

# Annual Report 2010

Ratchaburi Electricity Generating Holding  
Public Company Limited

2000



2004



2006



2009



10 ปีแห่งความสำเร็จ  
A decade of solid growth

2001



2003

2005



2007



NEXT



2002



2008

2010



RATCHABURI  
ELECTRICITY GENERATING  
HOLDING PCL.

บริษัท ผลิตไฟฟ้าราชบุรีโฮลดิ้ง จำกัด (มหาชน)

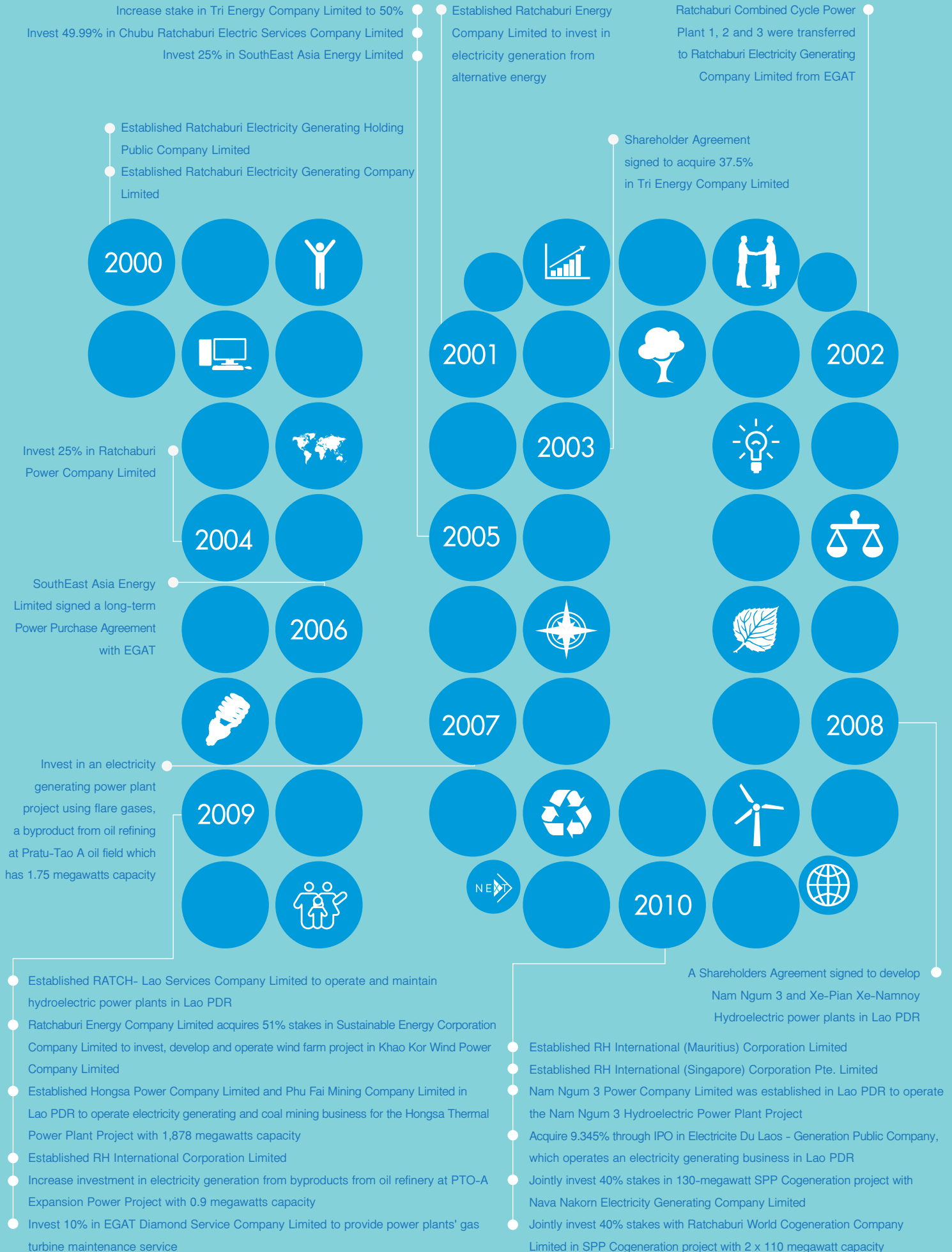


# 10 YEARS

During a decade of being Thailand's leading power producer, Ratchaburi Electricity Generating Holding Public Company Limited has been committed in electricity generation to strengthen the country's power system reliability. In Thailand, the Company has 8 commercially operated power plants and under development and construction power plant projects with total generating capacity of 4,535 megawatts. It has 4 projects in Lao PDR with total generating capacity of 1,112.45 megawatts. The renewable energy projects have been initiated and operated with an ultimate goal to help reduce the impact from global warming. The Company has been strongly and sincerely committed to corporate governance principles and high responsibility towards communities and society as it is believed that all these efforts are a path to its goal as "A leading independent power producer in the region trusted by the public".

