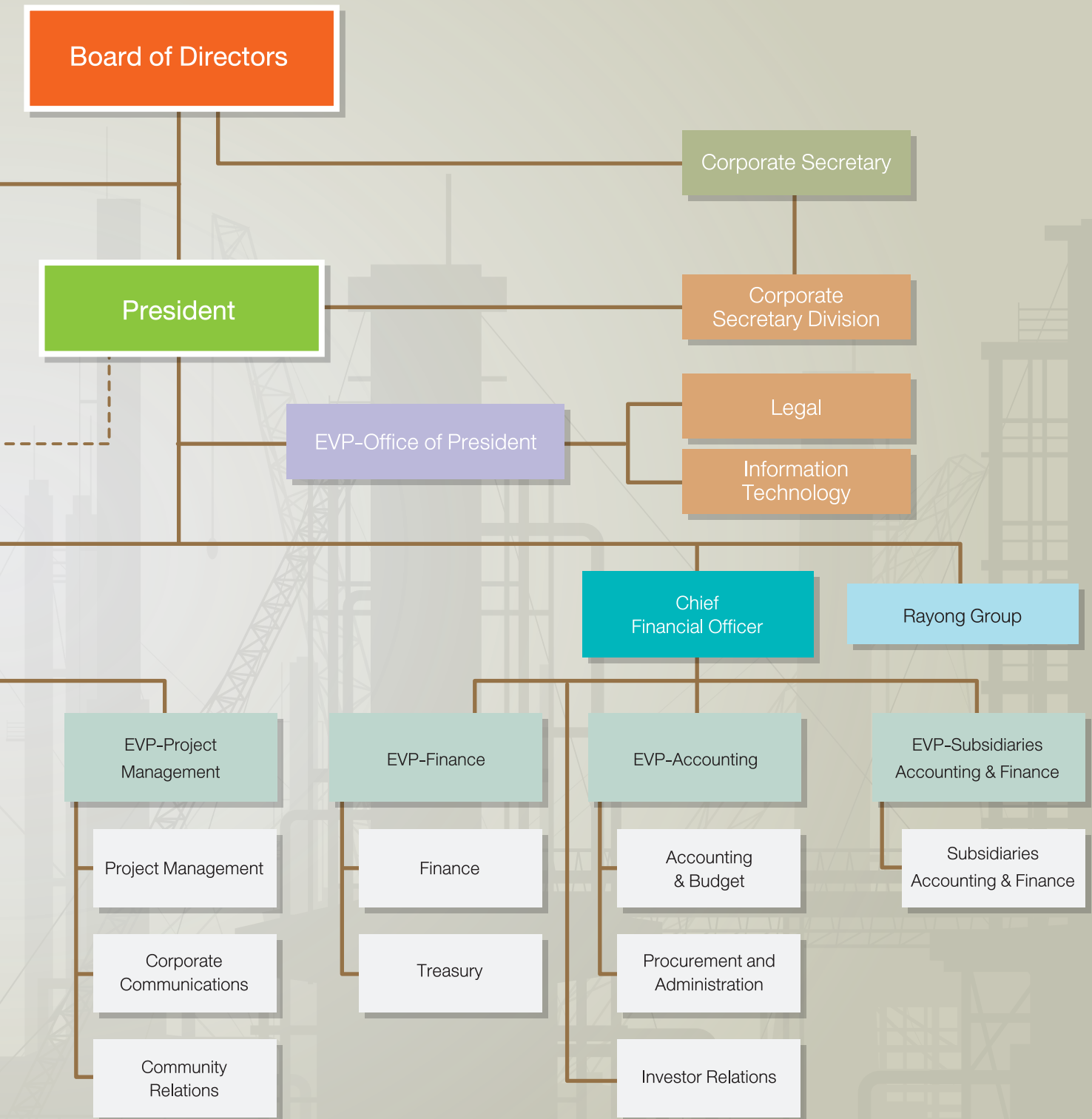


as of 10 February 2014



## EGCO's Organization Structure





Effective 1 January, 2013

## Business Characteristics



Since EGCO is a holding company, its main source of revenue is from the dividend income from subsidiaries and share of profits from joint ventures



The Electricity Generating Public Company Limited or EGCO is the first independent power producer in Thailand registered on May 12, 1992 by the Electricity Generating Authority of Thailand (EGAT). Such incorporation marked the commencement of the Thai government's privatization initiatives to allow broader private sector investment in the electricity generating sector. On March 23, 1994, EGCO was transformed into a public company and then listed on the Stock Exchange of Thailand (SET) on January 16, 1995.

Since EGCO is a holding company, its main source of revenue is from the dividend income from subsidiaries and share of profits from joint ventures located in both Thailand and the Asia Pacific region. EGCO Group companies either operate in the power sector with long term Power Purchase Agreement (PPA) or conduct other related short and long term businesses.





## Business Lines

EGCO businesses can be categorized into 5 groups as follows :

1. **Independent Power Producer (IPP) Group** : This Group comprises of Rayong Power Plant, Khanom Electricity Generating Company Limited (KEGCO) , BLCP Power Limited (BLCP) and Gulf Power Generation Company Limited (GPG). The combined megawatt equity calculated on December 31, 2013 is 3,463 megawatt which accounts for 73.21% of EGCO's total asset portfolio.
2. **Small Power Producer (SPP) Group** : This Group comprises of EGCO Cogeneration Company Limited (EGCO Cogen), Roi-Et Green Company Limited (Roi-Et Green), Gulf Cogeneration Company Limited (GCC), Nong Khae Cogeneration Company Limited (NKCC), Samutprakarn Cogeneration Company Limited (SCC), Gulf Yala Green Company Limited (GYG) and Natural Energy Development Company Limited (NED) The combined capacity is 314.06 megawatt equity, representing 6.64% of EGCO's total asset portfolio.
3. **Very Small Power Producer (VSPP) Group** : This Group comprises of SPP Two Company Limited (SPP 2), SPP Three Company Limited (SPP 3), SPP Four Company Limited (SPP 4), SPP Five Company Limited (SPP 5), G-Power Source Company Limited (GPS), Theppana Wind Farm Company Limited (Theppana), and Solarco Company Limited (Solarco) The combined capacity is 80.28 megawatt equity, representing 1.70% of EGCO's total asset portfolio.
4. **Overseas Power Producer Group** : This Group comprises of Quezon Power (Philippines) Limited Company (Quezon) in Philippines and Nam Theun 2 Power Company Limited (NTPC) in Lao PDR. The combined megawatt equity is 872.83 megawatt, representing 18.45% of EGCO's total asset portfolio.
5. **Other Business Group** : This Group comprises of 2 operation and maintenance companies being EGCO Engineering & Service Co., Ltd. (ESCO) and Pearl Energy Philippines

Operating, Inc. (PEPOI). There are 2 water supply companies being Egcom Tara Company Limited (Egcom Tara) and the Eastern Water Resources Development and Management Public Company Limited (East Water) and also 1 Coal Mine being PT Manambang Muara Enim Company Limited (MME).

Details of each project are shown in the table at the end of this part.

### Significant Events

As at December 31, 2013, EGCO Group operated 20 power plants with 4,730.17 megawatt equity. The power sold to EGAT was 3,879.86 megawatt representing 11.52% of the total installed capacity sold to EGAT at 33,681.02 megawatt. EGCO Group also operated and sold power to PEA at 82.41 megawatt. Highlights of the events in 2013 were as follows :

1. On June 25, 2013, EGCO entered into the Share Purchase Agreement through the acquisition of 100 percent equity from Asia Pacific Renewables Limited to invest in the Boco Rock Wind Farm Project (Boco Rock), and the relevant share transfers were completed on June 26, 2013. The Boco Rock Project, located in the State of New South Wales, Canberra, Australia, is a Greenfield wind farm with an initial installed capacity of 113 megawatt. The scheduled COD is in February 2015.
2. On July 2, 2013, EGCO entered into the Share Purchase Agreement to divest its 40 percent of shares in Conal Holdings Corporation (Conal), the holding company focusing on power business in the Philippines held by EGCO International (B.V.I.) Limited (EGCO BVI) to Alson Consolidated Resources, Inc. (ACR). Conal, EGCO's joint venture, invests in power plant operation and management company in the Philippines.
3. On July 25, 2013, Khanom Electricity Generating Company Limited (KEGCO), in which EGCO holds 100% of stakes, entered into a Power Purchase Agreement (PPA) for the Khanom 4 project (KN4) with Electricity Generating Authority of Thailand (EGAT) for 25 years starting from the commercial operation date scheduled on June 19, 2016. KN4 project is a cogeneration power plant, located in Nakhon Si Thammarat operating with natural gas as a primary fuel to generate electricity at total contracted capacity 930 megawatt, located in Nakhon Si Thammarat.
4. On October 21, 2013, EGCO entered into the Share Purchase Agreement to divest its 50 percent of shares in Absolute Power P Company Limited (APPC) to Singh Corporation Company Limited (Singh). APPC, EGCO's joint venture, located in Rayong, selling biodiesel and downstream product.
5. On December 17, 2013, Chaiphaphum Wind Farm Company Limited (Chaiphaphum) in which EGCO holds 90 percent of stakes, entered into a Power Purchase Agreement (PPA) with Electricity Generating Authority of Thailand (EGAT). Chaiphaphum is a wind farm power plant with the contracted capacity of 90 megawatt, located in Chaiphaphum province. The scheduled commercial operation date is on December 1, 2016.



Table 1. EGCO's Business Line :

1. IPP Group	
<b>1.1 Rayong Power Plant (RYPP)</b>	<p>Rayong power plant is the first IPP in Thailand located in Rayong province. It is a 1,232-megawatt (MW) power plant comprising four identical 308-MW combined cycle power blocks using natural gas as a primary fuel to generate and sell all net electricity output to EGAT under the 20 years Power Purchase Agreement (PPA).</p> <p>In 2013, Rayong power plant generated and sold 2,693.31 million kilowatt-hour (kWh) electricity output to EGAT. Its annual average Equivalent Availability Factor (EAF) was 96.30%.</p>
<b>1.2 Khanom Electricity Generating Company Limited (KEGCO)</b>	<p>EGCO directly holds a 100% stake in KEGCO which owns and operates Khanom Power Plant which is known as the largest independent power plant in the southern area of Thailand located in Nakhon Si Thammarat province. It is a 749-MW power plant combining of 75-MW barge-mouthed power units and 674-MW combined cycle power block using natural gas as a primary fuel to generate and sell all net electricity output to EGAT under the 20 years PPA.</p> <p>On July 25, 2013, KEGCO entered into PPA KN4 with EGAT for 25 years. KN4 is combined cycle power plant using natural gas as primary fuel to generate electricity at contracted capacity 930-MW. The commercial operation date is scheduled on June 19, 2016, which is the same date as the expiration date of existing power plant.</p> <p>In 2013, Khanom Power Plant generated and sold 5,187.62 million kWh electricity output to EGAT. Its annual average EAF was 87.14%.</p>
<b>1.3 BLCP Power Limited (BLCP)</b>	<p>EGCO directly holds a 50% stake in BLCP which owns and operates an IPP coal-fired power plant located in Rayong province. It is a 1,434-MW power plant comprising two identical 717-MW pulverized coal-fired power units using high quality bituminous imported from Australia as a primary fuel to generate and sell all net electricity output to EGAT under the 25 years PPA.</p> <p>In 2013, BLCP power plant generated and sold 10,157.53 million kWh electricity output to EGAT, while its annual average EAF for unit 1 and unit 2 were 90.75% and 92.11%, respectively.</p>
<b>1.4 Gulf Power Generation Company Limited (GPG)</b>	<p>EGCO indirectly holds a 50% stake in GPG via its 50% ownership in Gulf Electric Public Company Limited (GEC). GPG owns and operates an IPP gas-fired power plant, called Kaeng Khoi 2 (KK2), located in Saraburi province. It is a 1,510-MW power plant composed of two 755-MW combined cycle power blocks using natural gas as a primary fuel to generate and sell all net electricity output to EGAT under the 25 years PPA.</p> <p>In 2013, KK2 power plant generated and sold 9,323.12 million kWh electricity output to EGAT. The annual average EAF for block 1 and block 2 were 85.83% and 94.69%, respectively.</p>
2. SPP Group	
<b>2.1 EGCO Cogeneration Company Limited (EGCO Cogen)</b>	<p>EGCO directly holds an 80% stake in EGCO Cogen which owns and operates a SPP cogeneration power plant located in Rayong province. It is a 117-MW cogeneration power plant with steam supply of 30 tons per hour using natural gas as a primary fuel. EGCO Cogen can sell both electricity and steam outputs. Under the SPP firm cogeneration program, it signed a 60-MW contracted capacity with EGAT under the 21 years PPA, while the rest of capacities were committed to the industrial users in Rayong Industrial Park under the long-term PPAs.</p>

In 2013, EGCO Cogen power plant generated and sold 739.85 million kWh electricity output to its customers. Its annual average EAF was 98.20 % and the steam output to the industrial user was 49,374.00 tons.

## 2.2 Roi-Et Green Company Limited (Roi-Et Green)

EGCO indirectly holds a 70.30% stake in Roi-Et Green via EGCO Green Company Limited. Roi-Et Green owns and operates a SPP renewable power plant located in Roi-Et province. It is a 9.9-MW biomass-fired power plant using rice husk as a primary fuel. Under the SPP firm renewable program, it signed an 8.8-MW contracted capacity with EGAT under the 21-year PPA.

In 2013, Roi-Et Green power plant generated and sold 65.84 million kWh electricity output to EGAT, while its annual average EAF was 88.52%.

## 2.3 Gulf Cogeneration Company Limited (GCC)

EGCO indirectly holds a 50% stake in GCC via GEC. GCC owns and operates a SPP cogeneration power plant located in Saraburi province. It is a 110-MW cogeneration power plant with steam supply of 16 tons per hour using natural gas as a primary fuel. GCC can sell both electricity and steam outputs. Under the SPP firm cogeneration program, it signed 90-MW contracted capacity with EGAT under the 21 years PPA, while the rest of capacities were signed with the industrial users under the long-term PPAs.

In 2013, GCC power plant generated and sold 744.48 million kWh electricity output to EGAT and Industrial units, while its annual average EAF was 98.64% and the steam output to the industrial users was 160,190.66 tons.

## 2.4 Nong Khae Cogeneration Company Limited (NKCC)

EGCO indirectly holds a 50% stake in NKCC via GEC. NKCC owns and operates a SPP cogeneration power plant located in Saraburi province. It is a 126-MW cogeneration power plant with steam of 24 tons per hour using natural gas as a primary fuel. NKCC can sell both electricity and steam outputs. Under the SPP firm cogeneration program, it signed 90-MW contracted capacity with EGAT under the 21 years PPA, while the rest of capacities were signed with the industrial users under the long-term PPAs.

In 2013, NKCC power plant generated and sold 842.94 million kWh electricity output to EGAT and Industrial units, while its annual average EAF was 98.54% and the steam output to the industrial users was 173,136.50 tons.

## 2.5 Samutprakarn Cogeneration Company Limited (SCC)

EGCO indirectly holds a 50% stake in SCC via GEC. SCC owns and operates a SPP cogeneration power plant located in Samutprakarn province. It is a 126-MW cogeneration power plant with steam of 24 tons per hour using natural gas as a primary fuel. SCC can sell both electricity and steam outputs. Under the SPP firm cogeneration program, it signed 90-MW contracted capacity with EGAT under the 21 years PPA, while the rest of capacities were signed with the industrial users under the long-term PPAs.

In 2013, SCC power plant generated and sold 788.25 million kWh electricity output to EGAT and Industrial units, while its annual average EAF was 93.51% and the steam output to the industrial users was 130,056.83 tons.

## 2.6 Gulf Yala Green Company Limited (GYG)

EGCO indirectly holds a 50% stake in GYG via GEC. GYG owns and operates a SPP renewable power plant located in Yala province. It is a 23-MW biomass-fired power plant using parawood residue as a primary fuel. Under the SPP firm renewable program, it signed 20.2-MW contracted capacity with EGAT under the 25 years PPA.

In 2013, GYG power plant generated and sold 141.12 million kWh electricity output to EGAT, while its plant annual average EAF was 84.28%.

## 2.7 Natural Energy Development Company Limited (NED)

EGCO directly holds a 33.33% stake in NED which owns and operates a 55-MW thin film solar power plant (Lopburi Solar) located in Lopburi province. NED signed a PPA with EGAT for the sale of all net electricity output generated. The term of the

PPA is 5 years from the Commercial Operation Date (“COD”) and will be renewed for 5-years contract each time. NED is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff.

On May 2, 2013, another solar power plant project of NED, called Wang Ploeng Solar, located in Lopburi province, has started its commercial operation. It is an 8-MW solar power plant, which sells all net electricity to PEA under 5 years Non-firm PPA and the contract can be renewed for 5 years each time. NED is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff.

In 2013, the Lopburi Solar Power Plant generated and sold 109.40 million kWh electricity output to EGAT, while its plant annual average availability was 99.60%. In addition, the Wang Ploeng Solar Power Plant generated and sold 10.70 million kWh electricity output to EGAT, while its plant annual average availability was 97.39%.

### 3. VSPP Group

#### 3.1 SPP Four Company Limited (SPP 4)

EGCO directly holds a 100% stake in SPP 4 which owns and operates the 6-MW solar power plant located in Srisaket province from MEMC Singapore Pte Ltd. SPP4 has entered into a non-firm PPA with PEA under VSPP. The project is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff. Additionally, the plant is the first private solar power project equipped with the tracking system.

In 2013, SPP 4 Power Plant generated and sold 12.28 million kWh electricity output to PEA, while its plant annual average availability was 98.57%.

#### 3.2 SPP Three Company Limited (SPP 3)

EGCO directly holds a 100% stake in SPP 3 which owns and operates the 8-MW solar power plant located in Srisaket province from MEMC Singapore Pte Ltd. SPP 3 has entered into a non-firm PPA with PEA under VSPP. The project is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff. Additionally, the plant is equipped with the tracking system.

In 2013, SPP 3 Power Plant generated and sold 15.63 million kWh electricity output to PEA, while its plant annual average availability was 98.74%.

#### 3.3 G-Power Source Company Limited (GPS)

EGCO directly holds a 60% stake in GPS with Gunkul Engineering Public Company Limited which owns and operates 4 solar power plants under 4 PPAs with the PEA with capacity of 6.5 MW each, total capacity of 26-MW. GPS is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff. GPS comprises 1) Ta Khit Solar Power Project, Nakhon Sawan Province 2) Ta Sang Solar Power Project, Nakhon Sawan Province 3) Dong Khon Solar Power Project, Chai Nat Province, and 4) Bueng Sam Pan Solar Power Project, Petchaboon Province. The Bueng Sam Pan Solar Power Project has started its commercial operation on February 1, 2013.

In 2013, Ta Khit Solar Power Project, Ta Sang Solar Power Project, Dong Khon Solar Power Project, and Bueng Sam Pan Solar Power Project generated and sold 45.61 million kWh electricity output to PEA, while its plant annual average availability was 95.96%.

#### 3.4 SPP Two Company Limited (SPP 2)

EGCO directly holds a 100% stake in SPP 2 which owns and operates the 8-MW solar power plant located in Saraburi province from SunEdison Energy Holding (Singapore) Pte. Ltd. SPP 2 has entered into a non-firm PPA with PEA under VSPP. The project is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff. Additionally, the plant is equipped with the tracking system.

In 2013, SPP 2 Power Plant generated and sold 16.28 million kWh electricity output to PEA, while its plant annual average availability was 99.22%.

### 3.5 SPP Five Company Limited (SPP 5)

EGCO directly holds a 100% stake in SPP 5 which owns and operates the 8-MW solar power plant located in Roi-Et province from SunEdison Energy Holding (Singapore) Pte. Ltd. SPP 5 has entered into a non-firm PPA with PEA under VSPP. The project is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff. Additionally, the plant is equipped with the tracking system.

In 2013, SPP 5 Power Plant generated and sold 16.30 million kWh electricity output to PEA, while its plant annual average availability was 99.52%.

### 3.6 Theppana Wind Farm Company Limited (Theppana)

EGCO directly holds a 90% stake in Theppana which owns and operates the 7.5 MW wind power plant located in Chaiyaphum province with PVI Group. Theppana has entered into a non-firm PPA with PEA under VSPP. The project is subsidized with adder of 3.50 baht per kWh on top for 10 years of its wholesale tariff starting from its COD on July 18, 2013.

In 2013, Theppana Power Plant generated and sold 5.33 million kWh electricity output to PEA, while its plant annual average EAF was 93.58%.

### 3.7 Solarco Company Limited (Solarco)

EGCO directly holds a 49% stake in Solarco which owns and operates 6 solar power plants located in Nakornpathom and Supanburi province with Yanhee Solar Power. Solarco has entered into 6 non-firm PPAs with PEA under VSPP with the capacity of 9.5-MW each, total capacity 57-MW. Solarco has started supplying electricity to PEA from the following solar power projects namely Sai Yai 1 Solar Power Plant, Sai Yai 2 Solar Power Plant, and Sai Phet 3 Solar Power Plant, which started commercial operation on November 18, 2013, while Sai Phet 1 Solar Power Plant, Sai Phet 2 Solar Power Plant, and Sai Kiew Solar Power Plant started commercial operation date on December 16, 2013. The project is subsidized with adder of 8 baht per kWh on top for 10 years of its wholesale tariff starting from its COD.

In 2013, Solarco Power Plant generated and sold 9.56 million kWh electricity output to PEA, while its plant annual average EAF was 99.63%.

## 4. Overseas Group

### 4.1 Quezon Power (Philippines) Limited Company (Quezon)

EGCO indirectly holds a 98% in Quezon via North Pole Investment Company Limited (North Pole) and EGCO BVI. Quezon owns and operates a 502.50-MW pulverized coal-fired power plant using the high quality coal imported from Indonesia as a primary fuel. Under the 25 years PPA, it generates and sells net electricity output to Manila Electric Company (“MERALCO”), the country’s largest power distribution company, and also provides additional load stability of Luzon power grid.

In 2013, Quezon power plant generated and sold 2,825.95 million kWh electricity output to MERALCO, while its annual average EAF was 90.33%.

### 4.2 Nam Theun 2 Power Company Limited (NTPC)

EGCO directly holds 35% stake in NTPC, which owns and operates a 1,086.80-MW hydroelectric power plant located in Lao PDR. It generates and sells 948-MW contracted capacity to EGAT and 75-MW contracted capacity to Electricité du Laos (EDL) under the 25 years PPAs starting from its COD.

In 2013, NTPC power plant generated and sold 5,896.57 million kWh electricity output to EGAT and 377.70 million kilowatt-hours electricity output to EDL, while its annual average EAF for EGAT was 96.31 and 96.42 for EDL.

## 5. Other Businesses

### 5.1 EGCO Engineering & Service Company Limited (ESCO)

ESCO is EGCO's wholly owned subsidiary which provides operation, maintenance, engineering and construction services to power plants, petrochemical plants, oil refineries and other industries including the Group companies.

### 5.2 Pearl Energy Philippines Operating Inc. (PEPOI)

EGCO holds the acquisition of 100% of the outstanding shares of PEPOI (formally named "Covanta Philippines Operating Inc."), the entity which provides operation and maintenance services to Quezon power plant through a long-term operation and maintenance agreement.

### 5.3 Quezon Management Service Inc. (QMS)

EGCO completed the acquisition of 100% of QMS, the entity which provides management services to Quezon power plant through a long-term management service agreement.

### 5.4 Egcom Tara Company Limited (Egcom Tara)

EGCO holds 74.19% stake in Egcom Tara via ESCO. Under a 30 years agreement, Egcom Tara produces tap water according to Thai Industrial Standard (TIS) and supplies to the 3 water stations of the Provincial Waterworks Authority of Thailand (PWA), namely, Lak Muang Water Station, Damnoen Saduak Water Station and Samut Songkhram Water Station.

### 5.5 Eastern Water Resources Development and Management Public Company Limited (East Water)

EGCO holds 18.72% of shares in East Water which is responsible for developing and operating the main raw water pipe network in the Thailand Eastern Seaboard area covering 7 provinces namely, Rayong, Chonburi, Chachoengsao, Prachinburi, Srakaew, Chantaburi and Trad.

### 5.6 PT Manambang Muara Enim Company Limited (MME)

EGCO indirectly holds 40% stake in MME via New Growth B.V. in Netherlands. MME owns and operates a Coal Mine Project, which is an open-bit coal mine located in South Sumatra, Republic of Indonesia, with the concession agreement from the government of the Republic of Indonesia for 28 years since March 2010 to March 2038. MME has mineable coal reserves of 140 million tons. The sales volume of MME in the end of 2013 was at 0.58 million tons.



## Revenue Structure

Million Baht

Product Service	Transaction	% Shareholding	2013		2012 (Restated)		2011	
			Revenue	%	Revenue	%	Revenue	%
Electricity	<b>IPP</b>			<b>54.30%</b>		<b>41.54%</b>		<b>33.27%</b>
	Rayong power plant (formerly REGCO)							
	Capacity Charge		2,125.65	8.20%	2,043.26	8.40%	2,201.28	16.54%
	Energy Charge		75.53	0.29%	123.35	0.51%	57.05	0.43%
	KEGCO	99.99%						
	Capacity Charge		1,972.47	7.61%	1,696.70	6.98%	2,098.32	15.77%
	Energy Charge		63.05	0.24%	65.96	0.27%	72.08	0.54%
	Quezon 98% <sup>/A</sup> and North Pole	98.00%						
	Energy Charge		9,839.36	37.96%	6,173.09	25.38%		
	<b>SPP</b>			<b>11.23%</b>		<b>8.34%</b>		<b>17.95%</b>
	EGCO Cogen	80.00%						
	Energy Charge		2,547.48	9.83%	1,631.00	6.71%	2,064.46	15.51%
	Roi-Et Green	70.30%						
	Energy Charge		364.59	1.41%	396.89	1.63%	324.60	2.44%
	<b>VSPP</b>			<b>1.01%</b>		<b>0.62%</b>		
	SPP2 <sup>/B</sup>	99.99%						
	Energy Charge		57.50	0.22%	41.78	0.17%		
	SPP3 <sup>/C</sup>	99.99%						
	Energy Charge		54.65	0.21%	43.62	0.18%		
	SPP4 <sup>/D</sup>	99.99%						
	Energy Charge		42.99	0.17%	37.06	0.15%		
	SPP5 <sup>/E</sup>	99.99%						
	Energy Charge		57.24	0.22%	28.04	0.12%		
	Yanhee EGCO <sup>/F</sup>	49.00%						
	Energy Charge		34.19	0.13%				
	Theppana <sup>/G</sup>	90.00%						
	Energy Charge		16.45	0.06%				
Service	ESCO	99.99%	725.52	2.80%	819.05	3.37%	375.93	2.82%
	PEPOI <sup>/H</sup>	100.00%	320.62	1.24%	310.30	1.28%	198.75	1.49%
	QMS <sup>/I</sup>	100.00%	80.19	0.31%	33.00	0.14%		
Water	Egcom Tara	74.19%	308.76	1.19%	290.54	1.19%	268.56	2.02%
Interest income	EGCO		26.64	0.10%	113.71	0.47%	141.21	1.06%
	Rayong power plant		0.14	0.00%	0.79	0.00%	4.38	0.03%
	KEGCO		7.81	0.03%	6.02	0.02%	9.71	0.07%
	Quezon 98% and North Pole		1.83	0.01%	2.56	0.01%		
	EGCO cogen, EGCO Green, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Theppana, ESCO, Egcom Tara, PEPOI, QMS and Boco Rock		30.52	0.12%	30.48	0.13%	21.10	0.16%

Million Baht

Product Service	Transaction	% Shareholding	2013		2012 (Restated)		2011	
			Revenue	%	Revenue	%	Revenue	%
Others	EGCO		215.58	0.83%	4,506.28	18.53%	208.91	1.57%
	Rayong power plant		48.47	0.19%	48.81	0.20%	49.20	0.37%
	KEGCO		1.24	0.00%	2.18	0.01%	1.12	0.01%
	EGCO cogen, EGCO Green, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Theppana, ESCO, Egcom Tara, PEPOI, QMS and Boco Rock		650.88	2.51%	337.07	1.39%	13.48	0.10%
Share of profit (loss)	BLCP	50.00%	2,369.99	9.14%	2,011.22	8.27%	1,849.03	13.89%
	GEC	50.00%	2,131.20	8.22%	2,075.55	8.53%	1,836.18	13.80%
	NED	33.33%	243.24	0.94%	160.14	0.66%	(28.21)	(0.21%)
	NTPC	35.00%	1,407.98	5.43%	618.28	2.54%	1,045.62	7.86%
	Conal <sup>/J</sup>	40.00%	34.04	0.13%	78.98	0.32%	19.66	0.15%
	Quezon 52.125% <sup>/K</sup>	52.125%	-	-	551.91	2.27%	477.41	3.59%
	GPS <sup>/L</sup>	60.00%	134.69	0.52%	38.84	0.16%		
	APPC <sup>/M</sup>	50.00%	(24.05)	(0.09%)	(15.81)	(0.06%)		
	GIDEC <sup>/N</sup>	50.00%	(27.39)	(0.11%)	(4.10)	(0.02%)		
	MME <sup>/O</sup>	40.00%	(18.05)	(0.07%)	25.74	0.11%		
Total revenues (revenues item in consolidated)			25,920.98	100%	24,322.31	100%	13,309.84	100%

## Notes

<sup>/A</sup> EGCO acquired an additional 45.875% in Quezon Power (Philippines) Limited Co. (Quezon) on May 11, 2012. The acquisition were completed on June 11, 2012. Revenue of Northpole included with Quezon 98% in the year 2012.

<sup>/B</sup> EGCO acquired 99.99% stakes in SPP2 Company Limited (SPP2) on May 23, 2012.

<sup>/C</sup> EGCO acquired 99.99% stakes in SPP3 Company Limited (SPP3) on February 29, 2012.

<sup>/D</sup> EGCO acquired 99.99% stakes in SPP4 Company Limited (SPP4) on January 23, 2012.

<sup>/E</sup> EGCO acquired 99.99% stakes in SPP5 Company Limited (SPP5) on June 18, 2012.

<sup>/F</sup> EGCO signed a Shareholder Agreement with Yanhee Solar Power Company Limited for the acquisition of 49% in Yanhee EGCO Holding Company Limited (Yanhee EGCO) on February 27, 2012.

<sup>/G</sup> EGCO acquired 90% stakes in Theppana Wind Farm Company Limited (Theppana) on January 18, 2012.

<sup>/H</sup> EGCO purchased ordinary shares in PEPOI on March 25, 2011, increasing its ownership 100%

<sup>/I</sup> EGCO acquired 100% ownership interest in Quezon Management Services Inc. (QMS) (formerly InterGen Management Services (Philippines), Ltd. (IMS)) on May 11, 2012. The acquisition were completed on June 11, 2012.

<sup>/J</sup> EGCO sold ordinary shares in Conal on July 2, 2013.

<sup>/K</sup> EGCO purchased additional ordinary shares in Quezon on March 25, 2011, increasing its ownership interest from 26% to 52.125%. Then EGCO purchased additional 45.875% on May 11, 2012, making EGCO held in Quezon totaled 98%. Therefore Quezon changed from Joint Venture to Subsidiaries.

<sup>/L</sup> EGCO acquired 60% stakes in G-Power Source Company Limited (GPS) from Gunkul Engineering Public Company Limited on March 23, 2012.

<sup>/M</sup> EGCO invested in a Biodiesel Plant through the acquisition of 50% stakes in Absolute Power P Co., Ltd. (APPC) on May 15, 2012, and sold such shares on October 21, 2013.

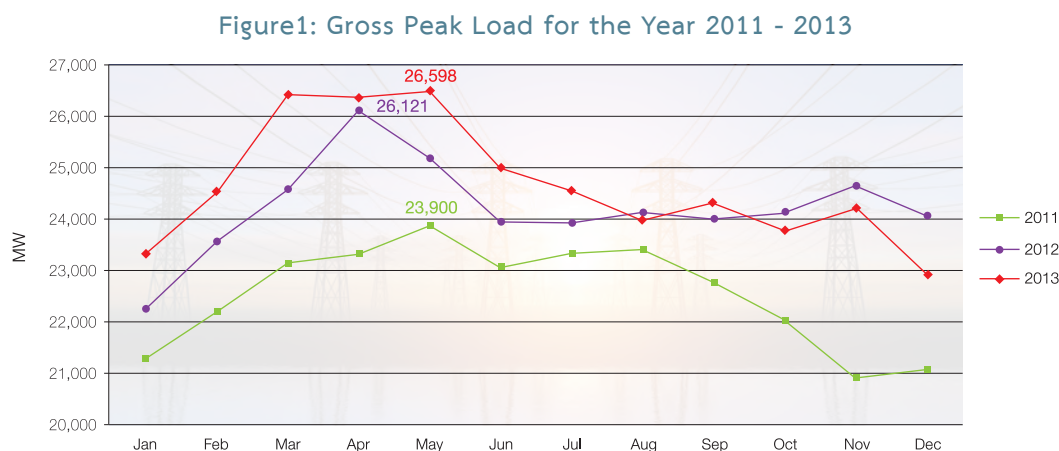
<sup>/N</sup> EGCO Invested in Hat Yai Municipal Waste Power Plant Project through the acquisition of 50% stakes in GIDEC Company Limited (GIDEC) on September 28, 2012.

<sup>/O</sup> EGCO has entered into the Share Purchase Agreement to acquire 40% of ownership interest in PT Manambang Muara Enim (MME) which is the open-pit coal mine on August 16, 2012.

## Power Industry and Competition

### Power Industry

Electricity Generating Authority of Thailand (EGAT) reported the year 2013 peak demand at 26,598 MW, dated on May 16, 2013. It was approximately 1.83% higher than that of the previous year. The decline of domestic demand was in line with the slow economy in 2013 which was reflected in the slight pace of private consumption, private investment and the government's infrastructure projects. Coupled with the energy conservation campaign in April and early rainy season, total electricity consumption in 2013, the Year-on-Year 1.05 % increase, was 169,529 GWh which was 1,766 GWh over the 2012 figure.



Source: Electricity Generating Authority of Thailand

### Competition

At the end of December 2013, Thailand had the installed capacity at 33,681 MW which consisted of 15,010 MW (45%) by EGAT, 12,742 MW (38%) by IPP, and 3,525 MW (10%) by SPP while the imported electricity from neighboring countries accounted 2,404 MW (7%).

Following the PDP 2010 Rev3 (2012 -2030), the power industry in 2013 was active due to IPP bidding for 5,400 MW power generating contracts by the Energy Regulatory Commission with the commercial operation to be commenced during 2021 - 2026. Hence, the country's power generation will total 70,686 MW in capacity by the end of year 2030

For EGCO, the nine construction projects of renewable energy power plant, totaling 79 MW capacity, completed successfully and started their commercial operation in 2013 as follows:.

- Wang Ploeng Solar Power Plant, 8 MW installed capacity
- G-Power Source Company Limited Solar Power Plant: Bueng Sam Phan Branch, 6.5 MW installed capacity



- Solarco Power Plant, 57 MW installed capacity (6 power plants)
- Theppana Wind Farm Power Plant, 7.5 MW installed capacity

At the end of 2013, EGCO has, in ownership, installed capacity of 4,730.17 MW which is the 22.31 MW increase. Furthermore, EGCO successfully enhanced its investment in three new developing projects. In June 2013, EGCO bought shares and became sole owner of Boco Rock Wind Farm Pty Limited: the owner of 113 MW wind power plant in Australia which scheduled its commercial operation in February 2015. EGCO also invested in other two projects are in Thailand through its subsidiaries. On July 25, 2013, Khanom Electricity Generating Company Limited (KEGCO) signed the power purchase agreement (PPA) with EGAT to supply 930 MW combined cycle capacity for 25 years. On December 17, 2013, Chaiyaphum Wind Farm Company Limited (CWF) entered into PPA with EGAT with 90 MW contracted capacity, the commercial operation of which is expected in December 2016.

To enhance EGCO's strategies of expanding its business in overseas market, another international business development team had been added in EGCO organization structure to seek and pursue EGCO's investment in potential markets in Southeast Asia and Pacific. The Philippines and Indonesia, where EGCO already has the invested assets, were given priorities due to their increasing demand for power and the rich in energy sources for power generation.

## Shareholder and Management Structure

### Shareholding Structure

EGCO is a listed company on the Stock Exchange of Thailand. Details of the registered capital as of December 31, 2013 was shown below.

- 1) Registered Capital : 5,300 million baht comprising 530,000,000 ordinary shares with the par value at 10 baht per share.
- 2) Paid Up Capital : 5,264.65 million baht comprising 526,465,000 ordinary shares with the par value at 10 baht per share.

The top ten shareholders as of September 10, 2013, the closing date of shareholders' roster for the right to receive the interim dividend payment were as follows.

No.	Shareholders	Shares	% of Total
1	Electricity Generating Authority of Thailand	133,773,662	25.41
2	TEPDIA Generating B.V.	126,054,178	23.94
3	Thai NVDR Company Limited	62,297,985	11.83
4	HSBC (Singapore) Nominees PTE LTD	15,837,771	3.01
5	Littledown Nominees Limited	12,538,128	2.38
6	Bangkok Life Assurance Public Company Limited	9,000,000	1.71
7	Bualuang LTF	8,275,000	1.57
8	Bualuang LTF 75/25	7,112,300	1.35
9	Social Security Office (Two-types)	6,387,300	1.21
10	State Street Bank Europe Limited	5,350,129	1.02





The ultimate shareholders of EGCO's major controlling shareholders are as follows.

1. **Electricity Generating Authority of Thailand (“EGAT”)** : EGAT is a state utility which has the mission in generating, acquiring and sales of bulk electric energy through its transmission network. EGAT also provides the operation and maintenance services and invests in electricity related business. EGAT holds 25.41% of EGCO's outstanding shares and has four representative directors of 15 directors in EGCO.
2. **TEPDIA Generating B.V. (“TEPDIA”)** : TEPDIA is established in order to invest in EGCO comprising two shareholders as follows.
  - 2.1 **Diamond Generating Asia (“DGA”)**, a subsidiary company of Mitsubishi Corporation (MC). MC, a global integrated business enterprise that develops and operates businesses areas virtually every industry, indirectly holds 11.97% of EGCO's outstanding shares via TEPDIA Generating B.V.. MC has two representative directors of EGCO's 15 directors.
  - 2.2 **Tokyo Electric Power Company Inc. (“TEPCO”)** : TEPCO is the largest electric power company in Japan and one of the largest privately owned electric utilities in the world. TEPCO's generating capacity of more than 60 GW and since its inception in 1951, supplied electricity to its service area including the Tokyo Metropolitan which consumes around one third of Japan's domestic power demand. TEPCO indirectly holds 11.97% of EGCO's outstanding via TEPDIA Generating B.V.. TEPCO has two representative directors of EGCO's 15 directors.



## Dividend Payment

The dividend payment policy of the EGCO Group specifies that shareholders receive dividend twice a year at the rate approximately 40% of the net profits of the total financial statements after income tax is deducted or at the amount that gradually and regularly increases without necessary cause such as the future business expansion of the Company in the form of projects, or dividend payment substantially affecting the normal operations of the Company whereby dividend paid shall not exceed the accrued profits of separate financial statements.

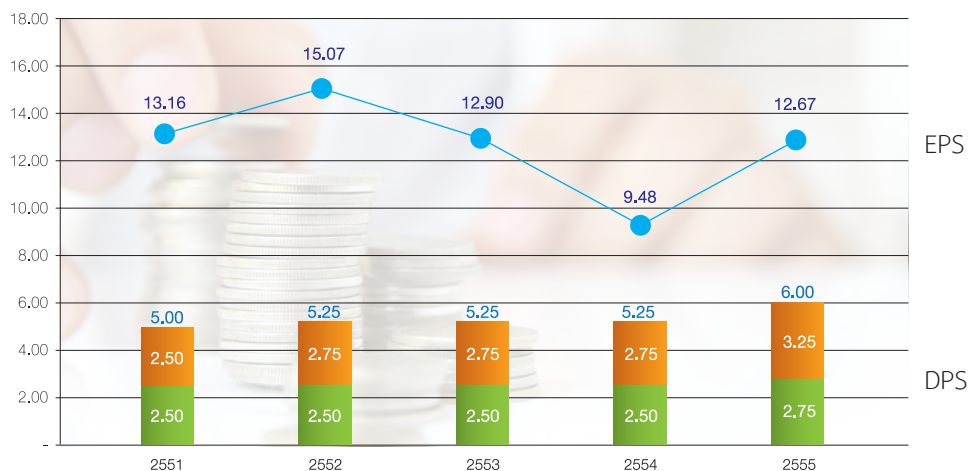


Figure: The statistic of previous dividend payment of the Company

The comparison of the dividend payment between 2008 and 2012 is as follows.

Year	2008	2009	2010	2011	2012
Earnings per share (baht)	13.16	15.07	12.90	9.48	12.67
Dividend per share (baht)	5.00	5.25	5.25	5.25	6.00
Dividend payout Ratio (%)	38	35	41	55	47

## Organization Structure

EGCO's management structure was consisted of the Board of Directors, Board committees, the President and the Management.

### 1. Board of Directors

The Board of Director has main responsibility to conduct business for the ultimate benefits of EGCO, shareholders and stakeholders including the employees and communities where EGCO operates its business. In this regard, the Board works with the Management in formulating EGCO's vision and policy and to approve the corporate budget. The Board also takes responsibility in monitoring the Management's performance and providing advice in problem solving.

Currently, the Board comprises 15 members :

1.1 14 non-executive directors (including six independent directors), and

1.2 President, the only one executive member.

EGCO directors and their share ownership in the Company as of December 21, 2013 are as listed below.

No.	Name	Position	Appointment Date	No. of shares		
				December 31, 2013	December 31, 2012	Increase/ Decrease
1	Mr. Pornchai Rujiaprapa	Chairman	April 25, 2012	-	-	-
2	Mr. Phaiboon Siripanoosathien	Independent Director	April 21, 2011	-	-	-
3	Mr. Thanapich Mulapruk	Independent Director	April 25, 2012	-	-	-
4	Mr. Pongstorn Kuananusorn	Independent Director	April 25, 2012	-	-	-
5	Police General Pansiri Prapawat	Independent Director	April 24, 2013	-	-	-
6	Mr. Chotchai Charoenngam	Independent Director	December 1, 2013	-	-	-
7	Mr. Somphot Kanchanaporn	Independent Director	December 16, 2013	-	-	-
8	Mr. Kulit Sombatsiri	Director	April 25, 2012	-	-	-
9	Mr. Surasak Supavititpatana	Director	April 24, 2013	-	-	-
10	Mr. Pithsanu Tongveerakul	Director	April 24, 2013	-	-	-
11	Mr. Toshiro Kudama	Director	February 28, 2011	-	-	-
12	Mr. Satoshi Yajima	Director	January 30, 2012	-	-	-
13	Mr. Shigeru Inano	Director	March 1, 2012	-	-	-
14	Mr. Hideo Kuramochi	Director	April 24, 2013	-	-	-
15	Mr. Sahust Pratuknukul	President	April 24, 2013	1,890	1,890	-

New directors and their share ownership as at January 1, 2014 are shown below

No.	Name	Position	Appointment Date	No. of Shares	Remarks
1	Mr. Mongkol Sakulkao	Director	Jan 1, 2014	-	Substituted Mr. Pithsanu Tongveerakul
2	Mr. Piboon Buacham	Director	Jan 1, 2014	-	Substituted Mr. Surasak Supavititpatana

Directors who retired and resigned in 2013 – 2014 together with their share ownership in EGCO are as shown below.

No.	Name	Position	Retiring/ Resigning Date	No. of shares		
				December 31, 2013	December 31, 2012	Increase/ Decrease
1	Mr. Thawat Vadjanapornsithi	Director	Jan 1, 2013	-	-	-
2	Mr. Sorajak Kasemsuvan	Independent Director	Oct 18, 2013	-	-	-
3	Mr. Pasan Teparak	Independent Director	Nov 8, 2013	-	-	-
4	Mr. Surasak Supavititpatana	Director	Jan 1, 2014	-	-	-
5	Mr. Pithsanu Tongveerakul	Director	Jan 1, 2014	-	-	-

### Independent Director

Definition of EGCO's Independent Director's was set by the Board of Directors, in compliance with the notification of the Capital Market Supervisory Board. Meanwhile, independent director can hold EGCO shares not more than 0.5%, which is stricter than the regulation of the Capital Market Supervisory Board which allows 1% shareholding.

Under such definition, EGCO independent director shall have the following qualifications.

1. Holding shares not more than 0.5% of the paid-up capital with the voting right of EGCO, parent company, subsidiary company, associated company or any legal entity that may have the conflict of interest (including the connected persons as stipulated in section 258 of securities laws),
2. Not being or been a director who take part in the management (executive director, director who has the same responsibility as management and authorized director except the case of joint signing with other directors for transactions approved by the Board ), employee, staff, advisor who receive regular salary, or controlling person of EGCO, its parent company, subsidiary, associate or fellow subsidiary (subsidiary of the same holding company) or any entity that may have a conflict of interest during the period of two years before his/her appointment,
3. No relationship by family or by law with the management, major shareholders, controlling persons of EGCO or its subsidiaries, or those being nominated.
4. No business relationship with EGCO, parent company, subsidiary, associate company and not being a major shareholder, non-independent director or management of any entity that may have a conflict of interest in a way that would affect the giving of independent opinions for at least two years before the filing date.
5. Not being an auditor or a major shareholder, director, management or partner of the audit firm that provides auditing services to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest for at least two years before the filing date
6. Not being a professional service provider, including legal and financial consultancy to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest, with the fee higher than 2 million baht per year, or being a major shareholder, non-independent director, management or partner of such company for at least two years before the filling date,
7. Not being EGCO's representative director of its director, majority shareholders or shareholders who are related to EGCO's majority shareholders, and
8. Not have any constraint that would affect the performance of giving independent judgment on EGCO.

### Terms of Independent Director

Independent director can hold his/her directorship for not more than 3 terms, starting from the 2011 Annual General Shareholders' Meeting onwards.

Currently, there are 6 independent directors of 15 directors which accounts for more than one-third of the whole Board.

## Names of independent directors as of December 31, 2013

No.	Name	Position	Appointment Date
1	Mr. Phaiboon Siripanoosatien	Independent Director	April 21, 2011
2	Mr. Thanapich Mulapruk	Independent Director	April 25, 2012
3	Mr. Pongstorn Kunanusorn	Independent Director	April 25, 2012
4	Police General Pansiri Prapawat	Independent Director	April 24, 2013
5	Mr. Chotchai Charoenngam	Independent Director	December 1, 2013
6	Mr. Somphot Kanchanaporn	Independent Director	December 16, 2013

Independent directors resigned in 2013 are as shown below.

No.	Name	Position	Retiring/Resigning Date
1	Mr. Sorajak Kasemsuvan	Independent Director	October 18, 2013
2	Mr. Pasan Teparak	Independent Director	November 8, 2013

### Authorized Directors

EGCO's authorized directors comprise the President solely or two directors jointly sign and affix the company's seal. Authorized directors exclude independent directors to maintain their independence under the good corporate governance principle, directors who are senior government officers, and directors who are also directors of the financial institutions as to avoid the constraint of providing credit facilities to EGCO.

### Appointment, Resignation, and Dismissal of Directors

EGCO's articles of association stipulate that the shareholders' meeting elect not less than five and not more than 15 directors, provided that not less than half of them must reside in Thailand. If a directorship becomes vacant for any reason other than by rotation, the Board in the subsequent meeting shall elect a qualified person to fill in the vacancy by the votes of not less than three-fourth (3/4) of the remaining directors and such substituted director shall retain the office for only the remaining term of office of the director whom s/he substitutes.

At every annual ordinary meeting, one-third, or the number nearest to one-third of the directors shall vacate the office. In the case any director who wishes to resign from office may do so by submitting a resignation letter to the Company and such resignation shall be effective from the date the resignation letter reaches EGCO.

Voting for the dismissal of any directors from office before the expiration of his or her term of directorship requires a four-fifth (4/5) vote of eligible shareholders present at the meeting.

### Board of Directors' Duties and Responsibilities

The duties and responsibilities of the Board of Directors are as prescribed below.

#### 1. Duties to EGCO

- Devote time to EGCO and conduct the business in compliance with the governance principles and EGCO's Code of Conduct.



- Demonstrate independent judgment in overseeing EGCO business.
- Perform duties for shareholders' ultimate benefits, while taking into account the interests of other stakeholders.
- Recruit key management, competent and devote for the benefit of EGCO.
- Monitor EGCO's performance including the compliance with laws, regulations and contract provisions and manage that all significant matters are reported to ensure effective corporate performance.

## 2. Duties to the Shareholders

- Ensure that EGCO is financially viable, properly managed and constantly improved so as to protect and enhance the interests of the shareholders.
- Ensure that the information disclosure is materially correct, complete, transparent and timely.
- Ensure the equitable treatment of shareholders.
- Not report fault information or avoid disclosure of the mandatory required information on the Company's operating results and financial position.

## 3. Duties to Creditors

- Ensure EGCO's full compliance with loan provisions and disclosure of EGCO's financial status.
- Promptly seek professional advice when in uncertain circumstance which might impact lenders such as unstable financial position or pending insolvency.

## 4. Duties to other Stakeholders

Ensure EGCO's compliance with the governing laws and regulations while taking into account the impact on employees, other stakeholders, community, society and environment.

## 5. Due Diligence

- Attend all Board meetings, or give apology in advance where meeting attendance is not possible.
- Acquire knowledge about EGCO business including statutory laws and regulations affecting the discharge of duties as director, and well aware of the business environment.
- Be provided substantial information in advance to allow adequate time to analyze, then make thorough judgment.
- Consider and make independent judgment. In case of dissent from Board's resolution, request for the record of objection in the Minutes of Meeting.
- Ensure that the communication system is established for directors to be provided regular and timely information to enable the thorough and careful judgment.
- Encourage the open communication between the Board and the auditors and that the auditor can work independently and efficiently with the full co-operation from management and the internal auditors.
- Ensure that EGCO complies with the governing laws, rules, regulations and business standard and ethics.
- As director and committee member, to seek advise from EGCO's advisors or to engage independent advisors for the governance benefits such as legal advisors, financial advisors, HR advisors, other professional advisors on EGCO's expenses.

## 2. Board Committees' Structure

There are currently 4 board committees which are appointed by the Board of Directors, with duties and responsibilities as specified in the Charter of Board Committees.

### Audit Committee

The Audit Committee comprises at least 3 independent directors with a 3-year term of service, with one year for this purpose meaning the period between the Annual General Meeting (“AGM”) of shareholders when s/he is appointed and the next succeeding AGM. One of the members shall have finance and accounting background. (At present, Mr. Pongstorn Kunanusorn, an Audit Committee member, has such qualification.)

The Audit Committee undertakes its responsibilities as described in the Audit Committee Charter, which is reviewed annually to suit the changing internal and external environment. The responsibilities of the Audit Committee are detailed below.

1. Review the accuracy and adequacy of EGCO’s financial reporting,
2. Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the Internal Audit Division’s independence,
3. Approve the appointment, rotation and removal of the Chief Internal Audit,
4. Monitor EGCO’s compliance with Securities and Exchange Acts and Regulations of the SET and any other laws relevant to EGCO’s business,
5. Recommend the Board of Directors an independent person to be EGCO’s auditor as well as the audit fees,
6. Consider non-audit services performed by the auditors which may lead to the auditors’ non independence,
7. Consider and acknowledge the significant change in accounting policy of EGCO and subsidiaries prior to submission to the Board of Directors for approval,
8. Meet with the auditor exclusively at least once a year.
9. Consider the connected transactions or any transactions that may cause conflict of interest complying with rules and regulations of SET to ensure that such transactions are reasonable and create highest benefit to EGCO,
10. Review the Internal Audit Charter prior to submission to the Board of Directors for approval,
11. Approve the internal audit plan as well as budget and personnel,
12. Review the internal audit report of internal audit division,
13. Review with the Management the preparation of the Management’s Discussion and Analysis or MD&A and the disclosure in Annual Report,
14. Review with the Management the risk management policy, the practice compliance with such policy, EGCO’s risk management guidelines, as well as consider future risks and preventive measures of relevant risks,

15. Prepare a report that describes the Audit Committee's activities and responsibilities. This report shall be signed by the Chairman of the Audit Committee and published in the annual report to the shareholders. The Audit Committee's Report shall consist of at least the following information :
- (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - (b) an opinion on the adequacy of the Company's internal control system,
  - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
  - (d) an opinion on the suitability of an auditor,
  - (e) an opinion on the transactions that may lead to conflicts of interests,
  - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
  - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.
16. Inspect any suspiciousness reported by the company's auditor, that the President, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor.
17. Review the Audit Committee Charter at least annually.
18. Perform any other act as assigned by the Board of Directors with approval of the Audit Committee.