“Our commitment to growing our business sustainably under the corporate governance principles and with social responsibility throughout the past 10 years of our journey”







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# Entering the Second Decade

## Vision

“To be a leading independent power producer in the region trusted by public”

## Mission

“To invest, develop and operate electricity generation and related business”

## Policies

1. To expand electricity generation and selling with the following priorities;
  - 1.1 To meet local demand
  - 1.2 To increase international production capacity to promote corporate growth
2. To enter into the renewable energy and alternative energy businesses in order to create future business opportunities
3. To enter into related businesses to increase return generation
4. To create preferable returns for shareholders with commitment to the benefits of the society as a whole
5. To invest in core business with at least 25 per cent stake in each project
6. To strengthen positive relationship with strategic partners, stakeholders and networks based on mutual benefits
7. To maintain on-going relationship with communities with environmental and social responsibility for being entrusted
8. To strengthen competitive potential and promote employees' quality of work life
9. To comply with all occupational health & safety standards
10. To promote the good corporate governance and transparency

A decade  
of solid growth

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# “10-Year Journey”

## 2000



- Establishment of Ratchaburi Electricity Generating Holding Public Company Limited (the Company)
- 7 March: Ratchaburi Electricity Generating Holding Public Company Limited was established with 300 million Baht initial registered capital.

- 18 August: Became a public company and capital raised to 14,500 million Baht

- 13 October: Listed on the Stock Exchange of Thailand and implemented the initial public offering.

- 2 November: RATCH was traded on the Stock Exchange of Thailand.



- Establishment of Ratchaburi Electricity Generating Company Limited

- 20 March: Ratchaburi Electricity Generating Company Limited was established to operate power generating business

- 31 October: Assets were transferred from Electricity Generating Authority of Thailand (EGAT) to Ratchaburi Electricity Generating Company Limited



## 2007

- Investing in a 1.75MW flare gas-fixed power plant project, a by product from PTO-A Associated Gas Power Plant.



## 2009



- Investing in Sustainable Energy Corporation Company Limited to develop and operate Khao Kor Wind Power Company Limited's 60-MW wind farm project. (Ratchaburi Energy Company Limited has 51% stake)

- Investing in the PTO-A Expansion Gas Power Plant Project with 0.9 MW capacity.



- 8 May: Establishing RATCH-Lao Services Company Limited to provide operation and maintenance services for hydroelectric power plant in Lao PDR.



- 15 July: Hongsa Power Company Limited was established in Lao PDR to operate 1,878-MW thermal power plant. (the Company holds 40% stake)



- 1 September: Phu Fai Mining Company Limited was established in Lao PDR to operate coal mine for Hongsa Thermal Power Plant. (the Company holds 37.5% stake)

- 28 October: Establishing RH International Corporation Limited to invest, develop and operate electricity generating business overseas.

- 28 October: Investing 10% stake in EGAT Diamond Service Company Limited to provide gas turbine equipment maintenance for electricity generation.





10  
Years  
for powering  
the future



2001



- 4 September: Establishing Ratchaburi Energy Company Limited to invest in alternative energy business.



2003



- 7 November: shareholders agreement signed to acquired 37.5% stake in Tri Energy Company Limited to operate 700 MW Combined Cycle Power Plant.



2005



- 9 March: Increasing shareholding stake in Tri Energy Company Limited to 50%.
- 29 September: Investing 49.99% in Chubu Ratchaburi Electric Services Company Limited to provide power plant operation and maintenance services.
- 3 November: Signing a joint venture agreement to invest 25% in SouthEast Asia Energy Limited to operate the 615-MW Nam Ngum2 Hydroelectric Power Plant in Lao PDR.



2004



- 27 February: Investing 25% stake in Ratchaburi Power Company Limited to operates a 1,400 MW Combined Cycle Power Plant.

2010



- 11 March: Signing a Tariff MOU with EGAT for the Nam Ngum 3 Hydroelectric Power Plant Project.
- 5 August: Establishing RH International (Mauritius) Corporation Limited to invest, develop and operate electricity generating and related businesses overseas.
- 6 August: Establishing RH International (Singapore) Corporation Pte. Limited to invest, develop and operate electricity generating and related businesses overseas.
- 16 August: Signing a Tariff MOU with EGAT for the Xe-Pian Xe-Namnoy Hydroelectric Power Plant
- 28 October: Establishing Nam Ngum 3 Power Company Limited to operate the 440-MW Nam Ngum 3 Hydroelectric Power Plant in Lao PDR. (The Company holds 25% in this joint venture.)
- Acquiring 9.345% IPO shares in Electricite Du Laos - Generation Public Company which operates electricity generating business in Lao PDR
- Investing 40% in the 130-MW SPP Cogeneration plant with Nava Nakhon Electricity Generating Company Limited
- Investing 40% in the 2x110-MW SPP Cogeneration project with Ratchaburi World Cogeneration Company Limited





A decade of solid growth



## 1. Thailand's leading independent power producer

With our commitment to creating constant growth, the Company has expanded its generating capacity from 1,470 megawatts in 2000 to 5,647.45 megawatts today. Our growth has been continuously extended overseas, including Lao PDR and other countries within the region.

A decade of solid growth



## 2. Healthy cash flow, healthy finance

For a decade, Ratchaburi Electricity Generating Holding Public Company Limited has enjoyed strong profitability. Its cash flow is very healthy thanks to constant contribution from its subsidiaries and long-term power purchase agreements signed with EGAT, its major power purchaser. The strong financial status has earned the Company impressive rating from leading domestic and international rating firms.

# A decade of solid growth



## 3. Regular dividend payment

Contributing good return to shareholders is among the Company's top prioritised targets. Since its inception, the Company has regularly paid dividend to the shareholders at 6 per cent on average.



## A decade of solid growth



### 4. Sustainable growth

Step by step, the Company has gradually and constantly increased its generating capacity through the past 10 years. Today, its installed capacity, according to the shareholding proportion, is 4,535 megawatts from domestic power plants plus 1,112.45 megawatts from the investment in Lao PDR.

## A decade of solid growth



### 5. Strengthen the country's electricity security

As one of the largest independent power producers, the Company's total installed capacity accounts for 14 per cent of Thailand's total capacity. This significantly contributes to the country's electricity supply security and can best address the increasing demand for electricity in the country.

A decade of solid growth



## 6. Corporate governance at the heart

The corporate governance principles have formed strong foundation for the Company's growth. Ethics, moral, integrity, transparency and responsibility towards all stakeholders are the guidelines that shape the Company's management and operations while fueling Thailand's economic growth.



A decade of solid growth



## 7. Dedicated professionals

People are our most valuable assets. Five corporate values - Respect, Accountability, Teamwork, Creativity and Honesty - have been instilled among all employees. We also focus on helping our people to constantly improve their skills and competency, which results in a pool of professionals dedicated to driving the Company towards success.