Reference to the above responsibilities, the Committee is accountable to EGCO Board of Directors whereas the Board of Directors remains responsible to third persons for the operation of the Company.

The Audit Committee conducts the self-appraisal annually and reports the result to the Board. For 2013, the Audit Committee conducted the group appraisal by using the questionnaire adapted from the SET's Booklet for Audit Committee. There were two parts in the questionnaire; the overall performance of the Audit Committee and performance on specific assignment including the review of financial reports, internal control, internal audit division's independence, legal compliance , engagement of Company's auditor and retainer fee, and Audit Committee's qualifications and its scope of responsibilities.

There were 11 Audit Committee's meetings in 2013 with the attendance rate of 87%.

Members of the Audit Committee as December 31, 2013

No.	Name	Position	Appointment Date
1	Mr. Thanapich Mulapruk	Chairman	April 25, 2012
2	Mr. Pongstorn Kunanusorn	Member	April 25, 2012
3	Mr. Somphot Kanchanaporn	Member	December 16, 2013

### Change of the Audit Committee in 2013

No.	Name	Position	Retiring/Resigning Date
1	Mr. Pasan Teparak	Member	November 8, 2013

Note : Substituted by Mr. Somphot Kanchanaporn since December 16, 2013.

### Investment Committee

Investment Committee comprises 5 directors and their office term is the same as directorship.

The Investment Committee schedules its meeting on the monthly basis to scrutinize and endorse for the Board's consideration the Management's proposals regarding investment and funding as well as other related activities while the Committee itself has the authority to approve small and medium size transaction with subsequent acknowledgement by the Board as prescribed in the Company's Table of Authority which segregates the authorities of the Board, Board Committees and the Management. The current Table of Authority was revised by the Board in its Meeting No.6/2013.

The Investment Committee's responsibilities are described below.

1. To endorse EGCO's and wholly owned subsidiaries' reorganization (SVP upwards) for presentation to the Board of Directors for approval.
2. To endorse the increase or reduction in the registered capital for the Board of Directors' consideration prior to being proposed to the shareholders for approval.
3. To endorse the Company's regulations establishment and amendment for presentation to the Board of Directors.
4. To endorse the revision of the Company's Table of Authority (President's authority upwards) for presentation to the Board of Directors for approval.
5. To approve or to endorse for presentation to the Board of Directors the acquisition, investment, divestment and funding of EGCO and its wholly owned subsidiaries as stated in the Company's regulations and Table of Authority.
6. To review risks associated with investment and finance and other related issues including preventive measures of relevant risks.
7. To endorse or approve, for presentation to the Board of Directors, EGCO's and its wholly owned subsidiaries' financial management, profit allocation including financial risk management and significant financial transactions as stated to the Company's regulations and Table of Authority.
8. To approve the financial investment outside the Treasury Management Guidelines.
9. To endorse the Company's annual budget and man power plan for the Board of Directors' approval.
10. To approve or to endorse, for presentation to the Board of Directors, the Procurement and Disposal Material Management as stated in the Company's regulations and Table of Authority.
11. To consider other issues assigned by the Board of Directors and as stipulated in the Company's regulations.

There were 13 Investment Committee's meetings in 2013 with the attendance rate of 97%.

#### Members of the Investment Committee as of December 31, 2013

No.	Name	Position	Appointment Date
1	Mr. Pornchai Rujiprapa	Chairman	April 25, 2012
2	Mr. Satoshi Yajima	Member	March 1, 2012
3	Mr. Shigeru Inano	Member	April 23, 2013
4	Mr. Sahust Pratuknukul	Member	April 24, 2013
5	Mr. Pithsanu Tongveerakul	Member	May 14, 2013

#### Change of the Investment Committee in 2013

No.	Name	Position	Retiring/Resigning Date
1	Mr. Hideo Kuramochi <sup>1</sup>	Member	April 23, 2013
2	Mr. Surasak Supavititpatana <sup>2</sup>	Member	May 14, 2013

<sup>1</sup> Substituted by Mr. Shigeru Inano since April 23, 2013

<sup>2</sup> Substituted by Mr. Pithsanu Tongveerakul since May 14, 2013

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises 5 directors, 3 of which being independent directors for a 3-year term of service with one year for this purpose meaning the period between the AGM of shareholders when she/he is appointed and the next succeeding AGM. In order to maintain continuity, members can be re-elected.

The duties and responsibilities of the Nomination and Remuneration Committee are as listed below.

1. To recommend the structure and composition of the Board of Directors and committees together with the qualifications of their members for presentation to the Board of Directors,
2. To recommend the list of nominees for the Board of Directors to be proposed to the Shareholders' Annual General Meeting in case of vacancies by rotation and to the Board of Directors in case of casual vacancies,
3. To appoint EGCO representative directors in subsidiaries and joint venture companies based on the equity proportion or shareholders' agreements.
4. To scrutinize the list of nominees for the EGCO President of the Company in case of vacancy for presentation to the Board of Directors,
5. To appoint, promote, rotate and remove the Senior Executive Vice Presidents ("SEVP") and Executive Vice Presidents ("EVP") of EGCO,
6. To recommend the list of nominees for the Corporate Secretary to the Board of Directors,
7. To endorse the performance evaluation of EGCO President for presentation to the Board of Directors,
8. To approve the performance evaluation of SEVPs and EVPs proposed by EGCO President,



9. To endorse the remuneration structure of the directors of EGCO and its subsidiaries including meeting allowances, bonus, welfare and other benefits for presentation to the Board of Directors,
10. To endorse the remuneration structure and other benefits of the employees of EGCO for presentation to the Board of Directors,
11. To recommend the remuneration structure and other benefits of the employees of EGCO's subsidiaries to the representative directors,
12. To consider the corporate performance setting, evaluate and approve the achieved corporate performance of EGCO to determine the bonus and annual salary increase
13. To endorse the succession plans of EGCO's EVP upward for presentation to the Board of Directors,
14. To approve in principle of an early retirement program for the employees of EGCO and subsidiaries,
15. To review risk management associated with human resource management.
16. To consider other issues assigned by the Board.

There were 6 Nomination and Remuneration Committee's meetings in 2013 with the attendance rate of 83%.

Members of the Nomination and Remuneration Committee as of December 31, 2013

No.	Name	Position	Appointment Date
1	Mr. Satoshi Yajima <sup>/1</sup>	Chairman	July 16, 2013
2	Mr. Phaiboon Siripanoosatien	Member	April 21, 2011
3	Police General Pansiri Prapawat	Member	April 24, 2012
4	Mr. Surasak Supavititpatana <sup>/2</sup>	Member	July 24, 2013
5	Mr. Chotchai Charoenngam <sup>/3</sup>	Member	December 1, 2013

Change of the Nomination and Remuneration Committee in 2013.

No.	Name	Position	Retiring/Resigning Date
1	Mr. Hideo Kuramochi	Chairman	July 16, 2013
2	Mr. Pithsanu Tongveerakul	Member	July 16, 2013
3	Mr. Sorajak Kasemsuvan	Member	October 18, 2013

<sup>/1</sup> Selected the Chairman of Nomination and Remuneration Committee to substitute Mr. Hideo Kuramochi since July 16, 2013

<sup>/2</sup> Substituted Mr. Pithsanu Tongveerakul since July 16, 2013.

<sup>/3</sup> Substituted Mr. Sorajak Kasemsuvan since December 1, 2013.

### Corporate Governance and Social Responsibility Committee

The Corporate Governance and Corporate Social Responsibility Committee (“CC Committee”) comprises 5 directors being 3 independent directors, 1 non-executive director and President. The term of office of each CC director member is three years and can be re-elected. In order to maintain continuity, members can be re-elected.

The CC Committee has the duties and responsibilities in 2 parts as follows.

#### 1. Corporate Governance

- 1.1 The Corporate Governance means to comply with the practice of SET’s regulation,
- 1.2 To consider and endorse corporate governance policy for consideration and adoption by the Board,
- 1.3 To monitor compliance with that policy,
- 1.4 To review and recommend the revision on such policy on continual basis as appropriate.

#### 2. Social Responsibility

- 2.1 To endorse policy and framework for activities for EGCO Group’s CSR for consideration and adoption by the Board,
- 2.2 To approve the action plan for CSR projects and activities.

There were 2 CC Committee’s meetings in 2013 with the attendance rate of 90%.

Members of the Corporate Governance and Corporate Social Responsibility Committee as of December 31, 2013

No.	Name	Position	Appointment Date
1	Mr. Phaiboon Siripanoosatien	Chairman	April 21, 2011
2	Mr. Kulit Sombatsiri	Member	April 25, 2012
3	Police General Pansiri Prapawat	Member	April 24, 2013
4	Mr. Sahust Pratuknukul	Member	April 24, 2013
5	Mr. Chotchai Charoenngam <sup>/1</sup>	Member	December 1, 2013

Change of the Corporate Governance and Corporate Social Responsibility Committee in 2013.

No.	Name	Position	Retiring/Resigning Date
1	Mr. Sorajak Kasemsuvan	Member	October 18, 2013

<sup>/1</sup> substituted Mr. Sorajak Kasemsuvan since December 1, 2013

### 3. Management Structure

The President acts as the chief of the Management team while EGCO's organization comprises 6 groups as shown below :

- **Business Development - International 1** : This group is headed by Senior Executive Vice President ("SEVP") with one Executive Vice Presidents (EVP) who supervises the international business development workgroup 1.
- **Business Development - International 2** : This group is headed by SEVP-BDI2 with one EVP who supervises the international business development workgroup 2.
- **Business Development - Domestic** : This group is headed by SEVP with one EVP who supervises the domestic business development work.
- **Finance and Accounting Group** : This group is headed by SEVP with three EVPs to supervise EGCO and subsidiaries' accounting, finance and corporate services work.
- **Strategy and Asset Management Group** : This group is headed by SEVP with two EVPs who supervise asset management and project management.
- **President's Direct Report** : This group comprises one EVP who supervises legal and information technology work and two divisions being the Internal Audit Division and the Corporate Secretary Division report functionally to the President while report administratively to the Audit Committee and to the Board respectively.

#### President

The President is responsible for managing EGCO's business in consistent with the objectives, articles of associations, regulations and the resolution of the Board. The President is also in charge of supervising employees and completing activities assigned by the Board including the following activities.

- Manage EGCO's day-to-day business,
- Hire, appoint, remove, transfer, promote, demote, assign, and take disciplinary action against employees and workers from division managers downward (excluding the internal audit manager and corporate secretary), and
- Ensure the implementation of the policies, plans, and budgets approved by the Board.

In this respect, the President can delegate his authority to other employees but is still accountable for the decision of his delegates.

### Management Team

List of the Management team and their share ownership in EGCO as at January 1, 2014

No.	Name	Title	No. of Shares		
			December 31, 2013	December 31, 2012	Increase (Decrease)
1	Mr. Sahust Pratuknukul	President	1,890	1,890	-
2	Mr. John Palumbo	Senior Executive Vice President - Business Development - International 1	-	-	-
3	Mr. Niwat Adirek	Senior Executive Vice President - Business Development - International 2	-	-	-
4	Mr. Voravit Potisuk	Senior Executive Vice President - Business Development - Domestic	-	-	-
5	Mr. Sakul Pochanart	Senior Executive Vice President - Strategy & Asset Management	-	-	-
6	Mr. Piya Jetasanon	Chief Financial Officer	-	-	-
7	Mr. Chumsak Desudjit	Senior Executive Vice President & Director - Rayong Power Plant	-	-	-
8	Mr. Chankij Jearaphunt <sup>/1</sup>	Senior Executive Vice President - Operation & Acting Managing Director of KEGCO	-	-	-
9	Mr. Wajarapong Palakawong Na Ayudhaya	Senior Executive Vice President & Managing Director of ESCO	-	-	-
10	Mr. Witchaya Prasertlap <sup>/2</sup>	Executive Vice President & Managing Director of ESCO	-	-	-
11	Mr. Suvapan Chomchalern	Executive Vice President - Accounting	-	-	-
12	Ms. Somsiri Yoosuk	Executive Vice President - Finance	-	-	-
13	Mr. Thongchai Chotkajornkiat	Executive Vice President - Subsidiaries Accounting & Finance	-	-	-
14	Mr. Nattanont Meesuksabai	Senior Vice President - Subsidiaries Accounting & Finance Division	-	-	-
15	Ms. Sirobon Danudomkit	Senior Vice President - Accounting & Budget Division	-	-	-

<sup>/1</sup> Mr. Chankij Jearaphunt was appointed to be Senior Executive Vice President - Operation due to company restructuring with effect on January 1, 2014.

<sup>/2</sup> Substituted Mr. Wajarapong Palakawong Na Ayudhaya due to his retirement with effect on January 1, 2014.

### Corporate Secretary

The Board appointed Ms. Kulkanok Leongsoithong the Corporate Secretary with the duties and responsibility as prescribes in the Securities and Exchange Act (No. 6) B.E. 2551. Ms. Kulkanok also served as the Board's secretary to support Board activities as well as to coordinate subsequent actions under the Board's resolution. The Corporate Secretary directly reports to the Board while the Nomination and Remuneration Committee was delegate to appraise the performance of the Corporate Secretary.

### Internal Audit

The Board appointed Ms. Sudruedee Lertkasem Chief Internal Audit with effect on January 1, 2013. The Internal Audit Division reports directly to the Audit Committee and the Committee appraises the performance of the Chief Internal Audit.

### Management Committees

EGCO has set up the following committees to ensure the appropriateness and efficiency of business management.

#### EGCO Management Committee :

EGCO Management Committee comprised executives of EGCO Group in an appropriate number and chaired by the President. EGCO Management Committee is responsible for formulating business policy of EGCO Group, scrutinizing all proposals to be presented to the Board and Board Committees and monitoring the operation of the Group.

The EGCO Management Committee meetings were called as necessary. In 2013, the Committee held 11 meetings.

#### Good Governance Committee :

The Good Corporate Committee comprises executives of EGCO Group in an appropriate number and chaired by the President. The Good Corporate Committee is in charge of the following responsibilities.

1. Consider international criteria and practices of good corporate governance and those of the SET and SEC,
2. Formulate governance policy, guidelines and practices of the Group to comply with the good corporate governance principles, and
3. Revise the Code of Conduct to suit the business environment and educate employees about the Codes as well as providing cooperation to promote the practice in the Group.

#### Risk Management Committee :

The Risk Management Committee comprises executives of EGCO Group in an appropriate number and chaired by the President. The Risk Management Committee meets as necessary and reports to the Audit Committee. Its responsibilities are as follows.

1. Set risk management criteria for EGCO and subsidiaries,
2. Set risk management evaluation criteria and mitigation measures,
3. Monitor compliance with risk management framework,
4. Review the disclosure of EGCO's risk factors as required by the governing authorities, and
5. Report the Committee's activities to the Audit Committee and the Board.

#### Safety Health and Environment Committee :

The Safety Health and Environment (SHE) Committee comprises executives of EGCO Group in appropriate number and chaired by EVP - Asset Management. The SHE Committee is in charge of the following responsibilities.



1. Set the SHE policy and action plan of EGCO Group to align with the strategic plan,
2. Implement EGCO Group's SHE activities,
3. Monitor and evaluate EGCO Group's SHE performance , and
4. Improve and develop SHE activities of EGCO Group.

#### Business Continuity Plan Committee

The Business Continuity Plan (BCP) Committee comprises executives and employees of EGCO Group in appropriate number and chaired by EVP - Asset Management. The BCP Committee is in charge of planning to deal with risk from business interruption or unexpected business crisis.

#### 4. Director and Management Selection

To ensure the appropriateness of director and management selection for efficient governance, EGCO sets up the following framework.

##### Director Selection and Appointment

EGCO endeavors to select capable directors to govern the company, designate the corporate policies and business plans for the benefit of EGCO and shareholders. With respect to this, EGCO puts an emphasis on the director nomination and selection process taking into account the following qualifications and experiences in considering each individual candidates.

1. Legal requirement and regulations and notifications of SET and SEC regarding the directors' qualifications,
2. Directors' qualifications prescribed in Directors' Code of Conduct namely honesty, virtue, initiative and achievement, excellence, accountability, justice, independence, equality of shareholder opportunity,
3. Knowledge and experiences beneficial to EGCO's business,
4. Trainings and experience in corporate governance and policy making ,
5. Determination to represent the best interests of all shareholders, and
6. Willingness to devote time and effort to contribute to EGCO's development.

The Nomination and Remuneration Committee is responsible for the recommendation of prospective nominees, whether shareholders' representatives or independent directors, for the Board's approval, considering the appropriate mix of skills and experiences required by the Board, which shall periodically be reviewed to fit the situation. Appointment of directors to succeed the retiring directors must be individually approved at the shareholders' meeting according to the voting guidelines in the Articles of Association as follows.

1. Each shareholder shall be entitled to the number of votes equivalent to the number of shares held by him/her; one share shall have one vote.
2. Each shareholder shall elect one or more directors, provided that they shall not exercise their votes in excess of the number of directors required at such time.
3. In a case that a shareholder elects more than one director, s/he may exercise all the votes s/he has, provided that s/he may not split his votes among any such persons.

4. The persons receiving the highest number of votes in respective order shall be appointed directors depending on the requirements of directors set at such time. In the event that a number of persons receive an equal number of votes for the last directorship, the Chairman of the meeting shall have a casting vote.
5. Directors must be appointed by the vote not less than four-fifth of the shareholders present and having the right to vote.

To ensure that shareholders have adequate information to make their decision, EGCO provides details of director nominees including education background, occupation, directorship in other companies, relevant experiences, and illegal acts committed (if any) in the notice of shareholders' meeting. In case of the re-election, the attendance records and performance during the past year are also provided

In the case of casual vacancies, the Nomination and Remuneration Committee will nominate qualified candidates for the Board's approval at the subsequent meeting. The directors who fill the vacancy shall retain the office for only the remaining term of office of the directors whom s/he replace. The resolution of the Board in this respect shall be not less than three-fourth the votes of the remaining directors.

#### Right of Minority Shareholders

To ensure that EGCO treats shareholders equitably, the Board encourages minority shareholders to make recommendation on the director candidates and suggest AGM agendas during September 1 to December 31, 2013 with clear and transparent procedures as posted on EGCO website.

#### Director Orientation and Training

All new directors must participate in EGCO's orientation program. This orientation includes presentations by senior management to familiarize new directors with EGCO's significant issues and Directors' Manual and EGCO's Code of Conduct for Directors and Employees are provided. Any sitting directors and other top management may also attend the orientation program.

The information of the Directors' Manual comprises role, duty and responsibility, securities' dealing by directors, notification of personal interest of director, meeting management, disclosure policy, contact with management, Board's and Committees' remuneration and fringe benefits, Table of Authority and EGCO general information.

EGCO encourages directors to attend both in-house and external training courses to enhance their knowledge and understanding on good corporate governance. Directors can apply for the training courses at the Thai Institute of Directors or relevant organizations on EGCO's expenses.

#### Management Selection and Appointment

The Board determines policy and guidelines for selection of the President as well as the position succession policy in the event of an emergency or the retirement of the President. Along with clear and transparent process, President's qualifications include educational background, experiences, capabilities, ethics and leadership. The Nomination and Remuneration Committee shall consider and propose the qualified candidates to the Board.

Meanwhile, the selection of other executives follows the qualifications and selection process stated in EGCO Regulation on Human Resource Management and the resolution of the Board as follows.

1. The Nomination and Remuneration Committee approves the appointment of Senior Executive Vice President, Executive Vice President, the subsidiaries' Managing Director and Deputy Managing Director.
2. The President shall appoint the division and section managers. The appointment of corporate secretary, Board's secretary and assistant secretary shall be approved by the Board while the appointment of Chief Internal Audit shall be endorsed by the Audit Committee.

## 5. Director and Management Remuneration

EGCO sets the policy to reward directors and management with appropriate remuneration. In this respect, the Nomination and Remuneration Committee is entrusted to review the appropriate rate which corresponds with the scope of responsibilities, the company's financial status and the peer practices.

### Director Remuneration

Director remuneration is appropriately set at a rate comparable to that of peer companies. The remuneration comprises (1) monthly retainer fee to reflect directors' responsibilities, (2) meeting allowance to reflect time devotion and meeting attendance, and (3) bonus which is paid in accordance with the shareholder value creation. The Nomination and Remuneration Committee proposes the director remuneration for the Board's endorsement before seeking the approval of the shareholders' meeting on an annual basis. The guidelines are as follows :

- Retainer fee and meeting allowance will be set in accordance with peer practices, EGCO operating performance, business size, and responsibility, knowledge, competencies and experience of the directors as required by the company.
- Bonus is considered from the Company's net profit or dividend paid to shareholders.

In 2013, the Shareholders' Meeting resolved the directors' remuneration as shown below :

1. Monthly retainer fee of 30,000 baht and meeting allowance of 10,000 baht per attendance. Members who do not attend the meeting would not receive the allowance. Chairman and Deputy Chairman received an additional 25% and 10% of both the retainer fee and the meeting allowance respectively.
2. 2012 Bonus of 20 million baht, equal to 2011's approved amount, taking into account the Company's growth, the recognition in terms of good corporate governance, the increasing of share price, peers' director bonus, and dividend payout ratio. Such bonus payment accounted for 0.40% of the net profit and 0.72% of 2013 annual dividend payment.
3. Remuneration for Board's Committees being Investment Committee, Audit Committee, Nomination and Remuneration Committee, and Corporate Governance and Social Responsibility Committee as follows.

Committee	Remuneration (Baht)	Meeting Allowance (Baht)
Audit Committee	20,000	20,000
Investment Committee	20,000	20,000
Nomination and Remuneration Committee	20,000	20,000
Corporate Governance and Social Responsibility Committee	-	24,000

The Chairman of each committee will receive additional 25% of remuneration

The overall directors' remuneration for 2013 is summarized below.

No.	Name	Appointment Date	No. of months in service		Meeting Attendance (12 Times/ Year)	Total Remuneration in 2013			Total Remune-ration
						Monthly Retainer, Meeting Allowance		Bonus <sup>/2</sup>	
			2013	2012		Director	Standing Committee <sup>/1</sup>		
1	Mr. Pornchai Rujiprapa	Apr 25, 2012	12	12	12/12	600,000	625,000	1,758,910	2,983,910
2	Mr. Phaiboon Siripanoosatien	Apr 21, 2011	12	12	11/12	470,000	394,000	1,407,220	2,271,220
3	Mr. Thanapich Mulapruk	Apr 25, 2012	12	12	12/12	480,000	575,000	1,407,220	2,462,220
4	Mr. Pongstorn Kunanusorn	Apr 25, 2012	12	9	12/12	480,000	460,000	961,600	1,901,600
5	Police General Pansiri Prapawat	Apr 24, 2013	12	10	10/12	460,000	364,000	1,172,680	1,996,680
6	Mr. Chotchai Charoenngam	Dec 1, 2013	1	-	1/1	40,000	40,000	-	80,000
7	Mr. Somphot Kanchanaporn	Dec 16, 2013	0.5	2	-/1	15,484	230,323	237,320	483,126
8	Mr. Kulit Sombatsiri	Apr 25, 2012	12	12	12/12	480,000	48,000	1,407,220	1,935,220
9	Mr. Surasak Supavititpatana	Apr 24, 2013	12	12	12/12	480,000	360,000	1,407,220	2,247,220
10	Mr. Pithsanu Tongveerakul	Apr 24, 2013	12	-	12/12	480,000	420,000	-	900,000
11	Mr. Toshiro Kudama	Feb 28, 2011	12	12	8/12	440,000	-	1,044,234	1,484,234
12	Mr. Satoshi Yajima	Jan 30, 2012	12	10	12/12	480,000	791,581	968,985	2,240,566
13	Mr. Shigeru Inano	Mar 1, 2012	12	10	12/12	480,000	383,333	875,587	1,738,920
14	Mr. Hideo Kuramochi	Apr 24, 2013	12	10	12/12	480,000	262,333	875,587	1,617,920
15	Mr. Sahust Pratuknukul	Apr 24, 2013	12	12	12	-	-	-	-

The summary of remuneration of retired and resigned directors during 2012 - 2013 is as shown below

No.	Name	Retirement/ Resigning Date	No. of months in service		Meeting Attendance (12 Times/ Year)	Total Remuneration in 2013			Total Remune- ration
						Monthly Retainer, Meeting Allowance		Bonus	
			2013	2012		Director	Standing Committee		
1	Mr. Akio Mutsuzaki	Jan 29, 2012	-	1	-	-	-	234,540	234,540
2	Mr. Chaipat Sahasakul	Mar 1, 2012	-	2	-	-	-	237,320	237,320
3	Mr. Ryota Sakakibara	Mar 1, 2012	-	2	-	-	-	234,540	234,540
4	Mr. Hideako Tomiku	Mar 1, 2012	-	2	-	-	-	113,360	113,360
5	Mr. Aswin Kongsiri	Apr 25, 2012	-	12	-	-	-	500,350	500,350
6	Police Lieutenant General Pijarn Jittirat	Apr 25, 2012	-	4	-	-	-	454,860	454,860
7	Mr. Thawat Vadjanapornsithi	Jan 1, 2013	-	12	-	-	-	1,297,770	1,297,770
8	Mr. Sorajak Kasemsuvan	Oct 18, 2013	10	9	7/9	356,452	260,968	961,600	1,579,019
9	Mr. Pasan Teparak	Nov 8, 2013	11	10	7/10	377,000	284,667	1,172,680	1,834,347

<sup>/1</sup> Standing Committees are 1. Investment Committee 2. Audit Committee, 3. Nomination and Remuneration Committee, 4. Corporate Governance and Social Responsibility Committee

<sup>/2</sup> 2012 Board bonus was paid in May 2013, as resolved by the shareholders' meeting on April 24, 2013

### Management's Remuneration

The Management's remuneration which comprises salary and bonus which are designed to link with the corporate and individual achievement based on the remuneration structure approved by the Board and the Key Performance Indicators (KPIs). EGCO periodically conducts the survey of the executive remuneration to ensure that the rate is comparable to their work and those of the peer companies.

Summary of 2013 Management's remuneration.

Remuneration	Year 2013	
	Management (7 Persons) <sup>/1</sup>	Total Remuneration
Total Salary	37,452,840.00	37,452,840.00
Bonus <sup>/2</sup>	16,258,467.30	16,258,467.30
Meeting Allowance	-	-
<b>Total</b>	<b>53,711,307.30</b>	<b>53,711,307.30</b>

<sup>/1</sup> Included 9 executives being the President, SEVP - Business Development - International 1, SEVP - Business Development - International 2, SEVP-Business Development - Domestic, Chief Financial Officer, SEVP- Strategy and Asset Management, Director-RayongPower Plant, two SEVPs who served as Managing Directors of KEGCO and ESCO. Since the salaries of MDs of KEGCO and ESCO are paid by those companies. EGCO is responsible for the remuneration of only 7 executives.

<sup>/2</sup> The 2012 bonus was paid in January 2013.

### Total Remuneration of Core Subsidiaries' Management

In 2013, EGCO core subsidiaries (subsidiaries of which the revenue account for more than 10% of the consolidated revenue) consists of KEGCO, EGCO Cogen and QPL. QPL, however, has no permanent employees but engaged Quezon Management Service Inc. Company Limited ("QMS") for the project management covering staffs, general manager, and other significant positions with the Management Service Agreement of 25 years from the commercial operation date ("COD") while the operation and maintenance works has been engaged to Pearl Energy Philippines Operating Inc. ("PEPOI") with the Operation and Maintenance Agreement for the same length of 25 years starting from COD.

As the result, the remuneration of only two core subsidiaries, KEGCO and EGCO Cogen are disclosed as follows :

(Unit : Baht)

Remuneration	Year 2013					
	KEGCO			EGCO Cogen		
	Director (9 Persons)	Management (2 Persons)	Total Remuneration	Director (5 Persons)	Management (1 Person) <sup>/3</sup>	Total Remuneration
Salary		7,308,740.00	7,308,740.00	-	-	-
Bonus <sup>/1</sup>		3,400,005.36	3,400,005.36	-	-	-
Meeting Allowance <sup>/2</sup>		-	-	-	-	-
<b>Total</b>		<b>10,708,745.36</b>	<b>10,708,745.36</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>/1</sup> The 2012 bonus was paid in January 2013.

<sup>/2</sup> EGCO was responsible for the meeting allowance of KEGCO Board.

<sup>/3</sup> EGCO COGEN Management was assigned from EGCO under the Service Agreement between EGCO and EGCO COGEN.



### Other Remuneration

In 2013, EGCO and its core subsidiaries contributed their parts to the provident fund for their respective executives as follows.

(Unit : Baht)

Company	Year 2013	
	Member	Provident Fund
EGCO	7	2,938,284.00
KEGCO	2	732,552.00
EGCO Cogen	1	184,800.00

## 6. Employees

### EGCO

As of December 31, 2013, EGCO has 295 headcounts which include the President, 8 Senior Executive Vice Presidents, 3 executives who are seconded to be management of Group companies and 283 staffs. The number of staffs in each reporting line is as shown below :

Key Areas	Members (Persons)
1. President	37
2. Business Development - International 1	6
3. Business Development - International 2	8
4. Business Development - Domestic	12
5. Strategy and Asset Management	60
6. Accounting and Finance	73
7. Rayong Power Plant	99
<b>Total</b>	<b>295</b>

### Core Subsidiaries

#### A. KEGCO

Employees	Total (person)
1. Operation	62
2. Maintenance	51
3. Others	29
<b>Total</b>	<b>142</b>

## B. EGCO Cogen

There are four employees who serve EGCO Cogen. While the general manager was assigned from EGCO under the service agreement between EGCO and EGCO Cogen, the operation and maintenance staffs of 32 headcounts are ESCO employees who work under the O&M service agreement between ESCO and EGCO Cogen.

There has been no significant turnover and no illegal labor disputes during the past three years.

## 7. Employee Remuneration

EGCO has the policy that the employees in the Group have fair remuneration and comparable to the peer companies. Remuneration of employees of EGCO and core subsidiaries in 2013 is as shown below :

(Unit : Baht)

Remuneration	Amount		
	EGCO <sup>/1</sup>	KEGCO	EGCO Cogen <sup>/2</sup>
Total Salary	277,661,588.34	127,243,937.00	3,057,936.00
Bonus <sup>/3</sup>	113,980,811.34	62,731,129.59	1,149,265.69
Provident Fund	27,452,134.14	12,306,353.70	269,923.20
<b>Total</b>	<b>419,094,533.82</b>	<b>202,281,420.29</b>	<b>4,477,124.89</b>

<sup>/1</sup> Include salary and bonus of contract executives

<sup>/2</sup> Include salary and bonus of the General Manager, who was assigned by EGCO, and 3 permanent employees.

<sup>/3</sup> The 2013 bonus was paid in January 2014.

## 8. Human Resources Development Policy

EGCO Group believes in the value of our human resources and will strive to be the employer of choice by promoting the participative management with equal opportunity for career advancement. Employees are encouraged to enter the development program to enhance their capabilities to bring out their highest working potentials to undertake tasks in competent manner and maintain our leadership in the business.

EGCO Group puts high priority on continuous development of the employee's ability and proficiencies which includes core, functional, and managerial/leadership competencies. In this regard, various projects and training courses have been developed covering individual studies, coaching, training with experts or resource persons, and sharing of experiences among peers. As a result, employees are developed in all dimensions including intelligence quotient ("IQ"), emotional quotient ("EQ"), moral quotient ("MQ"), and adversity quotient ("AQ").

Numbers of training hours for employees are as follows

Year 2013	Numbers of hours
Courses provided by EGCO	4,616.35
Courses provided by other agencies	2,976.00

## Numbers of training hours by categorized by level

Level of employee	Number of hours
Senior executive	88.00
Middle executive	727.25
Primary executive	1,822.85
Officer	4,954.25

To ensure that the implementation of human resource development plan is a successful one, EGCO will prepare a list of required competency sets for each position as a part of the career path development plan.

#### 9. Other Information Related to the Board of Directors and Management

In 2013, there were no prosecution records of directors and by the following cases.

- Criminal prosecution, except the violation of traffic rules, minor offence or in respect of the same offence
- Bankruptcy or receivership.

The position of EGCO's Board of Directors and Management in 2013

	Standing Committee				Management Committee					Remarks
	Audit Committee	Investment Committee	Nomination and Remuneration Committee	Corporate Governance & Corporate Social Responsibility Committee	EGCO Management Committee	Good Governance Committee	Risk Management Committee	Safety, Health and Environment Committee	Business Continuity Plan Committee	
Mr. Pornchai Rujiyapra		Chairman								Non-Executive Director
Mr. Thanapich Mulapruk	Chairman									Independent Director
Mr. Phaiboon Siripanoosattien			Member	Chairman						Independent Director
Pol. Gen. Pansiri Prapawat			Member	Member						Independent Director
Mr. Pongstorn Kuanusorn	Member									Independent Director
Mr. Chotchai Charoenngam			Member	Member						Independent Director
Mr. Somphot Kanchanaporn	Member									Independent Director
Mr. Kulit Sombatsiri				Member						Non-Executive Director
Mr. Surasak Supavittpatana										Non-Executive Director
Mr. Pithsanu Tongveerakul		Member								Non-Executive Director
Mr. Toshiro Kudama										Non-Executive Director
Mr. Satoshi Yajima		Member	Chairman							Non-Executive Director
Mr. Hideo Kuramochi										Non-Executive Director
Mr. Shigeru Inano		Member								Non-Executive Director
Mr. Sahust Pratuksukul		Member		Member	Chairman	Chairman	Chairman			President
President				Member	Chairman	Chairman	Chairman			Management
Senior Executive Vice President - Business Development International 1					Member	Member	Member			Management
Senior Executive Vice President - Business Development International 2					Member	Member	Member			Management
Senior Executive Vice President - Business Development Domestic					Member	Member	Member			Management
Senior Executive Vice President - Strategy and Asset Management					Member	Member	Member			Management
Chief Financial Officer					Member	Member	Member			Management
Director Rayong Power Plant					Member	Member	Member			Management
Managing Director of KEGCO					Member	Member	Member			Management
Managing Director of ESCO					Member	Member	Member			Management
Executive Vice President - Asset Management					Member		Member	Chairman	Chairman	Management

	Standing Committee				Management Committee					Remarks
	Audit Committee	Investment Committee	Nomination and Remuneration Committee	Corporate Governance & Corporate Social Responsibility Committee	EGCO Management Committee	Good Governance Committee	Risk Management Committee	Safety, Health and Environment Committee	Business Continuity Plan Committee	
Executive Vice President - Project Management					Member		Member			Management
Executive Vice President - Subsidiaries Accounting & Finance									Member	Management
Senior Vice President - Legal						Member				
Senior Vice President - Corporate Communication						Member				
Senior Vice President - Human Resources										
Senior Vice President - Corporate Secretary					Secretary	Member and Secretary				
Senior Vice President - Internal Audit	Secretary					Member and Secretary				
Senior Vice President - Procurement and Administration									Member	
Vice President - Human Resources of Rayong Power Plant								Member	Member	
Vice President - Safety of KEGCO								Member		
Vice President - Safety of ESCO								Member		
Power Plant Manager - EGCO Cogen								Member		
Power Plant Manager - Roi-Et Green								Member		
Manager - Tap Water of Egcom Tara								Member		
Senior Vice President - Asset Management								Member and Secretary	Member	
Senior Vice President - Information Technology									Member	
Vice President - Performance Monitoring									Member	
Assistant Vice President - Asset Management								Member and Assistant Secretary		



## Corporate Governance Report for 2013

EGCO has strongly believed that business management with the good corporate governance is the key indicator of the efficiency, fairness and transparency as well as the responsibility towards society and environment. This in return should boost trust and confidence of shareholders, investors, and other stakeholders towards the company. Moreover, good corporate governance would lead to EGCO's sustainable growth in financial investment and its competitiveness. To materialize such principle, the Board of Directors oversees and enforces the company to follow the good corporate governance framework of the Stock Exchange of Thailand ("SET") and the rules and regulations of Listed Company issued by the Securities and Exchange Commission ("SEC") as well as the Capital Market Supervisory Board ("CMSB") in accordance with the standards set by ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The purpose is to raise the company's corporate governance to the international standard. And eventually this would result in the efficient management systems and sustainable growth to achieve its vision as to become the Thai leading company in power and energy related business both in Thailand and the Asia Pacific region with the determination to sustain environmental and social development as always.

### Establishment of the Corporate Governance Policies

The Board of Directors has established the written corporate governance policies that abide by SET's good corporate governance and the best practice framework, as guidelines for directors, management and employees to follow. The Board annually reviews the company's corporate governance policies to ensure adherence with the following core issues :

- Policy setting with the fair and equitable treatment to all stakeholders;
- Continuous improvement to enhance risk management efficiency;
- Maintaining trust and confidence of the public ;
- Enhancing employees' loyalty and morale and improving the safety and health of employees;
- Productivity improvement including efficient resource management and waste reduction;
- Foster sustainable development to enhance EGCO's long term value.

In 2013, the Board revised the company's corporate governance. The amendments were made on EGCO's business policy Principle 1 specifically on its vision and missions to correspond to its strategic framework in doing business in the current economic situation. Moreover, for the Board's optimal efficiency, the amendments were made in Principle 7 : the organization chart and responsibilities of the Board of Directors and category 5 : responsibilities of the Board of Directors on the topic 5.1 : the organization chart of the Board. There was a revision on the number of other companies in which EGCO's Board and the Management can participate.

### Communication of the Corporate Governance Policies

The Board has disclosed the corporate governance policies on EGCO website: [www.egco.com](http://www.egco.com). Shareholders and investors who want to request for a hard copy can submit the form attached in the annual report to the corporate secretary. To strengthen the good corporate governance, EGCO has also issued the code of conduct as the practicing guidelines for directors, management and employees. Communication and activities have been provided to enhance understanding of the good governance principles having the four pillars : good governance as the framework, transparency, swift development and sustainable growth. The details are as follows :

Promotion of Best Practice

Responsibility

Equitable Treatment

Accountability

Creation of Long Term Value

Transparency

During the past year, main activities conducted were the following :

- Release information to Directors and employees to keep abreast of the news, information and guidelines on good corporate governance. Also news and updates about the company relating to the resolutions of the Board of directors and SET were regularly communicated to the employees by EGCO Group Intranet.
- Reports were sent to the Board on EGCO's practices of good governance guidelines under supervision of SET and suggestions.
- Lectures and seminars on Good Corporate Governance policies and code of conduct were organized for the new directors to attend.
- Training : Good Corporate Governance trainings were conducted, including new employees' orientation.

### Compliance Monitoring

EGCO corporate governance policies have always been strictly complied by the Board, Management and staffs and the progress has been monitored regularly. As the result, there was no report of any breach to the corporate governance policies in 2013.

Based on the EGCO's determination towards good corporate governance, in 2013 the company was well recognized as an excellent showcase and awarded by various institutions.

- Excellent in holding shareholder meetings and considered a good example for quality assurance on the 2013 Annual General Meeting, scoring 100 out of 100 for the fourth consecutive year, evaluated by Thai Investors Association
- SET Award of Honor for Good Governance Report for best practice during 2011 - 2013 as a listed company with the market capitalization over 10,000 million baht from the SET Awards 2013 hosted by SET and the Finance and Banking Magazine
- CSRI Recognition 2013 as a listed company that has the determination towards Corporate Social Responsibility, hosted by Corporate Social Responsibility Institute (CSRI) under supervision of SET
- Best Sustainability Report Award from the contest on Sustainability Report Award of the year 2013 hosted to help upgrade the listed companies' information disclosure
- Excellent Corporate Governance Performance by the Thai Institute of Directors (IOD) with the score of 94 out of 100

EGCO has followed SET's suggestions that companies listed in 2011 adopt SET's Good Corporate Governance Principles revised to be in line with ASEAN CG Scorecard as deemed appropriate. we are to notify SET the reasons and substitute measures/actions about the items which cannot be complied and to inform the shareholders, investors, stakeholders and concerned parties of the good practices. The Board then has prepared this report according to such principles.

## 1. Rights of Shareholders

EGCO values and respects the shareholders as the investor and the owner of the Company. Therefore, EGCO encourages the shareholders to exercise their rights which include the legal basic rights such as the right to share in the profit, the right to buy, to sell and to transfer the share, the right to receive adequate information, and the right to attend and vote for significant matters at the shareholders' meetings including the appointment or removal of directors, directors' remuneration, appointment of auditors and their remuneration and other significant issues which impact EGCO.

Beyond such basic rights, EGCO endeavors to provide fair treatment and assistance to shareholders such as providing timely information and updates via the website, newsletters and shareholders' site visit. It can be assured EGCO has never violated the shareholders' rights.

### 1.1 Shareholders' Meeting

The Board considers the Annual General Meeting ("AGM") a very important event. AGM is held within 4 months from the company's closing date of accounting period to accommodate shareholders' participation in monitoring the company's performance. An extraordinary meeting of the shareholders is to be called to consider a special agenda that affects the shareholders' interests or involve conditions that require the shareholders' approval. For the year of 2013, EGCO's AGM was held on April 24, 2013 at Vibhavadee Ballroom, Centara Grand Hotel at Central Plaza Ladprao, Bangkok. And there was no extraordinary meeting of the shareholders. EGCO's AGM was arranged in accordance with AGM Checklist issued by the Thai Investors Association, Listed Companies Association and SEC as follows :

#### Before the Shareholders' Meeting

EGCO provided shareholders with meeting documents, complete and adequate in advance to support their decisions. Shareholders were encouraged to attend the meeting, either in persons or by proxy.

- Meeting schedule and agendas were announced via the SET portal and EGCO website since March 20, 2013, 35 days in advance of the AGM date to enable shareholders to plan their schedules to attend the meeting.
- Notice of the meeting as well as the agenda were sent to shareholders on March 20, 2013 which was 35 days before the AGM date. The agendas of the 2013 AGM were matters for consideration as in EGCO's article 4 about the shareholders meetings. The appointment of directors and directors' remuneration were under separate agendas. Each agenda incorporated the objectives and rationale, board's opinions, and conditions and processes to attend the meeting. Also, the annual report and 3 proxy forms, as set by the Department of Business Development, Ministry of Commerce. Notices and supporting information were published for 3 consecutive days in two Thai and one English newspaper to notify shareholders in advance so as to have all significant and adequate information for their preparation. Also, all the concerned details were published on EGCO website before receiving the hard copies or to assign the proxy if unable to attend in person. Contact number was also provided for any relating inquiries. Moreover, additional information relating to the appointment of the Board was also provided to ensure best practice guideline by SET and SEC.
- Coordinating with the Thailand Securities Depository Co., Ltd ("TSD") to allow shareholders to notify their intention to attend the shareholder's meeting in advance via Interactive Voice Response (IVR) system so that EGCO would properly facilitate the meeting.
- To facilitate the institutional investors' attendance, Investor relation unit coordinated with the institutional

investors for their submission of registration documents to EGCO 7 days in advance for document checking so as to shorten the administrative procedures on the meeting day.

- Providing communication channels for shareholders to forward their questions on meeting agendas in advance to [directors@egco.com](mailto:directors@egco.com) or facsimile number 0-2995-0956-7 ext. 5020-5025 to ensure of shareholders' utmost benefits for their meeting attendance and protected rights.

### On Shareholders' Meeting Day

EGCO provides full facilities for shareholders to exercise the right to attend and vote at the shareholders' meeting. The meeting is conducted fairly and transparently so as not to violate the shareholders' rights. Inspection is always welcome and shareholders' enquiries and opinion are well taken. The following are EGCO's practices :

- Directors, Management and the external auditor have always been encouraged to attend the AGM and answer shareholders' questions. For the AGM 2013, fourteen directors including the chairman and all committees' chairmen attended the meeting which accounted 93% of the Board members. The chairman and committees' members also presented information to shareholders and answered shareholders' questions. One director was absent due to another significant engagement.
- Shareholders' facilitation was given priority and for 2013, the direction to the meeting venue was attached to the AGM notice and several registration counters were provided for shareholders' convenience.
- Exhibition on EGCO business and shareholders' corner were arranged. Shareholders were welcome and the management, investor relations and accounting and finance units prompted for their inquiries.
- TSD staff, EGCO's stock registration officers, were provided to service shareholders for possible inquiries on dividend cheques and share certificates.
- The TSD system was implemented to facilitate the meeting including shareholders' registration process, vote counting and data processing for speedy precision.
- Shareholders who registered after the meeting was declared open were allowed to vote for the ongoing and the remaining agenda items. One shareholder volunteer was invited to inspect the vote counting.
- Shareholders' meeting was convened according to the order of the agenda. Presentation for each agenda included the background, supporting rationale and suggestions. The significant information and details were in the meeting notice sent to shareholders.
- Shareholders were equitably treated and were allowed adequate time to raise their inquiries and opinions. All questions were addressed and clarified, and subsequently recorded in the minutes of meeting.
- Baker & McKenzie Co., Ltd., was engaged as the inspector to audit shareholders' registration, meeting quorum, compliance of the voting procedure with EGCO articles of association and the Chairman's notification, voting card collection and vote counting. In this regard, the inspector reported that the meeting and the voting procedure in 2013 AGM was transparent and complied with the governing laws, the articles of association, and SET's best practice of good governance. The inspector also reported that EGCO well regarded the right of its shareholders to participate in the meeting and voice out their opinions.
- AGM quality assessment questionnaire was disseminated to gather feedbacks for future improvement. The result of the 2013 survey indicated that shareholders' satisfaction for the quality of the notice about the meeting, meeting arrangement and meeting conduct.

At the end of the meeting, there were 548 and 821 shareholders present at the 2012 AGM in person and by proxy, respectively, representing 417,696,490 shares which accounted for 79.340% of the total outstanding shares. The attendance rate increased from AGM 2012, of 542 and 753 shareholders attending the meeting in person and by proxy, representing 407,525,838 shares or 77.408% of outstanding shares.

#### After the Shareholders' Meeting

- After the AGM of 2013 on April 23, 2013, draft minutes of the meeting was posted for shareholders' review on EGCO website "www.egco.com" on May 7, 2013 which was within 14 days after the meeting date as required by SET. They noted the names of the Board and the Management with their titles present at the meeting together with the voting process, voting card collection and vote counting, the Board's recommendations, inquiries and suggestions from shareholders and clarifications by the management. Also details on the number of approvals, disapprovals and no votes and the resolution of each agenda were included. The minutes of meeting were properly filed for future reference.
- Shareholders' meeting was recorded and later broadcasted on the website to facilitate shareholders who could not attend the meeting and the recorded CD was provided on request.
- EGCO announced the meeting resolutions on dividend payment via SET's portal. EGCO also coordinated with the registrar to ensure that all the shareholders received the dividend.
- Recommendations from shareholders and inspectors were taken for further improvement of the AGM.

#### 1.2 Shareholders' and Investors' Visits

Under the Board's policy to provide shareholders and investors the better understanding of EGCO business several shareholders' and investors' visits were arranged with details as follows

- Analysts' and investors' visit the SPP2 Power Plant and Lopburi Solar Power Plant
- Shareholders' visit the SPP2 Power Plant and Lopburi Solar Power Plant

## 2. Equitable Treatment of Shareholders

### 2.1 Fair Treatment

The Board regularly reviews the governance structure and framework to ensure that the shareholders, including minority and foreign shareholders, are treated equitably and that EGCO procedures do not make it unduly difficult or expensive to observe shareholders' rights. The Board encourages shareholders to take part in EGCO's governance and ensures that they are well informed about the significant decisions of EGCO as prescribed by laws and the Articles of Association.

- EGCO preserves rights of all shareholders and no agenda item is added at the shareholders' meeting without advance notification to ensure shareholders have adequate information ahead of time. Shareholders have the right to vote according to the numbers of shares on "a one share one vote" basis and no share has any privilege which overruns the rights of other shareholders.
- EGCO allows minority shareholders the right to propose meeting agenda items and director nomination. The criteria noting the clear and transparent procedures that are in line with additional guidelines on the minority shareholders' rights regulated by SET are announced on EGCO website and SET Portal. In 2012, the shareholders had the right to propose meeting agenda items or inquiries at the AGM of 2013 and director nomination during 1 September - 31 December 2012 (approximately 8 months before the AGM). The minimum share was set at 0.05% of company's share (equal to 263,232.5 shares



as of September 1, 2012). This was applicable for either a sole or a combined shareholders which was beyond SET's recommendation of 5% shareholding. However, in the AGM of 2013, it attracted no proposal of AGM agenda item nor director nomination.

- Voting cards were used in vote counting for all agenda items for transparency and audit trail. Directors appointment was done by shareholders individually. Baker & McKenzie Co. Ltd. was engaged as the inspector together with one volunteer shareholder as the observer.
- Shareholders who could not attend in person could vote by proxy. The three proxy forms as introduced by the Department of Business Development, Ministry of Commerce were provided and three independent directors who did not have the conflict of interests with the AGM agenda were offered as volunteer proxies. In a bid to facilitate the shareholders, the proxy forms could be downloaded from EGCO website.
- Since most shareholders attending the meeting were Thai, the meeting was therefore conducted in Thai. However, to facilitate foreign shareholders, EGCO prepared the notice of meeting in both Thai and English and English interpreting service was also provided at the meeting room.
- With the awareness that some shareholders might not be able to access the minutes of meeting on the SET and EGCO websites, a hard copy of the minutes of the AGM 2013 were mailed to each shareholder for review.

## 2.2 Prohibition of Abusive Conduct by Insiders

EGCO has set up the written guidelines in the code of conduct for directors and employees to prohibit improper insider trading and abusive conduct by insiders to ensure fairness to all shareholders.

### Directors

- Directors must not make improper use of information acquired by virtue of the directors' position.
- Directors must not disclose matters such as trade secrets, or sensitive business information to outsiders.
- Directors, spouses and minor children must not buy or sell EGCO shares while in possession of internal information, which, if disclosed publicly, would be likely to materially affect EGCO share price.
- Directors must not provide to anyone any information which is not publicly available and which would have a material effect on the price or value of EGCO's securities.

### Employees

- Employees shall at all times observe the rules and regulations issued by SET, SEC and other governing laws which include the equitable information disclosure to shareholders and the public.
- Information disclosure to the public that will affect the business and EGCO's stock must be approved by the President. Only the President or the assigned personnel is authorized to disclose such information.
- The Corporate Communications Division, the Corporate Secretary Division and the Investor Relations Division are responsible for disclosing EGCO information to the public while it is the responsibility of the information owner to provide the fact sheets.

EGCO also sets the policy that Management and Employees who have the inside information relating to financial statements must refrain from their own security trading within 45 days before and 24 hours after the information disclosure. For other significant inside information, they must refrain from security trading

from the day of acknowledgement until 24 hours after disclosure to public. In addition, EGCO has put in place the internal control system to prevent the leakage of any information before the public disclosure. Such measure is a part of significant risk management. Supervisors also have the responsibility to ensure that the measure to safeguard inside information is effective. Using the undisclosed inside information for own or others' benefits of security trading is considered violating the code of conduct.

### 2.3 Information Disclosure of Stakeholders

EGCO sets the guidelines on disclosure of directors and management' interest to ensure transparency and to prevent conflicts of interest as follows:

- Directors will promptly notify EGCO if they or their family members involve or hold shares in any entity which may incur benefits or conflicts of interest with EGCO, acquire a direct or indirect interest in any contract made with EGCO or hold shares or debentures of EGCO or any affiliate. Directors or Management with potential conflict of interest shall refrain from discussing and voting on such agenda item.
- Directors and Management's security holding is reported as a routine agenda at the Board meeting, with notification that directors, management including their spouses, minor children and related persons under Section 258 of the Securities and Exchange Act have the responsibility to prepare and disclose any change in shareholding of the Company to the SEC within three days.

Since 2009, the Board set the policy for directors and management including related persons to report their interest in the Company to comply with the Notification of the CMSB no. Tor Jor 2/2009, effective from July 1, 2009 as follows :

1. That Directors and Management submit the quarterly report on interest in EGCO business.
2. Changes in the interest during the quarter are to be informed to the Corporate Secretary as soon as possible.
3. Corporate Secretary shall submit such report to the Chairman and the Chairman of the Audit Committee within 7 days after getting such report.

### 2.4 Conflicts of Interest

The Board of Directors has set the policy in the Code of Conduct for Directors and employees to avoid the conflicts between the personal interest and the corporate interest. The detail will be illustrated in item 5, Responsibility of the Board of Directors.

In 2013, there was no report from the whistleblowers about the breaking of the shareholders' rights and the use of information by the Directors and Management. This shows the efficiency of the Board of Directors' responsibility of this issue.

## 3. Role of Stakeholders

### 3.1 Rights of Stakeholders

Apart from preserving rights of the shareholders, the Board takes due regard of and deal fairly with all stakeholders and prioritizes issues that affect both business and corporate social responsibility matters. The Board has set up the guidelines to respond to the requirements of each stakeholder in the corporate governance principle and "EGCO Group's Code of Conduct" with the expectations that directors, management and employees shall be guided by the following principles in discharging their duties.

## Employees

EGCO realizes the value of its human resources which is the key success factor of the company's prospect. The company, therefore, puts an emphasis on the employees' welfare and well-being which includes health and hygiene matters, safety, working environment and fair remuneration and suitable benefit schemes. EGCO also supports employees' career development and employee relations. Employees are encouraged to participate in community and social development activities such as taking part of projects for communities surrounding the power plants and the society at large.

It should be noted that during the past year, there was no legal dispute between the employees and EGCO and there was no serious injury in all subsidiaries.

## Customers

EGCO, as the power generator, distributor and provider as well as the tap water generator and distributor, is committed to providing good quality and reliable services at a fair price to all customers. It is EGCO's policy to create and sustain good business relationships with each and every customer.

In the past year, there was no dispute nor law suit between EGCO and its subsidiaries and the customers. For power generating business, EGCO group could generate the contracted electricity with higher Equivalent Availability Factors ("EAF") than committed in the Power Purchase Agreement ("PPA"). Overall availability payments above a threshold defined by the PPA. For maintenance business, EGCO group's service was rated "very satisfactory" in the customer's satisfaction survey. And for tap water generating and distributing businesses, EGCO group could provide higher supply than a minimum volume committed in the contract. Moreover, EGCO could produce tap water with a higher standard than required by the Thai Industrial Standards Institute (TISI).

## Creditors

EGCO endeavors to ensure that it complies with all of the loan provisions and that the company's financial status is correctly disclosed.

In 2013, EGCO and all the subsidiaries well observed the conditions in the loan agreement and there was no event of default.

## Suppliers and Contractors

EGCO treats suppliers and contractors fairly, not seeking undue benefit from them and complies with the conditions in the agreements in order to develop and secure the sustainable relationship with suppliers and contractors on the bases of value for money, technical conformance and mutual trust.

In 2013, there was no dispute nor law suit between EGCO and its subsidiaries and the suppliers and contractors.

## Competitors

EGCO conducts its business on a fair play basis. The company does not use a disgraceful approach to gain competitiveness such as bribery in order to get competitors' sensitive confidential information or attacking competitors with false allegations.

In 2013, there was no dispute nor law suit between EGCO and its subsidiaries and the competitors.

## Community and Society

EGCO has a policy to operate the business with commitment to social contribution and environment conservation. The company's Code of Conduct also specifies that employees at all levels must perform

their duties in a considerate manner to avoid any social and environmental impact, especially on communities near our facilities. It is EGCO employees' duty to disclose current and truthful information as well as to create a benevolent livelihood with respect to local norms, culture and traditions. They are also expected to co-operate and participate in creating good quality of life to make the local community and the society a nice place to live. This will eventually lead to sustainable development of the society. EGCO has executed various social contribution projects and activities. They can be categorized in 3 areas, namely; for local communities' better quality of life, for understanding and studies on energy and environment and for watershed conservation.

In 2013, there was no dispute nor law suit between EGCO and its subsidiaries and people in the communities surrounding the plants and the NGOs. EGCO Group has been developing 48 social contribution projects and has recently initiated our quarterly newsletter "Sook Jai" as a communication channel with local people. Moreover, EGCO has continuously supported Thai Rak Pa, the non-profit foundation initiated by EGCO to jointly help promote watershed forest conservation with other allies and NGOs. In 2013, Thai Rak Pa foundation helped support a local community in Chiang Mai in calling for the conservation of 70,000 rais of watershed forest.

EGCO has reported the details of its handling with the stakeholders in the 2013 Annual Report under the topic "Responsibilities and Encouraging Participation with Our Stakeholders".

### 3.2 Observation of Human Rights

EGCO requires that its directors, management and employees fully observe the following human rights.

- EGCO treats employees with respect and honor.
- EGCO provides communication channels for employees to submit questions and complaints relating to work which will be seriously considered. The remedy to the problem will be given to benefit and to promote good relations among all concerned parties.
- EGCO encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information shall be kept with discretion and confidentiality. Disclosure of personal information such as employees' bio-data, health record, work experience or any other personal information to non-related party without the permission of such employee is considered a violation of the Code of Conduct and may result in a range of disciplinary action except when it is done in accordance with the company's regulations or legal requirements.
- EGCO does not support the violation of human rights and frauds.
- Employees must refrain from any deliberate discrimination or harassment in word or action against others on the basis of race, gender, religion, age, and physical or mental disability.

EGCO also set clear guidelines for labor engagement for the company and its business partners to strictly comply with the labor act for refraining from child labor or abusive hiring. In addition, the working system is designed to put priority on safety and occupational health. There has never been any report on the violation of human rights by EGCO.

### 3.3 Intellectual Property

EGCO shall comply with the legal requirements on intellectual property and copy rights. Using the work or information that belongs to third party requires checking to prevent the violation of intellectual property.

### 3.4 Measures against Corruption and Bribery

EGCO has set the policy to work against corruption and bribery. In this regard, EGCO's code of conduct prescribes that employees are prohibited from soliciting or accepting any advantage from third party that may impair their objectivity or weaken their ability to promote the best interests of EGCO Group. Employees shall refrain from offering the advantage to outside persons as a motive for him to do or refrain from doing any illegal and wrongful act.

Since 2010, EGCO has joined the project on Collective Action Coalition to fight against corruption in the private sector. Such coalition was initiated by the IOD, the Thai Chamber of Commerce, international chambers of commerce and the Thai Listed Companies Association. Such project was national project being supported by the government and the Office of the National Anti-Corruption Commission.

### 3.5 Responsibility towards Environment and Resources

EGCO Group realizes the importance of the environment and natural resources as the prime source of the power and energy. So it endeavors to optimize the usage of natural resources and to help create sustainable power sources. In this regard, EGCO is determined to increase our domestic electricity generation from alternative power sources to 300 megawatts within 2015. EGCO has constantly evaluated environmental impacts from our business conduct and set the measures to prevent and alleviate such impacts, in compliance with relevant local and international laws and regulations. In 2012 EGCO Group updated its environmental policies to be in line with complicated environmental issues in the future. The issue of minimizing the release of green-house effect gases to help solve global warming and the protection and revival of bio-organisms were added into our agenda.

In 2013, EGCO Group generated the volume of electric power from renewable energy contracts in proportion to their current shareholding 72.28 MW of renewable energy in the country. From commercial power plants and projects under construction and development contracts in proportion to their shareholding totaling 201.28 MW and subsidiaries in EGCO Group complied with environmental laws and regulations in its entirety. The implementation and activities of stakeholder and eco-friendly business are reported in Sustainable Development Report 2013.

### 3.6 Communication Channel

All stakeholders can direct their recommendations and concerns to EGCO via the following channels :

	Electronic mail	Telephone Numbers
Board of Directors	directors@egco.com	-
Audit Committee	auditcommittee@egco.com	-
Corporate Secretary	cs@egco.com	0 2998 5020-5
Corporate Communications	corp_com@egco.com	0 2998 5130-7
Investor Relations	ir@egco.com	0 2998 5147-48

The mailing address is Electricity Generating Public Company Limited, EGCO Tower, 222 Moo 5, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok, 10210.

The Corporate Secretary is responsible for forwarding documents and messages directed to the Board, relevant committees or relating directors. Issues and recommendations would be summarized and submitted to the Board on a quarterly basis, except for mails addressed to the Audit Committee which would be directly forwarded to the Audit Committee without screening. E-mail sent to 'auditcommittee@egco.com' would be directly accessed by the Audit Committee.

### 3.7 Whistleblower System and Whistleblower Protection

The Board has set the channels for whistleblower programs at both management and director levels. For management channel, the report on any suspected violation or crime shall be submitted to the supervisor of each level and the Good Corporate Governance Committee. For the Board's channel, such report can be directed to either the Board or the Audit Committee. It is the responsibility of the management to coach employees to meet their responsibilities under the requirements of relevant laws and regulations. EGCO has provided the channels for complaints, comments and suggestions as well as tips on wrongful acts or code of conduct and claims for corruption cases by the employees and stakeholders. And measures to protect the whistleblower are also put in place so as to keep reported information confidential and will be acknowledged only among the responsible parties. The whistleblowers can identify themselves or keep their identities anonymous but they must provide adequate information for the company to investigate the claims.

## 4. Disclosure and Transparency

### 4.1 Disclosure Channel

EGCO realizes the impact of publicizing complete, correct, updated and transparent information on general, financial and other important matters. The company provides the following channels to disclose the material information for the investors' and stakeholders' awareness in accordance with the requirements of the SEC and SET:

#### 1. Disclosure on website

In order for the shareholders and investors to be able to promptly retrieve the information disclosed to the public, EGCO has presented the significant and updated information on the websites as follows:

##### A. SET's Community Portal system and SEC

##### B. Company's website at [www.egco.com](http://www.egco.com) for quick retrieval of the information disclosed to the public

The information both in Thai and in English includes the details below :

- Corporate Profile : History, Vision, Mission, and Organization Structure
- Corporate Governance : CG Principle, Board of Directors, Board's Committees, and Senior Management
- Investor Relations : Finance Report, Ownership Structure, and IR Calendar
- Corporate Communications : Business news and news about EGCO's social contribution projects
- Corporate Social Responsibilities: Details about concepts and directions and existing Social Contribution Activities

#### 2. Public channels such as newspapers, magazines, television channels, and newsletters

#### 3. Company's visits : To present and discuss key information to the investors and stock analysts

#### 4. Roadshows for both domestic and overseas investors;

#### 5. Analyst meetings; and

#### 6. EGCO newsletters and notices via post



Only the President or the assigned staff members are authorized to disclose the company and its subsidiaries' information. The personnel comprises the President, SEVP- Business Development Domestic, SEVP-Business Development International, SEVP- Strategy and Asset Management, Chief Financial Officer, SVP-Corporate Secretary, SVP-Corporate Communication and SVP-Investor Relations. In 2013, EGCO consistently communicated significant information and activities as communication plans conforming to the Company's strategy and business direction. Correct and efficient disclosure via Company divisions is designates as follows :

### Investor Relations

Investor Relations Division is responsible for communication with institutional and individual investors, and analysts on an equitable basis. In this regard, annual investor relations plan is prepared.

EGCO puts priority on sharing information via investor relations activities. Senior management always takes parts in providing information to investors and analysts to create understanding on the Company, promote the relationship, and encourage them to provide the feedback to the Company. Significant activities in 2013 included.

- Quarter Analyst Meeting : 4 meetings
- SPP 2 Power Plant and Lopburi Solar Power Plant visits for shareholders and investors : 2 trips
- SPP 2 Power Plant and Lopburi Solar Power Plant visits for analysts and investors: 1 trip
- Roadshows and conferences with the institutional investors and analysts
- Newsletter "Life", quarterly publishing as the significant channel to communicate of the company's performance to shareholders

Shareholders and investors' activities are detailed in 2013 Highlight, and the responsibilities to Stakeholders in Relationship Management with Shareholders and Investors.

### Corporate Communications

The Corporate Communications Division is responsible for communicating the movement of the Company to media for public disclosures. Major events in 2012 included 3 press conferences on corporate results and directions, 10 exclusive interviews and 17 pieces of press releases.

### Corporate Secretary

The Corporate Secretary Division disclosed information as required by SET and SEC on a correct and transparent basis. In 2013, 19 notifications were submitted to SET.

To ensure the full compliance on disclosure, information in EGCO website has constantly been updated. The disclosure is assessed after every meeting with shareholders, investors and analysts for further improvement in information disclosure and investor relations. In addition, EGCO also attached with the annual report and notice to the AGM, the feedback form for shareholders to provide feedback on the quality of the annual report, additional documents required, and questions for the President to answer in the next AGM. This has been taken well by shareholders.

## 4.2 Financial Statement Preparation

EGCO aims at fostering the stakeholders' confidence that EGCO's financial reports are accurate, complete and transparent in line with the generally accepted accounting standards to protect EGCO assets against fraud or abnormalities. In this regard, the Board has entrusted the Audit Committee to assume key duties and responsibilities of reviewing the financial statements to ensure its correctness and adequacy and compliance with the accounting standards and relevant regulations.

The Audit Committee sets its policy to meet the external auditors in the absence of the management at least once a year to ask questions and discuss with them on significant issues. Apart from disclosing the Auditor Report in the annual report, the Board also prepares the report on the Board of Directors' Responsibilities on Financial Statements which covers important topics as prescribed in the SET's Best Practices for Directors of Listed Companies. In 2013, EGCO appointed auditors from PricewaterhouseCoopers ABAS Limited as the Company's auditors given that they had professional knowledge and had no conflicts of interest to defect their independent judgment. This was aimed at fostering the Board's and shareholders' trust that EGCO's financial statements truly reflected the actual and reliable financial status and operating result.

EGCO also prepares the report on Management Discussion and Analysis to provide analytic information on the company's financial status, operating results and major changes to investors and analysts on a quarterly basis. Such report is submitted via SET portal along with the company's financial statements.

It should be noted that SEC has never demanded EGCO to re-state the financial statements. In addition, the quarterly and annual financial statements are disclosed ahead of the due time.

## 5. Responsibilities of the Board

### 5.1 Board's structure

#### Structure, Composition and Directors' Selection

Currently, the Board comprises not less than 5 directors and not more than 15 directors as stipulated in the articles of associations. The number of the directors is reviewed periodically to fit its duties and responsibilities. The change in number of directors requires the shareholders' approval with the four-fifth majority votes of shareholders who attend the meeting and have the rights to vote.

As of January 31, 2013, EGCO Board comprised 15 directors, 14 of whom were non-executive directors which accounted for 93% of the Board. From these outside directors, 6 were qualified as independent directors which accounted for 40% of the total directors.

The Nomination and Remuneration Committee is entrusted to select and recommend prospective nominees, both for the shareholders' representatives and independent directors. The consideration is based on the individual's skills and experiences that would contribute to the Board's efficiency including flawless work profile, moral and accountability and professionalism. The Nomination and Remuneration Committee is also responsible for the annual review of the board structure. The present structure and composition of the Board which comprises 100% male, having a mix of expertise and experiences in engineering, accounting, finance, economics and business administration, and laws and political science at the ratio of 53.33%, 33.33%, and 13.% respectively, is viewed appropriate for business operation with an appropriate balance of power.

### Educational Background of EGCO's Board of Directors



\* As of January 1, 2014 the 2 newly appointed directors were Mr. Mongkol Sakulkao and Mr. Piboon Buacham, having expertise in Engineering and Applied Statistics respectively.

### Term and Age Limit

One third of the directors shall retire by rotation at the AGM as prescribed in the Public Limited Company Act 1992. EGCO specified the term of independent directors to be limited to 3 terms in order that the independent directors should be independent from the management as conforming to the best practices which took effect from the 2011 AGM date. For age limit policy, director candidates would not stand for election after the age of 72. Given such age limit on the election date, directors would be able to serve on the Board until the expiry of their terms.

### Chairman

The Board elected Mr. Pornchai Rujiprapa, a representative director of EGAT, as the Chairman from his proven knowledge in energy sector together with his leadership to lead EGCO towards the corporate vision and mission to benefit all shareholders. Although the Chairman is not an independent director, the Board remains independent and makes decisions on due care and responsible to all shareholders through the following mechanisms :

1. The Chairman is a non-executive director, not the same person as the President and has no relations with the management. His authorities are separate from those of the President. And there is a clear distinction between oversight and day-to-day business administrative roles. The Chairman took the lead role in conducting board meetings to be effective and efficient by encouraging involvement by all directors and providing recommendations to Management via the President. The Board does not intervene in any routine activities under the President's responsibilities.
2. The Chairman is not an EGAT's employee but is entrusted by the government to be on EGAT Board of Directors to protect the national benefits. The Board believes that the Chairman will for in the best interest of all shareholders and stakeholders.
3. Most of the Board members are non-executive directors and the Board's seats are allocated in accordance with the shareholding in the Company comprising 4 EGAT representative directors, 4 TEPDIA representative directors, and 6 independent directors. This indicates a proper balance of power.
4. The Board has assigned the Board committees to oversee tasks where there may be a potential for transactions with conflict of interest and to balance the need of each stakeholder. With respect to this,

the Audit Committee is entrusted for the oversight and review of the accuracy of financial and non-financial reports as well as related matters. The Nomination and Remuneration Committee is assigned to take care of selection of Board members and key executives and their remuneration on a transparent basis.

The result of the Board's performance appraisal in 2013 indicated that the Chairman was excellent in leading the meeting and encouraging directors to participate in the discussion around the Board table.

#### Independent Director

Currently, there are 6 qualified independent directors on the Board which is larger than one-third of the whole Board, as set by the CMSB. And the independent directors set up the policy to call meetings among themselves as deemed appropriate.

#### Segregation of Duties

The Board clearly segregates the Board's responsibility of policy making and oversight from the day-to-day operation which is the responsibility of the Management stated in the Table of Authority. In practice, the Board does not intervene with any routine activities under the President's responsibilities. Such Table of Authority is reviewed periodically to accord the changing board and company's structure. The present Table of Authority was revised in July 2013.

#### Policy and the Procedure for Other Positions of Directors and Management

To ensure that the directors are able to devote time for the efficient oversight of EGCO, the Board revised the total number of other listed companies that directors and non-executive directors should serve as the Management, from not more than 6 to 5 and 4 to 2 respectively. Currently, all of the directors well comply with such guideline. The Board considers the directors' meeting attendance as one of the criteria for his or her re-election.

#### Corporate Secretary

The Board has appointed Ms.Kulkanok Leongsoithong as the Corporate Secretary with the duty and responsibility as prescribed in the Securities and Exchange Act (No. 4) B.E. 2551. Ms. Kulkanok also serves as the secretary to the Board of Directors and Committees including Investment Committee, Nomination and Remuneration Committee and Corporate Governance Committee. The Corporate Secretary has the following functions to assist the Board as well as to coordinate with other parties for subsequent actions under the Board's resolution.

- Provide primary advice pertaining to EGCO's regulations and articles of associations, and monitor to ensure regulatory compliance on a regular basis, and report any significant changes to the directors
- Arrange meetings of shareholders and the Board in accordance with the laws and regulations, including EGCO's articles of associations and best practices
- Prepare minutes of shareholders' and the Board of Directors' meetings, and follow-up to ensure compliance with resolutions of shareholders' and Board meetings
- Ensure that corporate information disclosure to regulatory agencies is in accordance with the laws and the SEC's and SET's regulations
- Communicate with shareholders of their legitimate rights including EGCO's news;
- Facilitate board's activities including director orientation

- Safeguard EGCO's records such as directors' registration, meeting notices, minutes of meetings, annual reports, notices to shareholders' meetings, shareholders' minutes of meetings and reports on directors' and Management's interest.

In 2013, the Corporate Secretary attended seminars and provided opinions on the hearings hosted by the listed company regulators, the Thai Institute of Directors so that information should be used to enhance the efficiency of the Corporate Secretary and corporate governance tasks.

## 5.2 Board Committees

For the Board to utterly study and inspect significant issues and matters, the Board assigns directors with knowledge and expertise to be the members of the Board Committees, namely Audit Committee, Investment Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee.

Each Board Committee has its own charter which prescribes functions, composition, term of office, responsibilities and meeting conduct. The committee's charter, which is approved by the Board, would be reviewed as deemed appropriate. For 2012, Committees' Charter was reviewed to better suit the environment. In performing the duties, each committee can retain outside counsels, experts and professional advisors, as deemed appropriate at EGCO's expense. All committees shall report their activities (if any) to the Board.

**Audit Committee** : comprises 3 independent directors. Its mission covers the review of the financial statements, legal compliance, risk management policy, internal control and internal audit systems and appointment of external auditors. The Audit Committee also reviews the connected transaction or transaction with conflicts of interest to ensure that such transaction is in compliance with the SET's requirement, well-grounded and for the best interest of EGCO.

**Nomination and Remuneration Committee** : comprises 5 non-executive directors, three of whom are independent directors. NRC appointed Mr. Satoshi Yajima, representative from TEPDIA, the major shareholder, as the Chairman of the Committee for his knowledge and experiences in strategic and human resources management as well as international corporate governance. Although the NRC Chairman is not an independent director, the Board ensures that NRC has its due process for directors and senior management's selection which is in line with the best practices, taking recommendations from all shareholders. Directors and senior management's remuneration is considered under transparent and clear guidelines, comparable to those of peer companies and aligned with the long term benefit of EGCO and the shareholders.

**Investment Committee** : comprises 5 directors and has the responsibility to screen and consider the Management's proposals especially on the investments, funding and relating activities for the Board's approval. However, medium and small sized transactions can be approved by Investment Committee itself after the Board's acknowledgement. Since this Committee is empowered to approve business decisions within its delegated authority. The Chairman of the Board is also appointed the Chairman of the Investment Committee. He has been proven to be an efficient chairman and conducted the meetings efficiently and has been attentive to other members' recommendations both at the Board's and the committee's meeting

**Corporate Governance and Social Responsibility Committee** : comprises 4 members having three non-executive directors and the President. The Chairman of the Committee shall be an independent director. The Corporate Governance and Social Responsibility Committee has the responsibility to endorse the corporate governance principles and the frameworks and policies relating to corporate social responsibility and environmental matters that affect shareholders and other key stakeholders.

The structures and duties and responsibilities of each Board committee as well as the number of meeting are reported in section: "Shareholding and Management Structure."

### 5.3 Roles and Responsibilities of the Board of Directors

#### Duties and Responsibilities

All Board members well understand their roles and responsibilities and EGCO businesses. They have well served the Company with honesty and prudent judgments for the utmost benefit of the Company and the fairness to all shareholders. Directors exercised their independent judgment and devoted time in discharging their duties in accordance with the Corporate Governance Principle as follows :

- Set the corporate vision, target and business strategies including risk management policy, business plan and annual budget and oversee corporate performance, approve key investments, acquisition and disposal of the assets;
- Recruit, set the remuneration rate, monitor the performance, and (if necessary) change the key management, and set the succession plan;
- Review the remuneration of directors and senior management and ensure that the director selection process is procedural and transparent;
- Monitor and resolve the conflicts of interests which may incur by management, directors and shareholders, and to ensure the independent audit and internal control with the focus on risk monitoring, financial control and legal compliance;
- Monitor the effectiveness of the existing governance tools and instruments and implement change if necessary;
- Monitor the information disclosure and communications; and
- Direct the Board's self - appraisal annually and declare in the annual report its duties and oversight of EGCO.

#### Leadership and Vision

The Board works with the management in setting the vision, mission, strategies, goals and business plans both over short and long terms which are reviewed every year. The corporate KPIs are designated for each key area including growth, financial and organization excellence. The Board also endeavors to ensure that the significant working system such as the internal control and risk management are in place. Management performance is also monitored through the President's report which is prepared on a monthly basis to ensure that EGCO business is carried out in an effective and efficient manner.

#### Code of Conduct

To maintain high ethical standards, EGCO has set up a code of conduct as the guideline so that directors, management and employees perform their duties with regard to ethical values. Directors' Code of Conduct focuses on business conduct, ethics for directors, directors' commitment, duties and responsibilities, conflicts of interest and use of information. Employees' Code of Conduct which is reviewed annually covers 1. Business Principles 2. Preservation of ethical code of conduct 3. Ethical code of conduct towards stakeholders 4. Ethical code of conduct towards the Company 5. Ethical code of conduct for Procurement and Transactions 6. Ethical code of conduct for Prevention of Conflicts of Interest 7. Ethical code of conduct about employees, 8. Ethical code of conduct for Safety, Health and Environment, 9. Whistleblower Policy and 10. Due Duties

EGCO continuously conducts trainings on adherence to the ethical code of conduct for the employees as well as provides clarifications to the frequently asked questions. Directors, Management and Employees



must follow and respect the essentials of the code of conduct. Supervisors at all levels are required to promote the compliance with the code of conduct and act as role models. To encourage the employees to fulfill their ethical code of conduct, in 2013 the President stated that all employees review their compliance with the code of conduct and sign their representation letter to the respective supervisors annually.

### Internal Control and Internal Audit

Realizing the importance of having sufficient and suitable internal control at all levels, EGCO clearly determines responsibilities and authority of management and employees in writing. The segregation of duties to ensure check and balance, and the safeguarding of company's assets were taken into account. EGCO also set a correct and timely financial report system. Moreover, EGCO also set up the Internal Audit Division in order to make sure of its transparent audit process. In 2013, Ms. Sudruedee Lertkasem has been appointed Internal Audit Division Manager and secretary to the Audit Committee and entrusted for the audit work of EGCO and its subsidiaries. The internal audit functions include giving consultation to concerned units to prevent any possible shortfalls and enhance preventive internal auditing. The Internal Audit Division directly reports to the Audit Committee. And the Audit Committee has a responsibility to approve the internal audit plan, endorse the appointment and performance appraisal of the internal audit division manager to ensure the independence and the audit reporting of the internal audit division.

EGCO emphasizes on enhancing the capabilities of internal auditors through in-house and outside seminars so that they can share their expertise and experiences. All internal auditors have attended the training courses for the professional certificate organized by the Certified Professional Internal Audit of Thailand ("CPIAT"). EGCO has also encouraged the internal auditors to have the professional certificate. There are internal audit section managers who have been certified the Certified Internal Auditor ("CIA") and Certified Professional Internal Audit of Thailand ("CPIAT").

### Risk Management

The Board of Directors entrusts the Audit Committee to review with the management the risk management policy, implementation and guidelines. The Audit Committee reports the update on risk management issues to the Board twice a year. The Board then considers the adequacy and effectiveness of risk management system so that strategies, plans and measures can be adjusted to correspond to the changing situation.

EGCO has established the risk management framework as follows :

- EGCO Risk Management Committee is shored up comprising top management of the Group companies having the President as the Chairman of the Committee. The objectives are to determine the framework and to closely monitor the risk management of the Group and to report to the Audit Committee and the Board. In addition, Risk Management Committee is set up at each power plant to set up the policy and monitor the risk management implementation to agree with the framework and the business characteristics of each power plant.
- Risk Management Section was set up under the Corporate Planning Division to enhance the alignment of business plan and risk profiles.
- Risk Management process is embedded into the working process. Management and Employees are encouraged to take part in the process and to efficiently use the resources to identify, appraise and manage risks
- Risk Management is implanted into the corporate culture. Employees at all levels must be aware of the importance of risk management.

EGCO has adopted the risk management policy and risk management manuals as guidelines since 2001. Risk Management Implementation is also included as one of the elements for internal control assessment. The result of such assessment in 2013 indicated that EGCO Group appropriately implemented risk management system. The details are presented under the topic of Risk Management.

### Conflicts of Interest

It is the Board's policy to avoid the conflicts of interest between the personal interest and the corporate interest. Therefore, the policy on the code of conduct for directors and employees is set as follows :

- Directors and Employees shall not be engaged as directors or advisors of other companies, organizations, and associations that may conflict with the interest and the business of EGCO. Acknowledgement by the Board must be sought before engaging in any organization.
- Directors shall promptly notify the Board of any conflict of interest as the case arises and shall refrain from participating in the discussion and/or voting on the matter, shall be absent from the meeting on such agenda, shall arrange that the relevant documents are not sent, or, in an extreme case, shall resign from the Board;
- The list of major shareholders is disclosed. Directors and designated management shall report the change in their security holding to the regulatory agencies. The corporate secretary is assigned to report the security holdings of directors and management at the Board meeting.
- Employees shall not borrow money from the customers/suppliers or from individuals or firms having business dealings with the company, except for financial institutions as it may influence the way they handle EGCO business
- The step for implementing connected transaction along with the approval authority and the disclosure of such transaction shall be as required by the SET and SEC. The corporate secretary shall identify the type of transaction and the approval body and submit the reports to the Audit Committee for acknowledgement and later disclose the information in the annual report and annual registration form (Form 56-1).

Directors and Management are required to prepare the report on the interest of their own and related parties to the company to enable the corporate secretary to ensure transparent practices. The corporate secretary shall submit a copy of such report to the Chairman and the Chairman of the Audit Committee.

Moreover, the Audit Committee is assigned to review the details and provide remarks on the connected transactions. The details of such transactions will be compared to the dealings with outside parties. And the report will be sent to the Board and/or shareholders for review as required by SET and SEC to foster trust among all concerned parties that the connected transactions are aimed at optimizing the benefits of EGCO and the shareholders.

### Fraud Risk Management

With a view that fraud is a significant corporate risk, the Board set the following measures to manage fraud risk :

- Preventive Measures : The organization is well designed for the purpose of governing and managing business. The code of conduct is determined in writing and the compliance with the code is promoted. The internal control systems are established and appraised. The whistleblower program is in place.
- Monitoring : Each supervisor assumes responsibility to prevent and monitor fraud risks and operation errors. The internal audit unit works independently from senior management to review the compliance with the regulations and examine the early warning signs.

- Fairness : The fraud investigation would be conducted by a panel to ensure fairness to the defenders while whistleblowers would be appropriately protected.
- Lessons Learned : Case studies on fraud risks both in Thailand and overseas are presented as to educate supervisors on fraud prevention.

Due to the above efficient preventive measures, there was no claim or any fraud found in EGCO Group in year 2013.

#### 5.4 Board Meeting

To ensure that the Board takes full responsibility to meet the expectations of the shareholders, the Board reviews significant business policies and corporate calendar. The Board came to an agreement to have monthly Board Meeting. Extra Meeting can be called if there is any major unplanned event. The Board can also authorize the committees to screen or approve the management's activities within the delegated authority. The Board also allocated an item in the meeting agenda for monthly performance report by the management. Then the Board can follow up with the business progress and give recommendations in case of deviation from the plan or budget.

The Board set its meeting dates and agendas for the whole year in advance to enable directors to plan their schedules accordingly. The Chairman and President help fix the agenda for the Board's meeting while each director can propose the agenda to the Chairman and discuss deliberately at the meeting. The notice calling for the Board meeting is submitted to the Board at least 7 days in advance except in an urgent case to preserve the rights or benefits of the Company. Meeting documents are sent to the directors in advance to allow adequate time to contemplate on such information. Agenda is set according to the priority i.e., Follow-up matters, Matters for Consideration, and Acknowledgement to optimize the meeting time.

The President allocates adequate time for the management to present their issues and for the directors to conduct extensive discussion on significant matters. The draft minutes of meeting are submitted for the Board's review within 14 days after the meeting prior to the approval in the next meeting. It is the Board's duty to attend all the meetings, unless they have valid reasons. The Board had called 12 meetings in 2013. Each meeting took approximately 2 hours and a half and the average attendance rate was 92%.

Since EGCO has a number of directors who do not reside in Thailand, EGCO has set the policy to allow those directors to attend the meeting by teleconference so that EGCO and the Board will benefit from their opinions and recommendations. Such attendance is not considered the meeting quorum though, and those who attend the meeting by teleconference do not have the right to vote.

The Board encourages the President to invite senior management including the vice presidents to attend all the Board's meetings. Other managements are also invited to join the meetings to provide additional information as the responsible personnel. This in return, enables the Board to know such individuals and subsequently, can take into consideration the succession planning. The Board can also request for additional necessary information from the President or the corporate secretary or other assigned management within the extent of the established policy. The Board and committees can engage independent advisors for the benefits of the business at EGCO's expenses. Details of directors' attendance in 2013 are illustrated in Table 1.

#### 5.5 Board Self-Assessment

The Board regularly conducts self-assessment so as to consider their performances and problems during the past year for further improvement. The Board has approved the use of self-appraisal form reviewed by the Nomination and Remuneration Committee. However, in 2013 the Board approved the use of self-appraisal

form revised in 2012 from the one recommended by SET to cover all facets of Board's performance and to fit the Corporate's business characteristics. The self-appraisal forms are of two parts, the collective appraisal form and the individual appraisal form. The evaluation measures are based on a total of 100% for each item. A score above 90 equals "Excellent", "Very Good" for the score above 85, "Good" for the score above 75, "Fair" for the score above 55 and "Poor" for the score below 55. The result of the appraisal is concluded as follows :

### Collective Self-appraisal

The collective self-appraisal form comprises 6 sections, namely (1) the Board's Roles, Duties and Responsibilities including Risk Management, Internal Control, Duties and Ethical Code of Conduct, and Performance Monitoring, (2) Structure, Composition and Independence of the Board and (3) the Board's Meetings and Meeting Participation (4) The Relationship with the Management (5) Evaluation, Compensation of the Board (6) The Management Evaluation and Compensation and Succession Plan. The result can be concluded that the Board performed its duties in compliance with the good governance principles and the code of conduct. The Board took part in establishing the company's policy, vision, business plan, and annual budget. The structure and composition of the Board were appropriate and board meetings were arranged efficiently. The average score was 96% which was in the excellent level. Issues for further improvement include plans to accommodate significant issues or obstacles affecting the company's targeted achievements, directors' development plan, management development and succession plan and remuneration schemes.

### Individual Self Appraisal

The individual appraisal form comprises 5 sections, namely (1) Strategic Mind and Corporate Governance. (2) Competence and Experiences in Company's Business and Individual Abilities. (3) Independence (4) Self Preparation as Director (5) Self Development of the Director. From the individual self-appraisal, scores in all areas exceeded 97% which could be concluded that the directors had appropriate qualifications, deliberately performed their duties and responsibilities in accordance with the recommended best practices.

### Committees Appraisal

In 2013 the Board initiated self-appraisal for 3 more committees apart from Audit Committee; namely, Investment Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee. Their performances were evaluated by a survey conducted in line with good governance principles and their particular responsibilities covering the 4 areas as follows: (1) Structure and Composition of the Committee (2) Roles and Responsibilities (3) the Committee's Meetings and Meeting Participation (4) Their performances. And from the survey result, it can be concluded that Investment Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee. had appropriate qualifications, deliberately performed their duties and responsibilities in accordance with the recommended best practices. The details of their scoring are as follows :

Investment Committee 97%

Nomination and Remuneration Committee 95%

Corporate Social Responsibility Committee 93%

As for the Audit Committee appraisal which is conducted annually, the collective self-appraisal approach is used. Their performance was evaluated by a survey conducted in line with the requirements of SEC which included 1) the overall performance and 2) the particular and specified tasks. The result of the Audit Committee self-appraisal in 2013 indicated that "NO" and "HAVE NOT DONE" were not found in the answers to any items. And the survey result was reported in the Board's meeting for acknowledgement in

the meeting 12/2013 on December 16, 2013. And it could be concluded that the composition, qualifications and performance of the Audit Committee were well in line with the requirements stated in Audit Committee's Charter, SET guidelines and the international best practices.

### 5.6 Performance Appraisal of President and Top Executives

President's performance is collectively appraised by all non-executive directors against the corporate goals and the individual's competencies. Indicators include the followings:

- Qualitative indicators being leadership, relationship with the Board, risk management and internal control, human resource management, good corporate governance and code of conduct in business.
- Corporate achievements based on the committed key performance indicators.
- Capabilities to enhance business development.

The Nomination and Remuneration Committee is responsible for endorsing the performance appraisal of the senior executive vice presidents and executive vice presidents based on the individual achievement against the set performance indicators.

### 5.7 Remuneration for Directors and Management

EGCO set directors' remuneration at the appropriate rate which is comparable to that of the leading companies in the same sector. The remuneration comprises monthly retainer fee, meeting allowance, and bonus which is paid once a year and is tied to shareholders' value. NRC is responsible for the recommendation of the remuneration scheme to be endorsed by the Board before proposing to the shareholders' meeting on the annual basis. EGCO transparently discloses the remuneration of each director. Directors who serve as committee members are also entitled to extra remuneration to match the increase in responsibilities. Executive director is not entitled to any director remuneration.

The non-executive directors collectively designed the remuneration scheme of the President, taking into account the performance appraisal and the peer payment. The Board also approves the pay structure of the company. EGCO periodically conducts the survey of the management remuneration to ensure that its payment rate is comparable to the market and adequate to attract and motivate the qualified executives.

The remuneration of directors and management is disclosed under the topic "The Remuneration of Directors and Management" in section "Shareholding and Management Structure".

### 5.8 Board and Management Development

The Board pays attention to continuous development of directors and management. In 2013, the following development plans were implemented to foster directors' efficiency and effectiveness

#### Director Development

Continued development was encouraged for all directors:

**New Directors** : Directors' orientation was arranged to give directors the first hand information of the company as well as governing laws and regulations and the opportunity to meet the management team for in-depth inquiries about the company's business. Directors' manual was updated to equip incoming directors with knowledge about EGCO. Directors were also encouraged to attend training programs arranged by the Institute of Thai Directors ("IOD").

**Existing Directors** : The Board encourages continued development including attending outside trainings by the IOD. In 2013, EGCO arranged plant visits to solar power plants in Nakorn Pathom and Supanburi as

well as site visits to overseas renewable power plants to enhance directors' understanding in power business and future trend.

In fact, EGCO directors are well-rounded and have distinguished knowledge on company's business to perform their duties and responsibilities as directors. The list of directors who attended the courses at IOD and outside institutes as well as in-house training as of December 2013 is shown in Table 2.

### Management Development and Succession Plan

The Board oversees to ensure that EGCO has the management development program in place to enhance their capacities to perform the duties efficiently and that suitable and challenging jobs are assigned appropriately.

The Board determines policies and principles for selection of the President and his/her successor in the event of an emergency or the retirement of the President. The President's selection has the clear and transparent process with the candidates' assessment from education, knowledge, experiences, competencies, ethics and leadership. NRC is accountable for President's nomination.

The President is entrusted to select the knowledgeable, competent and experienced executives in accordance with the qualifications endorsed by NRC. The appointment of management follows the company's regulation on Work Rules B.E. 2550 and the resolutions of the Board were as follows.

- NRC shall approve the appointment of senior executive vice president, executive vice president and other executive positions equivalent to EGCO's EVP level and upward in subsidiary/joint venture companies that EGCO is entitled to do so.
- The President shall approve the appointment of the division and section managers.
- The appointment of Corporate Secretary shall be by the Board. And the appointment of internal audit manager shall be endorsed by the Audit Committee.

The NRC has assigned the management to prepare the succession plan for 23 positions of SEVP and EVP along with the executive development plan to ensure that qualified employees would be ready to succeed such position holders. The development plan focuses on enhancement of potentials and competencies of the management as well as the employees. The prospect candidates shall possess the following requirements: Core Competency, Managerial/Leadership Competency and Functional Competency.

In 2013, the total number of attendees for each course is as shown below :

Courses	No. of participants
Director Certification Program, IOD	4
Executive Development Program, TLCA	1
Anti-Corruption : The Practical Guide, IOD	5
Understanding and Test on Internal Control as the updated TSA, FAP	1



Table 1 : Meeting Attendance

No.	Name	Meeting Attendance in 2013 (number of times)				
		Board Meeting 12 times	Audit Committee 11 times	Investment Committee 13 times	Nomination and Remuneration committee 6 times	Corporate Governance and Corporate social Responsibilities Committee 2 times
1	Mr. Pornchai Rujiprapa Chairman	12/12		13/13		
2	Mr. Phaiboon Siripanoosatie Independent Director	11/12			5/6	2/2
3	Mr. Thanapich Mulapruk Independent Director	12/12	11/11			
4	Mr. Pongstorn Kunanusorn Independent Director	12/12	11/11			
5	Police General Pansiri Prapawat Independent Director	10/12			5/6	2/2
6	Mr. Chotchai Charoenngam <sup>1</sup> Independent Director	1/1			1/1	
7	Mr. Somphot Kanchanaporn <sup>2</sup> Independent Director	0/1	1/1			
8	Mr. Kulit Sombatsiri Director	12/12				2/2
9	Mr. Surasuk Supavititpatana Director	12/12		3/4	3/4	
10	Mr. Pitsanu Thongweerakul Director	12/12		8/9	2/2	
11	Mr. Toshiro Kudama Director	8/12				
12	Mr. Satochi Yajima Director	12/12			13/13	4/4
13	Mr. Shigeru Inano Director	12/12		10/10		
14	Mr. Hideo Kuramochi Director	12/12		3/3	2/2	
15	Mr. Pasan Teparak <sup>3</sup> Independent Director	7/10	4/9			
16	Mr. Sorajak Kasemsuvan <sup>4</sup> Independent Director	7/9			3/4	1/2
17	Mr. Sahust Pratuknukul President	12/12		12/12	7/7	2/2

<sup>1</sup> Appointed as director on  
December 1, 2013

<sup>2</sup> Appointed as director on  
December 16, 2013

<sup>3</sup> Resigned on October 18, 2013

<sup>4</sup> Resigned on November 8, 2013

**Note :**

4 Members in Audit Committee comprising no. 3, 4, 7, 15

7 Members in Investment Committee comprising no. 1, 9, 10, 12, 13, 14, 17

9 Members in Nomination and Remuneration Committee comprising no. 2, 5, 6, 9, 10, 12, 14, 16, 17

6 Members in Corporate Social Responsibility Committee comprising no. 2, 5, 6, 8, 16, 17

Table 2 List of directors who attended the courses at IOD and outside institutes

Directors	Courses												
	Directors' Certification Program	Successful Formulation and Execution of Strategy	Audit Committee Program	Financial Instrument for Directors	Director Accreditation Program (DAP)	Audit Committee and Continuing Development Program	Monitoring the System of Internal Control and Risk Management	Monitoring Fraud Risk Management	Monitoring the Quality of Financial Reporting	Monitoring the Internal Audit Function	Risk It all	Chairman Forum	Risk Management of Committee Program (RMP)
Mr. Pomchai Rujiprapa Chairman					✓						✓		
Mr. Thanapich Mulapruk Independent Director	✓				✓	✓	✓	✓	✓		✓		
Mr. Phaiboon Siripanoosatien Independent Director	✓	✓									✓	✓*	✓*
Police General Pansiri Prapawat Independent Director	✓												
Mr. Pasan Teparak Independent Director													
Mr. Sorajak Kasemsuvan Independent Director													
Mr. Pongstorn Kuanusorn Independent Director	✓		✓										
Mr. Surasuk Supavittipatana Director	✓												
Mr. Kulit Sombatsiri Director	✓												
Mr. Hideo Kuramochi Director													
Mr. Toshiro Kudama Director													
Mr. Satochi Yajima Director													
Mr. Shigeru Inano Director													
Mr. Sahust Pratuknukul President	✓			✓							✓		

\* Attended in 2013

## Accountability for Stakeholders

### Directions & Strategies

EGCO Group has the firm belief in conducting its business with responsibilities and fair treatment to its stakeholders, being individual or organization that might be affected positively or negatively by its operations. EGCO Group is also committed in continuously developing the procedures of stakeholders' engagement as well as assessing stakeholders' requirements and expectations regularly. Responsibility towards stakeholders and implementation guidelines were in declared in written statement. Nonetheless, EGCO Group is well aware that the requirements and expectations can change depending on the situations. Realizing its obligations to stakeholders, the Company focuses on building various channels of stakeholders' engagement and communication that suit each stakeholder's characteristics so to ensure adequate communication and to strengthen their confidence that we operate our business with fair treatment to all stakeholders.

### EGCO Group's Stakeholders



### Stakeholders' Treatment

#### 1. Shareholders

The Company respects the rights of the shareholders and strictly regard their rights at all times.

- support that adequate and appropriate information are disclosed to shareholders,
- encourage shareholders to attend and vote in the shareholders' meetings,
- not violate or lessen shareholders' right,
- dedicated in building company's growth with genuine potential and capability to ensure shareholders' sustainable return from efficiency and good operating results



## 2. Employees

The Company believes in the value of our human resources and will strive to be the employer of choice by promoting the participative management with equal opportunity for career advancement. Employees are encouraged to enter into the development program to enhance their capabilities to bring out their highest working potentials to undertake tasks in competent manner and maintain our leadership in the business.

- treat employees with respect and honor,
- take action to ensure that qualified applicants are given equal opportunity to be employed with regards to the required qualification, educational background, experience and other requirements on a non-discriminatory basis regarding gender, age, nationality or religion,
- fairly remunerate employees in consistent with the job requirements and performance taking into account the Company's qualification ability to pay,
- encourage employees to enter into the development program to enhance the work efficiency and for career advancement,
- inform and update employees of relevant information based on the belief that good communication will foster efficiency and good relations,
- provide a communication channel for employees to submit questions and complaints relating to work which we will seriously consider and remedy the problem to benefit and to promote good relations among all concerned parties

## 3. Customers

The Company always commits to provide the followings to each and every customer.

- deliver reliable services in accordance with the trade agreements,
- deliver good quality services that meet the specifications with care and efficiency,
- provide advices to the customers on the measures to economically and efficiently use the energy,

## 4. Suppliers and Contractors

The Company requires that all aspects of procurement of goods and services be conducted in compliance with ethical standards. In addition, the Company aims at developing and securing sustainable relationship

with suppliers and contractors on the bases of value for money, technical conformance and mutual trust. As such, the following guidelines, which are prescribed in the Regulation on Procurement and Supply and the Code of Conduct, are fully observed.

- competitive tendering with equal information,
- objective evaluation of tenders and selection of suppliers and contractors,
- appropriate forms of contract,
- effective monitoring systems and management controls to ensure the proper fulfillment of contractual obligations, and to detect and prevent bribery, fraud or other malpractice throughout all stages of the procurement process, and
- prompt payment consistent with the mutually agreed terms of trade

## 5. Community and Society

### 5.1 Development of communities around power plants

- support and develop for the better quality of life of the communities surrounding power plants, taking into account their needs as well as encouraging their participation,
- encourage employees and related parties to operate business with responsibility to the community,
- disclose company's operation and activities to communities and public on a regular basis,
- seek opportunities to exchange and sharing experiences and information with other organizations for continuous improvement

### 5.2 Participation in social development

- involve in social development projects or activities in alignment with company's core competencies,
- build awareness, understanding and encouraging employees and stakeholders to participate in the social development activities,
- implement long term projects and activities to generate sustainable result for the society,
- seek opportunities to exchange and sharing experiences and information with other organizations for continuous improvement

## 6. Competitors

We will work by the rules and will not use dishonest means such as bribery to seek for confidential or trade secret of competitors. We will not damage the reputation of the competitor by way of false allegation.

## 7. Creditors

The Company will honor the commitments with the creditors;

- We will strictly comply with the financial obligations and any term or condition stated in a financial agreement. We shall never resort to dishonest means such as concealment of financial information.
- If there is any situation that will affect the creditors such as the insecure financial position, the creditor will be notified in advance so that the Company can explore ways to resolve the problem situation together.

## Implementation towards Stakeholders' Accountability

### 1. Shareholders and Investors

EGCO stated in its codes of conduct that the company would build growth with genuine competency and capability so that the shareholders gain sustainable returns derived from the effective and solid operations of the company. EGCO respects right of the shareholders to equally receive necessary information for their assessment on the company. The company would disclose its operating results, financial status as well as accurate details as required by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC)

#### Share Price

The average share price in 2013 was 140.28 baht per share, an increase of 26.40% from 2012. The highest closing price was 166 baht on November 3, 2013, the lowest closing price at 122.50 baht on December 27, 2013, and the price-earnings ratio (P/E ratio) as of December 27, 2013 was 8.78

#### Dividend Payment

EGCO's dividend payment policy specifies that shareholders would receive dividend twice a year at the rate of approximately 40% of the net profits of the consolidated financial statements after income tax deduction or at the amount that gradually and regularly increases without other necessary requirements such as future business expansion of the company or dividend payment substantially affecting the normal operations whereby dividend paid shall not exceed the accumulative profits of the company's financial statements



Statistics of EGCO's dividend payment

#### Shareholders and Investors Relations

EGCO designated the investor relations unit to be responsible for providing accurate, complete, sufficient and prompt information to shareholders, investors and analysts equally. Shareholders and investors can also share their comments and contact the unit directly at 0 2998 5147-8 or [ir@egco.com](mailto:ir@egco.com) Furthermore,



EGCO designed various communication channels and activities for shareholders, investors and the company's top executives as described below:

- **Analyst Meeting**

EGCO organizes quarterly meetings for investors and analysts to report operating results in which the President and his deputies as well as senior executives always participate in such events.

- **Power Plant Visit**

EGCO organizes shareholders and investors' visit to the group's power plants to create better understanding about the company's business operations and to meet the company's executives. Such activity is open to all shareholders to sign up for attendance at the Annual General Shareholder Meeting or to apply via the EGCO website two weeks after the AGM. In 2013, shareholders were invited to visit the SPP2 solar power plant in Saraburi and Lopburi solar power plant in Lopburi and provided useful information and knowledge about the plants as well.

- **One-on-One Meeting**

EGCO organizes the one-on-one meetings for investors and analysts upon their request, which are regularly attended by the company's senior management and the investor relations unit. If either party cannot attend the meeting in person, conference calls are organized to facilitate every party's convenience.

- **Company's Roadshow**

In 2013, the EGCO participated in various roadshows to meet individual and institutional investors, both domestic and overseas including events arranged by SET, Tisco Securities Public Company Limited, J.P. Morgan Securities Public Company Limited, CIMB Securities (Thailand) Limited, Phatra Securities Public Company Limited. And Set in the City 2013 held by the SET.

- **Newsletter**

EGCO issued its quarterly "Life" newsletter to the shareholders. The newsletter's contents include news, operating results, activities and company's calendar and other useful insights. Shareholders can obtain the company's news and information through e-mail alerts from company's website.

- **EGCO Website**

EGCO broadcasts its roadshow information, quarterly operating results, analyst meeting's video clips via webcast on company's website, available in both Thai and English version as soon as the meeting is over.

Besides, EGCO has regularly updated its website so that shareholders and investors can have an easy access to prompt and accurate information which include:

- 1) previous and latest share price
- 2) list of analysts who publish their reports about EGCO share price
- 3) analysts' meeting schedule

## 2. Employees

Fully aware that our employees are the key factor to the organization's success and sustainability, EGCO Group focuses on the well being of its employees and their capability development. In 2013, EGCO Group



established policies for human resource development by emphasizing business knowledge and understanding for all employees so that they can cope with business expansion and feel proud of themselves as being a member of the organization. The company classified its responsibility for employees into 5 major areas as follows :

- **Safety, occupational health and work environment**

EGCO Group realizes the importance of safety issues, occupational health and work environment by setting “EGCO Group’s standards and manuals of safety issues, occupational health and environment” for EGCO and its power plants to uphold. The Group is committed to create a safe working environment for everyone by taking all measures to eliminate risks that potentially lead to fatalities, injuries and illnesses of both staffs and relevant parties. Besides, the Group encourages consciousness, knowledge and understanding of safety, occupational health and pleasant work environment for all staffs and relevant parties.

In 2013, EGCO Group held an annual fire drill, arranged safety exhibitions and safety activities to increase knowledge and safety awareness as well as annual health check-up for staffs. Nonetheless, Rayong Power Plant reported one accident of its employee while Khanom Power Plant and Quezon Power Plant each reported one accident of contractor’s staff.

As a result, all three power plants had taken serious measures to increase safety level, including repair and add additional protective equipment right away to prevent further accident.

- **Compensation and Benefits**

EGCO Group sets its compensation system based on job position, responsibility and competence of employees and provide them with benefits and welfare based mainly on their necessity according to appropriate reasons and principles. The annual increase in employees’ salaries at every job level is considered based on these 2 major components to ensure that employees are fairly remunerated and to maintain competent employees with the Company :

- Success of the organization, peers’ salary increase rate and the economic condition of that particular year.
- Individual performance and perseverance.

Moreover, EGCO Group constantly studies, analyzes and compares compensation and benefits with other organizations in the same industry to assure that its employees receive proper compensation,

benefits and welfare compatible with the industry. In 2013, EGCO carried out a compensation survey by studying and analyzing the company's salary framework compared with that in the labor market and reported the study to the Nomination and Remuneration Committee and the Board which resulted in the amendment of the Company's salary structure to be competitive in the labor market. This new framework will be effective in 2014 onwards.