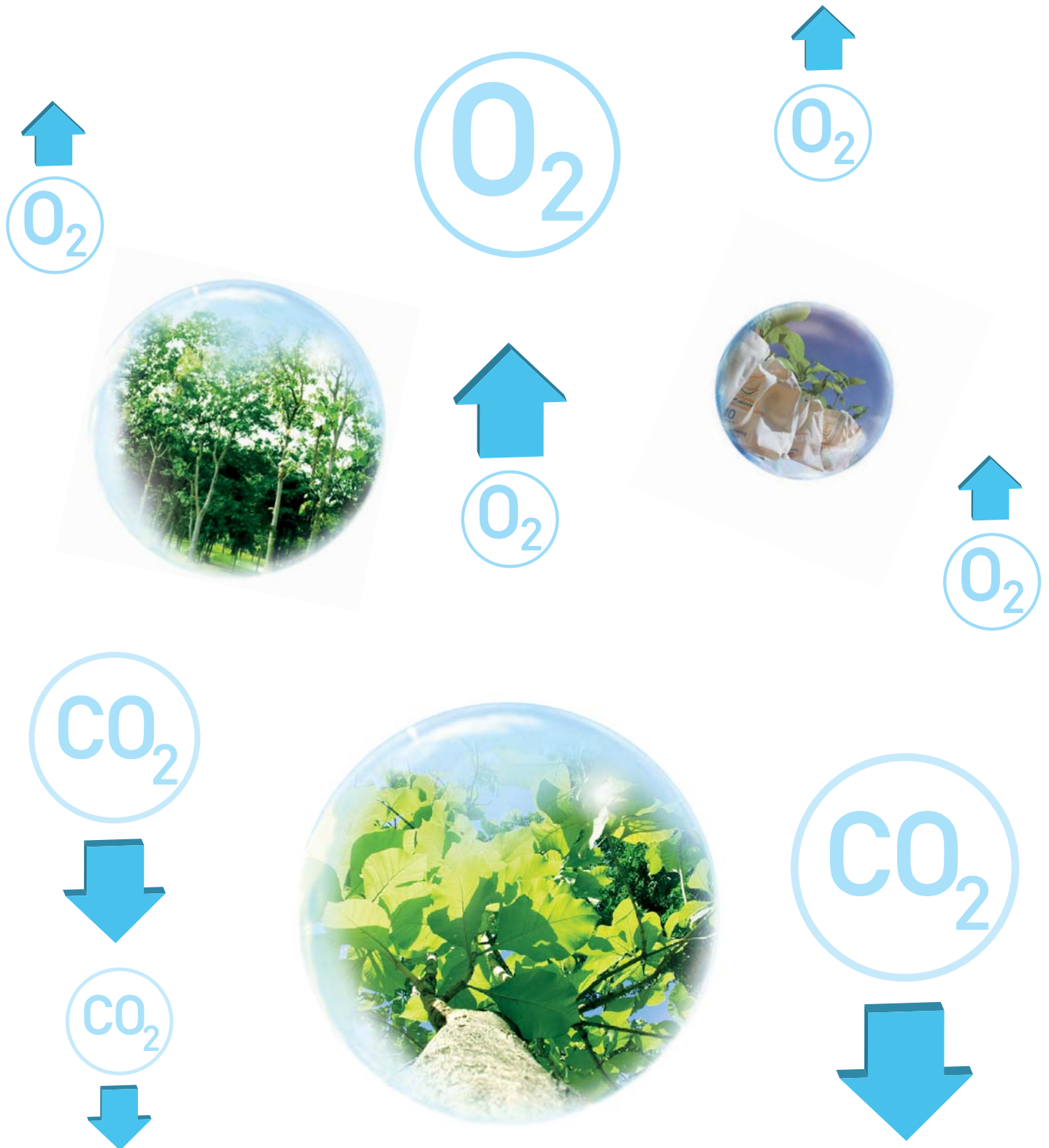
A decade of solid growth



## 8. In Green Energy we trust

Seeking and developing renewable energy for electricity generation is one of our commitments. Wind, solar power and biomass are among potential alternative energy sources that not only reduce fossil fuel import and consumption, but also ensure greater variety of fuel sources for electricity generating, which significantly enhances the country's electricity security.

## A decade of solid growth



### 9. Environmental care, less emission

Environment is at the center of our business. Environment quality management has been continuously improved at all our plants. Innovative technologies have been deployed to reduce  $CO_2$  emission to the level well below legal requirement, thus reducing global warming which seriously affects climate change.





## A decade of solid growth



### 10. Better community, better life

“Being a good neighbor” forms the core of our social responsibility practice. We have been seriously helping communities improving their quality of life. In parallel to quality living, forest conservation is promoted by encouraging community participation to effectively maintain forests as the sustainable sources of foods and water for the public at large.

## Financial Overview

As of 31 December 2010, the Company's total generating capacity according to its shareholding is 4,347.65 megawatts (MW), including those contributed by its subsidiaries and joint ventures' power plants as follow:

### Subsidiaries

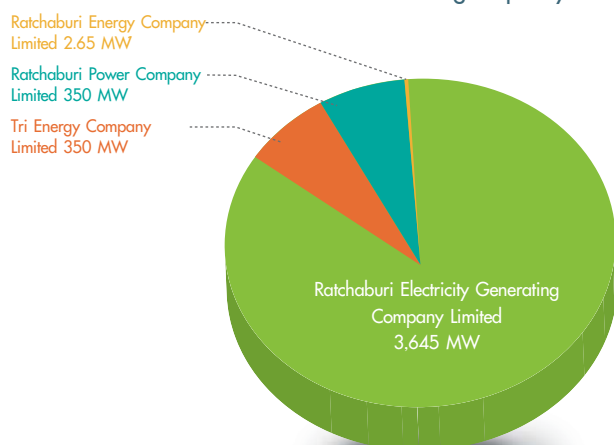
1. Ratchaburi Electricity Generating Company Limited: 3,645 MW
2. Ratchaburi Energy Company Limited PTO-A and its expansion project: 1.75 MW and 0.90 MW respectively