In promoting good relationship between employees and the Company, EGCO Group supported the set up of Welfare Committee which is comprised of volunteer employees to monitor, follow up and provide comments and suggestions to enhance the efficiency of welfare management, which in turn, enabling the company to respond satisfactorily to employees' need at every level. The Committee's term shall not exceed 2 years.

- **Competency Development for Career Advancement**

Our business expansion, both in electricity generating and sales as well as new business area in energy, provides employees with the opportunity to advance within their chosen profession. Apart from the compensation and benefits, EGCO Group also promotes employees' career path in alignment with their knowledge and competency by designing the promotion system which specifies criteria for promotion must be in line with the company's human resource management policies whereby the importance of employees is emphasized and that promotion is considered by the committee who collaboratively select and voice their opinions. The Group is also committed to increasing employees' Competency to align with company's business growth and expansion.

In 2013, the Company organized a training program in electricity business for junior management and operational staffs responsible for publicizing the organization's news and information in order that they can operate more efficiently and distribute more accurate information to staffs and other involved persons outside the organization. Besides, the Group plans to organize training programs to other departments beginning in 2014.

- **Employee's Relation Management**

EGCO Group **realizes the significance of individuality and teamwork**. Consequently, organizational values and culture are promoted among employees to generate acceptance and respect towards individual differences. This can lead collaboration through co-organized group activities.

The group believes that good relationship is one factor stimulating employees to work happily. When employees are happy and have competence appropriate with the job resulting from continuous training and development, their performance will be more efficient. In the meantime, the company's operation will eventually succeed as expected.

In 2013, EGCO Group organized the following activities to strengthen relationships among employees.

**1. Communication Day** : a quarterly semi-formal gathering in which executives and employees meet to share information, news and any movements both inside and outside the organization. Employees are given an opportunity to present, exchange ideas as well as ask the executives questions.

**2. EGCO Group Sports Day** : an annual activity to promote relationships among employees through sport activities. Group companies take turns in hosting this event so that employees have the opportunity to learn about the operations of other companies and power plants. In 2013, EGCO

Engineering and Services Company Limited hosted sports activities in Chonburi by emphasizing on activities that promote teamwork.

Each company also organizes a number of events to promote internal relations such as new year's parties, religious and cultural activities. The company also supports activities organized by employees' clubs such as Photo Club, Dhama Club, Golf Club and Sports and Recreation Club.

Meanwhile, information, news, activities and social responsibility projects are shared through various channels; for example, e-newsletter, bulletin board and mobile phones to exchange information between the company and staffs. In 2013, the Group established "EGCO Group Net", an intranet as additional communication channel to build knowledge sharing and encourage employees' participation in company's activities.

- **Participation in Community and Social Development**

EGCO Group believes in developing employees' competency and value through participation in community and social activities. Employees are encouraged to collaborate with the community around power plants to initiate projects that will promote and preserve the quality of life. Volunteer employees participate in projects such as the improvement of quality of life around power plants, energy and environment conservation for youths as well as conservation of watershed forest. These projects are aimed at promoting collaboration between our staffs and other sectors including communities.

In 2013, the Group's employees continued to participate in 48 communities and social activities; for example, volunteer staff in EGCO's Thai Rak Pa Youth Camp Project, lecturer in power generating techniques in "One Watershed a Source of Energy" Project, lecturer in power generation from various types of fuel to educate young people in "Energy for Life on Tour" under "Energy for Life... how to fight global warming with sustainable living" project and the electrical system repair for communities project.

### 3. Customers

EGCO Group is proud of its role, duties and responsibilities as a power producer for the Electricity Generating Authority of Thailand (EGAT) and industrial users, and as an energy service provider in terms of plant operation, maintenance, engineering, construction. The Group also provides training to power plants as well as industrial plants, both domestically and internationally. In addition, the Group undertakes the responsibility as water producer and distributor to Provincial Waterworks Authority (PWA) by adhering to the principle of reliability, fairness and promotion of good relationships.

**Power Business :** In 2013, EGCO Group continued to generate and sale quality electricity at the required quantity and period of EGAT and industrial users. Plant availability of EGCO Group's power plants is higher than that specified in the Power Purchase Agreement and also higher than the annual target. Nonetheless, Roi-Et Green Power Plant, Dongkhon Power Plant and Beung Sam Phan Power Plant had the availability slightly lower than the annual target as follows :

- Roi-Et Green Power Plant had plant availability lower than target due to broken boiler during January-March for a total of 8 days.
- Dong Khon Power Plant had the plant availability lower than target due to transmission line trip causing the system shutdown and Beung Sam Pun Power Plant due to 1-month COD delay.

Power Plant	Availability Payment in 2013 (percentage)	
	Annual Target	Actual Capacity
Rayong Power Plant	95.44	96.30
Khanom Power Plant	79.81	87.14
Roi-Et Green Power Plant	88.92	88.52
Egco Cogen Power Plant	97.20	98.20
SPP2 Power Plant	98.00	99.22
SPP3 Power Plant	98.00	98.68
SPP4 Power Plant	98.00	98.57
SPP5 Power Plant	98.00	99.52
Theppana Wind Farm	92.00	93.50
Dong Khon Power Plant	97.50	97.49
Takhit Power Plant	97.50	98.24
Tasang Power Plant	97.50	97.96
Beung Sam Phan Power Plant	97.50	90.15
Quezon Power Plant	88.00	90.00

**Energy service business** : EGCO Group could maintain customers' satisfaction in the "excellent" level. Customer satisfaction survey showed that 93.18% of the customers were satisfied with service and performance.

**Water Business** : EGCO Group places a strong emphasis on "Quantity" and "Quality" in providing water to PWA in Rachaburi and Samutsongkram provinces. In 2013, the Group could provide water up to the amount required by customers, which was 36,989 cubic meters per day, higher than the contract amount of 35,400 cubic meters per day. Quality of the produced water was higher than Industrial Standard and a survey conducted by the Department of Health, Ministry of Public Health between 2002 - 2013 certified that water produced by Egcom Tara is "Drinkable"

#### 4. Suppliers and Contractors

EGCO Group realizes the importance of "Suppliers and Contractors" as business partners, so we aim at developing sustainable relationship, treating them with fairness and securing mutual benefits. The Group develops opportunities to exchange know-hows, experiences and skills with suppliers and contractors to create mutual trust and relationship. In 2013, the Group did not have any legal disputes with suppliers and contractors.

#### 5. Creditors

EGCO Group endeavors to ensure that it complies strictly with the loan provision and that the company's financial status is correctly disclosed. In 2013, the Group complied with every condition by creditors and there was no event of default.

## 6. Competitors

EGCO Group conducts its business on a fair play basis. The Company does not violate any laws or regulations to take advantage of the competitors. EGCO Group provides opinions concerning rules and codes of conduct openly for benefits of all concerned parties and never employ any disgraceful approach such as bribery in order to get competitors' confidential information or make false accusations to discredit their reputation. For 2013, there was no dispute or claim against EGCO from any competitors.

## 7. Community and Society

**Living in harmony with communities** is given the high priority in running business, EGCO Group therefore commits to take part in promoting and improving the quality of life of the surrounding communities by focusing on their needs and requirements. EGCO Group's policy concerning community and society encompasses :

- Job opportunities
- Skills development
- Facilities development
- Promotion of learning among young people
- Conservation of natural resources and environment

In 2013, the EGCO Group presented its accountability towards community by local hiring that more than 80% of contractors and staffs were local labors. There were 48 projects implemented to improve quality of life including 8 projects of skills development, 9 projects to promote good hygiene, 10 projects of infrastructure development, 12 projects to promote learning among young people and 9 projects concerning natural resources and environmental conservation.

As for social responsibility, the Group realizes the significance of promoting learning of energy and environment to children. We are well aware that this learning should start from early childhood, especially the consciousness in appreciating the value of natural resources which is the prime factor of all sorts of energy. In 2013, EGCO Group continued "Energy for Life...how to fight global warming with sustainable living" project in collaboration with Energy Policy and Planning Office, Ministry of Energy and Office of the Basic Education Commission under the Ministry of Education. The project aimed to provide young people a comprehensive knowledge of electric energy. Consequently, in 2013, the Group started the "Energy for Life on Tour" project to educate students about electricity, fuels used to generate electricity and electricity generating process from each type of fuel. The project also encouraged teachers to raise students' awareness concerning energy conservation and environment protection that complied with local conditions. 62 schools nearby EGCO Group's power plants, including other schools around the country participated in this project.



## 8. Responsibility for the Environment

EGCO Group operates its business with environmental concern and strict adherence to relevant laws and regulations as if they are one of our stakeholders to whom we have to promote its sustainable growth. Besides strict compliance with laws and regulations, the Group considers investment in renewable power plants to create sustainable energy resources. The Company also participates in reducing greenhouse gas emission which is the major cause of global warming and strongly emphasizes the use of environmental friendly technology, continuous maintenance of our power plants to use the least amount of fuel per one unit of electricity. Moreover, the Group regularly takes part in protecting the ecology system and its diversity of the area surrounding our power plants. Also, EGCO Group participates in watershed forest conservation which is a vital source of carbon dioxide.

In 2013, the EGCO Group fully complied with environmental laws and regulations as well as successfully developed 9 renewable power plants domestically, comprising of 8 solar power plants and a wind power plant. The group also invested in the construction of a wind power plant in Australia and a waste power plant in Hat Yai to help get rid of garbage in the community more sustainably and efficiently. On the other hand, EGCO Group's power plants that are already operated commercially performed well according to system requirements with the plant efficiency and normal heat rate.

Besides, EGCO Group had supported a variety of research projects; for example, the research concerning marine biodiversity around our Khanom Power Plant, the Thai Rak Pa Foundation, a charitable organization founded by the Group to continuously promote watershed forest conservation with every sector. In 2013, this foundation had taken part in supporting the forest conservation project in Chiang Mai province, with the total area of 70,000 rai.

## Internal Control and Risk Management

The Board of Directors has entrusted the Audit Committee the responsibility to review the appropriateness and effectiveness of the internal control system provided by the management. This is to ensure that the internal control system of Electricity Generating Public Company Limited (EGCO) and monitoring of the subsidiaries' operation is adequate, appropriate and in line with the guidelines of The Securities and Exchange Commission (SEC), The Stock Exchange of Thailand's (SET), and the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). EGCO's internal control covers management control, operational control, financial control, and compliance control.

The Internal Audit Division independently discharges its duties and functionally reports to the Audit Committee while administratively reports to the President. The duties and responsibilities of the Internal Audit Division were set in the Internal Audit Charter which is reviewed by the Audit Committee and approved by the Board. The internal audit scopes of EGCO, subsidiaries, and joint ventures are set in the annual internal audit plan by considering major risks of each company, and the audit plan is approved by the Audit Committee.

The Audit Committee reviews the internal control system and risk management continuously, and considers the audit reports of Internal Audit Division as well as comments of the external auditors on the company's internal control system and reports its activities to the Board on a regular basis.

In the Board's meeting no. 1/2014 on January 27, 2014 attended by 3 members of the Audit Committee, the Board assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee. After considering EGCO's 5 components of internal control according to COSO which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring including the result of the answers to SEC's internal control assessment form, the Board agreed with the Audit Committee that

1. The internal control system of EGCO was considered appropriate and adequate. Sufficient staffs were assigned to uphold the internal control system and that the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard EGCO's and subsidiaries' assets from misuse or unauthorized use by the Directors or the Management.
2. In the recent year, the Audit Committee and the Board had not received any significant finding of internal control system reported by the external auditors and internal audit division. The 2013 Audit Committee's activities were disclosed under "Audit Committee's Report" in this Annual Report.

The Audit Committee's and the Board's opinions on the appropriateness and adequacy of the internal control system were supported by the followings:

### Control Environment

- Clear vision, mission statements, and business objectives are set as guidelines for the management and employees. Operation was carried out with fair treatment to stakeholders and was constantly reviewed to ensure target achievements for sustainable benefits of EGCO.
- Organization structure was designed by the Board to accommodate business growth, and would be adjusted over time to cope with the business environments.
- Code of Conduct and the good corporate governance principles in writing to be abide by directors, management and employees and be reviewed periodically. New employees were given the orientation

to understand their roles and responsibilities in upholding the practices and to avoid the conflict of interest.

- Regulations, orders and Table of Authority for accounting, finance, budget, procurement, and human resource management in writing and publicly announced to be abide by all employees. Failure to comply with the regulations and orders could be resulted in disciplinary actions.

### Risk Assessment

- The Risk Management Committee (RMC) comprises EGCO's top executives, chaired by the President. RMC reviewed risk management of EGCO and subsidiaries and regularly reports to the Audit Committee and the Board. The Audit Committee was assigned by the Board to review with the management the risk management policy and implementation including future risks and prevention measures.
- Risk management function was responsible by the Corporate Planning Division so that business plan, corporate objectives, and corporate risks could be linked and effectively managed.
- The details of risk assessment and risk management of EGCO Group were disclosed under "Risk Factors" in the annual report.

### Control Activities

To ensure that corporate directions and policies set by the Board and the management are executed, efficient control of accounting, finance, operation, and governance are implemented as follows :

- Authorities and levels of transaction approval were classified in the Table of Authority and reviewed regularly as appropriate.
- Responsible units for transaction approval, operation or account recording, and asset safeguarding were clearly segregated for check and balance control.
- EGCO's subsidiaries and joint ventures' performance was regularly monitored by the Asset Management Division.
- Connected transactions were executed in compliance with SET's regulations, with consideration of all rationales and ultimate benefits of EGCO and that transactions were approved by the authorized approvers who have no conflicts of interest.
- The Corporate Secretary Division was responsible for the compliance, including information disclosure, of EGCO and the Board, with the Securities and Exchange Acts, SET's and SEC's notifications and regulations, and other related laws and regulations.
- EGCO's IT compliance guideline was to ensure full compliance with computer related crime acts and other governing laws and regulations, with all employees' acknowledgement and signing the IT compliance statement to confirm their non-violation.

### Information and Communication

EGCO provided, through its information system, adequate important information for the decision making of the Board, committees, and the management. Effective internal communication channels were also provided.

- The Board and committee members received the meeting notice together with the meeting documents which contain necessary and sufficient information well before the meeting. Discussions, recommendations, or remarks from the directors and meeting resolutions were recorded in the minutes of meetings for future reference or audit trail.
- Meetings among the Audit Committee, external auditors, and concerned Management were held to review the compliance of financial accounting with the General Accepted Accounting Principles and International Accounting Standards.

- Business Update Meetings between the President and the management team of each group were held for progress monitoring and problem solving (if any) which provided all team members adequate information to perform their tasks and make decisions.
- Company's intranet was utilized as internal communication channel which enabled complete and accurate corporate information on policies, regulations, orders, and good corporate governance to reach employees in a timely manner.
- Governing laws and regulations were kept as compliance database for reference and tracking. Legal Division was responsible for updating such database and providing consultations to responsible units.
- Beside the information disclosure through SET's portal, EGCO website at [www.egco.com](http://www.egco.com) was provided as the communication channel for shareholders and investors to reach corporate information. Meetings with investors and analysts were held quarterly as well as press conferences and EGCO newsletters.
- Whistleblower system was stated in EGCO's Code of Conduct and available in EGCO's website to provide shareholders and employees the channel to report suspected violations of the Code of Conduct to the Management, the Audit Committee, and the Board of Directors while message providers would be protected.

### Monitoring

To ensure that the established internal control systems were sufficient and appropriate, the following activities are implemented.

- Responsible units were assigned for the follow up, monitoring, and appraisal of EGCO group's performance against the KPIs and periodically reports to the Management and the Board together with the gap analysis.
- External auditors performed their tasks independently and regularly reported to the Audit Committee.
- EGCO's internal control systems were to be evaluated annually by using the internal control assessment form which was aligned with SEC's guidelines for the evaluation.
- Representation statements of EGCO's Management and employees confirmed their compliance with the company's Code of Conduct. Managing Directors of subsidiaries also represented their compliance to the President, in his capacity as companies' chairman while the President represented himself to Chairman of the Board.
- The adequacy and appropriateness of internal control systems was regularly reviewed by the Internal Audit Division.
- In accordance with SET's notification : The Audit Committee's Qualifications and Scope of Works B.E. 2551, the Audit Committee Charter defined its responsible to approve the appointment, rotation, and removal of the Chief Internal Audit.
- In the Audit Committee's meeting no. 14/2012 on December 17, 2012, the Audit Committee appointed Ms. Sudrudee Lertkasem who was considered having sound academic background, experiences, and understanding of EGCO's business as the Chief Internal Audit since January 1, 2013.

The Chief Internal Audit's qualification was presented as the attachment of this article.

- External auditors' review of the financial statements included the review of internal control on accounting and finance to define the audit approach, timing and scope of work. For 2013, there was no significant finding for improvement on internal control systems.

## Risk Factors

EGCO realizes that the prudent risk analysis and risk management is crucial in sustaining its long term value to the shareholders. To ensure that the corporate risk management is effective, the Board entrusts the Audit Committee to oversee EGCO Group's risk management policies and guidelines while the Management has the responsibility for the implementation and regularly reports to the Audit Committee and the Board.

At the management level, the Risk Management Committee has been set up and comprises EGCO's top executives and the Managing Directors of EGCO subsidiaries with the President as the chairman of the Committee. In addition, Rayong Power Plant, KEGCO and ESCO also have their own risk management committees to help ensure that their particular risks are managed adequately.

EGCO incorporates risk management policies in EGCO Group Risk Management Manual which has been published to acknowledge its staffs and to serve as a guideline for EGCO Group's risk management.

A summary of key risk factors and associated mitigation measures is as follows :

### 1. Investment Expansion Risk

EGCO invests in power and energy related businesses in both domestic and international markets and its main sources of income are dividends from subsidiaries and joint ventures. In maintaining and increasing shareholders' value, EGCO's strategic plan includes the continuous investment in new projects. Such acquiring and developing projects may entail risks that may affect EGCO's investment target as follow :

#### 1.1 Risk from project selection

EGCO plans to expand its investment to maintain continuous growth. Potential projects of both domestic and overseas are listed in the investment plan so that EGCO can appropriately allocate resources to those projects. Since project selection is very important in making investment decision, EGCO incorporates prudent project selection process that business development units are assigned to be responsible for the project analysis which includes factors on economic, political and social policies of the target countries, economy, industry, cost of finance, equipment and construction costs, as well as governing laws and regulations. Moreover, analysis of the changing environmental factors (Sensitivity Analysis) that affect the projects is also considered so that risk prevention and compensation are accounted in the return of investment analysis.

Moreover, EGCO has due process for investment scrutiny that new investment opportunities are to be reviewed by EGCO Management Committee which comprise EGCO top management as well as the Investment Committee which is the sub-committee of the Board of Directors, to ensure that all material risks are identified and managed before submitting investment opportunities to the Board of Directors for their consideration.

#### 1.2 Risk from overseas asset management

Overseas investment creates opportunities for long-term growth of EGCO. Nevertheless, there are various factors that may impact the performance of such overseas assets such as economy circum-

stance, political factors, changes in business environment and local community. EGCO's forecasted earnings can be affected by the unfamiliar business environment in each country. To mitigate these risks, EGCO seeks competent personnel having the experience in such particular market and appoints the representative management to work at overseas assets to ensure that its overseas assets are efficiently managed and earnings are met as targeted.

## 2. Risk from Project Construction

EGCO is well aware of the risk from delays in project construction, caused by contractors or local communities' resistance or natural disaster.

The measurements to lower the likelihood and impacts of such risks include the selection of reputable EPC contractors with tight contracts, the proactive community relations activities, procure insurance to cover the impact from natural disaster and to have the project management team for project monitoring and project progress updates to ensure that project completion as scheduled.

In year 2013, EGCO had eight projects under construction, four of which were completed and started their commercial operation being G-Power Source, NED (Expansion Phase), Theppana Wind Farm and Solarco. The other four projects being GIDEC, Boco Rock Wind Farm, Khanom unit 4 and Xayaburi are still under construction phase and expected to complete as planned.

## 3. Operating Risk

### 3.1 The risk of failure to obtain forecasted earnings and dividends

EGCO has given high priority to the risk related to operating assets to ensure that the invested assets meet the performance targets. Asset management unit is assigned for the follow up and performance monitoring of each invested company including the analysis and comparison between the actual return and the planned target.

Typical measures imposed to mitigate relevant risks are as follows :

- Establish asset management policies and, where possible, delegate management and personnel to be representatives' directors or management of subsidiaries and invested projects.
- Prepare regular reports on joint venture companies' performance to senior management and the Board of Directors to ensure the timely and appropriate actions.
- Coordinate with partners for joint-audit in invested companies to ensure the adequacy and effectiveness of internal control system.

According to the 2013 operating performance report, most of EGCO's joint ventures achieved their return of investment as targeted.

### 3.2 Plant performance risks

In meeting the PPAs' commitment, EGCO Group's power plants may encounter plant performance risks, caused by personnel, equipment and management approach. The significant performance risks are as summarized below :



### 3.2.1 Plant efficiency

PPAs stipulated various plant efficiency indicators such as heat rate and failure to meet these performance requirements would result in higher cost than specified contract. The cause of such risk could be malpractice in power plant maintenance. Therefore, EGCO set the plant management policies and systems so that preventive maintenance is carried out continuously in the professional manner. Work procedures placed by plants' management also ensure that all relevant risks are under control. These procedures include the followings :

- Scheduled inspection and preventive maintenance by professional staffs.
- Early warning systems for critical information in plant operation.
- Adequate and well managed of plant spare parts.
- Implementation of the quality management system to ensure quality operation and comply with PPA such as ISO: 9001:2008 system at Khanom power plant.
- Continuous development of personnel competencies.

The implementation of such mitigation measures in the previous year resulted that EGCO Group's power plants reached the required performance.

### 3.2.2 Raw water shortage for electricity generation

Raw water shortage can result in power plant outages. The risk can be caused by climate change, the delay of rainy season which may affect the sufficient reserve of raw water. The measures set to prevent and mitigate such risks included the increase of raw water storage capacity, seeking additional sources of supply and to implement water utilization measure. Rayong power plant, as an example, has its own water reservoir with the volume sufficient for 7-days continuous operation. With those measures, EGCO has never experienced any water shortage situation.

### 3.2.3 Fuel shortage for electricity generation

Fuel shortage can result in plant stoppages, revenue shortfall or penalty payments. The shortage of coal and biomass fuel, in particular, could be caused by increasing demand or price fluctuation. Therefore, measures are set to prevent and mitigate such risk as follows :

- Quezon: the long term coal supply & transportation agreement has been secured where suppliers are obliged to supply coal with the quantity and quality as specified in the agreement. In addition, the power plant has reserved coal sufficient for 45-day continuous operation.
- Roi-Et Green: to mitigate the rice husk fuel risk of both inadequate supply and volatile pricing due to uncertainty nature of agricultural product, the power plant expand the fuel sourcing area so to procure large amount in the high season at lower price. The power plant also reserves the rice husk sufficient for 30-day continuous operation.

### 3.2.4 Safety, health, environment and social risk

EGCO realizes that the electricity generation using natural gas, coal, and biomass as primary

fuel could have certain impacts on the safety, environment and quality of life of staffs and surrounding communities. The cause of risk may arise from the inefficiency or inadequacy of power plant generation management. Consequently, EGCO has taken the following actions to mitigate any potential negative impacts and reduce the likelihood of such risks:

- Implement EGCO Group's corporate social responsibility policy.
- Conform with safety, health and environment management manual which specifies guidelines for implementation, monitoring and audit.
- Strictly comply with work manuals and emergency plan, implement training and testing of plan, equipment and warning system.

As the result of constant implementation of such measures, such risks are properly managed.

### 3.2.5 Risk from Accident, resistance, and sabotage

In conducting its business, EGCO may face risk from accident that may cause fire as well as community resistance by the negative impact from plant operation. Such risks could be caused by the power plant aging condition, personnel's operation, or sabotage event.

With existing mitigation measures and situation monitoring, such risk likelihood is quite low. However, the Management is well aware of these risks and has set the following measures to mitigate and reduce the likelihood of those risks.

- Regular communication with staffs to realize that carelessness may lead to significant damages.
- Schedule routine maintenance of all equipment to ensure its efficiency.
- Strengthen relationship with surrounding communities to foster understanding of EGCO business.
- Coordinate with government agencies and local authorities.
- Set up the security plan including regular drills and security equipment such as closed circuit TV.
- Secure the insurance policy that covers all risks, machinery breakdown, business interruption and third party liability to assure that loss from damages in the unexpected case would be properly and adequately protected.

In 2013, EGCO procured the political violence insurance policy which covered the effects of political violation and terrorist attack, covering majority owned power plants i.e. Rayong power plant, Khanom power plant, EGCO Cogen power plant, Roi-Et Green power plant, and Quezon power plant including EGCO head office building and EGCOTM Tara's water treatment plant. Most of EGCO's joint venture power plants also procured their insurance policies on terrorist attack.

EGCO's other majority owned renewable power plants being SPP Two, SPP Three, SPP Four, SPP Five, G-Power Source and Theppana Wind Farm power plant are during the process of insurance procurements.

## 4. Financial Risks

EGCO Group's investment is capital-intensive. Since the primary funding sources are loans from domestic and international financial institutions, foreign exchange rate fluctuation and interest rate fluctuation, are important risks to be monitored and mitigated. These risks may be caused by the mismatch of revenue and loan structure including the change of foreign currency and interest rate. The negative impact from the change of foreign currency and interest rate can lead to the decline in the Group's financial result. Therefore, the mitigation measures are established as follows :

### 4.1 Foreign exchange rate fluctuation

EGCO Group has a policy to mitigate currency mismatches for each invested projects to prudent levels by matching currencies of project development and construction costs with funding source currencies and subsequently matching the currencies of long-term funding profiles with those of each project's revenue stream during the operation phase. For EGCO's new projects, EGCO will arrange the currencies of the fund to match with that of the dividend from project.

### 4.2 Interest rate fluctuation

EGCO Group has a policy to manage interest rate fluctuation by setting the guideline of interest rate exposure mitigation by swapping floating interest rate to fixed interest rate at an appropriate level when the swap market is favorable. Such hedging transaction is not for speculation though.

### 4.3 Cash management from overseas investments

Since EGCO has invested in many projects in foreign countries, its revenue from overseas investments may have the negative impact on imbalance both of cash inflow and outflow. To cope with the risk associated with foreign cash management, EGCO has set the measures to prevent it by regular forecasting cash flow balance in offshore accounts on monthly basis, following up the foreign cash requirement for new overseas projects and maintaining cash in overseas accounts for international investments. Such risk is still low as EGCO has continuously expanded its overseas investments. However, the foreign revenue would be properly managed and the source of funding currency will be arranged for EGCO's new projects to match with dividend currency. Likewise, such risk can be hedged using an appropriate financial instrument.

## 5. Compliance Risk

At present, the governing laws and regulations for power business trends to be more strict while failing to comply can impact EGCO Group's operation and its corporate image. Thus, EGCO Group is well aware and strictly complies with all related laws and regulations, as well as environment laws and SHE regulations while new issues of governing laws and regulations are carefully studied.

In 2013, EGCO Group has no record of failures to comply with related laws and regulations that involves in its business. In addition, EGCO Group has followed up the new laws and regulations to acknowledge all concerned units on the issues and impacts through the legal database for their further compliance.

## Management Discussion and Analysis

### For the Annual Operating Results

Ended December 31, 2013

**Note :** This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange Commission (SEC).

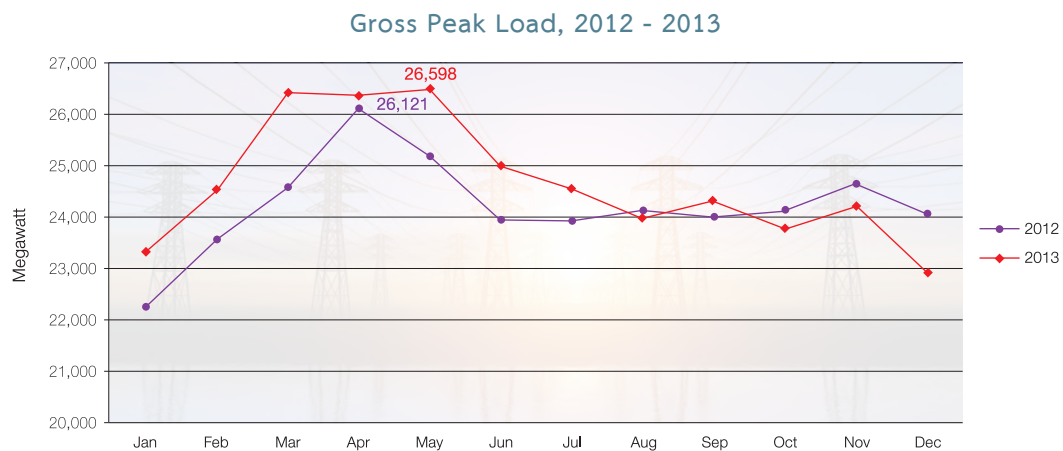
An English version of the MD&A has been prepared from the Thai version. In the event of a conflict or a difference in interpretation between the two languages, the Thai version shall prevail.

The objective of this MD&A is to present the information and the explanation of financial status and operating results as of the date hereof. However, the information provided in this MD&A may vary if any factors or situation are changed in the future; the investors are, therefore, required to have their own discretion regarding the usage of this information for any purpose. For further detail, please contact Investor Relations Section of the Electricity Generating Public Company Limited at Tel: 662-998-5145-8 or Email: [ir@egco.com](mailto:ir@egco.com)

### Management Discussion and Analysis

#### 1. Economy and Industry affecting to the business operation

Electricity Generating Authority of Thailand (EGAT) reported the peak demand of electricity usage in 2013 was 26,598 MW at 2.00 p.m., increasing only 1.83% from the previous year. This was caused by decelerating growth in household consumption, investment spending from public and private sectors as well as the recession of global economy leading to the slowdown in electricity usage from household and government sector. The amount of electricity usage in 2013 was 169,529 GMh, rising by 1,766 GWh or 1.05%. However, EGCO has signed the Power Purchase Agreement with Electricity Generating Authority of Thailand so that the company firmly receives Availability Payment (AP) as steady revenue. Therefore, total electricity supply from EGCO's power plants was not affected by global economic recession.



Source: Electricity Generating Authority of Thailand

## 2. Significant events in 2013

### 2.1 The completed project

- **Bueng Sam Phan Solar Power Project**, located in Petchaboon province is the forth project of **G-Power Source Company Limited (GPS)** (EGCO holds a 60% ownership interest). The power plant has been awarded the Power Purchase Agreement (PPA) from Provincial Electricity Authority (PEA) under the very small power producer scheme. Besides, the project is subsidized with an adder of 8 baht per KWh for 10 years from the Power Department Fund Management Division, Office of the Energy Regulatory Commission (OERC). The commercial operation date was on February 1, 2013.
- **NED 8 MW Project**, a project of **Natural Energy Development Co., Ltd. (NED)** (EGCO holds a 33.33% ownership interest), is a solar power plant as well as the project is an expansion from the existing 55 MW solar power plant. NED 8 MW has entered into the PPA with PEA under the very small power producer scheme. The project is subsidized with an adder of 8 baht per KWh for 10 years from OERC. The commercial operation date of the project was on May 2, 2013.
- **Theppana Wind Farm Company Limited (Theppana)** (EGCO holds a 90% ownership interest), located in Chaiyaphum province, has entered into the PPA with PEA under the very small power producer scheme. The project is subsidized with an adder of 3.50 baht per KWh for 10 years from OERC. The commercial operation date was on July 18, 2013.
- **Solarco Company Limited (Solarco)**, located in Nakorn Pathom province and Suphan Buri province comprises with 6 solar power plants and the total capacity is 57 MW (EGCO holds a 49% ownership interest), has entered into the PPA with PEA under the very small power producer scheme. The project is subsidized with an adder of 8 baht per KWh for 10 years from OERC. The commercial operation date were on November 18, 2013 for the first 3 projects and following on December 16, 2013 for the latter 3 projects.

### 2.2 The purchase of a new project

- On June 26, 2013, EGCO acquired 100% stakes in **Boco Rock Wind Farm Pty Limited (BRWF)** from South Pacific Power Pty Limited holding as indirect subsidiary. BRWF is a wind power plant, located in New South Wales, Australia. BRWF project has entered into the PPA with Energy Australia Pty Ltd. for 15 years. The commercial operation date is scheduled in February 2015.

### 2.3 Signing Power Purchase Agreement

- On July 25, 2013, **Khanom Electricity Generating Company Limited (KEGCO)** (EGCO holds a 99.99% ownership interest) has entered into the PPA for **Khanom Power Plant Project Unit 4** with EGAT for 25 years starting from the commercial operation date. Also, it signed a 930 MW capacity contract. Additionally, Khanom Power Plant Project Unit 4 is a gas-fired combined cycle power plant, located in Nakhon Si Thammarat province. The commercial operation date is scheduled in June 2016.
- On December 17, 2013, **Chaiyaphum Wind Farm Company Limited (CWF)** (EGCO holds a 90% ownership interest) has entered into the PPA with EGAT with the contracted capacity of 90 MW. CWF is a wind power plant located in Chaiyaphum province. The project is subsidized with an adder of 3.50 baht per KWh for 10 years from OERC. The commercial operation date is scheduled in December 2016.

## 2.4 The progress in Construction and Developing projects

### 2.4.1 Construction projects

- **GIDEC Company Limited (GIDEC)** (EGCO holds a 50% ownership interest.) is municipal solid waste plant. The power plant is located in Hat Yai Municipality's sanitary landfill, Khuan Lang District, Songkhla Province with the installed capacity of 6.7 MW generating the electricity to the grid. GIDEC has entered into the PPA with PEA under the very small power producer scheme. The project is subsidized with an adder of 3.50 baht per KWh for 7 years. The completion of the project was 95% with the commercial operation date in April 2014.
- **Xayaburi Project**, a project of the **Xayaburi Power Company Limited (Xayaburi)** (EGCO holds a 12.5% ownership interest.), is a run-of-the-river dam in the Laos People's Democratic Republic (Laos PDR). The total capacity of 1,225 MW will be sold to EGAT. The completion of the project was 20.02% with the commercial operation date in October 2019.
- **Khanom Power Plant Project (Unit 4)**, a gas-fired combined cycle power plant project of **Khanom Electricity Generating Company Limited (KEGCO)** (EGCO holds a 99.99% ownership interest), has been awarded the PPA from EGAT with the contracted capacity of 930 MW, located in Nakhon Si Thammarat province. The completion of the project was 22.80% with the commercial operation date in June 2016.

### 2.4.2 Developing project

- **Banpong Utilities Company Limited (Banpong)** (EGCO holds a 100% ownership interest.) develops 2 cogeneration power plants with the installed capacity of 125 MW each (SK Cogen and TP Cogen). The projects are located in Thapha, Banpong District, Ratchaburi Province. SK Cogen & TP Cogen has been awarded the PPA with EGAT for 25 years with the contracted capacity of 90 MW each. Additionally, the projects have the long term contracts with industrial users for 20 years to sell electricity and steam. These projects are in process of EIA study and EPC contract preparation. The commercial operation of the projects are scheduled in June 2016.
- **Klonglaung Utilities Company Limited (Klonglaung)** (EGCO holds a 100% ownership interest.) develops cogeneration power plant with the installed capacity of 110 MW (TJ Cogen). The project is located in Klongnueng, Klonglaung District, Pathumthani Province. TJ Cogen has been awarded the PPA with EGAT for 25 years with the contracted capacity of 90 MW. At present, TJ Cogen is in process of EPC selection and PPA and SPA preparation with customer. The commercial operation is scheduled in June 2017.
- **Chaiyaphum Wind Farm Co., Ltd. (Chaiyaphum)** (EGCO holds a 90% ownership interest) has entered into the PPA with EGAT with the contracted capacity of 90 MW. Additionally, CWF is a wind farm power plant located in Chaiyaphum province. The project is subsidized with an adder of 3.50 baht per KWh for 10 years from OERC. This project is under the process of EPC selection. The commercial operation date is scheduled in December 2016.

## 2.5 Sale of Joint Venture

- On July 2, 2013, EGCO has entered into the Sale and Purchase Agreement to divest its 40% of shares in Conal Holding Corporation (Conal) to Alson Consolidated Resources, Inc. Conal was EGCO's joint venture, the company focusing on power business and maintenance in the Philippines.
- On October 21, 2013, EGCO has entered into the Sale and Purchase Agreement to divest its 50% of shares in Absolute Power P Co., Ltd. (APPC) to Singha Corporation Co., Ltd. APPC was EGCO's joint venture located in Rayong, focusing on selling biodiesel and the downstream products to domestic customers.



### 3. Business overview

EGCO Group has invested in the Independent Power Producer (IPP), Small Power Producer (SPP), Very Small Power Producer (VSPP), Coal Mining, Operating and Maintenance (O&M), Management and Administrative Services (Management Services), Tap water and Rayong power plant as an operating company, details of each plant are as follows :

#### (1) Subsidiaries which can be categorized into 2 businesses :

##### 1. Power Generation

###### 1.1 Local power generation

Khanom Electricity Generating Co., Ltd. (KEGCO)	IPP
EGCO Cogeneration Co., Ltd. (EGCO Cogen)	SPP
Roi-Et Green Co., Ltd. (Roi-Et Green)	SPP
Banpong Utilities Co., Ltd. (SK Cogen & TP Cogen)	SPP
Klonglaung Utilities Co., Ltd. (TJ Cogen)	SPP
SPP2 Co., Ltd. (SPP2)	VSPP
SPP3 Co., Ltd. (SPP3)	VSPP
SPP4 Co., Ltd. (SPP4)	VSPP
SPP5 Co., Ltd. (SPP5)	VSPP
Yanhee EGCO Holding Co., Ltd. (Yanhee EGCO)	Holding Co.
• Solarco Company Limited (Solarco)	VSPP
Theppana Wind Farm Co., Ltd. (Theppana)	VSPP
Chaiyaphum Wind Farm Co., Ltd. (Chaiyaphum)	SPP

###### 1.2 Overseas power generation

Quezon Power (Philippines) Limited Co. (Quezon)
Boco Rock Wind Farm Co., Ltd. (Boco Rock)

##### 2. Other businesses

###### 2.1 Local other businesses

EGCO Engineering and Service Co., Ltd. (ESCO)	O&M
• Egcom Tara Co., Ltd. (Egcom Tara)	Tap Water

###### 2.2 Overseas other businesses

Pearl Energy Philippines Operating Inc. (PEPOI)	O&M
Quezon Management Services Inc. (QMS)	Management Services

#### (2) Joint Ventures which can be categorized into 2 businesses :

##### 1. Power Generation

###### 1.1 Local power generation

Gulf Electric Public Company Limited (GEC),	Holding Co.
• Gulf Cogeneration Co., Ltd. (GCC)	SPP
• Nong Khae Cogeneration Co., Ltd. (NKCC)	SPP
• Samutprakarn Cogeneration Co., Ltd. (SCC)	SPP
• Gulf Yala Green Co., Ltd. (GYG)	SPP
• Gulf Power Generation Co., Ltd (GPG)	IPP

BLCP Power Co., Ltd. (BLCP)  
 Natural Energy Development Co., Ltd. (NED)  
 G-Power Source Co., Ltd. (GPS)  
 GIDEC Company Limited (GIDEC)

IPP  
 SPP & VSPP  
 VSPP  
 VSPP

## 1.2 Overseas power generation

Nam Theun 2 Power Co., Ltd. (NTPC)

## 2. Others businesses

### • Overseas other business

PT Manambang Muara Enim (MME)

Coal Mining

### (3) Other investments

Other investments, which are long-term investment in securities :

- EGCO holds 18.72% of the outstanding shares in East Water Resources Development and Management Public Company Limited (East Water).
- EGCO holds 12.50% of the outstanding shares in Xayaburi Power Company Limited (XPCL).

As of December 31, 2013, EGCO Group's portfolio comprised 20 operating plants, with a total contracted capacity of 4,518 MW equity. The total contracted capacity with Electricity Generating Authority of Thailand (EGAT) under long-term PPAs of 3,880 MW. This resulted in EGCO Group's market share in Thailand of 12% from a total installed capacity of 33,681 MW.

## 4. Report and Analysis of the Operating Results

Commencing on 1 January 2013, EGCO Group has applied the new accounting standards that are effective for accounting periods beginning on or after 1 January 2013. These accounting standards affect the operating result which are TAS 12 - Income taxes and TAS 21 (Revised 2009) - The Effects of Changes in Foreign Exchange Rates.

The analysis of the financial statements of EGCO is indicated follows :

### Summary of operating results before FX for the year 2013

Unit : Million Baht

	Power Generation		Others		Total		Change	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	Increase/ (Decrease)	%
Total Revenues	18,552	15,816	1,050	1,126	19,602	16,942	2,660	16%
Total Expenses	(17,086)	(14,644)	(702)	(801)	(17,788)	(15,445)	2,343	15%
Share of Profit (Loss)	5,498	5,016	(42)	10	5,456	5,026	430	9%
NCI* before FX	(131)	21	(43)	(40)	(174)	(19)	(155)	(816%)
<b>Profit (Loss) before FX</b>	<b>6,833</b>	<b>6,209</b>	<b>263</b>	<b>295</b>	<b>7,096</b>	<b>6,504</b>	<b>592</b>	<b>9%</b>
FX	(197)	558	14	(4)	(182)	554	(736)	(133%)
<b>Profit (loss) after FX</b>	<b>6,636</b>	<b>6,767</b>	<b>277</b>	<b>291</b>	<b>6,914</b>	<b>7,058</b>	<b>(144)</b>	<b>(2%)</b>
Gain on business combination	-	4,182	-	-	-	4,182	(4,182)	(100%)
<b>Net Profit (loss)</b>	<b>6,636</b>	<b>10,949</b>	<b>277</b>	<b>291</b>	<b>6,914</b>	<b>11,240</b>	<b>(4,326)</b>	<b>(38%)</b>

\* NCI: Non-Controlling Interests

Profit from operation of EGCO Group before FX for the year 2013 was 7,096 million baht, increasing by 592 million baht compared to the year 2012, which came from an increase in power generation business of 624 million baht and a decrease in other businesses of 32 million baht. See more details in 4.1 and 4.2 as below;

#### 4.1 The Analysis of the Operating Results in Power Generation business

Profit (loss) before FX for the year 2013, the operating in power generation business increased by 624 million baht from the year 2012. Mainly due to operating results of GEC, KEGCO, NTPC, EGCO Cogen Quezon, Rayong, GPS, and NED, where as the operating results from EGCO, BLCP and GPG decreased as follows :

##### GEC (excluded GPG) :

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	4,573	3,855	718	19%
Other income	153	23	130	565%
<b>Total revenues</b>	<b>4,726</b>	<b>3,878</b>	<b>848</b>	<b>22%</b>
Cost of sale	(4,012)	(3,515)	497	14%
Other expenses	(257)	(292)	(35)	(12%)
<b>Total expenses</b>	<b>(4,269)</b>	<b>(3,807)</b>	<b>462</b>	<b>12%</b>
<b>Profit (Loss) before FX</b>	<b>457</b>	<b>71</b>	<b>386</b>	<b>544%</b>

- **GEC** : Electricity profit increased by 221 million baht mainly came from the plant's equipment of NKCC was damaged during April 7, 2012 - September 24, 2012. In addition, other income increased by 130 million baht resulted from compensation to the plant's equipment damage from insurance company. These led to the profit increased of 386 million baht.

##### KEGCO :

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	2,035	1,763	272	15%
Other income	9	8	1	13%
<b>Total revenue</b>	<b>2,044</b>	<b>1,771</b>	<b>273</b>	<b>15%</b>
Cost of sale	(1,429)	(1,529)	(100)	(7%)
Other expenses	(326)	(284)	42	15%
<b>Total expenses</b>	<b>(1,755)</b>	<b>(1,813)</b>	<b>(58)</b>	<b>(3%)</b>
<b>Profit (Loss) before FX</b>	<b>289</b>	<b>(42)</b>	<b>331</b>	<b>788%</b>

- **KEGCO** : Availability payment (AP) increased by 272 million baht due to the scheduled maintenance costs reflected in AP for the year 2013 was higher than the year 2012 according to the PPA. Moreover, cost of sales decreased by 100 million baht resulted from lower maintenance costs, compared with the previous year. Meanwhile, other expenses increased by 42 million baht mainly from income tax expenses. These were resulted in the operating result increase of 331 million baht.

**NTPC :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	2,787	2,710	77	3%
Other income	19	15	4	27%
<b>Total revenues</b>	<b>2,806</b>	<b>2,725</b>	<b>81</b>	<b>3%</b>
Cost of sale	(752)	(766)	(14)	(2%)
Other expenses	(1,022)	(1,217)	(195)	(16%)
<b>Total expenses</b>	<b>(1,774)</b>	<b>(1,983)</b>	<b>(209)</b>	<b>(11%)</b>
<b>Profit (Loss) before FX</b>	<b>1,032</b>	<b>742</b>	<b>290</b>	<b>39%</b>

- **NTPC :** Primary Energy (PE) and Secondary Energy (SE) increased due to water level for electricity generation was higher than the year 2012. The tariff rate in the electricity formula was increased by 1% resulting an increase of in the amount of 77 million baht in electricity revenue. In addition, other expenses decreased by 195 million baht from administrative expenses and interest expenses, resulting an increase the profit of 290 million baht.

**EGCO Cogen :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	2,548	1,631	917	56%
Other income	8	7	1	14%
<b>Total revenues</b>	<b>2,556</b>	<b>1,638</b>	<b>918</b>	<b>56%</b>
Cost of sale	(2,318)	(1,732)	586	34%
Other expenses	(122)	(34)	88	259%
<b>Total expenses</b>	<b>(2,440)</b>	<b>(1,766)</b>	<b>674</b>	<b>38%</b>
<b>Profit (Loss) before FX</b>	<b>116</b>	<b>(128)</b>	<b>244</b>	<b>191%</b>

- **EGCO Cogen :** The higher electricity generation compared to the year 2012 led to an increase the profit of 331 million baht due to plant's interruption from plant's equipment damage during February 11, 2012 - October 11, 2012 where as other expenses increased by 88 million baht. These led to an increase operating result in the amount of 244 million baht.

**Quezon 98.00% (included PEPOI and QMS) :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	10,230	8,847	1,383	16%
Other income	-	129	(129)	(100%)
<b>Total revenues</b>	<b>10,230</b>	<b>8,976</b>	<b>1,254</b>	<b>14%</b>
Cost of sale	(5,815)	(5,265)	550	10%
Cost of sale	(2,476)	(1,917)	559	29%
<b>Total expenses</b>	<b>(8,291)</b>	<b>(7,182)</b>	<b>1,109</b>	<b>15%</b>
<b>Profit (Loss) before FX</b>	<b>1,939</b>	<b>1,794</b>	<b>145</b>	<b>8%</b>

- **Quezon** : Eventhrough there was lower electricity generation in 2013, the profit increased by 145 million baht since EGCO recognized the shares of profit in the portion of 98% in the period of 2013. Comparing to the previous year, EGCO recognized 52.125% in the share of profit for the first 5 months and 98% in the share of profit for last 7 months.

**Rayong :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	2,201	2,166	35	2%
Other income	49	50	(1)	(2%)
<b>Total revenues</b>	<b>2,250</b>	<b>2,216</b>	<b>34</b>	<b>2%</b>
Cost of sale	(1,511)	(1,673)	(162)	(10%)
Other expenses	(308)	(236)	72	31%
<b>Total expenses</b>	<b>(1,819)</b>	<b>(1,909)</b>	<b>(90)</b>	<b>(5%)</b>
<b>Profit (Loss) before FX</b>	<b>431</b>	<b>307</b>	<b>124</b>	<b>40%</b>

- **Rayong** : Electricity revenue increased 35 million baht because availability payment (AP) increased 82 million baht seeing that scheduled maintenance costs for the year 2013 which is included in AP was higher than the year 2012. In term of Energy payment (EP), the EP decreased by 47 million baht owing to electricity operation was lower than the previous year. Moreover, cost of sale decreased by 162 million baht mainly came from deferred income tax. These resulted to an increase of the profit in the amount of 124 million baht.

**GPS :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	315	157	158	101%
Other income	1	1	-	-
<b>Total revenues</b>	<b>316</b>	<b>158</b>	<b>158</b>	<b>100%</b>
Cost of sale	(100)	(59)	41	69%
Other expenses	(81)	(60)	21	35%
<b>Total expenses</b>	<b>(181)</b>	<b>(119)</b>	<b>62</b>	<b>52%</b>
<b>Profit (Loss) before FX</b>	<b>135</b>	<b>39</b>	<b>96</b>	<b>246%</b>

- **GPS** : Profit of the electricity sale increased by 117 million baht. These was caused by Bueng Sam Pan Solar Power Project (Phase 4 of GPS) commercially operated on February 1, 2013 while the other expenses raised by 21 million baht respectively, leading to an increase of the operating result in the amount of 96 million baht.

**NED :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	463	369	94	25%
Other income	10	1	9	900%
<b>Total revenues</b>	<b>473</b>	<b>370</b>	<b>103</b>	<b>28%</b>
Cost of sale	(119)	(95)	24	25%
Other expenses	(111)	(115)	(4)	(3%)
<b>Total expenses</b>	<b>(230)</b>	<b>(210)</b>	<b>20</b>	<b>10%</b>
<b>Profit (Loss) before FX</b>	<b>243</b>	<b>160</b>	<b>83</b>	<b>52%</b>

- **NED** : An increase of profit from electricity sale of 70 million baht and cost of sales 24 million baht were caused by NED 8 MW expansion project, which was commercially operated on May 2, 2013, resulting to an increase of operating result by 83 million baht.



**EGCO :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	-	-	-	-
Other income	242	324	(82)	(25%)
<b>Total revenues</b>	<b>242</b>	<b>324</b>	<b>(82)</b>	<b>(25%)</b>
Cost of sale	-	-	-	-
Other expenses	(1,844)	(1,360)	484	36%
<b>Total expenses</b>	<b>(1,844)</b>	<b>(1,360)</b>	<b>484</b>	<b>36%</b>
<b>Profit (Loss) before FX</b>	<b>(1,602)</b>	<b>(1,036)</b>	<b>(566)</b>	<b>(55%)</b>

- **EGCO :** An increasing of other expenses amounting to 484 million baht was mainly caused by the administrative and interest expenses. Although, the other income regarding to interest incomes dropped by 82 million baht. These led to an decrease of the profit in the amount of 566 million baht.

**BLCP :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	8,630	9,212	(582)	(6%)
Other income	121	118	3	3%
<b>Total revenues</b>	<b>8,751</b>	<b>9,330</b>	<b>(579)</b>	<b>(6%)</b>
Cost of sale	(5,752)	(6,293)	(541)	(9%)
Other expenses	(1,210)	(996)	214	21%
<b>Total expenses</b>	<b>(6,962)</b>	<b>(7,289)</b>	<b>(327)</b>	<b>(4%)</b>
<b>Profit (Loss) before FX</b>	<b>1,789</b>	<b>2,041</b>	<b>(252)</b>	<b>(12%)</b>

- **BLCP :** Availability payment (AP) decreased 179 million baht although profit from the electricity salarose by 138 million baht since average coal prices dropped from the previous year, leading to electricity revenue decreased by 41 million baht. Moreover, other expenses decreased by 214 million baht from deferred income tax. Consequently, there was a decreased in profit in the amount of 252 million baht.

**GPG :**

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Electricity Revenue	13,735	14,824	(1,089)	(7%)
Other income	81	68	13	19%
<b>Total revenues</b>	<b>13,816</b>	<b>14,892</b>	<b>(1,076)</b>	<b>(7%)</b>
Cost of sale	(11,542)	(12,514)	(972)	(8%)
Other expenses	(439)	(492)	(53)	(11%)
<b>Total expenses</b>	<b>(11,981)</b>	<b>(13,006)</b>	<b>(1,025)</b>	<b>(8%)</b>
<b>Profit (Loss) before FX</b>	<b>1,835</b>	<b>1,886</b>	<b>(51)</b>	<b>(3%)</b>

- **GPG** : Availability payment (AP) decreased 124 million baht while profit from the electricity sale increased by 7 million baht from the previous year. Additionally, other expenses decreased by 53 million baht because of interest expenses, leading to the profit decreased in the amount of 51 million baht.

**Other Subsidiaries in Power Generation business :**

Unit : Million Baht

	Roi-Et Green		SPP2*		SPP3*		SPP4*	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated
Electricity Revenue	365	397	187	105	179	149	140	127
Other income	7	8	2	3	3	4	2	2
<b>Total revenues</b>	<b>372</b>	<b>405</b>	<b>189</b>	<b>108</b>	<b>182</b>	<b>153</b>	<b>142</b>	<b>129</b>
Cost of sale	(189)	(168)	(52)	(31)	(49)	(40)	(38)	(35)
Other expenses	(77)	(96)	(53)	(33)	(56)	(76)	(42)	(51)
<b>Total expenses</b>	<b>(266)</b>	<b>(264)</b>	<b>(105)</b>	<b>(64)</b>	<b>(105)</b>	<b>(116)</b>	<b>(80)</b>	<b>(86)</b>
<b>Net profit (loss)</b>	<b>106</b>	<b>141</b>	<b>84</b>	<b>44</b>	<b>77</b>	<b>37</b>	<b>62</b>	<b>43</b>

\* EGCO acquired ordinary shares in SPP2 on 23 May 2012, SPP3 on 29 February 2012, and SPP4 on 23 January 2012.

## Other Subsidiaries in Power Generation business : (continued)

Unit : Million Baht

	SPP5*		TWF**		Others***		Total		Change	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	Increase/ (Decrease)	%
Electricity Revenue	187	93	35	-	110	-	1,203	871	332	38%
Other income	2	1	-	-	11	3	27	21	6	29%
<b>Total revenues</b>	<b>189</b>	<b>94</b>	<b>35</b>	<b>-</b>	<b>121</b>	<b>3</b>	<b>1,230</b>	<b>892</b>	<b>338</b>	<b>38%</b>
Cost of sale	(50)	(27)	(14)	-	(31)	-	(423)	(301)	122	41%
Other expenses	(52)	(28)	(20)	(5)	(345)	(4)	(645)	(293)	352	120%
<b>Total expenses</b>	<b>(102)</b>	<b>(55)</b>	<b>(34)</b>	<b>(5)</b>	<b>(376)</b>	<b>(4)</b>	<b>(1,068)</b>	<b>(594)</b>	<b>474</b>	<b>80%</b>
<b>Net profit (loss)</b>	<b>87</b>	<b>39</b>	<b>1</b>	<b>(5)</b>	<b>(255)</b>	<b>(1)</b>	<b>162</b>	<b>298</b>	<b>(136)</b>	<b>(46%)</b>

\* EGCO acquired ordinary shares in SPP5 on June 18, 2012.

\*\* TWF : The commercial operation date was on July 18, 2013.

\*\*\* - Yanhee EGCO: The commercial operation date was on November 18, 2013 for the first 3 projects and December 16, 2013 for the latter 3 projects.

- Boco Rock is under construction phase.

- Banpong and Klonglaung are under development phase.

## Other Joint Ventures in Power Generation business :

Unit : Million Baht

	GIDEC*		Conal**		Total		Change	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	Increase/ (Decrease)	%
Electricity Revenue	-	-	296	616	296	616	(320)	(52%)
Other income	-	-	21	47	21	47	(26)	(55%)
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>317</b>	<b>663</b>	<b>317</b>	<b>663</b>	<b>(346)</b>	<b>(52%)</b>
Cost of sale	-	-	(119)	(254)	(119)	(254)	(135)	(53%)
Other expenses	(28)	(4)	(165)	(328)	(193)	(332)	(139)	(42%)
<b>Total expenses</b>	<b>(28)</b>	<b>(4)</b>	<b>(284)</b>	<b>(582)</b>	<b>(312)</b>	<b>(586)</b>	<b>(274)</b>	<b>(47%)</b>
<b>Net profit (loss)</b>	<b>(28)</b>	<b>(4)</b>	<b>33</b>	<b>81</b>	<b>5</b>	<b>77</b>	<b>(72)</b>	<b>(94%)</b>

\* EGCO acquired ordinary shares in GIDEC on September 28, 2012.

\*\* EGCO sold ordinary shares in Conal on July 2, 2013.

#### 4.2 The Analysis of the Operating Results in Other businesses

Profit (loss) before FX for the year 2013 in other businesses decreased slightly from the year 2012 by 32 million baht as the following details :

##### Subsidiaries and Joint Ventures in Other business :

Unit : Million Baht

	ESCO		EGCOM TARA		MME*		APPC**		Total		Change	
	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	2013	2012 Restated	Increase/ Decrease)	%
Revenue	-	-	309	290	190	96	37	127	536	513	23	4%
Service income	726	819	-	-	-	-	-	-	726	819	(93)	(11%)
Other income	11	11	4	5	-	-	-	-	15	16	(1)	(6%)
<b>Total revenues</b>	<b>737</b>	<b>830</b>	<b>313</b>	<b>295</b>	<b>190</b>	<b>96</b>	<b>37</b>	<b>127</b>	<b>1,277</b>	<b>1,348</b>	<b>(71)</b>	<b>(5%)</b>
Cost of sale	(477)	(569)	(86)	(81)	(158)	(70)	(51)	(135)	(772)	(855)	(83)	(10%)
Other expenses	(85)	(97)	(97)	(93)	(50)	-	(10)	(8)	(242)	(198)	44	22%
<b>Total expenses</b>	<b>(562)</b>	<b>(666)</b>	<b>(183)</b>	<b>(174)</b>	<b>(208)</b>	<b>(70)</b>	<b>(61)</b>	<b>(143)</b>	<b>(1,014)</b>	<b>(1,053)</b>	<b>(39)</b>	<b>(4%)</b>
<b>Profit (Loss) before FX</b>	<b>175</b>	<b>164</b>	<b>130</b>	<b>121</b>	<b>(18)</b>	<b>26</b>	<b>(24)</b>	<b>(16)</b>	<b>263</b>	<b>295</b>	<b>(32)</b>	<b>(11%)</b>

\* EGCO acquired ordinary shares in MME on August 16, 2012 and the Share Transfer process was completed on October 16, 2012.

\*\* EGCO acquired ordinary shares in APPC on May 15, 2012 and sold such shares on October 21, 2013.

#### 5. Report and Analysis of Financial Position

Comparing the Statements of Financial Position as at December 31, 2013 to the Statements of Financial Position as at December 31, 2012 is shown below :

	Consolidated Financial Statement (Million Baht)			
	Year		Change	
	2013	2012 Restated	Increase/ (Decrease)	%
<b>Assets</b>				
Current Assets	22,740	19,553	3,187	16.30%
Interests in joint ventures, net	34,162	31,924	2,238	7.01%
Property, plant and equipment, net	52,961	38,871	14,090	36.25%
Other non-current assets	21,074	20,041	1,033	5.15%
<b>Total Assets</b>	<b>130,937</b>	<b>110,389</b>	<b>20,548</b>	<b>18.61%</b>
<b>Liabilities</b>				
Current Liabilities	5,596	13,721	(8,125)	(59.22%)
Long-term loans				
(including current portion of long-term loans)	47,429	25,216	22,213	88.09%
Other non-current liabilities	7,768	6,451	1,317	20.42%
<b>Total Liabilities</b>	<b>60,793</b>	<b>45,388</b>	<b>15,405</b>	<b>33.94%</b>
<b>Shareholders' Equity</b>				
Parent's shareholders' equity	69,270	64,160	5,110	7.96%
Non-controlling interests	874	841	33	3.92%
<b>Total Shareholders' Equity</b>	<b>70,144</b>	<b>65,001</b>	<b>5,143</b>	<b>7.91%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>130,937</b>	<b>110,389</b>	<b>20,548</b>	<b>18.61%</b>

### 5.1 Asset Analysis

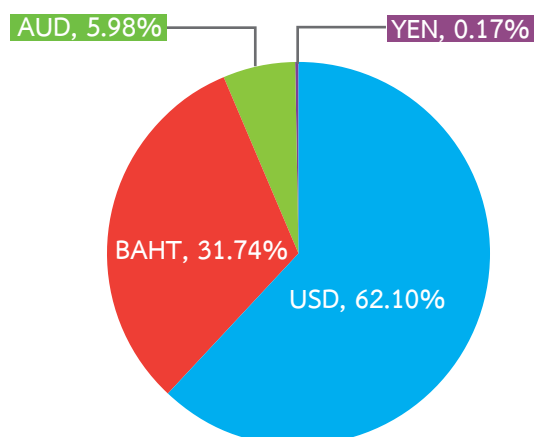
As of December 31, 2013 the total assets were 130,937 million baht, increasing by 20,548 million baht or 18.61% from the year 2012. The details are as follows :

- Current Assets increased by 3,187 million baht or 16.30%. This was caused by cash, cash equivalents and short-term investments increased by 2,952 million baht. Moreover, account receivable rose by 662 million baht while dividend receivable from BLCP and spare parts and supplies (net) decreased by 474 million baht and 196 baht respectively.
- Interests in joint ventures (net) increased by 2,238 million baht or 7.01% owing to share of profit of Joint Ventures.
- Property, plant and equipment (net) and advance payments for construction rose by 14,090 million baht or 36.25% because of subsidiary companies' power plants projects construction, namely KEGCO, Yanhee EGCO, Boco Rock, and Theppana.
- Other non-current assets increased in the amount of 1,033 million baht or 5.15%. It was resulted from advance payment for registered share of San Buenaventura Power Ltd., Co. (SBPL), was incorporated. Moreover, deferred expense and investment in Xayaburi project increased from the year 2012.

### 5.2 Liability Analysis

As of December 31, 2013 the total liabilities were 60,793 million baht, increasing by 15,405 million baht or 33.94% from the year 2012. The details are as follows :

- Current liabilities decreased amounting to 8,125 million baht or 59.22% because of short-term USD loan repayment in the amount of 9,233 million baht. Meanwhile, there was increasing in short-term loan by 400 million baht. Furthermore, other current liabilities raised by 708 million baht as a result of accrued expense of Yanhee EGCO, KEGCO, and EGCO.
- Long-term loans rose in the amount of 22,213 million baht or 88.09% due to the long-term loan of EGCO, KEGCO, Yanhee EGCO (Solarco), Boco Rock, and Theppana. The details are as follows :
  - USD loans in the amount of 940 million US dollars
  - AUD loans in the amount of 99 million Australian dollars
  - JPY loans in the amount of 262 million Yen
  - Baht loans in the amount of 15,295 million baht



## Loan maturities schedule as at December 31, 2013

Unit : Million Baht

Maturity	EGCO	Quezon	KEGCO	Yanhee EGCO	SPP 2, 3, 4, 5	Boco Rock	Theppana	EGCO Cogen	Roi-Et Green
Within 1 year	3,332	916	99	279	254	-	23	255	33
2 - 5 years	18,023	5,439	3,311	1,540	1,288	2,694	110	-	49
More than 5 years	-	5,142	1,290	1,792	1,321	-	238	-	-
<b>Total</b>	<b>21,355</b>	<b>11,497</b>	<b>4,700</b>	<b>3,611</b>	<b>2,863</b>	<b>2,694</b>	<b>371</b>	<b>255</b>	<b>82</b>

- Non-current liabilities increased by 1,317 million baht or 20.42% as retention increased by 517 million baht, provision for decommissioning costs increased by 260 million baht, deferred income tax liabilities increased by 269 million baht and accrued retirement cost raised by 62 million baht.

## 5.3 Shareholders' Equity Analysis

As of December 31, 2013, total Shareholders' Equity were 70,144 million baht increasing by 5,143 million baht or 7.91% from the year 2012. The main reasons are as follows. Firstly, EGCO's operating profit increased by 6,914 million baht. Secondly, the effect from the translation adjustment of currencies to Thai Baht in offshore subsidiaries and joint ventures increased by 1,520 million baht. Followed by decreasing in dividend payment, it was 3,159 million baht and lastly, the additional unrealised loss on investments in marketable securities was 166 million baht.

## 5.4 Cash Flow Analysis

As of December 31, 2013 cash and cash equivalents were 6,984 million baht, increasing by 2,836 million baht. The details are as follows :

Unit : Million Baht

Net cash <u>received from</u> operating activities	5,541
Net cash <u>payment for</u> investing activities	(9,390)
Net cash <u>received from</u> financing activities	6,207
Net increase in cash from the effect of foreign exchange rate	478
<b>Net increase in cash</b>	<b>2,836</b>

- Net cash received from operating activities** was 5,541 million baht. This was mainly due to an increase in cash received from operating of EGCO and its subsidiaries.
- Net cash payment for investing activities** was 9,390 million baht. This was mainly due to the company investment in property, plant and equipment in the amount of 9,743 million baht, the payment in advance for power plants construction in the amount of 3,970 million baht, and the other long-term investments in Xayaburi in the amount of 478 million baht. Additionally, the dividend received from joint ventures was 4,653 million baht.
- Net cash received from financing activities** was 6,207 million baht. This was mainly due to long-term loans of 29,842 million baht meanwhile the refinance of loan of 9,233 million baht. Also, the principle repayment of loan and interest payment of loan was of 11,114 million baht and dividend payment to shareholders was of 3,288 million baht.



## 6. Financial Ratios

### Profitability Ratios

	2013	2012 Restated	Change
			Increase/(Decrease)
Gross Profit Ratio	30.77%	28.12%*	2.65%
Operating Profit Ratio before FX	25.00%	17.54%*	7.46%
Profit Ratio before FX	13.90%	13.19%*	0.71%
Profit before FX per share (Baht)	13.48	12.35*	1.13

\* Excluding gain on business combination, 52.125%, of Quezon before the purchase of the additional shares in the portion of 45.875%. This method was performed in accordance with the accounting standard of 4,182 million baht.

### Trade receivables aging summary

Aging periods of trade receivables as at December 31, 2013 are shown in the table below :

Unit : Million Baht

	2013	2012 Restated	Change	
			Increase/(Decrease)	%
Current	1,905	1,724	181	10%
Overdue less than 3 months	49	46	3	7%
Overdue between 3 - 6 months	53	21	32	152%
Overdue between 6 - 12 months	79	17	62	365%
Overdue more than 12 months	77	26	51	196%
	2,163	1,834	329	18%
<u>Less</u> Allowance for Doubtful Accounts	-	-	-	-
Trade receivables, net	2,163	1,834	329	18%

### Leverage Ratio and Liquidity Ratio

	2013	2012 Restated	Change
			Increase/(Decrease)
Debt to equity ratio (Time)			
- Consolidated	0.87	0.70	0.17
- Company	0.44	0.41	0.03
Book value per share (Baht)			
- Consolidated	131.57	121.87	9.70
- Company	106.03	106.17	(0.14)
Current ratio (Time)			
- Consolidated	2.11	1.32	0.79
- Company	1.91	0.89	1.02
Interest Coverage Ratio (Time)			
- Company	6.09	10.24	(4.15)

### 7. Future Plans

EGCO has the corporate goal to expand its investment for sustainable growth focusing on the power generation business which EGCO has the expertise. To achieve the target, EGCO has been prepared 2014 corporate strategies both in short-term and long-term investment. For the short-term investment strategy, EGCO will seek the opportunities to invest in the operating. This strategy will give the earning accretive for EGCO immediately or in the short period. Meanwhile, for EGCO's long-term investment strategy, the greenfield's projects will be EGCO's priority investment in order to support long-term growth. In part of overseas investment, EGCO will utilize the existing projects to be the opportunities for an expansion of the plant in the future. Moreover, EGCO anticipates to operate assets in portfolio to achieve optimum efficiency and also meticulously monitor the invested projects to ensure that the operating results have been met the target.

## Related Transactions

In conducting our business activities and services, there are related transactions between EGCO or its subsidiaries and persons or parties who may have potential conflicts of interest. EGCO endeavors to ensure that these transactions are justified and in compliance with the Stock Exchange of Thailand (“SET”) and the Capital Market Supervisory Board’s rules and regulations. Apart from designating the authorized persons to approve the transaction in accordance with the Table of Authority, the Audit Committee is entrusted to review the related transactions that need to be approved by the Board of Directors. The details of the related transactions are disclosed under the items 38 and 39 of the Notes to 2013 Financial Statements for the year ended December 31, 2013.

### Procedures to Approve the Related Transactions

EGCO has materialized the following policies and guidelines in treating and approving the related transactions.

- In case of involvement in any agreements or any related transactions with EGCO, subsidiaries, joint venture companies, associated companies and/or any concerned parties, EGCO will consider the necessity and justification of such transactions for the best interest of the Company. Costs are charged at the market price like transactions with any other outside parties (Arm’s Length Basis). If there is no such price, EGCO will apply the price of similar market transactions. EGCO may also compare the price with the one recommended by an independent appraiser to ensure that such price is reasonable to maximize the Company’s benefits.
- Business transactions that are considered connected transactions according to the SET’s rules and regulations, have to strictly comply with the requirements of the SET’s and the Capital Market Supervisory Board. They are also to be reviewed by the Audit Committee in case that such transactions must be approved by the Board of Directors.
- Financial assistance to Group companies or business partners such as loans, guarantee, etc. will be conducted prudently to ensure the utmost benefits of the Group companies. Fees will be charged at the market rate as at the transaction date.
- For business transactions having terms and agreements that any ordinary person will agree with the counterpart under similar circumstances, EGCO always ensures its bargaining power without any influential privileges resulted from holding administrative titles as the director, executive or related authority. Such transactions shall be reported to the Audit Committee and the Board of Directors. This is aimed to ensure that such transactions are properly carried out and provide optimal benefits to the Company and in line with the procedures.
- In case that the shareholders’ approval is needed, the major shareholders who may have conflicts of interest can attend the meeting in order to constitute a quorum but will not have voting rights, thus does not affect the quorum and the vote counting.
- Directors and management personnel with potential conflicts of interest are not allowed to vote or attend the meeting.

## Related Transactions in 2013

EGCO's related transactions in 2013 were normal business transactions and there was no profit siphoning between EGCO or its subsidiaries and parties with potential conflicts of interest. Each transaction was duly approved under the transparent process and the persons with potential conflicts of interests were not involved in the decision making. Such transactions were well justified that they were carried out for the best interest of the Company like the transactions with any third parties. The checking and audit systems also ensured that all transactions were carried out in line with the established process.

Details of related transactions in 2013 that may pose conflicts of interest are as follows :

### 1. Related Transactions with EGAT

In carrying out EGCO Group's businesses and services, there were transactions relating to the power sales and maintenance services between EGCO Group and EGAT, a major shareholder which owns 25.41 percent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2013 in detail :

#### 1.1 Power sales with EGAT

EGCO (Rayong Power Plant) and the three subsidiaries namely KEGCO, EGCO Cogen and Roi Et Green were engaged in the Power Purchase Agreement ("PPA") with EGAT. The PPA terms for EGCO (Rayong Power Plant) is 21 years and KEGCO is 20-25 years while the terms for EGCO Cogen and Roi-Et Green are 21 years, respectively.

Such transactions were justified as power generation is EGCO Group's core business and EGAT is the sole wholesale buyer in Thailand. In addition, the pricing and conditions of those transactions were in accordance with the standardized contracts endorsed by concerned government agencies.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Sales Revenue	Trade Receivables
EGCO (Rayong Power Plant)	Subsidiaries	2,201	384
KEGCO		2,036	188
EGCO Cogen		1,498	267
Roi-Et Green		365	71

Since EGCO has recorded the share of profits from joint venture companies using equity method, the value of such transactions is not shown in the consolidated financial statements. The values of the related transactions between joint venture companies and EGAT are shown in the following table.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Sales Revenue	Trade Receivables
GEC Group	Joint Ventures	18,308	3,048
BLCP		8,630	1,001
NTPC		2,787	380
NED		463	88

### 1.2 Maintenance Services for EGAT

ESCO, EGCO's subsidiary which is an O&M service provider, has engaged in a Maintenance Agreements with EGAT to provide major maintenance and repair works including other facilitating and additional services related to the power plants.

Such transaction was justified as the price was charged on a "cost plus basis" with the annual CPI escalation which is the same standard as the price charged to any other third parties. The agreement is effective for a period of eight years commencing September 24, 2007.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Maintenance Fee	Trade Receivables
ESCO	Subsidiary	21	4

### 1.3 Maintenance Services with EGAT

EGCO Group has engaged in the operation and maintenance agreements with EGAT which are defined as the normal transactions to support its business operations of which the general trading terms and conditions are applied. The fee can be calculated from the value of assets or the referred price in accordance with SET's guidelines. The details are as follows

- EGCO (Rayong Power Plant) has engaged in the Major Maintenance Agreement ("MMA") with EGAT for the latter to provide major maintenance services, repair services, administrative services, and additional services to power plants. The service fees are charged on a "cost plus basis" with the annual CPI escalation. The contracts has been extended for another 8 years for EGCO (Rayong Power Plant) taking effect from December 7, 2006 and occasional maintenance for KEGCO.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		O&M Fee	Trade Payables
EGCO (Rayong Power Plant)		59	10
KEGCO	Subsidiary	37	19

- GEC Group has engaged EGAT as its advisor for maintenance works. The fee was charged in accordance with the EGAT's standard price for contractual fees.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Maintenance Advisory Fee	Account Payables
GEC Group	Joint Venture	3	1

#### 1.4 Civil Engineering Service Agreement

KEGCO has engaged in Civil engineering service agreement with EGAT for the Khanom 4 project with the contract amount 44.95 million baht taking effect from July 18, 2013.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	9	-

#### 2. Related Transactions between EGCO and TEPDIA Generating B.V. (TEPDIA)

In carrying out EGCO Group's businesses and services, there were transactions relating to the technical service agreement between EGCO and TEPDIA, a major shareholder which owns 22.42 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2013 in detail :

##### Technical Service Agreement

- KEGCO has engaged in technical service agreement for Khanom 4 project with Tokyo Electric Power Company (TEPCO) which directly hold TEPDIA with the contract amount 3.54 USD taking effect from June 4, 2013.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)	
		Constructions	Account Payables
KEGCO	Subsidiary	17	-

#### 3. Related Transactions between EGCO and Group Companies

EGCO has engaged in the following agreements with Group Companies, which EGCO holds major shares and has its executives sit on their boards.

- 3.1 Agreements to lease office space and Agreements for building services for 4 companies namely KEGCO, ESCO, EGCO Cogen, Roi-Et Green. The provision of space and the scope of services are specified in the one-year contract.

Such transactions were considered justified as it maximized EGCO building space usage and the fee was charged at the market rate which was the same rate charged to any third parties.

- 3.2 Agreements to provide management services to KEGCO, ESCO, EGCO Cogen, Roi-Et Green, EGCOM Tara, EGCO BVI, PEPOL, Quezon, Theppana, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Solarco, BLCP, GIDEC, and GPS. The scope of work covers internal audit, legal counseling, Board's secretarial work, IT, public and community relations and financial work (except ESCO and Egcom Tara), including personnel secondment to NTPC.



### 3.3 Agreement to provide construction development services to TJ Cogen, SK Cogen & TP Cogen, and KEGCO (Khanom 4).

Such transactions were justified as those Group companies do not have internal staff to take care of such work while EGCO had the expertise and capability to provide the services and the service fee was charged in accordance with the actual operating hours based on the cost plus basis.

Companies	Relationship	Transaction value by December 31, 2013 (million baht)
		Financial Statements
KEGCO	Subsidiaries	8
KEGCO (Khanom 4)		40
ESCO		6
EGCO Cogen		5
EGCO Green		1
Roi-Et Green		6
Egcom Tara		2
EGCO BVI		1
PEPOI		22
Quezon		9
Theppana		5
SPP 2		5
SPP 3		4
SPP 4		4
SPP 5		4
Yanhee EGCO		1
Solarco		10
SK Cogen & TP Cogen		31
TK Cogen		27
<b>Total for subsidiaries</b>		<b>191</b>
NTPC	Joint Ventures	19
BLCP		14
GIDEC		2
GPS		5
<b>Total for joint ventures</b>		<b>40</b>

#### 4. Financial Support to related business partners

EGCO has provided financial support to subsidiaries and joint ventures in proportional to its ownership in such companies. Such supports are normal business practices and are aimed at optimizing shareholders' returns. The transactions were approved by the Board and disclosed in the notes to financial statements as of December 31, 2013.

##### 4.1 Loan

Companies	Relationship	Transaction values by December 31, 2013 (million baht)	Terms and conditions
ESCO	Subsidiary	551	On November 22, 2005, EGCO signed the loan agreement providing 780 million baht to ESCO. The principal payment of 46 million baht is made on yearly basis from December 2009 to December 2025 at the interest rate, being charged in accordance with the market condition, at MLR minus a certain margin, payable on a semi-annual basis.
SPP 2	Subsidiary	103	On January 7, 2013, EGCO signed the loan agreement of 103 million baht and received the capital in full. The principal payment will be made thereon on or before January 11, 2037 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
SPP 3	Subsidiary	105	On January 7, 2013, EGCO signed the loan agreement of 105 million baht and received the capital in full. The principal payment will be made thereon on or before September 20, 2036 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
SPP 4	Subsidiary	80	On January 7, 2013, EGCO signed the loan agreement of 80 million baht and received the capital in full. The principal payment will be made thereon on or before September 20, 2036 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
SPP 5	Subsidiary	78	On January 7, 2013, EGCO signed the loan agreement of 78 million baht and received the capital in full. The principal payment will be made thereon on or before March 27, 2037 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
Yanhee EGCO	Subsidiary	1,720	On October 22, 2012, EGCO signed the loan agreement of 1,720 million baht and received the capital in full. The principal payment will be made at equal installment on a yearly basis at the interest rate of MLR, payable on a yearly basis.

Companies	Relationship	Transaction values by December 31, 2013 (million baht)	Terms and conditions
Theppana	Subsidiary	29	On October 8, 2012, EGCO signed the loan agreement providing 31 million baht to Theppana. The principal will be paid at a lump sum on the 10 <sup>th</sup> anniversary of the COD, at the interest rate of MLR minus a certain margin, payable on a semi-annual basis from the COD.
GIDEC	Joint Venture	85	On July 19, 2013, EGCO signed the loan agreement of 85 million baht. The principal is due on three years after receiving the capital at the fixed rate, payable on the payment date of principal.

## 4.2 Commitments and Liabilities

EGCO has commitments under the Sponsor Support Agreements from loan guarantees provided to subsidiaries and joint ventures as follows.

### 4.2.1 Guarantee of Loan

Company	Relationship	Transaction value by December 31, 2013	Terms and Conditions
EGCO Cogen	Subsidiary	160 Million baht	EGCO, a sponsor of EGCO Cogen, signed the agreement providing loan to EGCO Cogen in case of facing the liquidity problem and unable to pay debt and expenses specified in the agreement in the aggregate amount supporting by shareholders of up to 200 million baht. EGCO's obligation, according to the stake's portion, is not exceeding 160 million baht.
Roi-Et Green	Subsidiary	262 million yen or equivalent to 83 million baht	EGCO signed the agreement guaranteeing outstanding loan including accrued interest of Roi-Et Green.

Such financial support was justified as it complied with the terms and conditions in the loan agreements and business development agreements, and was provided on EGCO's share proportion.

### 4.2.2 Letter of Guarantee

EGCO's liability under Counter Guarantee, Standby Letter of Credit and Bank Guarantee for its subsidiaries and joint ventures as at December 31, 2013 as follows :

#### *Ratchasima Wind Farm*

EGCO's liability under the Letter of Guarantee for the electricity sales proposal from the project for the amount of 6 million baht.

### *3 SPP projects (TJ Cogen, TP Cogen and SK Cogen)*

EGCO was liable under the Letter of Guarantee for the electricity sales proposal from the three projects for an amount of 270 million baht.

### *Theppana*

EGCO's liability under the Letter of Guarantee for the electricity sales proposal to EGAT and PEA, land lease to the Agricultural Land Reform Office, the rental of reserved land to the Department of Forestry and the land lease to Agricultural Land Reform Office, Chaiyabhum province altogether in the amount of 87 million baht.

### *Boco Rock*

EGCO has the liability under the Standby Letter of Credit issued by BNP Paribas Bank to guarantee the capital payment for Boco Rock project in the amount of AUD 66 million or equivalent to 1,932 million baht.

### *KEGCO*

EGCO has the liability under the Letter of Guarantee for the electricity sales to EGAT issued by Kasikorn Bank for Khanom 4 project in the amount of 465 million baht and has liability under the Standby Letter of Credit issued by BNP Paribas Bank to guarantee the capital payment for Khanom 4 project in the amount of 4,720 million baht.

### *NTPC*

EGCO has the liability under the 2 standby letters of credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Nam Theun II project, in the amount of US 5 million dollars (equivalent to 156 million baht) and 609 million baht, respectively.

### *GPS*

EGCO has the liability under the Standby Letter of Credit issued by Kasikorn Bank to guarantee for undertake debt service reserve account and Maintenance Reserve Account for GPS in the amount of 135 million baht.

## **Policy and Tendency of Future Related Transactions**

EGCO's existing related transactions tends to continue and EGCO will seek to ensure that all of the related transactions be conducted transparently, fair and beneficial to the Company. The Audit Committee, external auditors or independent consultants shall be assigned by the Board to review and give their independent opinions on the pricing and justifications of those transactions. Disclosure of related transactions shall strictly follow the notifications of SET and SEC. In addition, EGCO will continue to provide the updated information, rules and regulations on related transactions to concerned staffs for thorough understanding which will certainly lead to full compliance and transparency for the optimal benefits of the shareholders.

## Statement of Directors' Responsibilities

According to the Public Limited Companies Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Exchange Act B.E. 2535, and the Notification of Capital Market Supervisory Board re: "Disclosure of Financial Statements and Performance of Listed Companies", the Board of Directors is responsible to prepare the true and fair financial statements of the Company.

To adhere with such responsibilities, the Board of Directors of the Electricity Generating Public Company Limited (EGCO) has issued the Company's regulation on accounting, finance and budgeting B.E. 2550 that the Management must comply with. In addition, the Audit Committee has been established and entrusted to ensure that the EGCO's financial statements are prepared in a justified and prudent manner in compliance with laws and regulations and that the appropriate accounting policies are consistently applied. The Audit Committee also reviews the Company's internal control systems to ensure its adequacy and effectiveness as a means to safeguard the company's assets from unauthorized use and to prevent fraud.

EGCO has prepared both the consolidated and company financial statements for the year ended December 31, 2013 in compliance with the Thai Generally Accepted Accounting Principles under the Accounting Profession Act B.E. 2547. The appropriate accounting policies were consistently applied and the financial statements were prepared in a prudent and justified manner with adequate disclosure of significant information in the notes to the financial statements and that the consolidated and company financial statements were audited by the auditor with unqualified opinions.

The Board of Directors is of the opinion that both the consolidated and company financial statements for the year 2013, presented EGCO's financial position, operating results, changes in shareholders' equity and cash flows fairly, in all material respects and reliable manner and that such statements were in compliance with the Generally Accepted Accounting Principles and all governing laws and regulations.



**Mr. Pornchai Rujiyapra**  
Chairman

## Audit Committee's Report

The Audit Committee of EGCO consists of independent directors who are knowledgeable and experienced in law, accounting and finance, management and energy business as follows.

- |                              |                                       |
|------------------------------|---------------------------------------|
| 1. Mr. Thanapich Mulapruk,   | Chairman                              |
| 2. Mr. Pongstorn Kunanusorn, | Member                                |
| 3. Mr. Pasan Teparak,        | Member (resigned on November 8, 2013) |
| 4. Mr. Somphot Kanchanaporn, | Member (since December 16, 2013)      |

The Audit Committee has performed its duties assigned by the Board, as prescribed in the Audit Committee Charter which aligned with the regulations of the Stock Exchange of Thailand (SET) regarding Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551 and regularly reported the committee's meeting resolutions to the Board of Directors.

In 2013, the Audit Committee held 11 meetings, with details of the meeting attendance shown in article : Corporate Governance Report 2013

In carrying out its duties, the Audit Committee had expressed the opinions that;

1. EGCO's financial reports were accurate, complete, and reliable.
2. EGCO's internal control systems were appropriate and adequate.
3. EGCO had fully complied with the Securities and Exchange Acts, SET regulations as well as other governing laws
4. EGCO's auditors were qualified, knowledgeable and independent.
5. Information disclosure of the connected transactions or any conflict of interest was accurate and adequate.
6. In performing its assigned duties, the Audit Committee viewed that its composition, qualifications, and responsibilities aligned with the Audit Committee's Charter.
7. Enhanced the good corporate governance by providing the channel for shareholders and employees to directly access the Audit Committee in reporting complaints or suspect in financial reports or internal control systems. The Whistleblower system has been set up as well.

### Summary of the Audit Committee's Activities :

#### Review of financial statements

- Reviewed the quarterly and annual financial statements for 2013 with the external auditors and the Management. The Audit Committee also asked the auditors on the accuracy and completeness of the financial statements and significant adjustments which effected the financial statements to ensure that the financial statements complied with the generally accepted accounting principles and that the information disclosed in the financial statements were adequate, accurate, reliable, and complied with governing laws and regulations.



- Considered the adoption of the new accounting standards being the new financial reporting standards, the new interpretation and amendments to accounting standards, and the adjusted accounting standards and accounting frameworks relating to EGCO and adopted the new accounting standards which were mandatory for the year 2013 and 2014.
- Reviewed the Management Discussion and Analysis (MD&A) with the Management to ensure its accuracy, completeness, adequacy and that the disclosed information benefitted the investment decision of the shareholders and investors.
- Held exclusive meetings with the external auditors in the absence of the Management to ensure their independence.
- Considered other services performed by the audit firm's group companies for EGCO Group and determined that the scope of work and service fees were not significant to potentially influence the independence of the auditor.

### Review of the internal control systems

In the Board's meeting no. 1/2014 on January 27, 2014 attended by 3 members of the Audit Committee, the Board assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee. After considering EGCO's 5 components of internal control according to COSO which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring including the result of the answers to SEC's internal control assessment form, the Board agreed with the Audit Committee that

1. The internal control system of EGCO was considered appropriate and sufficient. Sufficient staffs were assigned to uphold the efficiency of the internal control system and that the internal control system was properly set to monitor the subsidiaries' operation in order to safeguard EGCO's and subsidiaries' assets from significant damage of misuse or unauthorized use by the Management and employees.
2. In the recent year, the Audit Committee and the Board had not received any significant deficiency report on the internal control system from external auditors and Internal Audit Division.

### Oversight of Internal Audit

- Approved the scope of work and annual audit plan which included management audit.
- Reviewed the internal audit report of the Internal Audit Division, which was directly reported to the Audit Committee.
- Reviewed budget, manpower, the professional development of internal auditors, KPI and performance assessment of Chief Internal Auditor to ensure the Internal Audit Division's independence.

### Compliance Review

Reviewed with the Management to ensure that EGCO's activities were conducted in compliance with the Securities and Exchange Acts, SET Regulations as well as other governing laws. It also acknowledged the representation statements of the employees and management up to the President for the year 2013 that their respective tasks and duties well complied with the governing laws.

### Review of Connected Transactions

Considered the connected transactions or any transactions that may cause conflict of interest to comply with rules and regulations of SET and that such transactions were reasonable, best beneficial to EGCO and approved by authorized persons having no interest in such transactions.

### Review of Risk Management

Reviewed with the Management the risk management policy, execution and risk management guidelines. Also recommended the alignment of the risk management plan and the strategic plan in presenting to the Board of Directors.

### Review of Good Corporate Governance

- Further enhanced EGCO's good corporate governance practices such as providing the channel for employees and shareholders to direct their complaints, reports on suspected violation of laws and Code of Conduct and questions about the financial statements and internal control systems by email to the Audit Committee via [auditcommittee@egco.com](mailto:auditcommittee@egco.com). Whistleblower system was also set up.
- Considered and acknowledged the compliance statement on Code of Conduct, of which employees represented to his/her managers up to the President while Managing Directors of subsidiaries represented to the President, in his capacity as the company's chairman, and the President signed to the Chairman of the Board of Directors. The representation process and the content of the statement ensured that EGCO's compliance with Code of Conduct and relevant laws were well regarded.

### Audit Committee's Self Assessment

Conducted its annual self assessment using the Audit Committee's self assessment form which aligned with SET's guidelines. The 2013 assessment which resulted that composition, qualifications, and performance of the Audit Committee well aligned with the Audit Committee Charter and the SET's guidelines, were reported to the Board.

### Review of the Audit Committee Charter and the Internal Audit Regulation

Reviewed the Audit Committee Charter at least annually and endorsed the company's regulation regarding Internal Audit for the Board's approval, to ensure that its assigned duties were achieved and that its performance aligned with international and SET best practice and appropriated for EGCO's business.

### Appointment of the external auditors

Reviewed the auditors' performance and was of the opinion that auditors from the audit firm, PricewaterhouseCoopers ABAS Ltd., (PWC) performed their duties independently and satisfactorily, well qualified with extensive experiences and would therefore propose the appointment of Mr. Somchai Jinnovart Certified Public Accountant (Thailand) No. 3271, Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977, and Ms. Amornrat Pearmpoonvatanasuk Certified Public Accountant (Thailand) No. 4599 of PwC as 2014 EGCO's auditors to the Board of Directors, to further submit for the shareholders' approval.



**Mr. Thanapich Mulapruck**  
Chairman of the Audit Committee

## Report of Nomination and Remuneration Committee

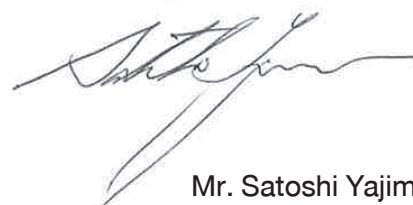
EGCO's Nomination and Remuneration Committee (NRC) as of 2013 consisted of 5 members, most of which are independent directors and appointed by EGCO's Board of Directors. The NRC is composed of Mr. Satoshi Yajima, the Chairman of the Nomination and Remuneration Committee and members are Mr. Surasak Supavititpattana, Pol. Gen. Pansiri Prapawat, Mr. Phaiboon Siripanoosatien and Mr. Sorajak Kasemsuvan who was in service until October 18, 2013 and was later replaced by Mr. Chotchai Charoenngam, as appointed by the Board of Directors with effective date on December 1, 2013.

The NRC has performed its duties as assigned by the Board of Directors as stipulated in the NRC charter. Its major responsibilities included the recommendation of director nominees for the Board of Directors' approval in case of director resignation, and for the shareholders' appointment in case of director retirement by rotation. The NRC also provided shareholders' right to nominate directors according to the procedures and guidelines. The selection of director nominees was carried out with due care and through the fair and transparent process, take into account the qualifications, knowledge, competencies, required skills, experiences, various expertise, professionalism and the time commitment to the Company's activities, including vision, positive attitudes towards the Company which would contribute to the efficient oversight of the Company. Additionally, the NRC considered board size, structure and composition appropriate to the efficient corporate governance and management. Furthermore, the NRC recommended directors' remuneration for Board and sub committees based on their duties, responsibilities, performance of the previous year, yet comparable to the companies of the same size and industry as to ensure the justified remuneration to motivate the capable directors to perform their duties in a bid to achieve the Company's targets and direction, tied to the long term benefits of the Company and the trust of the Shareholders.

The NRC's responsibilities also covered the appointment and performance appraisal of the Company's executives at Senior Executive Vice President and Executive Vice President levels as well as the regular review of EGCO's management succession plan. Also, the NRC is accounted for the Company's compensation schemes to be comparable to the market in the attempt to attract and retain the competent employees and to boost up the employees' morale.

In 2013, 6 NRC meetings were held to perform the assigned tasks, with the average attendance ratio of NRC members at 83.33 %.

The guideline for selection of directors and executives along with their remuneration are disclosed in this annual report. With respect to this, the NRC opined that the remuneration was justified, conformed to their responsibilities and followed the remuneration guidelines and policy approved by the Board.



**Mr. Satoshi Yajima**  
Chairman of the Nomination and Remuneration Committee

## Corporate Governance and Social Responsibility Committee's Report

The Corporate Governance and Social Responsibility Committee ("CC Committee") was appointed by the Board of Directors and comprised five directors being three independent directors, one non-executive director and the President. The CC was chaired by Mr. Phaiboon Siripanoosatien, with four members namely Mr. Kulit Sombatsiri, Pol. Gen. Pansiri Prapawat and Mr. Sorajak Kasemsuvan (until October 18, 2013) who was replaced by Mr. Chotchai Charoenngam starting December 1, 2013 and Mr. Sahust Pratuknukul, President.

The CC Committee performed its duties as assigned by the Board of Directors in setting up EGCO's good corporate governance policy and corporate social responsibility policy with the ultimate objectives of the equitable treatment to every stakeholder, leading to the sustainable development of EGCO and the society as a whole.

The CC Committee's activities could be summarized as follows :

### 1. Good Corporate Governance

The CC Committee has reviewed and revised the policy and guidelines of good corporate governance of EGCO Group to align with the Good Corporate Governance Principles for Listed Companies 2012, issued by the Stock Exchange of Thailand and Thai Institute of Director which was based on ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The corporate governance improvement activity and plan of EGCO Group included the followings :

- Listed companies' directorship was limited to not exceeding five for non-executive directors and two for executive directors.
- A further study to revise EGCO Group's anti-corruption policy and activity plan.
- The improvement plan for corporate governance principles and policy on treatment to stakeholders.

### 2. Social Responsibility

The CC Committee had followed up the Corporate Social Responsibility (CSR) Projects according to CSR plan for year 2012 - 2015 comprising projects for communities nearby power plants and projects for society and environment as well as the communication plan. EGCO published its CSR activities in 2012 Sustainability Report in conforming to Global Reporting Initiative (GRI). Besides, EGCO Group's operation, taking into account the responsibility towards economy, society and environment was communicated through printing and electronic media, including the Company's website. Moreover, in 2013 the company initiated 3-month newsletters to communicate EGCO Group's operation and CSR activities. The newsletters aimed to be another communication channel with the local communities and reflected the Company's intention to give priority to the living in harmony with the neighborhood communities around EGCO Group's power plants, see details in the Good Corporate Governance Report.

Additionally, the CC Committee endorsed the CSR direction which would focus on CSR in Process in order to meet the needs and expectations of stakeholders. Action plan would incorporate the following activities :

1. Identify stakeholders' needs and expectations
2. Review EGCO Group's present activities regarding CSR in Process with benchmark of stakeholders' needs and expectation, and gap analysis for shortfall improvement
3. Design EGCO Group's CSR in process roadmap which would lead to the sustainable growth
4. Develop CSR in Process procedures and activity plans

The CSR in Process direction, with an aim to improve overall CSR activity would lead to the utmost benefits of all stakeholder and the sustainability of the organization as well as society as the whole.



**Mr. Phaiboon Siripanoosatien**  
Chairman of the Corporate Governance and Social Responsibility Committee

## Auditor's Report

### To the Shareholders of Electricity Generating Public Company Limited

I have audited the accompanying consolidated and company financial statements of Electricity Generating Public Company Limited and its subsidiaries and of Electricity Generating Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the related consolidated and company statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

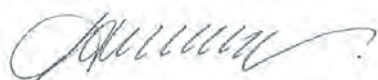
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Electricity Generating Public Company Limited and its subsidiaries and of Electricity Generating Public Company Limited as at 31 December 2013, and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



**Amornrat Pearmpoonvatanasuk**

Certified Public Accountant (Thailand) No. 4599

PricewaterhouseCoopers ABAS Ltd.

Bangkok

20 February 2014



Electricity Generating Public Company Limited  
Statement of Financial Position

As at 31 December 2013

		Consolidated			Company		
		31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht	31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht
	Notes						
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents		6,983,790,385	4,147,493,526	8,401,866,377	1,800,125,759	1,216,920,679	5,674,226,709
Short-term investments	9						
- Deposits at financial institutions		127,156,620	134,107,615	1,717,680,697	972,369	977,071	1,576,075,477
- Marketable securities		3,000,000	-	222,000,000	-	-	222,000,000
Short-term investments used as collateral	10	807,313,276	687,976,387	343,952,162	-	-	-
Trade receivables, net	11	2,162,501,750	1,834,296,411	245,141,606	-	-	-
Trade receivable from a related party	38.4	914,108,591	579,994,306	549,230,689	384,230,466	189,269,070	202,016,743
Dividend receivables from subsidiaries and joint ventures	15.4	7,126,653,930	7,600,763,848	6,089,418,454	7,437,493,216	8,045,088,668	7,018,039,732
Short-term loans to related parties	38.6	-	56,200,000	-	-	56,200,000	-
Current portion of long-term loans to related parties	38.7	-	-	-	45,882,350	45,882,350	45,882,350
Amounts due from related parties	38.5	148,996,090	145,384,054	51,081,780	252,970,623	48,426,774	22,779,474
Fuel and spare parts and supplies, net	12	3,016,796,663	3,212,468,649	2,043,819,652	467,324,952	559,451,239	833,986,690
Other current assets	13	1,449,339,584	1,154,684,767	455,163,628	252,110,124	220,054,166	112,637,703
<b>Total current assets</b>		<b>22,739,656,889</b>	<b>19,553,369,563</b>	<b>20,119,355,045</b>	<b>10,641,109,859</b>	<b>10,382,270,017</b>	<b>15,707,644,878</b>
<b>Non-current assets</b>							
Long-term investments in marketable securities	14	3,802,303,123	4,023,893,202	1,937,293,740	3,799,606,918	4,017,617,151	1,930,947,778
Amounts due from a related party due over one year	38.5	-	60,452,781	168,134,509	-	60,452,781	168,134,509
Long-term loans to related parties, net	38.7	85,000,000	-	-	2,704,668,257	1,635,916,722	596,470,600
Deposits at financial institutions used as collateral		282,300	282,300	282,300	-	-	-
Investments in subsidiaries, net	15.2	-	-	-	35,042,200,872	33,720,618,084	17,901,783,196
Interests in joint ventures	15.3	34,161,636,208	31,923,930,727	34,015,615,719	24,371,697,638	24,418,626,488	23,150,309,238
Other long-term investments	14	726,158,750	247,750,000	127,000,000	725,718,750	247,750,000	127,000,000
Investment property	16	322,071,012	322,071,012	322,071,012	322,071,012	322,071,012	322,071,012
Property, plant and equipment, net	17	48,991,662,200	38,555,753,857	13,022,582,385	3,010,993,263	4,061,521,218	4,977,213,590
Intangible assets, net	18	5,306,288,433	5,214,759,125	685,946,459	-	-	-
Goodwill	19	9,850,345,586	9,846,164,486	212,456,341	-	-	-
Deferred tax assets	24	60,200,598	13,411,791	7,879,600	-	-	-
Advance payments for construction of power plants		3,969,854,827	314,583,988	-	-	-	-
Other non-current assets, net	20	921,845,174	312,261,314	128,834,166	11,551,549	46,818,067	11,779,387
<b>Total non-current assets</b>		<b>108,197,648,211</b>	<b>90,835,314,583</b>	<b>50,628,096,231</b>	<b>69,988,508,259</b>	<b>68,531,391,523</b>	<b>49,185,709,310</b>
<b>Total assets</b>		<b>130,937,305,100</b>	<b>110,388,684,146</b>	<b>70,747,451,276</b>	<b>80,629,618,118</b>	<b>78,913,661,540</b>	<b>64,893,354,188</b>

For Director .....



The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.

## Electricity Generating Public Company Limited

## Statement of Financial Position (continued)

As at 31 December 2013

		Consolidated			Company		
		31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht	31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht
	Notes						
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Short-term loans from financial institutions	21	1,800,000,000	10,673,650,000	-	1,800,000,000	10,633,250,000	-
Trade payables		1,230,807,672	1,142,218,414	253,078,447	16,065,370	23,076,173	27,636,013
Trade payable to a related party	38.4	29,469,240	84,045,636	64,551,410	10,440,761	78,820,644	55,751,959
Amounts due to related parties	38.5	13,062,183	10,265,114	9,701,695	927,580	5,367,940	4,458,738
Current portion of long-term loans from financial institutions, net	23	5,191,405,438	1,050,700,537	535,728,282	3,331,957,009	559,590,904	289,380,906
Other current liabilities	22	2,523,124,975	1,810,825,378	853,001,958	405,444,806	329,392,392	332,069,166
<b>Total current liabilities</b>		<b>10,787,869,508</b>	<b>14,771,705,079</b>	<b>1,716,061,792</b>	<b>5,564,835,526</b>	<b>11,629,498,053</b>	<b>709,296,782</b>
<b>Non-current liabilities</b>							
Long-term loans from financial institutions, net	23	42,237,559,592	24,165,114,877	11,521,387,363	18,023,178,849	10,238,363,645	10,893,809,094
Retirement benefit obligations	25	261,405,778	198,954,170	199,408,660	103,927,455	90,063,890	91,767,927
Provision for decommissioning costs	26	1,348,601,983	1,088,849,809	972,895,496	419,554,703	402,643,668	386,414,269
Deferred tax liabilities	24	5,220,019,721	4,950,636,416	723,701,083	672,592,777	630,025,266	212,691,391
Other non-current liabilities	27	938,252,204	212,266,506	13,267,003	25,306,969	26,382,349	30,590,721
<b>Total non-current liabilities</b>		<b>50,005,839,278</b>	<b>30,615,821,778</b>	<b>13,430,659,605</b>	<b>19,244,560,753</b>	<b>11,387,478,818</b>	<b>11,615,273,402</b>
<b>Total liabilities</b>		<b>60,793,708,786</b>	<b>45,387,526,857</b>	<b>15,146,721,397</b>	<b>24,809,396,279</b>	<b>23,016,976,871</b>	<b>12,324,570,184</b>

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




Electricity Generating Public Company Limited

## Statement of Financial Position (continued)

As at 31 December 2013

Consolidated				Company		
	31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht	31 December 2013 Baht	Restated 31 December 2012 Baht	Restated 1 January 2012 Baht
Notes						
Liabilities and shareholders' equity (continued)						
Shareholders' equity						
Share capital						
Authorised share capital						
- 530,000,000 ordinary shares at par of						
Baht 10 per share	5,300,000,000	5,300,000,000	5,300,000,000	5,300,000,000	5,300,000,000	5,300,000,000
Issued and paid-up share capital						
- 526,465,000 ordinary shares paid-up at						
Baht 10 per share	5,264,650,000	5,264,650,000	5,264,650,000	5,264,650,000	5,264,650,000	5,264,650,000
Premium on share capital	8,601,300,000	8,601,300,000	8,601,300,000	8,601,300,000	8,601,300,000	8,601,300,000
Premium on treasury stock	47,373,035	47,373,035	47,373,035	47,373,035	47,373,035	47,373,035
Retained earnings						
Appropriated						
- Legal reserve	28	530,000,000	530,000,000	530,000,000	530,000,000	530,000,000
Unappropriated		53,045,922,492	49,290,932,522	39,031,205,928	38,933,260,572	37,274,695,405
Other components of shareholders' equity		1,779,969,536	426,012,795	(336,585,278)	2,520,101,062	850,765,564
Total equity attributable to the owners of the parent						
		69,269,215,063	64,160,268,352	55,053,014,019	55,896,684,669	52,568,784,004
Non-controlling interests	29	874,381,251	840,888,937	547,715,860	-	-
Total shareholders' equity						
		70,143,596,314	65,001,157,289	55,600,729,879	55,896,684,669	52,568,784,004
Total liabilities and shareholders' equity						
		130,937,305,100	110,388,684,146	70,747,451,276	80,629,618,118	78,913,661,540
				80,629,618,118	64,893,354,188	

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




## Electricity Generating Public Company Limited

## Income Statement

For the year ended 31 December 2013

	Notes	Consolidated		Company	
		2013 Baht	Restated 2012 Baht	2013 Baht	Restated 2012 Baht
Sales and service income	38.1, 38.2	18,686,230,427	13,733,658,273	2,201,180,419	2,166,613,171
Cost of sales and services		(12,059,532,015)	(9,672,800,113)	(1,511,600,532)	(1,673,335,632)
<b>Gross profit</b>		<b>6,626,698,412</b>	<b>4,060,858,160</b>	<b>689,579,887</b>	<b>493,277,539</b>
Other income	30	983,102,155	737,466,368	5,345,314,476	5,192,597,438
Accounting gain on a business combination achieved in stages, net		-	4,310,427,223	-	-
Currency exchange gains (losses)		133,343,683	205,089,164	149,545,936	(4,238,299)
Administrative expenses	38.10	(2,865,376,921)	(2,361,691,424)	(1,223,720,648)	(992,856,735)
Finance costs	32	(2,824,422,786)	(703,268,565)	(1,617,851,527)	(134,312,293)
Share of profit from interests in joint ventures, net	15	6,251,644,573	5,540,762,540	-	-
<b>Profit before corporate income tax</b>		<b>8,304,989,116</b>	<b>11,789,643,466</b>	<b>3,342,868,124</b>	<b>4,554,467,650</b>
Income tax	33	(1,217,851,467)	(520,253,704)	(86,169,558)	(382,878)
<b>Profit for the year</b>		<b>7,087,137,649</b>	<b>11,269,389,762</b>	<b>3,256,698,566</b>	<b>4,554,084,772</b>
<b>Attributable to:</b>					
Owners of the parent		6,913,743,180	11,240,175,865	3,256,698,566	4,554,084,772
Non-controlling interests		173,394,469	29,213,897	-	-
<b>Profit for the year</b>		<b>7,087,137,649</b>	<b>11,269,389,762</b>	<b>3,256,698,566</b>	<b>4,554,084,772</b>
<b>Earnings per share for the year</b>	34				
Basic earnings per share		13.13	21.35	6.19	8.65
Diluted earnings per share		13.13	21.35	6.19	8.65

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




Electricity Generating Public Company Limited

## Statement of Comprehensive Income

For the year ended 31 December 2013

	Consolidated		Company	
	2013 Baht	Restated 2012 Baht	2013 Baht	Restated 2012 Baht
<b>Profit for the year</b>	7,087,137,649	11,269,389,762	3,256,698,566	4,554,084,772
<b>Other comprehensive income</b>				
Unrealised gains (losses) on investments in marketable securities				
- available-for-sale, net of tax	(166,395,943)	1,677,456,871	(174,408,186)	1,669,335,498
Translation adjustments	1,517,566,801	(938,415,632)	-	-
<b>Other comprehensive income (expense) for the year</b>	1,351,170,858	739,041,239	(174,408,186)	1,669,335,498
<b>Total comprehensive income for the year</b>	8,438,308,507	12,008,431,001	3,082,290,380	6,223,420,270
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	8,267,699,921	12,002,773,938	3,082,290,380	6,223,420,270
Non-controlling interests	170,608,586	5,657,063	-	-
<b>Total comprehensive income for the year</b>	8,438,308,507	12,008,431,001	3,082,290,380	6,223,420,270

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




# Statement of Changes in Shareholders' Equity

For the year ended 31 December 2013

## Consolidated

Attributable to owners of the parent												
Other components of shareholders' equity												
Retained earnings												
Other comprehensive income (loss)												
Notes	Issued and paid-up share capital	Premium on share capital		Premium on treasury stock	Legal reserve	Unappropriated		Available-for-sale investments		Translation adjustments		Total other components of shareholders' equity
		Baht	Baht			Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 January 2012												
- As previously reported	5,264,650,000	8,601,300,000	47,373,035	530,000,000	42,681,867,762	1,063,456,955	(210,622,492)	852,834,463	57,978,025,260	555,026,907	58,533,052,167	Total shareholders' equity
- Retrospective adjustments from changes in accounting policies	3.1	-	-	-	(1,735,591,500)	(213,203,449)	(976,216,292)	(1,189,419,741)	(2,925,011,241)	(7,311,047)	(2,932,322,288)	
- As restated	5,264,650,000	8,601,300,000	47,373,035	530,000,000	40,946,276,262	850,253,506	(1,186,838,784)	(336,585,278)	55,053,014,019	547,715,860	55,600,729,879	
Changes in shareholders' equity for the year												
Total comprehensive income for the year (Restated)		-	-	-	-	11,240,175,865	1,677,456,871	(914,858,798)	12,002,773,938	5,657,063	12,008,431,001	
Dividends paid		-	-	-	-	(2,895,519,605)	-	-	(2,895,519,605)	(112,991,363)	(3,008,510,968)	
Acquisitions of investments in subsidiaries		-	-	-	-	-	-	-	-	400,507,377	400,507,377	
Closing balance as at 31 December 2012 (Restated)												
- As previously reported	5,264,650,000	8,601,300,000	47,373,035	530,000,000	49,290,932,522	2,527,710,377	(2,101,697,582)	426,012,795	64,160,268,352	840,888,937	65,001,157,289	
- Retrospective adjustments from changes in accounting policies	3.1	-	-	-	(1,474,813,244)	(631,927,594)	(1,166,350,740)	(1,798,278,334)	(3,273,091,578)	(45,973,521)	(3,319,065,099)	
- As restated	5,264,650,000	8,601,300,000	47,373,035	530,000,000	50,765,745,766	3,159,637,971	(935,346,842)	2,224,291,129	67,433,359,930	886,862,458	68,320,222,388	
Opening balance as at 1 January 2013												
- As previously reported	5,264,650,000	8,601,300,000	47,373,035	530,000,000	49,290,932,522	2,527,710,377	(2,101,697,582)	426,012,795	64,160,268,352	840,888,937	65,001,157,289	
- Retrospective adjustments from changes in accounting policies	3.1	-	-	-	(1,474,813,244)	(631,927,594)	(1,166,350,740)	(1,798,278,334)	(3,273,091,578)	(45,973,521)	(3,319,065,099)	
- As restated	5,264,650,000	8,601,300,000	47,373,035	530,000,000	49,290,932,522	2,527,710,377	(2,101,697,582)	426,012,795	64,160,268,352	840,888,937	65,001,157,289	
Changes in shareholders' equity for the year												
Total comprehensive income for the year		-	-	-	-	6,913,743,180	(166,395,943)	1,520,352,684	8,267,699,921	170,608,586	8,438,308,507	
Dividends paid	35	-	-	-	-	(3,158,753,210)	-	-	(3,158,753,210)	(141,297,372)	(3,300,050,582)	
Acquisitions of investments in subsidiaries		-	-	-	-	-	-	-	-	4,181,100	4,181,100	
Closing balance as at 31 December 2013												
- As previously reported	5,264,650,000	8,601,300,000	47,373,035	530,000,000	53,045,922,492	2,361,314,434	(581,344,898)	1,779,969,536	69,269,215,063	874,381,251	70,143,596,314	



## Statement of Changes in Shareholders' Equity (continued)

For the year ended 31 December 2013

Company										
	Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Premium on treasury stock Baht	Retained earnings			Other components of shareholders' equity		
					Legal reserve Baht	Unappropriated Baht	Available-for-sale investments Baht	Total other components of shareholders' equity Baht		
Opening balance as at 1 January 2012										
- As previously reported		5,264,650,000	8,601,300,000	47,373,035	530,000,000	37,274,695,405	1,063,456,955	1,063,456,955	1,063,456,955	52,781,475,395
- Retrospective adjustments from changes in accounting policies	3.1	-	-	-	-	-	-	(212,691,391)	(212,691,391)	(212,691,391)
- As restated		5,264,650,000	8,601,300,000	47,373,035	530,000,000	37,274,695,405	850,765,564	850,765,564	850,765,564	52,568,784,004
Changes in shareholders' equity for the year										
Total comprehensive income for the year (Restated)		-	-	-	-	4,554,084,772	1,669,335,498	1,669,335,498	1,669,335,498	6,223,420,270
Dividends paid		-	-	-	-	(2,895,519,605)	-	-	-	(2,895,519,605)
Closing balance as at 31 December 2012 (Restated)										
Opening balance as at 1 January 2013										
- As previously reported		5,264,650,000	8,601,300,000	47,373,035	530,000,000	38,933,260,572	3,150,126,328	3,150,126,328	3,150,126,328	56,526,709,935
- Retrospective adjustments from changes in accounting policies	3.1	-	-	-	-	-	-	(630,025,266)	(630,025,266)	(630,025,266)
- As restated		5,264,650,000	8,601,300,000	47,373,035	530,000,000	38,933,260,572	2,520,101,062	2,520,101,062	2,520,101,062	55,896,684,669
Changes in shareholders' equity for the year										
Total comprehensive income for the year		-	-	-	-	3,256,698,566	(174,408,186)	(174,408,186)	(174,408,186)	3,082,290,380
Dividends paid	35	-	-	-	-	(3,158,753,210)	-	-	-	(3,158,753,210)
Closing balance as at 31 December 2013										
		5,264,650,000	8,601,300,000	47,373,035	530,000,000	39,031,205,928	2,345,692,876	2,345,692,876	2,345,692,876	55,820,221,839

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.

## Electricity Generating Public Company Limited

## Statement of Cash Flows

For the year ended 31 December 2013

Consolidated			Company		
		2013	Restated 2012	2013	2012
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax for the year		8,304,989,116	11,789,643,466	3,342,868,124	4,554,467,650
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation		3,387,007,866	2,810,751,914	1,047,623,731	1,053,402,897
- Allowance for obsolescence		191,420,261	208,619,811	103,008,999	105,536,365
- Retirement benefit expenses	25	84,029,095	30,974,679	16,103,565	10,342,608
- Interest income		(66,935,551)	(153,560,682)	(207,226,621)	(192,521,377)
- Interest expenses		1,639,106,642	1,018,185,447	639,460,489	476,524,713
- Provision for decommissioning costs		45,027,784	41,499,562	16,911,034	16,229,399
- Unrealised losses (gains) on exchange rates		905,730,330	(382,249,382)	961,480,004	(358,441,818)
- Gain on exchange rate from the decreasing in registered share capital of a joint venture		(10,171,006)	(118,537,874)	-	-
- Accounting gains on a business combination achieved in stages, net		-	(4,310,427,223)	-	-
- Accounting gains on a business combination	15.1.1	(6,459,581)	-	-	-
- Losses (gains) on disposal of interests in joint ventures		(61,311,641)	-	60,000,000	-
- Losses from write-off and disposal of spare parts and supplies		933,000	21,515	933,000	21,515
- Losses (gains) on write-off and disposal of equipment		15,451,012	928,158	(3,367,757)	(847,783)
- Dividends received from other company		(137,035,004)	(155,721,595)	(137,035,004)	(155,721,595)
- Dividends received from subsidiaries and joint ventures	15.4	-	-	(4,679,977,291)	(4,646,428,386)
- Share of profit from interests in joint ventures, net	15.1	(6,251,644,573)	(5,540,762,540)	-	-
Cash flows before changes in operating assets and liabilities		8,040,137,750	5,239,365,256	1,160,782,273	862,564,188
Changes in operating assets and liabilities: (excluding the effects of acquisition of subsidiaries)					
- Trade receivables and trade receivable from a related party		(684,814,142)	(258,993,848)	(194,961,396)	12,747,673
- Amounts due from related parties		19,906,049	(102,330,168)	(100,702,061)	653,978
- Fuel, spare parts and supplies		55,980,032	268,242,855	6,671,559	49,634,355
- Other current assets		(384,148,587)	(447,199,086)	(31,812,669)	(133,232,503)
- Other non-current assets		(679,393,789)	(13,815,436)	60,464,240	72,442,428
- Trade payables and trade payable to a related party		(754,381,099)	6,666,458	(75,390,686)	18,508,845
- Amounts due to related parties		4,542,165	(6,356,467)	(4,440,360)	909,202
- Retirement benefit paid	25	(21,601,787)	(31,441,215)	(2,240,000)	(12,046,645)
- Other current liabilities and other non-current liabilities		966,487,036	97,847,272	107,467,899	(42,406,245)
Cash generated from operations		6,562,713,628	4,751,985,621	925,838,799	829,775,276

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




Electricity Generating Public Company Limited

## Statement of Cash Flows (continued)

For the year ended 31 December 2013

	Consolidated		Company	
		Restated		
Notes	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<b>Cash flows from operating activities (continued)</b>				
Cash generated from operations	6,562,713,628	4,751,985,621	925,838,799	829,775,276
- Interest received	100,971,280	191,642,825	101,155,169	197,163,095
- Tax paid	(1,122,553,719)	(733,462,441)	-	(382,878)
<b>Net cash receipts from operating activities</b>	<b>5,541,131,189</b>	<b>4,210,166,005</b>	<b>1,026,993,968</b>	<b>1,026,555,493</b>
<b>Cash flows from investing activities</b>				
Investments in subsidiaries and interests in joint ventures, net of cash and cash equivalents transferred as part of acquisition	(262,829,205)	(19,650,603,912)	(1,374,653,938)	(17,052,152,138)
Cash payments for additional paid-up share capital in subsidiaries and interest in joint ventures	(50,210,835)	-	-	-
Short-term and long-term investments used as collateral	(72,536,874)	(3,202,217)	-	-
Net cash receipts from short-term investments	7,062,460	1,805,573,082	4,702	1,797,098,405
Net cash receipts from long-term investments	362,868	1,448,526	-	-
Acquisition of other long-term investments	(478,408,750)	(120,750,000)	(477,968,750)	(120,750,000)
Net cash payments in purchases of property, plant and equipment	(9,743,318,950)	(357,464,017)	(6,933,913)	(21,634,755)
Advance payments for construction of power plants	(3,969,854,827)	-	-	-
Cash payments in short-term loans to related parties	-	(93,855,031)	(620,000,000)	(574,855,031)
Cash receipts from short-term loans to related parties	10,317,650	34,155,031	676,200,000	564,537,381
Cash payments in long-term loans to related parties	(86,964,977)	-	(1,114,632,742)	(721,367,258)
Cash receipts from long-term loans to related parties	47,847,328	-	47,847,328	-
Cash payments for receipt of long-term loan receivables and interest receivables	-	(369,088,173)	-	(369,088,173)
Dividends received from subsidiaries and joint ventures	15.4 4,652,599,667	4,087,746,612	5,287,572,743	3,619,379,450
Dividends received from other company	137,035,004	155,721,595	137,035,004	155,721,595
Proceeds from decreasing in registered share capital and disposal of joint ventures	419,347,261	376,015,329	5,000,000	-
<b>Net cash receipts from (payments in) investing activities</b>	<b>(9,389,552,180)</b>	<b>(14,134,303,175)</b>	<b>2,559,470,434</b>	<b>(12,723,110,524)</b>
<b>Cash flows from financing activities</b>				
Payments on finance leases	(2,135,375)	(2,739,443)	(1,062,724)	(1,062,724)
Interests paid	(1,567,502,263)	(1,003,944,657)	(632,110,930)	(471,149,992)
Proceeds from short-term loans from financial institutions	7,318,689,312	11,027,400,000	2,800,000,000	10,987,000,000
Payments on short-term loans from financial institutions	(15,886,409,312)	(663,072,400)	(11,327,320,000)	(100,000,000)
Proceeds from long-term loans from financial institutions	23.3 22,522,815,415	334,628,051	11,251,262,500	-
Payments on long-term loans from financial institutions	23.3 (2,889,978,315)	(915,304,113)	(1,935,800,818)	(280,543,634)
Proceeds from increasing in share capital of subsidiary from another shareholder	-	4,100,000	-	-
Dividends paid to shareholders	(3,288,174,268)	(2,999,665,205)	(3,158,227,350)	(2,894,994,649)
<b>Net cash receipts from (payments in) financing activities</b>	<b>6,207,305,194</b>	<b>5,781,402,233</b>	<b>(3,003,259,322)</b>	<b>7,239,249,001</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,358,884,203</b>	<b>(4,142,734,937)</b>	<b>583,205,080</b>	<b>(4,457,306,030)</b>
Beginning balance	4,147,493,526	8,401,866,377	1,216,920,679	5,674,226,709
Effect of exchange rate changes	477,412,656	(111,637,914)	-	-
<b>Ending balance</b>	<b>6,983,790,385</b>	<b>4,147,493,526</b>	<b>1,800,125,759</b>	<b>1,216,920,679</b>

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




Electricity Generating Public Company Limited

**Statement of Cash Flows (continued)**

For the year ended 31 December 2013

	Consolidated		Company	
	2013 Baht	Restated 2012 Baht	2013 Baht	2012 Baht

**Cash and cash equivalents are made up as follows:**

- Cash in hand and deposits at financial institutions - maturities within three months	4,690,040,929	2,235,776,038	37,291,774	39,349,851
- Short-term investments in promissory notes - maturities within three months	2,293,749,456	1,911,717,488	1,762,833,985	1,177,570,828
	6,983,790,385	4,147,493,526	1,800,125,759	1,216,920,679

**Non-cash transactions**

- Reclassification of utilised capital spare parts to property, plant and equipment	302,731,758	451,149,214	34,352,347	185,760,381
- Reclassification of unutilised capital spare parts from property, plant and equipment	(352,467,206)	(267,471,090)	(52,839,616)	(66,417,165)
- Increase in property, plant and equipment by other payables	9,987,485	96,041,986	9,510,456	4,229,080

The notes to the consolidated and company financial statements on pages 191 to 261 are an integral part of these financial statements.




Electricity Generating Public Company Limited

**Notes to the Consolidated and Company Financial Statements**

For the year ended 31 December 2013

**1 General information**

Electricity Generating Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of its registered office is 222 Moo 5, EGCO Tower, 14<sup>th</sup> and 15<sup>th</sup> floor, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operation of the Group is the generation of electricity for sale to the government sector and industrial users.

These consolidated and company financial statements were authorised for issue by the president on 20 February 2014.

**2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below.

**2.1 Basis of preparation**

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies and to disclose the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 4.

An English version of the consolidated and company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, revised accounting standards, revised financial reporting standards and new interpretation (collectively “the accounting standards”)

#### 2.2.1 The accounting standards being effective for the accounting periods beginning on or after 1 January 2013

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Commencing 1 January 2013, the Group has applied the aforementioned accounting standards. The application of those accounting standards does not have significant impact to the financial statements being presented except the adoption of TAS 12 “Income taxes”, TAS 20 (Revised 2009) “Accounting for Government Grants and Disclosure of Government Assistance” and TAS 21 (Revised 2009) “The Effects of Changes in Foreign Exchange Rates” (an information of accounting policies for income taxes, foreign currency transaction and government grants is described in Notes 2.17, 2.4 and 2.22 respectively). The Group has been retrospectively applied those three accounting standards. The impact of the changes on the consolidated and company financial statements is presented in Note 3.

#### 2.2.2 The revised accounting standards and financial reporting standards being effective for the accounting periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Cash Flow Statements
TAS 12 (Revised 2012)	Income taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interests in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 36 (Revised 2012)	Impairment of assets
TAS 38 (Revised 2012)	Intangible Assets



## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, revised accounting standards, revised financial reporting standards and new interpretation (collectively “the accounting standards”) (continued)

#### 2.2.2 The revised accounting standards and financial reporting standards being effective for the accounting periods beginning on or after 1 January 2014 (continued)

TFRS 2 (Revised 2012)	Share - Based Payments
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

The Group has not early adopted the aforementioned revised accounting standards and financial reporting standards and the Group’s management is in the process of reviewing the impacts of those accounting standards. Significant changes in those revised accounting standards and financial reporting standards are summarised as below.

- TAS 1 (revised 2012) clarifies that conversion features that are at the holder’s discretion do not impact the classification of the liability component of the convertible instrument. The revised standard also explains that, for each component of equity, an entity may present the breakdown of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.
- TAS 7 (revised 2012) clarifies that only expenditures that result in a recognised asset in the statement of financial position are eligible for classification as investing activities.
- TAS 12 (revised 2012) amends an exception to the existing principle for the measurement of deferred tax assets or liabilities on investment property measured at fair value. TAS 12 currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment therefore adds the rebuttable presumption that the carrying amount of an investment property measured at fair value is entirely recovered through sale. As the result of the amendment, TSIC 21 - Income tax - recovery of revalued non-depreciable assets is incorporated in to the revised standard.
- TAS 17 (revised 2012) deletes the guidance for a lease of land with an indefinite useful life to be classified as an operating lease. The revised standard has been amended to clarify that when a lease includes both land and buildings, classification as a finance or operating lease is performed separately in accordance with general principles of the current standard.
- TAS 18 (revised 2012) removes the appendix to the current TAS 18.
- TAS 19 (revised 2012) deletes the transition provisions of the current TAS 19.
- TAS 21 (revised 2012) clarifies the method of recording cumulative amount of the exchange different relating to disposal or partial disposal of a foreign operation. This matter should be adjusted prospectively.
- TAS 24 (revised 2012) removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of related parties.



## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, revised accounting standards, revised financial reporting standards and new interpretation (collectively “the accounting standards”) (continued)

#### 2.2.2 The revised accounting standards and financial reporting standards being effective for the accounting periods beginning on or after 1 January 2014 (continued)

- TAS 28 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the revised standard requires this to be adjusted retrospectively. An entity losses significant influence, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively.
- TAS 31 (revised 2012) clarifies that when an entity moves from an equity accounting to cost accounting in the separate financial statements, the revised standard requires this to be adjusted retrospectively. An entity losses of joint control in its interest in joint control, the remaining interest of investment should be valued at fair value. This matter should be adjusted prospectively.
- TAS 34 (revised 2012) emphasises the existing disclosure principles for significant event and transactions. Additional requirements cover disclosure of changes in fair value measurements (if significant), and the need to update relevant information from the most recent annual report.
- TAS 36 (revised 2012) clarifies that goodwill being allocated to cash-generating units shall not be larger than an operating segment before aggregation as defined under TFRS 8 - Operating Segments.
- TAS 38 (revised 2012) clarifies that an intangible asset acquired in a business combination might be separable, but only together with a related contract, identifiable asset or liability. In such cases, intangible asset is recognised separately from goodwill, but together with related item. Intangible assets are recognised as a single asset provided the individual assets have similar useful lives. (if significant), and the need to update relevant information from the most recent annual report.
- TFRS 2 (revised 2012) expands the scope to cover classification and accounting of both cash-settled and equity-settled share-based payment transactions in group situation.
- TFRS 3 (revised 2012) amends the measurement required for non-controlling interests. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree’s net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation. All other component of non-controlling interests is measured at fair value unless another measurement basis is required by TFRS. The application guidance in the revised standard applies to all share-based payment transactions that are part of a business combination, including unreplaced and voluntarily replaced share-based payment awards.
- TFRS 5 (revised 2012) specifies the disclosures required for assets held for sale and discontinued operations. Disclosures in other standards do not apply, unless those TFRS requires.



## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, revised accounting standards, revised financial reporting standards and new interpretation (collectively “the accounting standards”) (continued)

#### 2.2.2 The revised accounting standards and financial reporting standards being effective for the accounting periods beginning on or after 1 January 2014 (continued)

- TFRS 8 (revised 2012) clarifies that an entity is required to disclose a measure of segment assets only if the measure is regularly reported to the chief operating decision-maker.

#### 2.2.3 Interpretations of Thai Financial Reporting Interpretations Committee (“TFRIC”) and Thai Standard Interpretations Committee (“SIC”) being effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4	Determining whether an arrangement contains a lease
TFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7	Applying the restatement approach under IAS 29 financial reporting in hyperinflationary economies
TFRIC 10	Interim financial reporting and impairment
TFRIC 12	Service concession arrangements
TFRIC 13	Customer loyalty programmes
TFRIC 17	Distributions of non-cash assets to owners
TFRIC 18	Transfers of assets from customers
TSIC 15	Operating leases - incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease
TSIC 29	Service concession arrangements: Disclosure
TSIC 32	Intangible assets - Web site costs

The Group has not early adopted the aforementioned accounting standards and the Group’s management is in the process of reviewing the impacts of those accounting standards. Significant changes in TFRIC and SIC are summarised as below.

- TFRIC 1 provides guidance on accounting for changes in the measurement of an existing decommissioning, restoration and similar liability that results from changes in estimated timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate.
- TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset.



## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, revised accounting standards, revised financial reporting standards and new interpretation (collectively “the accounting standards”) (continued)

#### 2.2.3 Interpretations of Thai Financial Reporting Interpretations Committee (“TFRIC”) and Thai Standard Interpretations Committee (“SIC”) being effective for the periods beginning on or after 1 January 2014 (continued)

- TFRIC 5 provides guidance on accounting in the financial statements of a contributor for interests arising from decommissioning funds that the assets are administered separately and a contributor’s right to access the assets is restricted.
- TFRIC 7 provides guidance on how to apply the requirements of TAS 29, Financial Reporting in Hyperinflationary Economics, in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period.
- TFRIC 10 prohibits reversal of an impairment losses recognised in a previous interim period in respect of goodwill.
- TFRIC 12 deals with public-to-private service concession arrangements for the delivery of public services. It applies only to concession agreements where the use of the infrastructure is controlled by the grantor. This interpretation requires two different accounting treatments, depending on the specific terms of the concession agreement. When the operator builds infrastructure and has an unconditional contractual right to receive cash or another financial asset from the grantor, that right is treated as a financial asset. When the operator builds infrastructure and receives a right (a licence) to charge users of the public service, that right is treated as an intangible asset.
- TFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement, and the consideration received or receivable from the customer is allocated between the components of the arrangement using fair values.
- TFRIC 17 provides guidance on accounting for the distributions of non-cash assets to owners acting in their capacity as owners. The interpretation addresses the issues on the dividend payable recognition and measurement and the accounting for any difference between the carrying amount of the assets distributed and the carrying amount of the dividend payable when an entity settles the dividend payable.
- TFRIC 18 sets out the accounting for transfers of items of property, plant and equity by entities that receive such transfers from their customers. Agreements within the scope of this interpretation are agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect to a network or to provide the customer with ongoing access to supply of goods or services. The interpretation addresses the issues on the initial recognition and the accounting treatment of the transferred assets.
- TSIC 15 sets out the accounting for the recognition of incentive that a lessor provides to a lessee in an operating lease.



## 2 Accounting policies (continued)

### 2.2 New accounting standards, new financial reporting standards, revised accounting standards, revised financial reporting standards and new interpretation (collectively “the accounting standards”) (continued)

#### 2.2.3 Interpretations of Thai Financial Reporting Interpretations Committee (“TFRIC”) and Thai Standard Interpretations Committee (“SIC”) being effective for the periods beginning on or after 1 January 2014 (continued)

- TSIC 27 provides guidance on evaluating the substance of transactions in the legal form of a lease between the entity and the investor whether a series of transactions is linked and should be accounted for as one transaction and whether the arrangement meets the definition of a lease under TAS17 “Leases”. The accounting shall reflect the substance of the arrangement.
- TSIC 29 contains disclosure requirements in respect of public-to-private service arrangements.
- TSIC 32 provides guidance on the internal expenditure on the development and operation of the entity web site for internal or external access. The entity shall comply with the requirements described in TAS38 “Intangible Assets”.

#### 2.2.4 New financial reporting standard being effective for the periods beginning on or after 1 January 2016

TFRS 4

Insurance Contracts

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. This standard is not relevant to the Group’s operations.

### 2.3 Group accounting – investments in subsidiaries and interests in joint ventures

#### 2.3.1 Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at the non-controlling interest’s proportionate share of the acquiree’s net assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree



## 2 Accounting policies (continued)

### 2.3 Group accounting – investments in subsidiaries and interests in joint ventures (continued)

#### 2.3.1 Investments in subsidiaries (continued)

over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly to the income statement.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the company financial statements, investments in subsidiaries are accounted for using the cost method of accounting. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the income statement.

A list of the Group's subsidiaries and the financial effects of the acquisitions and disposals of subsidiaries are shown in Note 15.

#### 2.3.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, the difference between any consideration paid/received and the relevant share acquired/disposed of the carrying value of net assets of the subsidiary is recorded in shareholders' equity. Gains or losses on disposals to non-controlling interests are also recorded in shareholders' equity.

When the Group ceases to have control, any retained interest in the former subsidiary is re-measured at its fair value, with the change in carrying amount recognised in income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest. In addition, any amounts previously recognised in statement of comprehensive income in respect of the former subsidiary are accounted for in the income statement as if the Group had directly disposed of the related assets or liabilities.

#### 2.3.3 Interests in joint ventures

The Group's interests in jointly controlled entities are accounted for using the equity method of accounting in the consolidated financial statements. Under the equity method, the interests in joint ventures are initially recognised at cost which includes goodwill identified on acquisition, net of any accumulated impairment loss (if any). The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in comprehensive income is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition



## 2 Accounting policies (continued)

### 2.3 Group accounting – investments in subsidiaries and interests in joint ventures (continued)

#### 2.3.3 Interests in joint ventures (continued)

movements are adjusted against the carrying amount of the interests in joint ventures. When the Group's share of losses in joint ventures equals or exceeds its interests in joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed to ensure consistency with the policies adopted by the Group.

In the company financial statements, interests in joint ventures are accounted for using the cost method of accounting. Under the cost method, income from interests in joint ventures will be recorded when dividends are declared.

A test for impairment for interests in joint ventures is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the income statement.

A list of the Group's joint ventures and the financial effects of the acquisitions and disposals of joint ventures are shown in Note 15.

### 2.4 Foreign currency translation

#### 2.4.1 Functional and presentation currency

Items included in the financial standards of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Baht, which is the functional and presentation currency of the Company.

#### 2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

When a gain or loss on a non-monetary item is recognised in the statement of comprehensive income, any exchange component of that gain or loss is recognised in the statement of comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the income statement, any exchange component of that gain or loss is recognised in the income statement.

#### 2.4.3 Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :



## 2 Accounting policies (continued)

### 2.4 Foreign currency translation (continued)

#### 2.4.3 Group companies (continued)

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses of each income statement and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as other comprehensive income in the statement of comprehensive income.

Goodwill arising after 1 January 2013 and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

### 2.5 Financial instruments

Financial assets carried in the statement of financial position include cash and cash equivalents, deposit at financial institutions, short-term investments, trade receivables, trade receivable from a related party, amounts due from related parties, and loans to related parties. Financial liabilities carried in the statement of financial position include trade payables, trade payables to related parties, amounts due to related parties, and loans. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements.

#### Foreign Currency Forward Contracts

The Group enters into financial instruments that reduce exposure to fluctuations in exchange rates by using foreign currency forward contracts to protect its exposure from movements in exchange rates. Foreign currency forward contracts establish a predetermined exchange rate ("forward rate") at which the Group will receive/ pay foreign currency amounts on a predetermined future date. At the statements of financial position date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at that date. Unrealised gains or losses that result from the translation are recognised as part of the financial costs. The foreign currency amounts payable under these contracts are translated into Baht at the forward rates. Any premiums or discounts equal to the difference between the exchange rates and the forward rates at the inception of the contracts are amortised over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statements of financial position.

#### Interest Rate Swap Contracts

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.

Disclosures about financial instruments to which the Group is a party are provided in Note 37.

## 2 Accounting policies (continued)

### 2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

### 2.7 Trade receivables

Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. Bad debts are recognised to the income statement as part of administrative expenses.

### 2.8 Fuel and spare parts and supplies

#### 2.8.1 Fuel

Fuel includes coal and diesel. Cost is calculated on the moving average basis.

#### 2.8.2 Spare parts and supplies

Spare parts and supplies are stated at cost less allowance for obsolescence. Cost is calculated on the moving average basis. The spare parts are categorised as “specific spare parts” and “common spare parts”. Specific spare parts are classified into two categories, which are capital spare parts used for specific plant equipment in power plants and specific spare parts used for general use.

The allowance for specific spare parts that are used for general use is calculated by dividing the balance of specific spare parts on hand at the year ended by the number of years remaining under the Power Purchase Agreements with the Electricity Generating Authority of Thailand (EGAT). The allowance for capital spare parts that are used for specific plant equipment in power plants is made on a specific basis.

The allowance for common spare parts is generally provided based on an aging analysis.

### 2.9 Other investments

Investments other than investments in subsidiaries and interests in joint ventures are classified into the following three categories: held-to-maturity, available-for-sale and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except those with maturities within 12 months from the end of the reporting period, which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the end of the reporting period or unless they will need to be sold to raise operating capital, in which case they are included in current assets.



## 2 Accounting policies (continued)

### 2.9 Other investments (continued)

- Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost which is equal to the fair value of consideration paid plus transaction costs.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in the statement of comprehensive income. The fair value of investments is based on the quoted bid price by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment in securities.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### 2.10 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. Investment property of the Group is land held for a currently undetermined future use. The Group has not determined that it will use the land as owner-occupied property or as capital appreciation.

Investment property is measured initially at its cost including related transaction costs. Subsequently, the investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

### 2.11 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Subsequently all plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). The costs of property, plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation



## 2 Accounting policies (continued)

### 2.11 Property, plant and equipment (continued)

for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, except land which is considered to have an indefinite life, as follows :

	Years
Power plants	21 to 50
Water plants and transmission pipeline	30
Buildings and structures	10 to 20
Substation and transmission system	20 and 25
Operating and maintenance equipment	5
Office equipment, furniture and computers	3 to 10
Motor vehicles	5

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Capital spare parts whose estimated useful life is more than one year are capitalised and depreciated using the straight-line method over the estimated useful life of between 6 and 12 years when used in major repair and maintenance processes. The capital spare parts which are replaced by a major overhaul will be removed and recorded as spare parts and supplies at the net book value at the date of replacement. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Where the carrying amount of asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of assets are determined by comparing proceeds with the carrying amount and are recognised within "Other gains or losses, net" in the income statement.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset, during the period of time required to complete and prepare the asset for its intended use. All other borrowing costs are recognised as expenses in the income statement.

### 2.12 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary undertaking or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported and of joint ventures is included in interests in joint ventures in the consolidated statement of financial position.

Recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of a subsidiary or a joint venture include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

## 2 Accounting policies (continued)

### 2.13 Intangible assets

#### 2.13.1 Right in Power Purchase Agreement and Tap Water Purchase Agreement and Operation and Maintenance Agreement

The right in Power Purchase and Tap Water Purchase Agreements and Operation and Maintenance Agreement arising on acquisitions of subsidiary or interest in joint venture is amortised over the periods of the Power Purchase Agreements and of the Water Supply Agreement and Operation and Maintenance Agreement, which are between 15 and 25 years.

#### 2.13.2 Development expenditure

Development expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development expenditure previously recognised as an expense is not recognised as an asset in a subsequent period. Development expenditure that has been capitalised is amortised from the commencement of the commercial operation on a straight-line basis over the estimated useful life of assets.

### 2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets and intangible assets that have definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.15 Leases where a Group is the lessee

Leases of assets which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance costs, are included in other long-term payables. The interest element of the finance cost is charged to the income statements over the lease period. The asset acquired under finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.



## 2 Accounting policies (continued)

### 2.16 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received, net of the transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised to the income statement over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

### 2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The principal temporary differences arise from the assigned fair values of assets acquired in business acquisitions which are property, plant, equipment and right in long-term power and tap water purchase agreements and operation and maintenance agreement, etc.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and



## 2 Accounting policies (continued)

### 2.17 Current and deferred income taxes (continued)

liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.18 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

#### 2.18.1 Defined benefit plan - retirement benefits

The Group provides for post employment benefits, payable to employees under the labour laws applicable in Thailand and other countries in which the Group has its operations. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses will be recognised in the income statements in the period to which they relate. The costs associated with providing these benefits are charged to the income statements so as to spread the cost over the employment period during which the entitlement to benefits is earned.

#### 2.18.2 Defined contribution plan - provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the income statements in the year to which they relate.

### 2.19 Provisions

#### 2.19.1 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

#### 2.19.2 Provision for decommissioning costs

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal





## 2 Accounting policies (continued)

### 2.19 Provisions (continued)

#### 2.19.2 Provision for decommissioning costs (continued)

of the power and water plants. The recognised provision for decommissioning costs are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the power and water plants.

### 2.20 Treasury stock

Treasury stock presented in the consolidated and company financial statements is carried at cost and shown as a deduction from total shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock". Losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock" and "Retained earnings" consecutively.

### 2.21 Revenue recognition

Sales under the Power Purchase Agreements (PPA) comprise Availability Payments and Energy Payments. Availability Payments are recognised according to the terms set out in the Power Purchase Agreement. Energy Payments are calculated based on electricity delivered. Sales under the Electricity and Steam Sales/Purchase Agreements with industrial users are recognised on delivery of electricity and steam and customer acceptance. However, under the PPAs of two subsidiaries, EGAT has to bear the natural gas cost, therefore, the calculation of revenues from the portion of energy sales of electricity and the natural gas cost of those two subsidiaries are not included in these financial statements.

Revenue from construction services is recognised using the percentage of completion method. The stage of completion is measured by reference to the relationship that the contract costs incurred for work performed to date bear to the estimated total costs for the contract. Revenue from other services is recognised when the services have been rendered in accordance with the terms of the agreements or invoices have been issued.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when the shareholder's right to receive payment is established.

### 2.22 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the income statement, within other income item, over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.



## 2 Accounting policies (continued)

### 2.23 Dividends

Dividends are recorded in the consolidated and company financial statements in the period in which they are approved by the shareholders and the Board of Directors.

## 3 Changes in accounting policies and reclassification

### 3.1 Changes in accounting policies

Impact of the adoption of TAS 12 “Income taxes”, TAS 20 (Revised 2009) “Accounting for Government Grants and Disclosure of Government Assistance” and TAS 21 (Revised 2009) “The Effects of Changes in Foreign Exchange Rates” on the consolidated and company statements of financial position as at 31 December 2012 and 1 January 2012, and the consolidated and company income statements and the consolidated and company statements comprehensive income for the year ended 31 December 2012 is as follows :

	Consolidated	Company
	Baht Increase (decrease)	Baht Increase (decrease)
<b>Statements of financial position as at 31 December 2012</b>		
- Interests in joint ventures	(2,653,860,957)	-
- Goodwill	3,705,059,118	-
- Deferred tax assets	13,411,791	-
- Deferred tax liabilities	4,950,636,416	630,025,266
- Other liabilities	(566,961,365)	-
- Retained earnings as at 31 December 2012	(1,474,813,244)	-
- Other components of shareholders' equity as at 31 December 2012	(1,798,278,334)	(630,025,266)
- Non-controlling interests as at 31 December 2012	(45,973,521)	-
<b>Statements of financial position as at 1 January 2012</b>		
- Interests in joint ventures	(2,428,957,147)	-
- Goodwill	212,456,341	-
- Deferred tax assets	7,879,600	-
- Deferred tax liabilities	723,701,083	212,691,391
- Retained earnings as at 1 January 2012	(1,735,591,500)	-
- Other components of shareholders' equity as at 1 January 2012	(1,189,419,741)	(212,691,391)
- Non-controlling interests as at 1 January 2012	(7,311,047)	-



### 3 Changes in accounting policies and reclassification (continued)

#### 3.1 Changes in accounting policies (continued)

	Consolidated	Company
	Baht	Baht
	Increase (decrease)	Increase (decrease)

#### Income statements for the year ended 31 December 2012

- Revenue from sales and service	(322,880,904)	-
- Other income	322,880,904	-
- Share of profit from interests in joint ventures, net	(36,823,766)	-
- Income tax expenses	258,939,548	-
- Profit for the year	222,115,782	-
- Non-controlling interests	(38,662,474)	-
- Basic earnings per share	0.50	-

#### Statements of comprehensive income for the year ended 31 December 2012

- Unrealised losses on investments in marketable securities available-for-sale, net of income tax	(418,724,145)	(417,333,875)
- Translation adjustments	(190,134,448)	-

#### 3.2 Reclassification

Comparative figures have been reclassified to conform with changes in presentation in the current period. The Company has reclassified balances for the year ended 31 December 2012 as follows :

	Consolidated	
	After reclassification Baht	As previously reported Baht

#### Statement of financial position as at 31 December 2012

- Other current assets	1,154,684,767	1,447,518,755
- Non-current assets (advance payments for construction of power plants)	314,583,988	-
- Other non-current assets	312,261,314	334,011,314

The reclassification has no impact to the statement of financial position as at 1 January 2012.



#### 4 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is an estimated impairment of goodwill.

##### Estimated impairment of goodwill

Goodwill arising from the acquisition of Quezon Power (Philippines), Limited Co. is Baht 8,246 million (as restated). Goodwill is tested annually for impairment by comparing the carrying amount to the recoverable amount for each cash-generating unit. This is determined based on value-in-use calculations. These calculations use a cash flow projection covering a Power Purchase Agreement period (as described in Note 39.2.1 (c)) for 13 years. Cash flows beyond the 13 years period are extrapolated using the estimated growth rates at 0% per annum. The cash flow projection is based on the power plant's capacity and the tariff according to the condition of the Power Purchase Agreement. The discount rate used in the calculation is 3.44% per annum. If the discount rate used in the calculation is increased by 1% per annum, there is no impairment of goodwill record in the financial statement for the year ended 31 December 2013.

#### 5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, alternative practices include returning capital to shareholders, issuing new shares or selling assets to reduce debt.

#### 6 Statement of cash flows

Changes in short-term and long-term investments used as collateral are cash proceeds from sales of electricity must be maintained as short-term and long-term investments used as collateral in accordance with the Master Agreements and loan agreements, as described in Note 23.

#### 7 Segment information – consolidated financial statements

The Group has two segments report which are comprised of electricity generation and other businesses. Electricity generation is to operate electricity for sales to the government and industrial users both in Thailand and overseas. Other businesses are tap water generation for sales to the government in Thailand, including maintenance and operating services for power plants and coal mining business. The segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision maker ("the President").



## 7 Segment information - consolidated financial statements (continued)

For the year ended 31 December 2013					
	Electricity generation Baht	Other businesses Baht	Consolidated Baht	Adjustments Baht	Management Discussion and Analysis report Baht
Revenue from sales and service income	17,455,891,743	1,230,338,684	18,686,230,427	-	18,686,230,427
Cost of sales and services	(11,365,376,330)	(694,155,685)	(12,059,532,015)	-	(12,059,532,015)
Segment results	6,090,515,413	536,182,999	6,626,698,412	-	6,626,698,412
Other income	742,284,060	240,818,095	983,102,155	(67,096,299) <sup>(4)</sup>	916,005,856
Currency exchange gains (losses)	114,176,737	19,166,946	133,343,683	(315,792,378) <sup>(1),(2),(3),(4)</sup>	(182,448,695)
Administrative expenses	(2,327,710,805)	(537,666,116)	(2,865,376,921)	-	(2,865,376,921)
Finance costs	(2,783,807,894)	(40,614,892)	(2,824,422,786)	1,179,166,796 <sup>(2)</sup>	(1,645,255,990)
Share of profit (loss) from interests in joint ventures, net	6,293,749,837	(42,105,264)	6,251,644,573	(796,213,161) <sup>(1)</sup>	5,455,431,412
Profit before corporate income tax	8,129,207,348	175,781,768	8,304,989,116	64,958	8,305,054,074
Corporate income tax	(1,131,124,223)	(86,727,244)	(1,217,851,467)	-	(1,217,851,467)
Net profit for the year	6,998,083,125	89,054,524	7,087,137,649	64,958	7,087,202,607
Owners of the parent	6,867,413,520	46,329,660	6,913,743,180	-	6,913,743,180
Non-controlling interests	130,669,605	42,724,864	173,394,469	64,958 <sup>(3)</sup>	173,459,427
Segment fixed assets	48,560,667,598	430,994,602	48,991,662,200		
Unallocated assets	74,574,969,842	7,370,673,058	81,945,642,900		
Consolidated total assets	123,135,637,440	7,801,667,660	130,937,305,100		

<sup>(1)</sup> Net currency exchange gains (losses) and finance costs of joint ventures

<sup>(2)</sup> Net currency exchange gains (losses) and finance costs of subsidiaries

<sup>(3)</sup> Net currency exchange gains (losses) of non-controlling interests

<sup>(4)</sup> Gain on disposal of interest in joint venture

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## 7 Segment information – consolidated financial statements (continued)

For the year ended 31 December 2012 (Restated)					
	Electricity generation Baht	Other businesses Baht	Consolidated Baht	Adjustments Baht	Management Discussion and Analysis report Baht
Revenue from sales and service income	12,363,153,013	1,370,505,260	13,733,658,273	2,470,475,541 <sup>(5)</sup>	16,204,133,814
Cost of sales and services	(8,840,698,552)	(832,101,561)	(9,672,800,113)	(2,085,424,064) <sup>(5)</sup>	(11,758,224,177)
Segment results	3,522,454,461	538,403,699	4,060,858,160	385,051,477	4,445,909,637
Other income	714,788,274	22,678,094	737,466,368	-	737,466,368
Accounting gains on a business combination achieved in stages, net	4,310,427,223	-	4,310,427,223	(128,326,853) <sup>(7)</sup>	4,182,100,370
Currency exchange gains	134,160,632	70,928,532	205,089,164	348,965,063 <sup>(1),(2),(3),(4)</sup>	554,054,227
Administrative expenses	(1,768,140,401)	(593,551,023)	(2,361,691,424)	291,144,583 <sup>(5),(6),(7),(8)</sup>	(2,070,546,841)
Finance costs	(658,615,967)	(44,652,598)	(703,268,565)	(391,910,564) <sup>(2)</sup>	(1,095,179,129)
Share of profit from interests in joint ventures, net	5,537,226,101	3,536,439	5,540,762,540	(515,069,214) <sup>(1),(4),(5),(6),(8)</sup>	5,025,693,326
Profit before corporate income tax	11,792,300,323	(2,656,857)	11,789,643,466	(10,145,508)	11,779,497,958
Corporate income tax	(427,557,344)	(92,696,360)	(520,253,704)	-	(520,253,704)
Net profit for the year	11,364,742,979	(95,353,217)	11,269,389,762	(10,145,508)	11,259,244,254
Owners of the parent	11,375,435,078	(135,259,213)	11,240,175,865	-	11,240,175,865
Non-controlling interests	(10,692,099)	39,905,996	29,213,897	(10,145,508) <sup>(3)</sup>	19,068,389
Segment fixed assets	38,124,004,960	431,748,897	38,555,753,857		
Unallocated assets	65,414,185,712	6,418,744,577	71,832,930,289		
Consolidated total assets	103,538,190,672	6,850,493,474	110,388,684,146		

<sup>(1)</sup> Net currency exchange gains (losses) and finance costs of joint ventures

<sup>(2)</sup> Net currency exchange gains (losses) and finance costs of subsidiaries

<sup>(3)</sup> Net currency exchange gains (losses) of non-controlling interests

<sup>(4)</sup> Adopted TAS 21 (Revised 2009) The Effects of Changes in Foreign Exchange Rates

<sup>(5)</sup> Transferred interest in QPL to investments in subsidiaries

<sup>(6)</sup> Withholding Tax of a joint venture - QPL

<sup>(7)</sup> Amortisation of fair value uplift

<sup>(8)</sup> Amortisation of mining property rights

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## 8 Cash and cash equivalents

As at 31 December 2013, cash and cash equivalents mainly comprised investments in promissory notes with maturities of three months or less. The interest rates were 0.13% to 3.00 % per annum (2012: 0.13% to 3.85% per annum).

## 9 Short-term investments

Short-term investments comprised deposits at financial institutions with maturities over three months but not later than one year and marketable securities.

### Deposits at financial institutions

The deposits at financial institutions of the Group mainly comprise deposits at financial institutions and promissory notes issued by local financial institutions. As at 31 December 2013, deposits at financial institutions, and promissory notes bore interest at rates from 2.00% to 3.85% per annum (2012: interest at rates from 1.55% to 4.20% per annum).

### Marketable securities

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<i>Held-to-maturity</i>				
Debt securities	3,000,000	-	-	-
Short-term investments in marketable securities	3,000,000	-	-	-

## 10 Short-term investments used as collateral

The majority of the deposits at financial institutions used as collateral are those of eight subsidiaries (As at 31 December 2012, were of six subsidiaries). They comprise cash reserves required to be maintained under their loan agreements for the purpose of repayment of principal and payment of interest due within one year and as a reserve to minimise exchange rate risk. These cash reserves are provided from the proceeds of sales of electricity.

As at 31 December 2013, the Group had Thai Baht deposits at financial institutions used as collateral of Baht 807 million bearing interest at the rates of 0.13% to 3.85% per annum (2012: Baht 688 million bearing interest at the rates of 0.13% to 3.85% per annum). These included the cash reserve for the purpose of repayment of principal and payment of interest due within one year amounted to Baht 650 million (2012: Baht 480 million) and the remaining balance of Baht 157 million (2012: Baht 208 million) represented collateralised deposits maintained in accordance with the loan agreements but which could be used subject to certain lender approvals.





## 11 Trade receivables, net

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Trade receivables	2,162,501,750	1,834,296,411	-	-
<u>Less</u> Allowance for doubtful receivables	-	-	-	-
Trade receivables, net	2,162,501,750	1,834,296,411	-	-

Outstanding trade receivables as at 31 December can be analysed as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Not overdue	1,904,795,371	1,722,943,331	-	-
Overdue below 3 months	48,512,903	46,083,965	-	-
Overdue 3 - 6 months	53,312,622	21,407,326	-	-
Overdue 6 - 12 months	78,752,942	17,493,438	-	-
Overdue over 12 months	77,127,912	26,368,351	-	-
	2,162,501,750	1,834,296,411	-	-
<u>Less</u> Allowance for doubtful receivables	-	-	-	-
Trade receivables, net	2,162,501,750	1,834,296,411	-	-

## 12 Fuel and spare parts and supplies, net

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Fuel	1,201,895,635	1,364,297,551	186,676,928	188,229,898
Specific spare parts				
- Capital spare parts used for specific equipment of the power plant	1,510,219,127	556,296,959	1,011,868,162	151,762,455
- Other specific spare parts	862,463,628	1,744,254,836	-	848,327,461
Common spare parts	779,632,630	693,613,400	12,340,955	11,683,520
	4,354,211,020	4,358,462,746	1,210,886,045	1,200,003,334
<u>Less</u> Allowance for obsolescence	(1,337,414,357)	(1,145,994,097)	(743,561,093)	(640,552,095)
Fuel and spare parts and supplies, net	3,016,796,663	3,212,468,649	467,324,952	559,451,239

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### 13 Other current assets

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Prepaid withholding tax	461,829,884	359,211,809	228,186,819	203,378,107
VAT receivable	522,608,676	221,375,448	-	2,022,292
Prepaid insurance premium	25,424,834	66,520,270	-	-
Accrued income	68,710,013	134,067,836	8,335,433	-
Interest receivable	5,259,451	5,340,232	623,268	804,862
Others	365,506,726	368,169,172	14,964,604	13,848,905
Total other current assets	1,449,339,584	1,154,684,767	252,110,124	220,054,166

### 14 Long-term investments in marketable securities and other long-term investments

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<i>Available-for-sale</i>				
Debt securities	2,696,205	6,276,051	-	-
Equity securities	867,490,823	867,490,823	867,490,823	867,490,823
Changes in fair value of investments	2,932,116,095	3,150,126,328	2,932,116,095	3,150,126,328
Total long-term investments in marketable securities	3,802,303,123	4,023,893,202	3,799,606,918	4,017,617,151
<i>Other long-term investments</i>				
Other equity securities	726,158,750	247,750,000	725,718,750	247,750,000
Total other investments	726,158,750	247,750,000	725,718,750	247,750,000
Total long-term investments in marketable securities and other long-term investments	4,528,461,873	4,271,643,202	4,525,325,668	4,265,367,151

#### *Other long-term investments*

Other long-term investment mainly represented an investment in Xayaburi Power Company Limited (“XPCL”) in the proportion 12.5% shareholding interest in XPCL. In order to become a joint developer of the Xayaburi hydropower project. XPCL was awarded a concession agreement by the government of the Laos People’s Democratic Republic (“Laos PDR”) to design, develop, construct and implement a run-of-the-river dam power project with an installed capacity of 1,285 MW for 29 years after the commercial operation date.



#### 14 Long-term investments in marketable securities and other long-term investments (continued)

During the year 2013, XPCL issued additional ordinary shares and the Company paid for additional paid-up shares in the same proportion as its original investment, totalling Baht 478 million (2012: Baht 121 million). Therefore, as at 31 December 2013 investment in XPCL was Baht 724 million (2012: Baht 246 million).

#### 15 Investments in subsidiaries and interests in joint ventures, net

As at 31 December	Consolidated		Company	
	2013 Baht	Restated 2012 Baht	2013 Baht	2012 Baht
Investments in subsidiaries	-	-	35,042,200,872	33,768,438,084
<u>Less</u> Allowance for impairment	-	-	-	(47,820,000)
Investments in subsidiaries, net (Note 15.2)	-	-	35,042,200,872	33,720,618,084
Interests in joint ventures, net (Note 15.3)	34,161,636,208	31,923,930,727	24,371,697,638	24,418,626,488
Total investments in subsidiaries and interests in joint ventures, net	34,161,636,208	31,923,930,727	59,413,898,510	58,139,244,572

15.1 The movements of the investments in subsidiaries and interests in joint ventures can be analysed as follows :

	Consolidated	
	2013 Baht	2012 Baht
Opening net book value		
- As previously reported	34,577,791,684	36,444,572,866
- Effect from change in accounting policies (Note 3.1)	(2,653,860,957)	(2,428,957,147)
- As restated	31,923,930,727	34,015,615,719
Acquisitions of interests in joint ventures	-	6,924,496,250
Additional paid-up share capital of joint ventures (Note 15.1.2)	24,862,365	373,400,000
Proceeds from the decrease in registered share capital in a joint venture (Note 15.1.2)	(28,381,366)	(257,477,454)
Dispose interest in joint ventures (Note 15.1.2)	(385,060,502)	-
Share of profits from interests in joint ventures, net	6,251,644,573	5,540,762,540
Unrealised gain on investments in marketable securities -available-for-sale of a joint venture	8,012,243	9,511,644
Reclassification of joint venture to be a subsidiary	-	(8,710,874,273)
Dividends received from joint ventures	(4,178,489,749)	(5,599,092,006)
Translation adjustments	545,117,917	(372,411,693)
Closing net book value	34,161,636,208	31,923,930,727

## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

15.1 The movements of the investments in subsidiaries and interests in joint ventures can be analysed as follows : (continued)

	Company	
	2013 Baht	2012 Baht
Opening net book value	58,139,244,572	41,052,092,434
Additional paid-up share capital of subsidiaries	-	10,362,665,013
Additional paid-up share capital of joint ventures	-	6,245,987,125
Increase in share capital of subsidiaries (Note 15.1.1)	1,318,053,938	105,100,000
Increase in share capital of joint ventures (Note 15.1.2)	21,600,000	373,400,000
Dispose interest in a joint venture (Note 15.1.2)	(65,000,000)	-
Closing net book value	59,413,898,510	58,139,244,572

### 15.1.1 The movement of the investments in subsidiaries during the year ended 31 December 2013 :

#### Direct holding by the Company

##### *Theppana Wind Farm Company Limited (“Theppana”)*

On 20 March 2013, Theppana issued additional share capital and the Company paid for additional paid-up share capital in the same proportion as its original investment, totalling Baht 38 million.

##### *North Pole Investment Company Limited (“North Pole”)*

On 10 June 2013, North Pole issued additional share capital and the Company paid for additional paid-up share capital in the same proportion as its original investment, totalling US Dollars 3.72 million, equivalent to Baht 115 million.

##### *Klongluang Utilities Company limited (“Klongluang”)*

On 9 August 2013, Klongluang issued additional share capital and the Company paid for additional paid-up share capital in the same proportion as its original investment, totalling Baht 7.5 million.

##### *Banpong Utilities Company Limited (“Banpong”)*

On 9 August 2013, Banpong issued additional share capital and the Company paid for additional paid-up share capital in the same proportion as its original investment, totalling Baht 7.5 million.

##### *Khanom Electricity Generating Company Limited (“KEGCO”)*

On 19 August 2013, KEGCO issued additional share capital and the Company paid for additional paid-up share capital in the same proportion as its original investment, totalling Baht 1,150 million.

#### Indirect holding by the Company

##### *Millennium Energy B.V.*

Millennium Energy B.V. was incorporated in the Netherlands on 28 May 2013 by New Growth Cooperatief U.A (“New Growth COOP”), which is the Company’s indirect subsidiary, to invest in a wind farm power project in Australia. New Growth COOP holds 100% of total registered share of such company and paid for the share capital of US Dollars 24.62 million, equivalent to Baht 758 million on 11 June 2013.



## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

15.1 The movements of the investments in subsidiaries and interests in joint ventures can be analysed as follows : (continued)

### 15.1.1 The movement of the investments in subsidiaries during the year ended 31 December 2013 : (continued)

#### Indirect holding by the Company (continued)

##### *South Pacific Power Pty Limited*

South Pacific Power Pty Limited was incorporated in Australia on 3 June 2013 by Millennium Energy B.V. ("Millennium Energy"), which is the Company's indirect subsidiary, to invest in a wind farm power project in the State of New South Wales, Australia. Millennium Energy holds 100% of total registered share of such company and paid for the share capital of Australian Dollars 25.74 million, equivalent to Baht 752 million on 13 June 2013.

##### *Boco Rock Wind Farm Pty Ltd. ("BRWF")*

On 26 June 2013, the Group indirectly acquired 100% of the registered shares of BRWF, which is a developer in a wind farm power project in the state of New South Wales, Australia, from Asia Pacific Renewables Limited. The consideration is Australian Dollars 9.2 million, which is equivalent to Baht 263 million and paid by South Pacific Power Pty Limited (a subsidiary of the Group).

Detail of the consideration paid and net assets purchased assumed recognised at the acquisition date are as follow :

	Consolidated
	Subsidiary BRWF Baht
Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment, net	1,223,037,019
Right in long-term power purchase agreement	179,309,253
Licenses for operating power plants	124,747,570
Long-term loans from financial institutions, net	(387,308,525)
Account payable	(787,498,862)
Other assets less other liabilities	(82,997,669)
Fair value of net assets, net	269,288,786
<u>Less</u> Cash transferred as part of subsidiary acquisition	(262,829,205)
Accounting gains on a business combination	6,459,581

The rights in the long-term power purchase agreement is amortised over the remaining periods of the agreement of BRWF which is 15 years.

For the year ended 2013, BRWF issued additional share capital and the Group paid for additional paid-up share capital in the same proportion as its original investment, totalling Australian Dollars 35.29 million, equivalent to Baht 1,022 million.

## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

15.1 The movements of the investments in subsidiaries and interests in joint ventures can be analysed as follows : (continued)

### 15.1.1 The movement of the investments in subsidiaries during the year ended 31 December 2013 : (continued)

#### Indirect holding by the Company (continued)

##### *Boco Rock Wind Farm Pty Ltd. (“BRWF”) (continued)*

If BRWF had been consolidated from 1 January 2013, net loss of BRWF included in the consolidated income statement for the year ended 31 December 2013, was amounting to Baht 229 million.

##### *Mauban Holdings Company, Inc. (“MHCI”)*

Mauban Holdings Company, Inc. was incorporated in the Philippines on 10 October 2013 by New Growth B.V., which is the Company’s indirect subsidiary, to invest in a power project in the Philippines. New Growth B.V. holds 100% of total registered share of such company and paid for the share capital of Philippine Peso 9 million, equivalent to Baht 8 million on such date.

### 15.1.2 The movement of the interests in joint ventures during the year ended 31 December 2013

#### Direct holding by the Company

##### *G Power Source Co., Ltd. (“GPS”)*

On 3 April 2013, GPS issued additional share capital and the Company paid for additional paid-up share capital in the same proportion as its original investment, totalling Baht 22 million.

##### *Absolute Power P Co., Ltd. (“APPC”)*

On 21 October 2013, the Company entered into the Share Purchase Agreement to dispose interest in a joint venture - APPC totalling Baht 5 million. The Company received cash from disposed capital on 22 October 2013.

#### Indirect holding by the Company

##### *Conal Holdings Corporation (“Conal”)*

On 28 February 2013 and 8 July 2013, Conal decreased its registered share capital by US Dollars 1.26 million and 1.60 million, respectively. The Group received cash from the decrease in registered share capital based on the proportion of its original investment totalling US Dollars 1.14 million, which is equivalent to Baht 35 million, including a gain on exchange rate of Baht 10 million.

On 2 July 2013, the Group entered into the Share Purchase Agreement to dispose interest in a joint venture - Conal totalling US Dollars 12.16 million, which is equivalent to Baht 379 million. The group received cash from disposed capital on 1 August 2013. The Group also reversed allowance for impairment which had been previously recognised amounting to Baht 48 million.

##### *Kalilayan Power Inc. (“KPI”)*

Kalilayan Power Inc. was incorporated in the Philippines on 18 December 2013 by the Group to invest in a power project in the Philippines. The Group holds 49% of total registered share of such company and paid for the share capital of Philippine Peso 4.4 million, equivalent to Baht 3 million on such date.







## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

### 15.2 Investments in subsidiaries, net (continued)

The details of the investments in subsidiaries are as follows : (continued)

Company (continued)									
Business	Paid-up share capital	Portion of Investment (%)		Cost Method		Dividend for the year			
		2013	2012	2013	2012	2013	2012		
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000		
<b>Subsidiaries incorporated overseas</b>									
North Pole Investment Company Limited (North Pole)									
(Incorporated in the Republic of Mauritius) and its subsidiaries and joint ventures									
- EGO International (B.V.I.) Limited (Incorporated in the British Virgin Islands)									
and its subsidiaries and joint ventures									
Subsidiaries									
- New Growth Cooperatief U.A. (Incorporated in the Netherlands)									
and its subsidiaries and joint venture									
- Millennium Energy B.V. (Incorporated in the Netherlands)									
and its subsidiaries									
- South Pacific Power Pty Limited (Incorporated in the Australia)									
and its subsidiaries									
- Boco Rock Wind Farm Pty Ltd (Incorporated in the Australia)									
- New Growth B.V. (Incorporated in the Netherlands)									
and its subsidiaries and joint ventures									
Subsidiaries									
- Pearl Energy Philippines Operating, Inc. (PEPOI) (registered under									
the laws of Cayman Islands, operated in the Philippines)									
- Quezon Power (Philippines) Limited Co. (QPL)									
(Incorporated in the Philippines)									
- Quezon Management Service Inc. (QMS) (registered under									
the laws of Cayman Islands, operated in the Philippines)									
- Mauban Holding Company Inc. (MHCI) (Incorporated in the Philippines)									
Joint ventures									
- PT Manambang Muara Enim (MME) (Incorporated in									
the Republic of Indonesia)									
- Kaliayan Power Inc.(KPI) (Incorporated in the Philippines)									
Joint venture									
- Conal Holdings Corporation (Conal) (Incorporated in the Philippines)									
Total investment in subsidiaries incorporated in overseas									
Total investment in subsidiaries									
Less Impairment									
Investments in subsidiaries, net									

As at 31 December 2013, dividends receivable from subsidiaries amounting to Baht 311 million were recognised in the company financial statements (31 December 2012: Baht 444 million).

As at 31 December 2013, under the terms and conditions of Khanom Electricity Generating Co., Ltd. loan agreement, its common share was pledged as collateral for its long-term loan (31 December 2012: nil).

As at 31 December 2013, under the terms and conditions of Solarco Co., Ltd. loan agreement, the common share of Yanhee EGO Holding Co., Ltd. and Solarco Co., Ltd. were pledged as collateral for its long-term loan (31 December 2012: nil).

## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

### 15.3 Interests in joint ventures

The details of the interests in joint ventures are as follows :

Consolidated									
Business	Portion of Investment (%)		Cost		Equity Method		Dividend		
	2013	2012	2013	2012	2013	2012	2013	2012	
			Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
(Including indirect holding)									
Joint ventures incorporated in Thailand									
Gulf Electric Public Co., Ltd. (GEC) and its subsidiaries	50.00	50.00	6,672,769	6,672,769	14,050,439	13,131,142	1,219,915	1,095,856	
BLCP Power Ltd. (BLCP)									
Investment in power projects	50.00	50.00	10,433,597	10,433,597	8,015,537	7,229,417	1,983,290	2,261,345	
Electricity generation									
Natural Energy Development Co., Ltd. (NED)	33.33	33.33	761,000	761,000	878,969	859,330	223,603	-	
Development of renewable energy projects									
G-Power Source Co., Ltd. (GPS)	60.00	60.00	734,388	716,318	793,311	755,152	114,600	-	
Solar electricity generation plant									
Absolute Power P Co., Ltd. (APPC)*	-	50.00	-*	65,000	-	49,191	-	-	
Trading of bio diesel									
GIDEC Co., Ltd (GIDEC)	50.00	50.00	200,000	200,000	168,506	195,899	-	-	
Electricity generation from waste power (the Company has not yet started its business operations)									
Joint ventures incorporated in the Philippines									
Conal Holdings Corporation (Conal) and its subsidiaries*	-	40.00	-*	697,169	-	401,817	52,287	143,212	
Quezon Power (Philippines), Limited Co. (QPL)**	-	-	-	-**	-	-	-	1,428,763	
Kalllayan Power Inc. (KPI)	49.00	-	3,262	-	3,219	-	-	-	
Joint venture incorporated in the Lao People's Democratic Republic									
Nam Theun 2 Power Company Limited (NTPC)	35.00	35.00	5,569,943	5,569,943	4,261,497	3,255,901	584,795	669,916	
Joint venture incorporated in the Republic of Indonesia									
PT Manambang Muara Enim (MME)	40.00	40.00	6,029,579	6,029,579	5,990,158	6,046,082	-	-	
Total interests in joint ventures			30,404,538	31,145,375	34,161,636	31,923,931	4,178,490	5,599,092	

As at 31 December 2013 and 2012, under the terms and conditions of BLCP and GPS loan agreements, their common shares were pledged as collateral for their long-term loans.

As at 31 December 2013, dividends receivable from joint ventures amounting to Baht 7,127 million were recognised in the consolidated financial statements (31 December 2012 : Baht 7,601 million).

\* Dispose interest in joint ventures in Conal and APPC (Note 15.1.2)

\*\* Transferred interest in QPL to investments in subsidiaries during 2012.

## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

### 15.3 Interests in joint ventures (continued)

The details of the interests in joint ventures are as follows : (continued)

Company							
	Business	Portion of Investment (%)		Cost method		Dividend for the year	
		2013	2012	2013 Baht'000	2012 Baht'000	2013 Baht'000	2012 Baht'000
<b>Joint ventures incorporated in Thailand</b>							
Gulf Electric Public Co., Ltd. (GEC) and its subsidiaries	Investment in power projects	50.00	50.00	6,672,769	6,672,769	1,219,915	1,095,856
		50.00	50.00	10,433,597	10,433,597	1,983,290	2,261,345
BLCP Power Ltd. (BLCP)	Electricity generation						
Natural Energy Development Co., Ltd. (NED)	Development of renewable energy projects	33.33	33.33	761,000	761,000	223,603	-
G-Power Source Co., Ltd. (GPS)	Solar electricity generation plant	60.00	60.00	734,388	716,318	114,600	-
Absolute Power P Co., Ltd. (APPC)*	Trading of bio diesel	-	50.00	-*	65,000	-	-
GIDEC Co., Ltd (GIDEC)	Electricity generation from waste power (the Company has not yet started its business operations)	50.00	50.00	200,000	200,000	-	-
<b>Joint venture incorporated in the Lao People's</b>							
<b>Democratic Republic</b>							
Nam Theun 2 Power Company Limited (NTPC)	Electricity generation	35.00	35.00	5,569,943	5,569,943	584,795	669,916
Total interests in joint ventures				24,371,697	24,418,627	4,126,203	4,027,117
Less Impairment				-	-	-	-
Total interests in joint ventures				24,371,697	24,418,627	4,126,203	4,027,117

As at 31 December 2013 and 2012, under the terms and conditions of BLCP and GPS loan agreements, their common shares were pledged as collateral for their long-term loans.

As at 31 December 2013, dividends receivable from joint ventures amounting to Baht 7,127 million were recognised in the company financial statements (31 December 2012 : Baht 7,601 million).

\* Dispose interest in a joint venture in APPC (Note 15.1.2)

## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

### 15.4 Dividends receivable from subsidiaries and joint ventures

The principal movements of the dividends receivable are as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening balance	7,600,763,848	6,089,418,454	8,045,088,668	7,018,039,732
Dividends declared by subsidiaries	-	-	553,774,326	619,311,713
Dividends declared by joint ventures	4,178,489,749	5,599,092,006	4,126,202,965	4,027,116,673
Dividends received from subsidiaries and joint ventures	(4,652,599,667)	(4,087,746,612)	(5,287,572,743)	(3,619,379,450)
Closing balance	7,126,653,930	7,600,763,848	7,437,493,216	8,045,088,668

### 15.5 The Group's share of the assets, liabilities, revenues and expenses of the joint ventures is as follows :

#### *Interest in Gulf Electric Public Company Limited ("GEC")*

GEC is a joint venture between the Company and J-Power Holdings (Thailand) Company Limited and Mitr Power (Thailand) Company Limited. GEC's business is the generation of electricity for sale to Electricity Generating Authority of Thailand (EGAT) and industrial users under long-term purchasing agreements. The Group has a 50% interest in GEC.

#### *Interest in BLCP Power Ltd. ("BLCP")*

BLCP is a joint venture between the Company and Banpu Coal Power Limited. BLCP's business is to generate electricity from the coal fire electricity generating plant for sale to EGAT under long-term purchasing agreement, in which the Group has a 50% interest.

#### *Interest in Conal Holdings Corporation ("Conal")*

Conal is a joint venture between EGCO International ("B.V.I.") Limited, which is a subsidiary of the Company, and Alsons Consolidated Resources, Inc. Conal's business is the generation of electricity for sale to the National Power Corporation (which is part of the government sector of the Philippines) and the provision of maintenance services and power plant operations, in which the Group has a 40% interest.

On 2 July 2013, the Group disposed interest in a joint venture - Conal (Note 15.1.2)

#### *Interest in Nam Theun 2 Power Company Limited ("NTPC")*

NTPC is a joint venture between the company, the government of Lao PDR (through Lao Holding State Enterprise) and EDF International. NTPC's business is the generation of electricity for sale to EGAT and Electricite Du Laos ("EDL"), in which the Group has a 35% interest.

#### *Interest in Natural Energy Development Co., Ltd. ("NED")*

NED is a joint venture between the Company, CLP Thailand Renewables Limited and Diamond Generating Asia Limited. The joint venture is governed by a joint venture agreement and the Group has a 33.33% interest. NED's business is to generate electricity from its solar power plant for sale to EGAT and PEA.

## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

### 15.5 The Group's share of the assets, liabilities, revenues and expenses of the joint ventures is as follows : (continued)

#### *Interest in G-Power Source Co., Ltd. ("GPS")*

GPS is a joint venture between the Company and Gunkul Engineering Public Company Limited. GPS's business is the solar electricity generation plant for sale to PEA in which the Group has a 60% interest.

#### *Interest in Absolute Power P Company Limited ("APPC")*

APPC is a joint venture between the Company and other individual shareholders. APPC's business is the trading of bio diesel for industrial in which the Group has a 60% interest.

On 21 October 2013, the Group disposed interest in a joint venture - APPC. (Note 15.1.2)

#### *Interest in GIDEC Company Limited ("GIDEC")*

GIDEC is a joint venture between the Company and IEC Green Energy Co.,Ltd. GIDEC's business is the electricity generation from waste power for sale to PEA in which the Group has a 50% interest.

#### *Interest in PT Manambang Muara Enim ("MME")*

MME is a joint venture between the New Growth B.V., which is a subsidiary of the Company, PT Alarm Karya Nusantara and PT Manunggal Power. MME's business is the operator in a coal mine located in South Sumatra, Indonesia in which the Group has a 40% interest.

#### *Interest in Kalilayan Power Inc. ("KPI")*

KPI is a joint venture between the New Growth B.V., which is a subsidiary of the Company, Meralco PowerGen Corporation. KPI's business is invest in a power project in the Philippines which the Group has a 49% interest.

Details of the financial position and joint venture's return follow the Group's ownership are as follows :

For the year ended 31 December 2013						
	Country of incorporation	Assets Baht'000	Liabilities Baht'000	Revenue Baht'000	Net profit (loss) Baht'000	% interest held
(Including indirect holding)						
GEC and its subsidiaries	Thailand	21,769,678	7,720,702	18,542,902	2,137,446	50
BLCP	Thailand	21,068,391	16,080,176	8,750,794	2,538,173	50
NED	Thailand	2,522,598	1,643,629	473,415	243,242	33
GPS	Thailand	1,846,927	1,217,274	315,906	141,622	60
APPC*	Thailand	-	-	36,966	(24,052)	50
GIDEC	Thailand	436,263	278,443	129	(27,393)	50
Conal and its subsidiaries*	The Philippines	-	-	316,946	47,892	40
NTPC	The Lao People's Democratic Republic	12,450,637	9,493,153	2,806,303	1,459,717	35
MME	The Republic of Indonesia	253,036	49,384	190,242	3,570	40
KPI	The Philippines	3,219	-	-	-	49

\* During 2013, the Group disposed interests in joint ventures in Conal and APPC (Note 15.1.2)



## 15 Investments in subsidiaries and interests in joint ventures, net (continued)

15.5 The Group's share of the assets, liabilities, revenues and expenses of the joint ventures is as follows :  
(continued)

Details of the financial position and joint venture's return follow the Group's ownership are as follows :  
(continued)

For the year ended 31 December 2012						
	Country of incorporation	Assets Baht'000	Liabilities Baht'000	Revenue Baht'000	Net profit (loss) Baht'000	% interest held
(Including indirect holding)						
GEC and its subsidiaries	Thailand	22,046,794	9,124,361	18,770,851	2,039,716	50
BLCP	Thailand	24,699,797	17,815,743	9,329,366	2,361,548	50
NED	Thailand	2,668,811	1,809,481	370,574	160,142	33
GPS	Thailand	1,946,549	1,365,535	157,902	44,223	60
APPC	Thailand	150,313	133,128	127,118	(15,809)	50
GIDEC	Thailand	346,143	160,930	-	(4,101)	50
Conal and its subsidiaries	The Philippines	1,040,898	374,480	662,628	82,259	40
NTPC	The Lao People's Democratic Republic	12,101,960	10,019,588	2,725,699	670,016	35
MME	The Republic of Indonesia	285,576	47,624	96,004	25,736	40

## 16 Investment property

	Consolidated		Company	
As at 31 December	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Book value	322,071,012	322,071,012	322,071,012	322,071,012
Fair value	721,631,000	727,939,371	721,631,000	727,939,371

Investment property of the Group is land held for a currently undetermined future use.

*Praya Klum*

## 17 Property, plant and equipment, net

Consolidated						
	Land Baht	Buildings and land improvements Baht	Power plants, substation, transmission system and water plants Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht	Total Baht
<b>At 31 December 2011</b>						
Cost	1,529,063,309	4,010,224,922	36,103,548,610	583,526,969	11,001,290	42,237,365,100
<u>Less Accumulated depreciation</u>	-	(2,770,094,305)	(26,000,282,128)	(444,406,282)	-	(29,214,782,715)
Net book value	1,529,063,309	1,240,130,617	10,103,266,482	139,120,687	11,001,290	13,022,582,385
<b>Year ended 31 December 2012</b>						
Opening net book value	1,529,063,309	1,240,130,617	10,103,266,482	139,120,687	11,001,290	13,022,582,385
Additions	-	13,975,894	143,179,637	17,287,536	353,431,649	527,874,716
Assets increased from acquisition of subsidiaries	90,325,803	2,235,491,187	24,846,484,381	6,568,603	904,439,736	28,083,309,710
Capitalisation of capital spare parts	-	-	451,149,214	-	-	451,149,214
Transfer of capital spare parts out	-	-	(267,471,090)	-	-	(267,471,090)
Disposals, net	-	-	(3)	(1,675,927)	-	(1,675,930)
Write-off, net	-	-	(3,979,252)	(229,514)	(100,000)	(4,308,766)
Transfer	(1,182,000)	(8,027,316)	916,544,307	225,000	(932,956,103)	(25,396,112)
Depreciation charge (Note 31)	-	(256,077,704)	(2,213,098,642)	(47,062,448)	-	(2,516,238,794)
Translation adjustments	-	(64,840,246)	(649,117,381)	(113,849)	-	(714,071,476)
Closing net book value	1,618,207,112	3,160,652,432	33,326,957,653	114,120,088	335,816,572	38,555,753,857
<b>At 31 December 2012</b>						
Cost	1,618,207,112	7,049,250,604	67,677,877,937	599,098,365	335,816,572	77,280,250,590
<u>Less Accumulated depreciation</u>	-	(3,888,598,172)	(34,350,920,284)	(484,978,277)	-	(38,724,496,733)
Net book value	1,618,207,112	3,160,652,432	33,326,957,653	114,120,088	335,816,572	38,555,753,857



## 17 Property, plant and equipment, net (continued)

	Consolidated				
	Land Baht	Buildings and land improvements Baht	Power plants, substation, transmission system and water plants Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht
<b>Year ended 31 December 2013</b>					
Opening net book value	1,618,207,112	3,160,652,432	33,326,957,653	114,120,088	335,816,572
Additions	47,656,936	12,488,591	308,228,096	17,956,092	10,323,498,177
Assets increased from acquisition of subsidiary	-	-	-	-	1,223,037,019
Capitalisation of capital spare parts	-	-	302,731,758	-	-
Transfer of capital spare parts out	-	-	(352,467,206)	-	-
Disposals, net	-	(126)	(5,444,657)	(6,516,274)	-
Write-off, net	-	-	(9,776,345)	(24,481)	(1,336,960)
Transfer	-	346,038,203	5,454,086,821	3,807,031	(5,803,932,055)
Depreciation charge (Note 31)	-	(251,841,519)	(2,773,166,177)	(40,645,234)	-
Translation adjustments	581,306	147,366,373	1,479,636,705	341,094	13,605,175
Closing net book value	1,666,445,354	3,414,703,954	37,730,786,648	89,038,316	6,090,687,928
<b>At 31 December 2013</b>					
Cost	1,666,445,354	7,620,854,638	75,313,264,610	594,505,865	6,090,687,928
Less Accumulated depreciation	-	(4,206,150,684)	(37,582,477,962)	(505,467,549)	-
Net book value	1,666,445,354	3,414,703,954	37,730,786,648	89,038,316	6,090,687,928

## 17 Property, plant and equipment, net (continued)

	Company					
	Land Baht	Buildings and land improvements Baht	Power plants, substation and transmission system Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht	Total Baht
<b>At 31 December 2011</b>						
Cost	315,573,445	1,107,860,699	5,455,044,649	286,126,256	3,490,000	7,168,095,049
Less Accumulated depreciation	-	(571,903,272)	(1,398,815,270)	(220,162,917)	-	(2,190,881,459)
Net book value	315,573,445	535,957,427	4,056,229,379	65,963,339	3,490,000	4,977,213,590
<b>Year ended 31 December 2012</b>						
Opening net book value	315,573,445	535,957,427	4,056,229,379	65,963,339	3,490,000	4,977,213,590
Additions	-	5,790,000	189,533	4,706,190	7,925,855	18,611,578
Capitalisation of capital spare parts	-	-	185,760,381	-	-	185,760,381
Transfer of capital spare parts out	-	-	(66,417,165)	-	-	(66,417,165)
Disposals, net	-	-	(2)	(61,258)	-	(61,260)
Write-off, net	-	-	-	(183,009)	-	(183,009)
Transfer	-	1,750,000	-	225,000	(1,975,000)	-
Depreciation charge (Note 31)	-	(108,175,757)	(922,015,486)	(23,211,654)	-	(1,053,402,897)
Closing net book value	315,573,445	435,321,670	3,253,746,640	47,438,608	9,440,855	4,061,521,218
<b>At 31 December 2012</b>						
Cost	315,573,445	1,115,400,697	5,490,618,678	285,846,575	9,440,855	7,216,880,250
Less Accumulated depreciation	-	(680,079,027)	(2,236,872,038)	(238,407,967)	-	(3,155,359,032)
Net book value	315,573,445	435,321,670	3,253,746,640	47,438,608	9,440,855	4,061,521,218

## 17 Property, plant and equipment, net (continued)

	Company					Total Baht
	Land Baht	Buildings and structures Baht	Power plants, substation and transmission system Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht	
<b>Year ended 31 December 2013</b>						
Opening net book value	315,573,445	435,321,670	3,253,746,640	47,438,608	9,440,855	4,061,521,218
Additions	-	-	-	2,752,152	13,749,039	16,501,191
Capitalisation of capital spare parts	-	-	34,352,347	-	-	34,352,347
Transfer of capital spare parts out	-	-	(52,839,616)	-	-	(52,839,616)
Disposals, net	-	-	-	(898,427)	-	(898,427)
Write-off, net	-	-	-	(19,717)	-	(19,717)
Transfer	-	3,860,000	(3,272,748)	3,017,031	(3,604,283)	-
Depreciation charge (Note 31)	-	(108,402,556)	(919,494,791)	(19,726,386)	-	(1,047,623,733)
Closing net book value	315,573,445	330,779,114	2,312,491,832	32,563,261	19,585,611	3,010,993,263
<b>At 31 December 2013</b>						
Cost	315,573,445	1,119,260,697	5,413,914,690	278,090,653	19,585,611	7,146,425,096
Less Accumulated depreciation	-	(788,481,583)	(3,101,422,858)	(245,527,392)	-	(4,135,431,833)
Net book value	315,573,445	330,779,114	2,312,491,832	32,563,261	19,585,611	3,010,993,263

## 17 Property, plant and equipment, net (continued)

As at 31 December 2013, property, plant and equipment amounting to Baht 34,705 million in the consolidated financial statements were mortgaged and pledged as collateral for long-term loans, as described in Notes 22.1 (2012: Baht 21,925 million).

As at 31 December 2013, the Group had significant capital commitments in respect of construction of power plants and purchases of equipment but not yet recognised in the consolidated financial statements amounting to US Dollars 107 million, Australian Dollars 90 million, Japanese Yen 21,023 million, Euro 64 million and Baht 3,669 million (2012: US Dollars 76 million and Baht 2,519 million).

## 18 Intangible assets, net

Consolidated			
	Right in long-term power and tap water purchase agreements and operation and maintenance agreements Baht	Licenses for operating power plants Baht	Total Baht
<b>For the year ended 31 December 2012</b>			
Opening net book value	685,946,459	-	685,946,459
Acquisitions of investments in subsidiaries	4,778,263,281	-	4,778,263,281
Amortisation (Note 31)	(249,450,615)	-	(249,450,615)
Closing net book value	5,214,759,125	-	5,214,759,125
<b>As at 31 December 2012</b>			
Cost	5,639,537,329	-	5,639,537,329
<u>Less</u> Accumulated amortisation	(424,778,204)	-	(424,778,204)
Net book value	5,214,759,125	-	5,214,759,125
<b>For the year ended 31 December 2013</b>			
Opening net book value	5,214,759,125	-	5,214,759,125
Acquisitions of investments in subsidiaries	179,309,253	124,747,570	304,056,823
Addition	-	190,850,771	190,850,771
Amortisation (Note 31)	(403,378,286)	-	(403,378,286)
Closing net book value	4,990,690,092	315,598,341	5,306,288,433
<b>As at 31 December 2013</b>			
Cost	5,818,846,582	315,598,341	6,134,444,923
<u>Less</u> Accumulated amortisation	(828,156,490)	-	(828,156,490)
Net book value	4,990,690,092	315,598,341	5,306,288,433



## 19 Goodwill

	Consolidated
	Baht
<b>For the year ended 31 December 2013</b>	
Opening balance	
- As previously reported	6,141,105,368
- Effect from change in accounting policies (Note 3.1)	3,705,059,118
- As restated	9,846,164,486
Acquisition of subsidiary	4,181,100
Closing balance	9,850,345,586

The increment of goodwill, which was effect from change in account policies, was primarily derived from the recognition of deferred tax liabilities from the assigned fair values of assets acquired in business acquisitions which are property, plant, equipment and right in long-term power and tap water purchase agreements and operation and maintenance agreement, etc. None of such goodwill is expected to be deductible for income tax purposes.

## 20 Other non-current assets, net

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Deposits	15,344,581	15,636,910	11,551,549	11,527,550
Project development cost	41,974,214	-	-	-
Deferred finance cost for undrawn down long-term loans from financial institutions	368,668,504	-	-	-
Others	495,857,875	296,624,404	-	35,290,517
Other non-current assets, net	921,845,174	312,261,314	11,551,549	46,818,067



## 21 Short-term loans from financial institutions

The short-term loans from financial institutions are as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Thai Baht	1,800,000,000	1,440,400,000	1,800,000,000	1,400,000,000
US Dollars	-	9,233,250,000	-	9,233,250,000
Total short-term loans from financial institutions	1,800,000,000	10,673,650,000	1,800,000,000	10,633,250,000

### *Short-term loans from financial institutions of the Company*

The short-term loans of the Company are in Thai Baht and were not mortgaged as collateral from a local bank for totalling amount of Baht 1,800 million. The interest rates on these loans are fixed. The principal and interest will be repaid within February 2014.

## 22 Other current liabilities

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Interest payable	300,129,321	260,098,636	12,598,727	14,833,849
Value added tax payable	406,125,984	386,250,983	36,266,768	30,184,259
Corporate income tax payable	285,441,036	273,386,700	-	-
Construction payables	514,290,891	81,151,291	-	-
Others	1,017,137,743	809,937,768	356,579,311	284,374,284
Other current liabilities	2,523,124,975	1,810,825,378	405,444,806	329,392,392



## 23 Long-term loans from financial institutions, net

23.1 The long-term loans from financial institutions are as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
<b>Current portion of long-term loans</b>				
<b>from financial institution, net</b>				
Thai Baht	760,823,054	354,644,828	-	-
US Dollars	4,517,123,326	725,858,021	3,342,117,544	559,590,904
Japanese Yen	33,113,179	37,525,663	-	-
<u>Less</u> Deferred financing fee	(119,654,121)	(67,327,975)	(10,160,535)	-
	5,191,405,438	1,050,700,537	3,331,957,009	559,590,904
<b>Long-term loans from financial institution, net</b>				
Thai Baht	14,534,079,654	11,019,336,672	8,000,000,000	8,000,000,000
US Dollars	25,404,287,403	13,382,463,025	10,038,708,690	2,238,363,645
Japanese Yen	49,669,769	93,814,157	-	-
Australian Dollars	2,883,194,712	-	-	-
<u>Less</u> Deferred financing fee, net	(633,671,946)	(330,498,977)	(15,529,841)	-
	42,237,559,592	24,165,114,877	18,023,178,849	10,238,363,645
Total long-term loans from financial institution, net	47,428,965,030	25,215,815,414	21,355,135,858	10,797,954,549

### *Long-term loans from financial institution of the Company*

Long-term loans of the Company are unsecured liabilities from local financial institutions.

### *Long-term loans from financial institution of the subsidiaries*

Long-term loans of the subsidiaries are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment of the subsidiaries. The subsidiaries are required to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and payment of interest due within one year and as a reserve for minimising the exchange risk (refer to Note 10). In addition, the Power Purchase Agreements, the Asset Purchase Agreements, the Major Maintenance Agreements and insurance policies have been assigned as collateral in accordance with the conditions under the Loan Agreement.

## 23.2 Interest rate risk management

The detail of interest rate swap contracts the Group are shown in Note 37.1.





## 23 Long-term loans from financial institutions, net (continued)

### 23.2 Interest rate risk management (continued)

The interest rate exposure on the long-term loans from financial institutions of the Group after taking account of interest rate swap contracts is as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Long-term loans from financial institutions, net				
- at fixed rates	15,579,585,953	15,329,261,025	4,000,000,000	4,000,000,000
- at floating rates	31,849,379,077	9,886,554,389	17,355,135,858	6,797,954,549
Total long-term loans from financial institutions, net	47,428,965,030	25,215,815,414	21,355,135,858	10,797,954,549

After taking account of interest rate swaps, the weighted average effective interest rates of the long-term loans from financial institutions of the Group were 4.30% per annum for US Dollars loans, 2.60% per annum for Japanese Yen loans and 4.90% per annum for Australian Dollars loans 4.52% per annum for Thai Baht loans. (2012: 4.98% per annum for US Dollars loans, 2.78% per annum for Japanese Yen loans and 4.50% per annum for Thai Baht loans).

After taking account of interest rate swaps, the weighted average effective interest rate of the long-term loans from financial institutions of the Company were 3.59% per annum for US Dollars loans and 4.10% per annum for Thai Baht loans. (2012: 2.35% per annum for US Dollars loans and 4.10% per annum for Thai Baht loans).

### 23.3 The movement of the long-term loans from financial institutions can be analysed as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening net book value	25,215,815,414	12,057,115,645	10,797,954,549	11,183,190,000
Loan increased from acquisitions of subsidiaries (Note 15.1.1)	387,308,525	14,154,878,536	-	-
Additions of long-term loans	22,522,815,415	334,628,051	11,251,262,500	-
Repayments of long-term loans	(2,889,978,315)	(915,304,113)	(1,935,800,818)	(280,543,634)
Unrealised exchange losses (gains)	1,370,359,736	(132,227,703)	1,267,410,004	(104,691,817)
Additions of deferred financing fee	(50,336,746)	-	(35,239,300)	-
Amortisation of deferred financing fee	98,412,360	40,484,816	9,548,923	-
Translation adjustments	774,568,641	(323,759,818)	-	-
Closing net book value	47,428,965,030	25,215,815,414	21,355,135,858	10,797,954,549



## 23 Long-term loans from financial institutions, net (continued)

### 23.3 The movement of the long-term loans from financial institutions can be analysed as follows : (continued)

#### *Long-term loans from financial institutions of the Company*

On 25 December 2012, the Company entered into long term loan facility agreements with four overseas banks, for US Dollars 375 million, which is equivalent to Baht 11,456 million. The interest rates on these loans are BBA LIBOR plus a certain margin per annum. These loans are unsecured. The principal and interest will be repaid on semi-annual basis, commencing from December 2013. During the year 2013, the Company had drawn down these loans of US Dollars 375 million, which is equivalent to Baht 11,251 million.

#### *Long-term loans from financial institutions of subsidiaries*

Long-term loans of the subsidiaries are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment of the subsidiaries. The subsidiaries are required to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and payment of interest due within one year and as a reserve for minimising the exchange risk (refer to Note 10). In addition, the Power Purchase Agreements, the Asset Purchase Agreements, the Major Maintenance Agreements and insurance policies have been assigned as collateral in accordance with the conditions under the Loan Agreements.

Solarco Company Limited, which is the Company's subsidiary, entered into long-term loan facility agreements with local banks and an overseas bank, amounting to Baht 3,960 million and US dollars 35 million, respectively. During the year ended 31 December 2013, a subsidiary had drawn down these loans of Baht 2,454 million and US Dollar 35 million, which is equivalent to Baht 1,057 million. The interest rates on Thai Baht loan are THBFIX to THBFIX three-month plus a certain margin per annum, and the interest rate on US Dollar loan is fixed interest rate. The principal and interest will be repaid on a semi-annual basis and on a quarterly basis, commencing from June 2014. Moreover, a subsidiary entered into an interest rate swap contract by converting floating rates to fixed rate for the Thai Baht loan. (refer to Note 37.1).

Theppana Wind Farm Company Limited, which is the Company's subsidiary, entered into long-term loan facility agreements with a local bank and an overseas bank, amounting to Baht 290 million and US dollars 4 million respectively. During the year ended 31 December 2013, a subsidiary had drawn down these loans of Baht 249 million and US Dollar 4 million, which is equivalent to Baht 121 million. The interest rates on THB loan are THBFIX plus a certain margin per annum and THBFIX six-month plus a certain margin per annum, and the interest rate on US Dollar loan is fixed interest rate. Moreover, a subsidiary entered into an interest rate swap contract by converting floating rates to fixed rate for the THB loan. The principal and interest will be repaid on a semi-annual basis, commencing from March and June 2014, respectively. Moreover, a subsidiary entered into an interest rate swap contract by converting floating rates to fixed rate for the Thai Baht loan and entered into an exchange rate swap contract to cover exchange rate risk for US Dollars loan. (refer to Note 37.1).

Boco Rock Wind Farm Pty Ltd., which is the Company's overseas subsidiary, entered into long term loan facility agreements with overseas banks, for Australian Dollars 265 million, and had drawn down these loans of Australian Dollars 106 million, which is equivalent to Baht 3,076 million. The interest rate is a floating rate plus a certain margin per annum. The interest will be repaid on a monthly basis during construction period and the principal and interest will be repaid on a quarterly basis after construction period. Moreover, a subsidiary entered into an interest rate swap contract

## 23 Long-term loans from financial institutions, net (continued)

### 23.3 The movement of the long-term loans from financial institutions can be analysed as follows : (continued)

#### *Long-term loans from financial institutions of subsidiaries (continued)*

by converting floating rates to fixed rate for the Thai Baht loan and entered into an exchange rate swap contract to cover exchange rate risk for Australian Dollars loan. (refer to Note 37.1).

Khanom Electricity Generating Co., Ltd., which is the Company's subsidiary, entered into long term loan facility agreements with banks, amounting to Baht 12,880 million and US Dollars 311 million respectively. The interest rates on Thai Baht loan are THBFIX six-month plus a certain margin per annum to MLR plus a certain margin per annum, and the interest rate on US Dollar loan is LIBOR six month plus a certain margin per annum. The interest rate is a floating rate plus a certain margin per annum. The Thai Baht principal and interest will be repaid on a monthly basis and semi-annual basis, commencing from January 2014 and February 2017, respectively The US Dollars principal will be repaid on a semi-annual basis, commencing from February 2017. As at 31 December 2013, a subsidiary had drawn down these loans of Baht 1,458 million and US Dollar 100 million, which is equivalent to Baht 3,342 million.

### 23.4 Maturity of long-term loans is as follows :

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Within 1 year	5,191,405,438	1,050,700,537	3,331,957,009	559,590,904
Later than 1 year and not later than 5 years	32,455,363,226	16,360,851,679	18,023,178,849	10,238,363,645
Later than 5 years	9,782,196,366	7,804,263,198	-	-
Total long-term loans, net	47,428,965,030	25,215,815,414	21,355,135,858	10,797,954,549

### 23.5 Credit facilities

As at 31 December 2013, the Group had the available credit facilities from financial institutions amounted to Baht 15,207 million, US Dollars 295 million and Australian Dollars 166 million of which Baht 2,200 million for the Company (2012: Baht 4,004 million and US Dollars 63 million of which Baht 2,875 million for the Company).



## 24 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability is as follows :

	Consolidated		Company	
	2013	Restated	2013	Restated
	Baht	2012 Baht	Baht	2012 Baht
<b>Deferred tax assets :</b>				
Deferred tax assets to be recovered				
within 12 months	29,005,782	-	-	-
Deferred tax assets to be recovered after				
more than 12 months	31,194,816	13,411,791	-	-
	60,200,598	13,411,791	-	-
<b>Deferred tax liabilities :</b>				
Deferred tax liabilities to be settled				
within 12 months	(185,391,862)	(181,878,823)	-	-
Deferred tax liability to be settled after				
more than 12 months	(5,034,627,859)	(4,768,757,593)	(672,592,777)	(630,025,266)
	(5,220,019,721)	(4,950,636,416)	(672,592,777)	(630,025,266)
<b>Deferred income taxes, net</b>	<b>(5,159,819,123)</b>	<b>(4,937,224,625)</b>	<b>(672,592,777)</b>	<b>(630,025,266)</b>

The movement of the deferred income tax account is as follows :

	Consolidated		Company	
	2013	Restated	2013	Restated
	Baht	2012 Baht	Baht	2012 Baht
At 1 January	(4,937,224,625)	(715,821,483)	(630,025,266)	(212,691,391)
Acquisition of subsidiaries	(91,217,047)	(4,071,694,220)	-	-
Translation adjustment	(204,612,109)	8,685,405	-	-
Charged / (credited) to profit or loss	29,632,610	258,939,548	(86,169,559)	-
Tax charged / (credited) directly to other				
comprehensive income	43,602,048	(417,333,875)	43,602,048	(417,333,875)
At 31 December	<b>(5,159,819,123)</b>	<b>(4,937,224,625)</b>	<b>(672,592,777)</b>	<b>(630,025,266)</b>

*Signature*

## 24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows :

		Consolidated					
		Provision Baht	Tax loss carry forward Baht	Allowance for obsolescence Baht	Finance costs Baht	Unrealised gains on investments in marketable securities - available-for-sale Baht	Total Baht
<b>Deferred tax assets</b>							
At 1 January 2013		99,702,864	20,040,336	229,198,819	301,495,097	-	653,543,112
Charged / (credited) to profit or loss		167,539,640	15,432,775	27,054,497	(60,330,009)	93,141,584	269,408,312
Translation adjustment		1,739,383	(333,466)	-	16,341,817	8,067,561	25,817,741
At 31 December 2013		268,981,887	35,139,645	256,253,316	257,506,905	101,209,145	948,769,165
At 1 January 2012		104,883,404	-	187,474,857	-	-	292,358,261
Acquisition of subsidiaries		17,702,958	-	-	315,334,591	30,863,466	363,901,015
Charged / (credited) to profit or loss		(22,353,939)	20,040,336	41,723,962	(5,113,620)	(33,355,746)	4,047,020
Translation adjustment		(529,559)	-	-	(8,725,874)	2,492,280	(6,763,184)
At 31 December 2012		99,702,864	20,040,336	229,198,819	301,495,097	-	653,543,112

## 24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows : (continued)

Consolidated (continued)					
	Depreciation and amortisation	Unrealised gains on investments in marketable securities - available-for-sale	The assigned fair values of assets acquired in business acquisitions	Others	Total
	Baht	Baht	Baht	Baht	Baht
<b>Deferred tax liabilities</b>					
At 1 January 2013	337,409,621	804,487,988	3,815,438,496	633,431,632	5,590,767,737
Acquisition of subsidiaries	91,217,047	-	-	-	91,217,047
Charged / (credited) to profit or loss	485,434,749	(171,374,182)	(394,403,277)	320,118,412	239,775,702
Translation adjustment	(1,241,018)	(2,410,713)	161,033,245	73,048,336	230,429,850
Tax charged/(credited) directly to other comprehensive income	-	(43,602,048)	-	-	(43,602,048)
At 31 December 2013	912,820,399	587,101,045	3,582,068,464	1,026,598,380	6,108,588,288
<b>At 1 January 2012</b>	<b>314,970,053</b>	<b>212,691,397</b>	<b>480,518,294</b>	<b>-</b>	<b>1,008,179,744</b>
Acquisition of subsidiaries	-	-	3,492,602,777	942,992,458	4,435,595,235
Charged / (credited) to profit or loss	22,439,568	194,246,887	(157,682,575)	(313,896,408)	(254,892,528)
Translation adjustment	-	(19,784,171)	-	4,335,582	(15,448,589)
Tax charged / (credited) directly to other comprehensive income	-	417,333,875	-	-	417,333,875
At 31 December 2012	337,409,621	804,487,988	3,815,438,496	633,431,632	5,590,767,737

## 24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows : (continued)

	Company		
	Provision Baht	Allowance for obsolescence Baht	Total Baht
<b>Deferred tax assets</b>			
At 1 January 2013	57,801,829	128,110,419	185,912,248
Charged / (credited) to profit or loss	35,887,955	20,601,800	56,489,755
At 31 December 2013	93,689,784	148,712,219	242,402,003
At 1 January 2012	68,628,241	107,003,146	175,631,387
Charged / (credited) to profit or loss	(10,826,412)	21,107,273	10,280,861
At 31 December 2012	57,801,829	128,110,419	185,912,248

	Company		
	Depreciation and amortisation Baht	Unrealised gains on investments in marketable securities - available-for-sale Baht	Total Baht
<b>Deferred tax liabilities</b>			
At 1 January 2013	185,912,248	630,025,266	815,937,514
Charged / (credited) to profit or loss	142,659,314	-	142,659,314
Tax charged / (credited) directly to other comprehensive income	-	(43,602,048)	(43,602,048)
At 31 December 2013	328,571,562	586,423,218	914,994,780
At 1 January 2012	175,631,387	212,691,391	388,322,778
Charged / (credited) to profit or loss	10,280,861	-	10,280,861
Tax charged / (credited) directly to other comprehensive income	-	417,333,875	417,333,875
At 31 December 2012	185,912,248	630,025,266	815,937,514





## 25 Retirement benefit obligations

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening balance	198,954,170	199,408,660	90,063,890	91,767,927
Retirement benefit expenses	79,280,001	27,570,752	14,188,577	7,993,561
Interest cost	4,749,094	3,403,927	1,914,988	2,349,047
Retirement benefit paid	(21,601,787)	(31,441,215)	(2,240,000)	(12,046,645)
Translation adjustment	24,300	12,046	-	-
Closing balance	261,405,778	198,954,170	103,927,455	90,063,890

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements :

	2013	2012
Discount rate as at 31 December	3.70	4.80
Salary increase rate	5.00 - 10.00	5.00 - 10.00
Turnover rate	0.00 - 6.00	0.00 - 5.00
Pre-retirement mortality rate	0.08 - 1.66	0.11 - 2.18

## 26 Provision for decommissioning costs

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening net book balance	1,088,849,809	972,895,496	402,643,668	386,414,269
Acquisition of subsidiaries	-	19,604,248	-	-
Additional provision	206,519,491	-	-	-
Additional provision				
- finance costs	45,027,784	96,945,770	16,911,035	16,229,399
Translation adjustment	8,204,899	(595,705)	-	-
Closing net book balance	1,348,601,983	1,088,849,809	419,554,703	402,643,668



## 27 Other non-current liabilities

	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Advance from a customer	326,235,329	204,209,482	-	-
Long-term finance lease obligation	3,908,412	6,059,248	1,183,962	2,262,145
Deposits	2,000,577	1,997,776	200,577	197,774
Retention for construction	337,870,544	-	-	-
Other non-current liabilities*	268,237,342	-	23,922,430	23,922,430
Total other non-current liabilities	938,252,204	212,266,506	25,306,969	26,382,349

\* Other liabilities have been included fair value of preferred shares of the Company's subsidiary which were issued to the third party amounting to Baht 5 million. The preferred shares are financial liabilities according to Thai Accounting Standard 107 "Financial Instrument: Presentation and Disclosures" because they are cumulative preferred shares and the preferred shareholder is entitled to cumulative preferential dividends at amount specified in the shareholders' agreement of the subsidiary which is in preference to the holder of the ordinary shares. According to the shareholders agreement, the Company, as the common shareholder, has responsibilities to get the subsidiary to pay dividends to the preferred shareholder with the amount as specified in the shareholders agreement over the 25 years.

## 28 Legal reserve

	Consolidated		Company	
For the years ended 31 December	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Opening balance	530,000,000	530,000,000	530,000,000	530,000,000
Appropriation during the year	-	-	-	-
Closing balance	530,000,000	530,000,000	530,000,000	530,000,000

Under the Public Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.



## 29 Non-controlling interests

	Consolidated		Company	
For the years ended 31 December	2013 Baht	Restated 2012 Baht	2013 Baht	2012 Baht
Opening balance				
- As previous report	886,862,458	555,026,907	-	-
- Retrospective adjustments from change in accounting policies (Note 3.1)	(45,973,521)	(7,311,047)	-	-
- As restated	840,888,937	547,715,860	-	-
Acquisition of subsidiaries	-	400,507,457	-	-
Additional paid-up share of subsidiary	4,181,100	-	-	-
Share of profit from subsidiaries	173,394,469	29,213,898	-	-
Dividend payment of subsidiaries	(141,297,372)	(112,991,443)	-	-
Translation adjustment	(2,785,883)	(23,556,835)	-	-
Closing balance	874,381,251	840,888,937	-	-

## 30 Other income

	Consolidated		Company	
For the years ended 31 December	2013 Baht	Restated 2012 Baht	2013 Baht	2012 Baht
Dividend income from subsidiaries and joint ventures (Note 15)	-	-	4,679,977,292	4,646,428,386
Dividend income from other Company	137,035,004	155,721,595	137,035,004	155,721,595
Interest income (Note 38.6 and 38.7)	66,935,548	153,560,682	207,226,621	192,521,377
Rental and services income (Note 38.9)	66,679,065	49,624,635	261,180,210	141,733,583
Adder	498,627,440	322,880,904	-	-
Others	213,825,098	55,678,552	59,895,349	56,192,497
Total other income	983,102,155	737,466,368	5,345,314,476	5,192,597,438



### 31 Expense by nature

The following expenditure items have been charged in arriving at net profit :

For the years ended 31 December	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Depreciation on plant and equipment (Note 17)	3,065,652,930	2,516,238,794	1,047,623,733	1,053,402,897
Amortisation of right in long-term power and tap water purchase agreements (Note 18)	403,378,286	249,450,615	-	-
Major repair and maintenance expenses of power plants	491,401,377	533,793,889	96,764,336	239,757,953
Staff costs	1,367,284,128	1,313,070,534	584,285,952	526,161,674

### 32 Finance costs

For the years ended 31 December	Consolidated		Company	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Interest expenses	1,493,667,545	1,095,179,129	627,549,058	492,754,111
Net losses (gains) on exchange rate from financing activities	1,179,166,797	(391,910,564)	961,480,004	(358,441,818)
Others finance costs	151,588,444	-	28,822,465	-
Total finance costs	2,824,422,786	703,268,565	1,617,851,527	134,312,293

### 33 Income taxes

	Consolidated		Company	
	2013 Baht	Restated 2012 Baht	2013 Baht	Restated 2012 Baht
Current tax	1,247,484,103	779,193,252	-	382,878
Deferred tax	(29,632,636)	(258,939,548)	86,169,558	-
Total income taxes	1,217,851,467	520,253,704	86,169,558	382,878



### 33 Income taxes (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the company as follows :

	Consolidated		Company	
	2013 Baht	Restated 2012 Baht	2013 Baht	Restated 2012 Baht
Profit before tax	8,304,989,116	11,789,643,466	3,342,868,124	4,554,467,650
Tax calculated at a tax rate of	20%	23%	20%	23%
The result of the accounting profit multiplied by the income tax rate	1,660,997,823	2,711,617,997	668,573,625	1,047,527,560
Tax effect of :				
Income not subject to tax	(90,748,347)	(1,177,757,225)	(966,211,684)	(1,148,223,799)
Expenses not deductible for tax purpose	331,220,876	151,815,877	202,827,024	121,966,121
Tax losses for the year for which no deferred income tax assets was recognised	269,196,258	(8,844,050)	180,980,593	(20,887,004)
Share of profit from investment				
- equity method	(1,250,328,915)	(1,282,844,850)	-	-
Difference on tax rate in which countries the Group operated	297,513,772	126,265,955	-	-
Income taxes	1,217,851,467	520,253,704	86,169,558	382,878

The weighted average applicable tax rate for the Group and the Company were 14.66% and 2.58%, respectively (2012 : 4.41% and 0.01%, respectively).

The tax charged/(credited) relating to component of other comprehensive income is as follows :

	Consolidated	
	2013 Baht	2012 Baht
Unrealised gains on investments in marketable securities - available-for-sale		
As at 1 January	630,025,266	212,691,391
Charged/(credited) to other comprehensive income	(43,602,047)	417,333,875
At 31 December	586,423,219	630,025,266

### 33 Income taxes (continued)

The tax charged/(credited) relating to component of other comprehensive income is as follows : (continued)

	Company	
	2013 Baht	2012 Baht
<b>Unrealised gains on investments in marketable securities - available-for-sale</b>		
At 1 January	630,025,266	212,691,391
Charged/(credited) to other comprehensive income	(43,602,047)	417,333,875
At 31 December	586,423,219	630,025,266

### 34 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the year, net of treasury stock.

	Consolidated		Company	
	2013	Restated 2012	2013	2012
Net profit attributable to owners of the parent (Baht)	6,913,743,180	11,240,175,865	3,256,698,566	4,554,084,772
Weighted average number of ordinary share in issue (Shares)	526,465,000	526,465,000	526,465,000	526,465,000
Basic earnings per share (Baht)	13.13	21.35	6.19	8.65

There are no dilutive potential ordinary shares in issue during the periods presented, so no diluted earnings per share are presented.

### 35 Dividends

At the Annual General Shareholders' Meeting dated 24 April 2013, the shareholders approved the payment of dividends in respect of the operating results for the six-month period ended 31 December 2012 for 526,465,000 shares at Baht 3.25 per share, totalling Baht 1,711 million. These dividends were paid to shareholders on 3 May 2013.

The shareholders acknowledged the payments of interim dividends in respect of operating results for the first six-month period of 2012 for 526,465,000 shares at Baht 2.75 per share, totalling Baht 1,448 million. These dividends were paid to shareholders on 21 September 2012.

The Board of Directors' meeting on 24 August 2013 approved to pay interim dividends in respect of the operating results for the six-month period ended 30 June 2013 for 526,465,000 shares at Baht 2.75 per share, totalling Baht 1,448 million. These dividends were paid to shareholders on 20 September 2013.



### 36 Promotional privileges

The Group has been granted promotional privileges by the Office of the Board of Investment under promotion certificates in respect of electricity and tap water generation. These eight subsidiaries have been granted exemption from certain taxes and duties as detailed in the certificates including exemption from corporate income tax for a period of eight years from the date of first revenue. As promoted entities, these subsidiaries are required to comply with the terms and conditions specified in the promotion certificates.

## 37 Financial instruments

The principal financial risks faced by the Group are interest rate and exchange rate risks. The Group borrows to finance its operations, which involve payments in foreign currencies, at both fixed and floating rates of interest.

The objectives of using derivative financial instruments are to reduce the uncertainty over future cash flows arising from movements in interest rates and to manage the liquidity of cash resources. Interest rate exposure is managed through interest rate swap contracts. In respect of currency exchange risk of the domestic operation, the formula for the calculation of revenues from the Availability Payments and Energy Payments charged to EGAT allows for the minimisation of the impact of currency exchange (as described in Note 37.1). For the exchange rate risks of the overseas operations, the Group receives cash in flow from trade receivables as same currency as the major liabilities of the Group.

Trading for speculative purposes is not allowed. All derivative transactions are subject to prior approval by the respective board of each company in the Group.

### 37.1 Financial assets and liabilities

As at 31 December 2013 and 2012, the Group had outstanding foreign currency assets and liabilities after taking account of foreign currency forward contracts as details below.

	Consolidated			
	2013		2012	
	Currency Million	Million Baht	Currency Million	Million Baht
<b>Assets</b>				
US Dollar	172.37	5,643	110.66	3,380
Australian Dollar	6.11	178	-	-
		<u>5,821</u>		<u>3,380</u>
<b>Liabilities</b>				
US Dollar	910.44	29,921	512.46	14,136
Japanese Yen	262.08	83	366.91	131
Australian Dollar	99.23	2,883	-	-
		<u>32,887</u>		<u>14,267</u>

Deja Klara



## 37 Financial instruments (continued)

### 37.1 Financial assets and liabilities (continued)

As at 31 December 2013 and 2012, the Group had outstanding foreign currency assets and liabilities after taking account of foreign currency forward contracts as details below. (continued)

				Company	
				2013	2012
		Currency Million	Million Baht	Currency Million	Million Baht
<b>Liabilities</b>					
US Dollars		406.10	13,381	90.91	2,798

Foreign currency assets represent cash and cash equivalents, trade receivables and deposits with financial institutions. Foreign currency liabilities represent trade payables, other payables, interest payables and long-term loans.

As at 31 December 2013, the Group did not enter into any foreign currency forward contracts to cover their exchange risk relating to long-term loan repayments of US Dollars 738.07 million, Japanese Yen 262.08 million and Australian Dollars 93.12 million which were the net amount after deducting deposits and investments in foreign currency (2012: US Dollars 402 million and Japanese Yen 367 million which were the net amount after deducting deposits and investments in foreign currency). However, exchange risk relating to US Dollars and Japanese Yen, the Group receives compensation from EGAT for exchange rate effects related to its US Dollars and Japanese Yen debt services and the majorities of overseas subsidiaries have cash in flow from trade receivables in US Dollars. In addition in Australian subsidiary has cash in flow from trade receivables in Australian Dollars when the subsidiary commences its commercial operation.

#### *Objectives and significant terms and conditions*

In order to manage risks arising from fluctuations in interest rates and currency exchange rates, the Group uses the following derivative financial instruments.

#### *Interest rate swap contracts*

Interest rate swap contracts are entered into to manage exposure to fluctuations in interest rates on specific transactions. The Company entered into an interest rate swap contract by converting floating rates to fixed rate for the total amount of long-term loans of Baht 4,000 million and of US Dollars 45 million (which equivalent to Baht 1,483 million). The eight subsidiaries of the Company entered into an interest rate swap contract by converting floating rates to fixed rate for the total amount of long-term loans of US Dollars 4 million (which equivalent to Baht 124 million) and of Baht 4,998 million and for the total amount of long-term loans of Australian Dollars 100.82 million (which equivalent to Baht 2,930 million).

#### *Forward contracts*

Forward contracts are entered into to manage exposure to fluctuations in currency exchange rates. The Company entered into forward contract for US Dollars loans of US Dollars 4 million (which equivalent to Baht 141 million) and Australian Dollars loans of Australian Dollars 86 million (which equivalent to Baht 2,487 million).



### 37 Financial instruments (continued)

#### 37.1 Financial assets and liabilities (continued)

The fixed interest rates under the swaps for long-term loans at 31 December were :

Currency	Contract amounts (millions)		Fixed Exchange Rates	
	2013	2012	2013	2012
US Dollars	49	57	1.60 - 7.42	1.53 - 7.42
Thai Baht	8,998	7,374	1.60 - 6.10	2.48 - 6.10
Australian Dollars	101	-	4.40- 4.40	-

The remaining notional principal amounts of the outstanding interest rate swap contracts at 31 December were :

	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Within 1 year	1,998	768	1,483	308
Later than 1 year	9,557	8,366	4,000	5,231
	11,555	9,134	5,483	5,539

#### 37.2 Credit risk

The Group has no significant concentrations of credit risk relating to its cash and investments. The Group places its cash and investments with high quality financial institutions. The Group's policy is designed to limit exposure with any one institution and to invest its excess cash in low risk investment accounts. The Group has not experienced any losses on such accounts. For trade receivables, the Group's sales are made to state-owned enterprises and industrial users under the terms and conditions of the long-term Power Purchase Agreements and the long-term Electricity and Steam Sales and Purchase Agreements.

#### 37.3 Fair value

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, short-term investments, trade receivables and payables, amounts due from and due to related companies, other receivables and payables, and short-term loans due to the short maturities of these instruments.

##### *Long-term loans to related parties and long-term loans from financial institutions*

The fair values of long-term loans to related parties and long-term loans from financial institutions with fixed interest rates have been calculated from the net present value of future cash flows discounted by market interest rates using rates at the date of financial statements. The fair values of long-term loans receivable and payable with floating interest rates approximate their carrying amounts.

### 37 Financial instruments (continued)

#### 37.3 Fair value (continued)

The contract amounts and fair values of certain long-term loans to related parties and long-term loans from financial institutions with fixed interest rates at the date of financial statements are as follows :

2013

	Consolidated		Company	
	Contract amount Million Baht	Fair value Million Baht	Contract amount Million Baht	Fair value Million Baht
Long-term loans to related parties	-	-	1,720	1,768
Long-term loans from financial institutions	15,580	16,514	4,000	4,067

2012

	Consolidated		Company	
	Contract amount Million Baht	Fair value Million Baht	Contract amount Million Baht	Fair value Million Baht
loans to related parties	-	-	364	311
Long-term loans from financial institutions	14,860	15,510	4,000	4,219

The fair values of the derivative financial instruments at the date of financial statements are as follows :

	Consolidated		Company	
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Unfavourable interest rate swaps	(258)	(178)	(74)	(100)
Favourable interest rate swap	-	5	-	5
Unfavourable forward contract	177	-	-	-
Favourable forward contract	4	-	-	-

The fair values of interest rate swap contracts, currency and interest rate swap contracts have been calculated using rates quoted by the Group's bankers to terminate the contracts at the date of financial statements.



### 38 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are the Electricity Generating Authority of Thailand (EGAT) and TEPDIA Generating B.V. which is associates between Tokyo Electric Power Company ("TEPCO") and Diamond Generating Asia, Limited, holding 25.41% and 22.42% of the Company's shares, respectively. The remaining shares in the Company are widely held.

The information on the Company's subsidiaries and joint ventures is provided in Note 15.

The following material transactions were carried out with related parties :

#### 38.1 Sales of electricity

	Consolidated			Company
For the years ended 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht

Sales of electricity

- Major shareholder	6,100	4,997	2,201	2,167
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The Company and three subsidiaries have entered into Power Purchase Agreements (PPAs) with EGAT. The agreements are effective for periods of 20 to 21 years. According to the resolutions of the Cabinet meetings dated 15 February 1994, 23 January 1996, 28 January 2003, and 29 May 2003, respectively, the electricity revenues from such agreements must be calculated on a cost plus basis. There is a limitation on sales of electricity to third parties as specified in the agreements.

In addition, the Company and three subsidiaries are eligible to receive compensation for exchange rate effects, by adjusting the formula for calculation of electricity sold to EGAT each month over the periods of the PPAs. Compensation in the consolidated financial statements for the years ended 31 December 2013 and 2012 amounting to Baht 71 million and Baht 44 million, respectively.

Under the PPAs of the Company and a subsidiary, EGAT has to bear the natural gas cost until the Company and subsidiary enter into natural gas purchase agreements with PTT Public Company Limited. To date, the Company and subsidiary have not entered into such purchase agreements. Therefore, the calculation of revenues from the portion of energy sales of electricity and the natural gas cost are not included in these financial statements.



### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.1 Sales of electricity (continued)

The two subsidiaries of the Company entered into three PPAs with EGAT under the Small Power Producer project. The PPAs are effective for periods of 25 years commencing from commercial operation date. As at 31 December 2013, the subsidiaries have not commenced their commercial operation.

A subsidiary of the Company entered into a PPA in relation to a new power plant project with EGAT. The PPA is effective for a period of 25 years starting from scheduled commercial operation date. The new power plant project is a combined cycle power plant, located in Nakhon Si Thammarat. The power plant will be operated with natural gas as a primary fuel to generate electricity at a contract capacity of 930 MW.

#### 38.2 Service income

For the years ended 31 December	Consolidated			Company
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht

Service income

- Major shareholder	21	58	-	-
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A subsidiary of the Company has entered into the Subcontract for Major Maintenance Agreement with EGAT to provide major maintenance services, repair services, administrative services and additional services related to power plants. The compensation for such services is calculated on a cost plus basis. The agreement is effective for a period of 8 years commencing from 24 September 2007.

#### 38.3 Major maintenance expenses

For the years ended 31 December	Consolidated			Company
	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht

Major maintenance expenses

- Major shareholder	96	101	59	27
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The Company has entered into Major Maintenance Agreements with EGAT in order for the latter to provide major maintenance services, repair services, administrative services and additional services related to the Company power plant. The price for such services is calculated under the agreements on a cost plus basis and will be adjusted annually according to the Consumer Price Index. The agreements have been extended for a period of 8 years, commencing from 7 December 2006.



### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.4 Trade receivables from and trade payables to a related party

	Consolidated			Company
As at 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Trade payables				
- Major shareholder	914	580	384	189

Outstanding trade receivables as at 31 December can be analysed as follows :

Not overdue	912	556	384	189
Overdue below 3 months	-	19	-	-
Overdue 3 - 6 months	-	4	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	2	1	-	-
	914	580	384	189

Trade payables				
- Major shareholder	29	84	10	79

#### 38.5 Amounts due from and amounts due to related parties

	Consolidated			Company
As at 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Amounts due from related parties				
- Subsidiaries	-	-	248	41
- Joint ventures	149	80	5	7
- Other related party	-	65	-	-
	149	145	253	48
Amounts due from related parties due over one year	-	60	-	60
Amounts due to related parties				
- Subsidiaries	-	-	1	5
- Other related party	13	10	-	-
	13	10	1	5
Advance received for purchase of spare parts (other non- current liabilities)	-	-	24	24

*Prasert Kiat*

### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.6 Short-term loans to related parties and related interests

	Consolidated		Company	
As at 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Short-term loans to related parties				
- Joint ventures	-	56	-	56
	-	56	-	56
Interest receivable				
- Subsidiaries	-	-	-	-
- Joint ventures	-	1	-	1
	-	1	-	1

	Consolidated		Company	
For the years ended 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Interest income				
- Subsidiaries	-	-	3	-
- Joint ventures	4	2	4	2
	4	2	7	2

The movements of short-term loans to related parties can be analysed as follows :

	Consolidated	Company
For the year ended 31 December 2013	Million Baht	Million Baht
Beginning balance	56	56
Loans advanced during the year	-	620
Loans repayment during the year	(56)	(676)
Ending balance	-	-





### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.6 Short-term loans to related parties and related interests (continued)

The movements of short-term loans to related parties can be analysed as follows (continued) :

##### *The Company financial statements*

During the second quarter of 2013, Solarco Company Limited, which is the Company's subsidiary, had drawn down an additional long-term loan amounting to Baht 320 million and already fully repaid.

On 16 May 2013, the Company entered into Shareholder Loan Agreement with Khanom Electricity Generating Co., Ltd., which is the Company's subsidiary, for total credit facility of Baht 300 million. The loan bears an interest at the rate of MLR minus a certain margin per annum. The Company shall repay loan in December 2013. Moreover, during the year ended 31 December 2013, a subsidiary had fully drawn down and fully repaid.

##### *The consolidated financial statements*

On 10 May 2012, the Company entered into a short-term loan agreement with G-Power Source Company Limited ("GPS") which amounts to Baht 31 million. The interest rate on this loan is fixed and will be repaid on 5 October 2012. The principal and interest will be repaid on 5 April 2013. As at 31 December 2013, GPS fully repaid such loan.

On 1 August 2012 and 24 December 2012, the Company entered into a short-term loan agreement with Absolute Power P Company Limited ("APPC") which amounts to Baht 10 million and Baht 15 million, respectively. The interest rate on this loan is MLR plus a certain margin. The principle and interest will be repaid within 6 months from commercial agreement date. As at 31 December 2013, APPC fully repaid such loan.

#### 38.7 Long-term loans to related parties and related interests

	Consolidated			Company
As at 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Long-term loan to related parties				
- Subsidiaries				
- Due within 1 year	-	-	46	46
- Due over 1 year	-	-	2,620	1,636
	-	-	2,666	1,682
- Joint ventures				
- Due within 1 year	-	-	-	-
- Due over 1 year	85	-	85	-
	85	-	85	-

*Prinya Klu*

### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.7 Long-term loans to related parties and related interests (continued)

	Consolidated		Company	
As at 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Interest receivable				
- Subsidiaries	-	-	128	26
- Joint ventures	2	-	2	-
	2	-	130	26

	Consolidated		Company	
For the years ended 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Interest income				
- Subsidiaries	-	-	180	78
	-	-	180	78

The movements of long-term loans to related parties can be analysed as follows :

	Consolidated	Company
For the year ended 31 December 2013	Million Baht	Million Baht
<b>Subsidiaries</b>		
Beginning balance	-	1,684
Loans advanced during the year	85	1,115
Loan repayment during the year	-	(48)
Ending balance	85	2,751

During the first quarter of 2013, two subsidiaries, which is Theppana Wind Farm Company Limited and Yanhee EGCO Holding Company Limited, had drawn down additional loans of Baht 10 million and Baht 1,020 million respectively; therefore, as at 31 December 2013, their facilities were fully drawn down.

On 19 July 2013, the Company entered into loan agreement with GIDEC Company Limited to lend not more than Baht 85 million and already has fully drawn down during the fourth quarter of 2013. The interest rate on loan is fixed interest rate. All principal and interest will be repaid within three-years commencing from the drawn down date.

Additional loans during the year ended 31 December 2013 amounting to Baht 1,115 million included the compound interest on loans of Baht 2 million.

### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.8 Construction in progress

	Consolidated		Company	
As at 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Construction in progress				
- Major shareholder	9	-	-	-
- Shareholder	17	-	-	-
	26	-	-	-

A subsidiary of the Company entered into Technical Services Agreement for the new power plant with Tokyo Electric Power Company (“TEPCO”). The agreement has been effective since 4 June 2013 with the contract amount of US Dollar 3.54 million. In addition, such subsidiary entered into Civil Engineering Services Contract for the new power plant with Electricity Generating Authority of Thailand. The contract has been effective since 18 July 2013 with the contract amount of Baht 44.95 million.

#### 38.9 Office building rental and service income

The Company has entered into Office Building Rental, Service Charges and Management Agreements with subsidiaries and joint ventures. The agreements are renewed yearly. The price for management services is calculated under the agreements on a cost plus basis.

	Consolidated		Company	
For the years ended 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Office building rental and service income				
- Subsidiaries	-	-	8	8
	-	-	8	8
Management fee				
- Subsidiaries	-	-	85	80
- Joint ventures	40	34	40	34
	40	34	125	114



### 38 Related party transactions (continued)

The following material transactions were carried out with related parties : (continued)

#### 38.10 Project development income

The Company has entered into Project Development Service Agreements with subsidiaries. The price for services is calculated under the agreements on a cost plus basis.

	Consolidated		Company	
For the years ended 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Projection development income				
- Subsidiaries	-	-	98	-
	-	-	98	-

#### 38.11 Directors and managements remuneration

	Consolidated		Company	
For the years ended 31 December	2013 Million Baht	2012 Million Baht	2013 Million Baht	2012 Million Baht
Short-term employee benefits	116	102	84	66
Post employment benefits	3	2	2	1
Total director and managements remuneration	119	104	86	67

### 39 Commitments and significant agreements

#### 39.1 Commitments

- As at 31 December 2013, the Company had commitments under Sponsor Support Agreements, which were made in respect of loans of subsidiaries, totalling Baht 243 million (31 December 2012: Baht 291 million).
- As at 31 December 2013, the Company had commitments under the Counter Guarantee and Standby Letters of Credit issued on behalf of the Company to a subsidiaries and joint ventures of Baht 8,380 million (2012: Baht 1,110 million).
- According to the Power Purchase Agreements (PPAs) between the Company's subsidiaries and the Electricity Generating Authority of Thailand (EGAT) whose period between 15 years and 21 years, the subsidiaries have to provide bank guarantees, totalling Baht 140 million. The collateral is to be returned to such subsidiaries upon the expiry of the agreements.



## 39 Commitments and significant agreements (continued)

### 39.2 Significant agreements

In addition to the PPAs with EGAT which is one of the Company's major shareholders as discussed in Note 38, the Group had the following significant agreements :

#### 39.2.1 Power Purchase Agreements ("PPAs")

- a) The six subsidiaries of the Company entered into eleven PPAs with the Provincial Electricity Authority ("PEA") under the Very Small Power Producer ("VSPP") scheme. The PPAs are effective for periods of 5 years and are automatically renewable every 5 years.
- b) An overseas subsidiary of the Company entered into a PPA with a purchaser in the Philippines. The PPA is effective for a period of 25 years commencing from 30 May 2000.
- c) An overseas subsidiary of the Company entered into a PPA with a purchaser in Australia. The PPA is effective for a period of 10 years and can be extended for another 5 years commencing February 2015.

#### 39.2.2 Water Supply Agreement

A subsidiary of the Company has entered into a water supply agreement with the Provincial Waterworks Authority (PWA) for a period of 30 years. Under the agreement, the subsidiary is required to produce water for sale to PWA in Ratchaburi and Samutsongkram provinces. The PWA has an obligation to purchase water at the minimum volume and price agreed.

#### 39.2.3 Transmission Line Agreement ("TLA")

An overseas subsidiary of the Company entered into a TLA with a contractor in the Philippines. Under the TLA, the subsidiary obtains the right to use and maintain the transmission line as specified in the agreement. The TLA is effective for a period of 25 years commencing from 30 May 2000.

#### 39.2.4 Fuel Purchase Agreements

- a) Subsidiaries of the Company have entered into gas purchase agreements with PTT Public Company Limited (PTT). These agreements are effective for a period of 21 years and can be extended for another 4 years.
- b) A subsidiary of the Company has entered into a heavy fuel oil purchase agreement with PTT. The agreement shall be effective for a period of 3 years from 1 January 2005 to 31 December 2008. The agreement has been extended by one year and can be extended automatically for further one year periods (in the event that there is no cancellation of the automatic extension).
- c) An overseas subsidiary of the Company entered into two Coal Supply Agreements ("CSAs") with two contractors. Under the CSAs, subsidiary has to purchase coal as specified in the agreements. The CSAs are effective for periods of 15 years and 25 years, respectively, commencing from 30 May 2000.

## 39 Commitments and significant agreements (continued)

### 39.2 Significant agreements (continued)

#### 39.2.4 Fuel Purchase Agreements (continued)

- d) A subsidiary of the Company has entered into gas purchase agreements with PTT Public Company Limited (PTT). The agreement is effective for a period of 25 years, commencing 19 June 2016. The sales quantity and its price must be complied with the agreement.

#### 39.2.5 Operation and Maintenance Agreements

- a) A subsidiary of the Company has entered into power plant operation and maintenance, and power plant equipment maintenance agreements with three customers. The agreements, totalling Baht 694 million, are effective for a period of 5 to 6 years. In addition, the subsidiary has also entered into a subcontract for Supply of Spare Parts with a third party. This agreement is effective for a period of 2 to 3 years. The total contract price is US Dollars 14.48 million.
- b) A subsidiary of the Company has entered into power plant operation and maintenance, and power plant equipment maintenance agreement with PTT Utility Company Limited. The agreements, totalling Baht 140 million, are effective for a period of 10 years.

#### 39.2.6 Project Site Lease Agreement

A subsidiary of the Company entered into a Project Site Lease Agreement with a contractor in the Philippines. The agreement is effective for a period of 25 years commencing from 30 May 2000 and the subsidiary has the right to extend the term for consecutive periods of 5 years each, provided that the extended term does not exceed 50 years in the aggregate.

## 40 Post statement of financial position event

- a) San Buenaventura Power Ltd., Co. ("SBPL") was incorporated in the Philippines on 6 February 2014 by the Group to invest in a power project in the Philippines. The Group holds 49% of total registered share of such company and paid for the share capital of Philippine Peso 147 million, equivalent to Baht 105 million on 6 February 2014.
- b) In February 2014, a subsidiary of the Company entered into interest rate swap agreements to convert floating rates to fix rates for US Dollars loans amount US Dollars 248.97 million (equivalent to Baht 8,226 million) and Thai Baht loans amount Baht 7,852 million. In addition, the subsidiary entered into forward contracts for Thai Baht, US Dollars and Japanese Yen loan to manage exposure of fluctuations in US Dollars and Japanese Yen Currency. The forward contracts consist of Baht 206 million, US Dollars 4.92 million (equivalent to Baht 168 million) and Japanese Yen 8,786 million (equivalent to Baht 2,877 million), respectively.



## Audit Fee for the year 2013

### Audit Fee

In 2013, EGCO and its subsidiaries paid the audit fee of 3,658,000 baht to the Office of the Auditors, comprising EGCO's and subsidiaries' audit fees of 1,757,700 baht and 1,900,300 baht, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

### Non-Audit Fee

EGCO's and subsidiaries' total non-audit fee was 33,338,346 baht, 64,400 US dollars and 126,000 Australian dollars which was already paid of 20,763,092 baht, 64,400 US dollars and 126,000 Australian dollars. In addition, EGCO and its subsidiaries would also be responsible for the expenses of undelivered work of 12,575,254 baht. The details of the non-audit fee were as follows :

#### 1. Payment to the Office of the Auditors :

In 2013, the non-audit fee for the accounting purpose review, the accounting valuation, BOI auditing and the special purpose review at EGCO and its subsidiaries offices was 2,309,460 baht which was already paid of 602,110 baht to the Office of the Auditors. In addition, EGCO and its subsidiaries would also be responsible for the expenses of undelivered work of 1,707,350 baht.

#### 2. Payment to Other Related Parties of the Auditors' Office :

In 2013, the non-audit fee for the advisory services on offshore investment structure, the special purpose review and accounting review was 31,028,886 baht, 64,400 US dollars and 126,000 Australian dollars which was already paid of 20,160,982 baht, 64,400 US dollars and 126,000 Australian dollars to other related parties of the Auditors' office. In addition, EGCO and its subsidiaries would also be responsible for the expenses of undelivered work of 10,867,904 baht.

Management agreed that the engagements of the office of the Auditors and its related parties to provide the non-audit work did not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditors, and. This has been approved by the Audit Committee.



## Report on the donation on behalf of all shareholders who elect to receive the Annual Report in the electronic form

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Starting from 2004, the Company had the policy to present the annual report in CD ROM format to save the cost and to reduce tree cutting over the long term. The Company committed to make a donation to the “Thai Forest Conservation Foundation” which had the objective to conserve the environment on behalf of all shareholders who opt for electronic form.

In 2013, the Company donated the cost saving in this regard to the Thai Forest Conservation Foundation on behalf of all shareholders in the amount of 1,930,026 baht.

The Company thanks all our shareholders and stakeholders who have made this donation and the Company looks forward to your support in the future.

## General Information

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
<b>Electricity Generating Public Company Limited (EGCO)</b> Registration 0107537000866 (No.BorMorJor.333) Head Office 14 <sup>th</sup> , 15 <sup>th</sup> Floor EGCO Tower, 222 Moo 5, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210, Thailand Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9  Rayong Power Plant Bangkok Office 12 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0931 Rayong Office 35 Rayong Highway No. 3191 Huay Pong District, Amphur Muang, Rayong 21150, Thailand Tel. +66 (0) 3868 1012, +66 (0) 3868 1016, +66 (0) 3868 1020 Fax +66 (0) 3868 1784  Sector Energy & Utilities Industry Resources Foreign Limit 44.81% Share of Minor Shareholder (% Free Float) 51.90% Website www.egco.com	Holding Company focusing on Power business and others related to power business          Independent Power Producer (IPP) Electricity Generating and supply business	5,300	10	5,264.65	-

### Subsidiaries

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
<b>Khanom Electricity Generating Company Limited (KEGCO)</b> Office 12 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0932 Site Office 112 Moo 8, Tongnean District, Amphur Khanom, Nakhon Sri Thammarat 80210, Thailand Tel. +66 (0) 7552 9173, +66 (0) 7552 9179 Fax +66 (0) 7552 8358	IPP Electricity Generating and supply business	6,000	10	6,000	99.99
<b>EGCO Engineering &amp; Service Company Limited (ESCO)</b> Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0933 Site Office 35 Rayong Highway No. 3191 Huay Pong District, Amphur Muang, Rayong 21150, Thailand Tel. +66 (0) 3868 2611-4 Fax +66 (0) 3868 2823	Engineering, operation and maintenance services for power plants and manufacturers	400	10	400	99.99

## Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
<b>North Pole Investment Company Limited (North Pole)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office 6 <sup>th</sup> Floor, Tower A, 1 CyberCity, Ebene, Republic of Mauritius	Holding company focusing on investment in electricity generating companies in foreign countries	27,523.11 <sup>1</sup>  (840,769,857 USD)	32.7356 <sup>1</sup>  (1 USD)	27,523.11 <sup>1</sup>  (840,769,857 USD)	100
<b>EGCO International (B.V.I.) Limited (EGCO B.V.I.)</b> (North Pole is the company's 100% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, P.O. Box 3136	Holding company focusing on investment in electricity generating companies in foreign countries	11.46 <sup>1</sup>  (350,000 USD)	32.7356 <sup>1</sup>  (1 USD)	11.46 <sup>1</sup>  (350,000 USD)	100
<b>New Growth Cooperatief U.A. (Coop)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office Schiphol Boulevard 231, 1118BH Schiphol, The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	25,483.61 <sup>1</sup>  (778,467,737 USD)		25,483.61 <sup>1</sup>  (778,467,737 USD)	100
<b>New Growth B.V. (BV)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office Schiphol Boulevard 231, 1118BH Schiphol, The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	1.23 <sup>1</sup>  (37,680 USD)		1.23 <sup>1</sup>  (37,680 USD)	100
<b>Quezon Power (Philippines), Limited Co. (Quezon)</b> (North Pole is the company's 98% indirect shareholder) Office 26/F Orient Square Building, Ortigas Center, pasig City, 1605 Philippines Oversea office Barangay, Cagsiay I, Mauban Quezon Province, Philippines 4330	IPP Electricity Generating and supply business	6,797.26 <sup>1</sup>  (207,641,268 USD)		6,797.26 <sup>1</sup>  (207,641,268 USD)	98
<b>Pearl Energy Philippines Operating, Inc. (PEPOI)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office Barangay, Cagsiay I, Mauban, Quezon, Philippines 4330	Operation and Maintenance of QPL	6.54 <sup>1</sup>  (200,000 USD)		6.54 <sup>1</sup>  (200,000 USD)	100
<b>Quezon Management Service Inc. (QMS)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office 14 <sup>th</sup> Floor Zuellig Building Makati Avnue corner Paseo de Roxas 1225 Makati City, Philippines	Management service for Quezon Power Plant	3.85 <sup>3</sup>  (5,260,000 PESO)		3.85 <sup>3</sup>  (5,260,000 PESO)	100
<b>Mauban Holdings Company Inc. (Mauban)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9	Holding company focusing on investment in electricity generating companies	6.58 <sup>3</sup>  (9,000,000 PESO)	73.11 <sup>3</sup>  (100 PESO)	6.58 <sup>3</sup>  (9,000,000 PESO)	100

## Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
Overseas office 14 <sup>th</sup> Floor Zuellig Building Makati Avenue cor. Paseo de Roxas 1225 Makati City, Philippines					
<b>Millennium Energy B.V. (Millennium)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Overseas office Schiphol Boulevard 231, 1118BH Schiphol, The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 <sup>1</sup>  (1 USD)		0.00 <sup>1</sup>  (1 USD)	100
<b>South Pacific Power Pty Limited (SPPP)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Overseas office Darling Park Tower 2, 201 Sussex Street, Sydney, New South Wales, 2000	Holding company focusing on investment in electricity generating companies in Australia	1,371.05 <sup>4</sup>  (47,183,773 AUD)		1,371.05 <sup>4</sup>  (47,183,773 AUD)	100
<b>Boco Rock Wind Farm Pty Limited (Boco Rock)</b> (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Overseas office 81 Flinders Street, Adelaide, South Australia, 5000 Tel. +61 8 8384 7755 Fax. +61 8 8384 7722	Electricity Generating and supply business	1,089.66 <sup>4</sup>  (37,499,917 AUD)	29.0577 <sup>4</sup>  (1 AUD)	1,089.66 <sup>4</sup>  (37,499,917 AUD)	100
<b>EGCO Cogeneration Company Limited (EGCO Cogen)</b> Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Site Office 222 Moo 8, Mabkha District, Amphur Nikhom Phattana, Rayong 21180, Thailand Tel. +66 (0) 3863 7051-8 Fax +66 (0) 3863 7063	Small Power Producer (SPP) Electricity and steam generating and supply business	1,060	10	1,060	80
<b>EGCO Green Energy Company Limited (EGCO Green)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9	Holding company focusing on power business	175	10	175	74
<b>Roi-Et Green Company Limited (Roi-Et Green)</b> (EGCO Green is the company's 95% shareholder) Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Site Office 222 Moo 10, Nua-Muang District, Amphur Muang, Roi-et 45000, Thailand Tel. +66 (0) 4351 9825-6 Fax +66 (0) 4351 9827	SPP utilizing Biomass as primary fuel	180	10	180	70.30
<b>Agro Energy Company Limited (AE)</b> (ESCO is the company's 99.99% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9	Trading/delivery service of fuel from natural scrap	2	10	2	99.99
<b>Egcom Tara Company Limited (Egcom Tara)</b> (ESCO is the company's 74.19% shareholder) Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0945	Piped water generating and supply business	345	10	345	74.19

## Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
Site office - Plant 1 332 Moo 2, Pongsawai District, Amphur Muang, Ratchburi 70000, Thailand - Plant 2 250 Moo 1, Pangpuay District, Amphur Damneansaduak Ratchburi 70130, Thailand					
<b>SPP Two Company Limited (SPP 2)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Site Office Salangpan District, Amphur Wang Muang, Saraburi 18220, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	196.7	10	196.7	99.99
<b>SPP Three Company Limited (SPP 3)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Site Office Tha-Klor District, Amphur Benjaluck, Srisaket 33110, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	197.5	10	197.5	99.99
<b>SPP Four Company Limited (SPP 4)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Site Office Tha-Klor District, Amphur Benjaluck, Srisaket 33110, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	148.7	10	148.7	99.99
<b>SPP Five Company Limited (SPP 5)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Site Office Koomueng District, Amphur Muengsuang Roi-Et, Thailand 45220	VSPP Electricity Generating and Supply Business using Solar Power	198.4	10	198.4	99.99
<b>Theppana Wind Farm Company Limited (Theppana)</b> Office EGCO Tower Tel. +66 (0) 2998 5999 Fax +66 (0) 2955 0956-9	VSPP Electricity Generating and Supply Business using Wind Power	157.32	100	145.23	90
<b>Yanhee EGCO Holding Company Limited (Yanhee EGCO)</b> Office EGCO Tower Tel. +66 (0) 2998 5999 Fax +66 (0) 2955 0956-9	VSPP Electricity Generating and Supply Business using Solar Power	10	100	10	49
<b>Solarco Company Limited (Solarco)</b> (Yanhee EGCO is the company's 99.98% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5999 Fax +66 (0) 2955 0956-9	VSPP Electricity Generating and Supply Business using Solar Power	1,650	100	1,650	49
<b>Chaiyaphum Wind Farm Company Limited (Chaiyaphum)</b> Office EGCO Tower Tel. +66 (0) 2998 5999 Fax +66 (0) 2955 0956-9	Small Power Producer (SPP) Electricity Generating and Supply Business using Wind Power	6.55	10	6.55	99.99
<b>Klongluang Utilities Company Limited (TJ Cogen, Klongluang)</b> Office EGCO Tower Tel. +66 (0) 2998 5999 Fax +66 (0) 2955 0956-9	Small Power Producer (SPP) Electricity and steam generating and supply business	10	10	10	99.99

## Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
<b>Banpong Utilities Company Limited (SK Cogen &amp; TP Cogen, Banpong)</b> Office EGCO Tower Tel. +66 (0) 2998 5999 Fax +66 (0) 2955 0956-9	Small Power Producer (SPP) Electricity and steam generating and supply business	10	10	10	99.99

## Joint Ventures

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
<b>Gulf Electric Public Company Limited (GEC)</b> Office No.87, 11 <sup>th</sup> Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax +66 (0) 2654 0156-7 Website <a href="http://www.gulfelectric.co.th">http://www.gulfelectric.co.th</a>	Holding company focusing on IPP and SPP	14,000	10	13,784.35	50
<b>Gulf Energy Company Limited (GEN)</b> (GEC is the company's 100% shareholder) Office No.87, 8 <sup>th</sup> Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax +66 (0) 2654 0156-7	Holding company focusing on IPP and SPP	9,782	10	9,782	50
<b>Gulf IPP Company Limited (GIPP)</b> (GEC is the company's 100% shareholder) Office No.87, 8 <sup>th</sup> Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax +66 (0) 2654 0156-7	Holding company focusing on IPP	9,779	10	9,782	50
<b>Gulf Power Generation Company Limited (GPG)</b> (GEC is the company's 100% shareholder) Site office 64 Moo 2 Ban Pa District, Amphur Kaeng Khoi, Saraburi 18110, Thailand Tel. +66 (0) 3624 8305 Fax. +66 (0) 3624 8314, +66 (0) 3625 1344	Independent Power Producer (IPP) Electricity Generating and supply business	9,607	10	9,607	50
<b>Gulf Cogeneration Company Limited (GCC)</b> (GEC is the company's 100% shareholder) Site office 79 Moo 3, Tandeow District, Amphur Kaeng Khoi, Saraburi 18110, Thailand Tel. +66 (0) 3624 6531 Fax +66 (0) 3624 8020	Small Power Producer (SPP) Electricity and steam generating and supply business	850	10	850	50
<b>Nong Khae Cogeneration Company Limited (NKCC)</b> (GEC is the company's 100% shareholder) Site office 111/11 Moo 7 Nongplamor District, Amphur Nong Khae, Saraburi 18140, Thailand	Small Power Producer (SPP) Electricity and steam generating and supply business	1,241.72	74	1,241.72	50

## Joint Ventures (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
Tel. +66 (0) 3637 3676 Fax +66 (0) 3637 3691 <b>Samutprakarn Cogeneration Company Limited (SCC)</b> (GEC is the company's 100% shareholder) Site office 745 Moo 2 Bang Pu Mai District, Amphur Muang, Samutprakarn 10280, Thailand Tel. +66 (0) 2709 0751 Fax +66 (0) 2709 1842	Small Power Producer (SPP) Electricity and steam generating and supply business	981.54	76	981.54	50
<b>Gulf Yala Green Company Limited (GYG)</b> (GEC is the company's 100% shareholder) Site office 80 Moo 1, Pron District, Amphur Muang, Yala 95160, Thailand Tel. +66 (0) 7325 2721 Fax +66 (0) 7325 2722	SPP utilizing Biomass as primary fuel	460	10	460	50
<b>BLCP Power Limited (BLCP)</b> Office No. 9, I-8 Road, Map Ta Phut Industrial Estate, Amphur Map Ta Phut, Rayong 21150, Thailand Tel. +66 (0) 3892 5100, Fax. +66 (0) 3892 5199	IPP Electricity Generating and supply business	12,010	100	12,010	50
<b>Nam Theun 2 Power Company Limited (NTPC)</b> Office Unit 9, Tat Luang Road Nongbone Village, P.O. Box 5862 Vientiane, Lao PDR Tel. (856-21) 263 900 Fax (856-21) 263 901	IPP Electricity Generating and supply business	14,931.02 <sup>1</sup> (450,000,000 USD)	3,273.56 <sup>1</sup> (100 USD)	12,226.75 <sup>1</sup> (373,500,000 USD)	35
<b>Natural Energy Development Company Limited (NED)</b> Office 188 Moo 3, Wang Ploeng Sub-District, Khok Samrong District, Lopburi 15120, Thailand Site Office 188 Moo 3, Wang Ploeng Sub-District, Khok Samrong District, Lopburi 15120, Thailand Tel. +66 (0) 3641 8400 Fax +66 (0) 3641 8401	SPP Electricity Generating and Supply Business using Solar Power	2,304	10	2,283	33.33
<b>NED Wind Company Limited (NED Wind)</b> (NED is the company's 100 % shareholder) Office 188 Moo 3, Wang Ploeng Sub-District, Khok Samrong District, Lopburi 15120, Thailand	VSPP Electricity Generating and Supply Business using Wind Power	6	10	6	33.33
<b>G-Power Source Company Limited (GPS)</b> Office 1046 Nakornchaisri Rd., Nakornchaisri, Dusit, Bangkok 10300 Thailand Tel. +66 (0) 2242 5800 Fax +66 (0) 2242 5832 Site Office - Branch 1 : 11/1,111,111/1 Moo 11 Tumbon Dong Khon, Amphoe Sankhaburi, Chai Nat 17140 - Branch 2 : 11/1,11/11 Moo 5 Tumbon Ta Khit, Amphoe Banphot Phisai, Nakhon Sawan 60180 - Branch 3 : 11,11/1 Moo 2 Tumbon Ta Sang, Amphoe Banphot Phisai, Nakhon Sawan 60180	VSPP Electricity Generating and Supply Business using Solar Power	930	100	894	60



## Joint Ventures (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
- Branch 4 : 311,311/1 Moo 2 Tumbon Sap Samo Thot, Amphoe Bueng Sam Phan, Phetchabun 67160					
<b>GIDEC Company Limited (GIDEC)</b> Office 408/70 Paholyothin Place Tower 16 <sup>th</sup> Floor Paholyothin Road, Samsennai, Phayathai, Bangkok 10400 Thailand Site Office Sanambin Panij Road, Moo 3 Kuanlung, Hat Yai, Song Khla 90110, Thailand	VSPP Electricity Generating and Supply Business using waste	400	100	400	50
<b>PT Manambang Maura Enim (MME)</b> (North Pole is the company's 40% indirect shareholder) Head Office BRI2 Building, 30 <sup>th</sup> Floor, Jalan Jendral Sudirman Kavling 44-46, Jakarta 10210 Indonesia Site Office Lawang Kidul and Tanjung Enim, Muara Enim City, Sumatera Selatan (South Sumatra) Province, Indonesia	COAL MINING industry, covering coal mining, coal concession development, coal trading and shipping	1,947.53 <sup>2</sup>  750,000,000 (Thousand Rupiah)	2,596.7 <sup>2</sup>  1,000 (Thousand Rupiah)	486.88 <sup>2</sup>  187,500,000 (Thousand Rupiah)	40
<b>Kalilayan Power Inc. (Kalilayan)</b> (North Pole is the company's 49% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax +66 (0) 2955 0956-9 Oversea office 62 H. Dela Costa Street, Barangay Daungan Mauban, Quezon Province, Philippines	Holding company investing in San Buenaventura Power Ltd	6.58 <sup>3</sup>  (9,000,000 PESO)	7.31 <sup>3</sup>  (10 PESO)	6.58 <sup>3</sup>  (9,000,000 PESO)	49

## Other

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct + Indirect) (%)
<b>Eastern Water Resources Development and Management Public Company Limited (East Water)</b> Office 23-26/F Eastwater Building, 1Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900, Thailand Tel. +66 (0) 2272 1600 Fax +66 (0) 2272 1601-3 Website www.eastwater.com	Water resources development and management for supplying raw water to the customers	1,663.73	1	1,663.73	18.72
<b>Xayaburi Power Company Limited (XPCL)</b> Office 215 Lanexang Avenue, Ban Siang Yuen Chantaburi District, Vientiane, Lao PDR Tel. (856-21) 223 215, 252 060 Fax (856-21) 215 500	Feasibility study on Hydroelectric project in Lao PDR	26,861	10	5,790	12.5

Note : The Exchange rate as at December 27, 2013

<sup>/1</sup> 1 USD = Baht 32.7356

<sup>/2</sup> 1,000 Rupiah = Baht 2.5967

<sup>/3</sup> 1 PESO = Baht 0.7311

<sup>/4</sup> 1 AUD = Baht 29.0577

## Referenced Persons

Regulator	<p>Securities and Exchange Commission, Thailand 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand</p> <p>Tel +66 (0) 2695 9999 Fax. +66 (0) 2695 9660 E-mail : info@sec.or.th Website : www.sec.or.th</p>
Regulator	<p>The Stock Exchange of Thailand The Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand</p> <p>Tel +66 (0) 2229 2000, +66 (0) 2654 5656 Fax. +66 (0) 2229 2030, +66 (0) 2654 5649 S-E-T Call Center +66 (0) 2229 2222 E-mail : SETCallCenter@set.or.th Website : www.set.or.th</p>
Share and Debenture registrar	<p>Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building, 62 Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand</p> <p>Tel +66 (0) 2229 2800 Fax. +66 (0) 2359 1259 Call Center +66 (0) 2229 2888 E-mail : contact.tsd@set.or.th Website : www.tsd.co.th</p>
Auditor	<ol style="list-style-type: none"> <li>1. Mr. Somchai Jinnovart Certified Public Accountant (Thailand) No. 3271</li> <li>2. Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977</li> <li>3. Ms. Amornrat Pearmpoonvatanasuk Certified Public Accountant (Thailand) No. 4599</li> </ol> <p>PricewaterhouseCoopers ABAS Limited 15<sup>th</sup> Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand</p> <p>Tel +66 (0) 2286 9999, +66 (0) 2344 1000 Fax. +66 (0) 2286 5050</p>

## Index of articles required for the 56-2 form

(This is prepared in accordance with the Notification of the Capital Market Supervisory Board no. Tor Jor 44/2556 re: Criteria and Conditions of Information Disclosure on financial status and operation performance of Listed Company)

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The investors can find further information of the Listed Company from the Company's Annual Registration Statement (form 56-1) which is posted on [www.sec.or.th](http://www.sec.or.th) or [www.egco.com](http://www.egco.com)

## Glossary

### 1. Companies

AE	Agro Energy Company Limited
APMC	Alto Power Management Corporation
APPC	Absolute Power P Company Limited
BLCP	BLCP Power Limited
Boco Rock	Boco Rock Wind Farm Pty Limited
BV	New Growth B.V.
Chaiyaphum	Chaiyaphum Wind Farm Company Limited
Conal	Conal Holdings Corporation
Coop	New Growth Cooperatief U.A.
DGA	Diamond Generating Asia, Limited
East Water	East Water Resources Development and Management Public Company Limited
EGCO	Electricity Generating Public Company Limited
EGCO BVI	EGCO International (B.V.I.) Limited
EGCO Cogen	EGCO Cogeneration Company Limited
EGCO Green	EGCO Green Energy Company Limited
Egcom Tara	Egcom Tara Company Limited
ESCO	EGCO Engineering and Service Company Limited
GCC	Gulf Cogeneration Company Limited
GEC	Gulf Electric Public Company Limited
GEN	Gulf Energy Company Limited
GIDEC	GIDEC Company Limited
GIPP	Gulf IPP Company Limited
GPG	Gulf Power Generation Company Limited
GPS	G-Power Source Company Limited
Group companies, EGCO Group	Electricity Generating Public Company Limited and its subsidiaries and joint venture companies.
Gunkul	Gunkul Engineering Public Company Limited
GYG	Gulf Yala Green Company Limited

Kalilayan	Kalilayan Power Inc.
KEGCO	Khanom Electricity Generating Company Limited
Mauban	Mauban Holdings Company Inc.
Millennium	Millennium Energy B.V.
MME	PT Manambang Muara Enim Company Limited
NED	Natural Energy Development Company Limited
NED Wind	NED Wind Company Limited
NKCC	Nong Khae Cogeneration Company Limited
North Pole	North Pole Investment Company Limited
NTPC	Nam Theun 2 Power Company Limited
OneEnergy	OneEnergy Thailand Limited
PEPOI	Pearl Energy Philippines Operating Inc.
QMS	Quezon Management Service Inc.
Quezon	Quezon Power (Philippines) Limited Company
Roi-Et Green	Roi-Et Green Company Limited
RYPP	Rayong Power Plant
San Buenaventura	San Buenaventura Power Ltd
SCC	Samutprakarn Cogeneration Company Limited
SK Cogen & TP Cogen	Banpong Utilities Company Limited
Solarco	Solarco Company Limited
SPP 2	SPP Two Company Limited
SPP 3	SPP Three Company Limited
SPP 4	SPP Four Company Limited
SPP 5	SPP Five Company Limited
SPPC	Southern Philippines Power Corporation
SPPP	South Pacific Power Pty Limited
TEPDIA	TEPDIA Generating B.V.
Theppana	Theppana Wind Farm Company Limited
TJ Cogen	Klongluang Utilities Company Limited
WMPC	Western Mindanao Power Corporation
XPCL	Xayaburi Power Company Limited
Yanhee EGCO	Yanhee EGCO Holding Company Limited

## 2. Government Organizations

EGAT	Electricity Generating Authority of Thailand
EPPO	Energy Policy and Planning Office
ERC	Energy Regulatory Commission
NEPC	National Energy Policy Commission
PEA	Provincial Electricity Authority
PWA	Provincial Waterworks Authority
SEC	Security and Exchange Commission, Thailand
SET	Stock Exchange of Thailand

## 3. Other Institutions

COSO	The Committee of Sponsoring Organizations of the Treadway Commission
IOD	Thai Institute of Directors
JBIC	Japan Bank for International Corporation

## 4. Technical Terms

Associated Company	<p>A company that :</p> <p>A) Listed company or its subsidiaries hold 20.00% (twenty percent) or more, but not more than 50.00% (fifty percent) of its overall voting stock.</p> <p>B) Listed company or its subsidiary has influence, but not controlling power, over its monetary and operational policies. (The company is not deemed to be a subsidiary or joint venture.)</p> <p>Shareholdings referred to above include those held by related persons.</p>
Controlling Person	<p>A shareholder or person who, through its behavior, can significantly influence the policy, management and operations of a listed company. This is irrespective of the source of its authority: through its rights, contracts, or any others.</p> <p>Specially a “controlling person” includes, but it is not limited to, one who :</p> <p>A) Has direct or indirect voting rights exceeding 25.00% (twenty-five percent) of the total company votes.</p> <p>B) Through its behavior, has control over the appointment or removal of company directors.</p>

	<p>C) Through its behavior, has de facto control or undue influence over policy, controlling those company members authorized to determine management and operational policies.</p> <p>D) Through its behavior, acts or has the power to act in the same manner as the company management. This includes those who hold other positions in the company, but are able to act in the same manner as the company management.</p>
<b>IPP</b>	Independent Power Producer
<b>Major Shareholder</b>	A shareholder, whose shares in a listed company exceeds 10.00% (ten percent) of the listed company's overall voting shares.
<b>PDP</b>	Power Development Plan
<b>SPP</b>	Small Power Producer
<b>Subsidiary Company</b>	<p>A) Listed company holds over 50.00% (fifty percent) of its total voting shares.</p> <p>B) A company referred to in (A) holds over 50.00 (fifty percent) of its total voting shares.</p> <p>C) Is held by another company in a chain of ownership, no matter how many number in the chain, ending with the company referred to in (B) and</p> <p>D) A company that the company referred to in (A), (B), or (C) hold over 50.00% (fifty percent) of its overall voting stock, either directly or indirectly.</p> <p>E) A company that the company referred to in (A), (B), (C) or (D) have controlling power over its monetary and operational policies, and are able direct and gain interest on its activities.</p> <p>The holding of (A), (B), (C), or (D) is included those held by related persons.</p>
<b>VSPP</b>	Very Small Power Producer







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