### Jointly-Controlled Entities

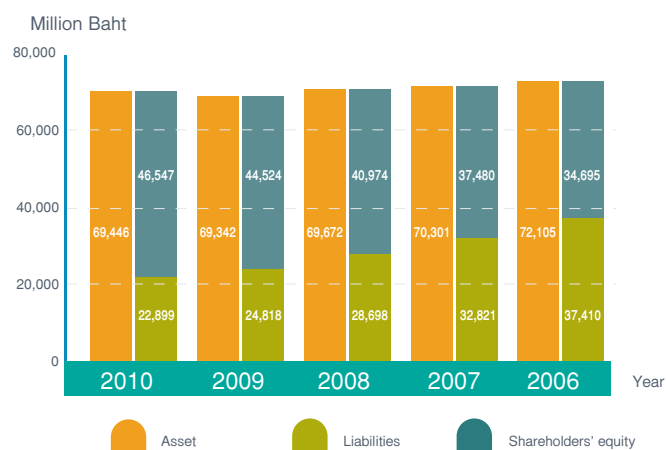
1. Tri Energy Company Limited: 350 MW
2. Ratchaburi Power Company Limited: 350 MW

Thanks to the strong performance of the four power plants, the Company's consolidated income for 2010 is as high as Baht 44,248.76 million and its net profit is Baht 5,220.41 million. Total assets as of 31 December 2010 is Baht 69,446.40 million.

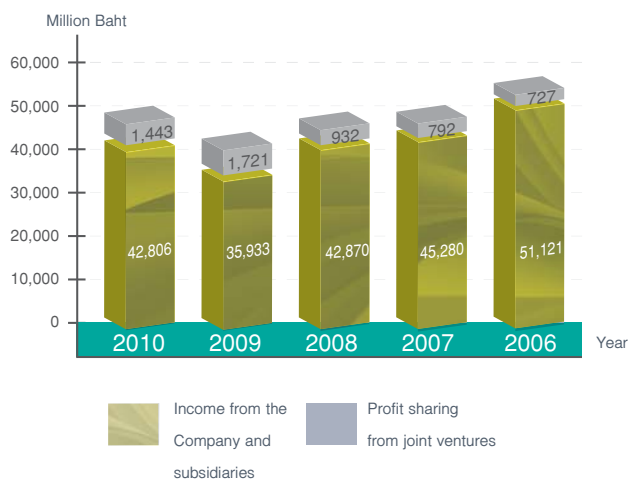
Generating Capacity



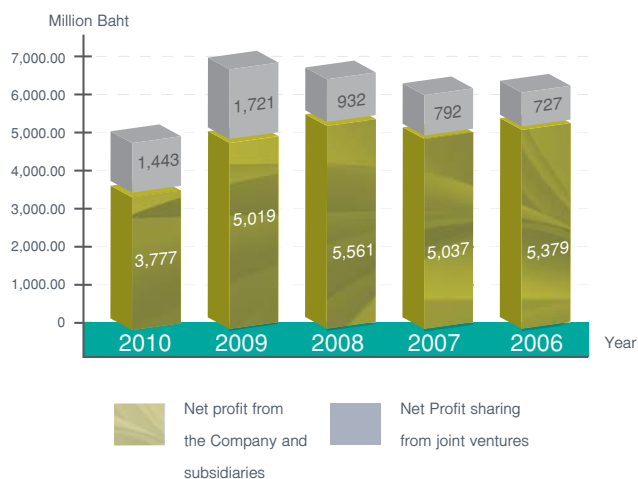
Balance Sheet



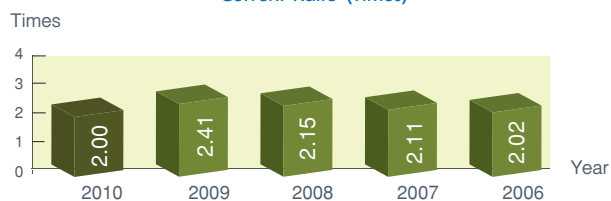
Consolidated Income



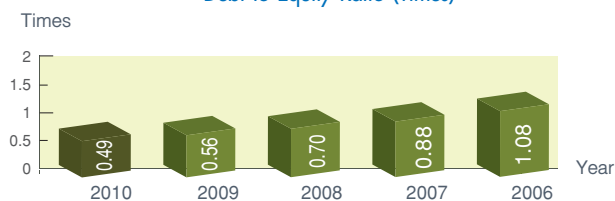
Net Profit



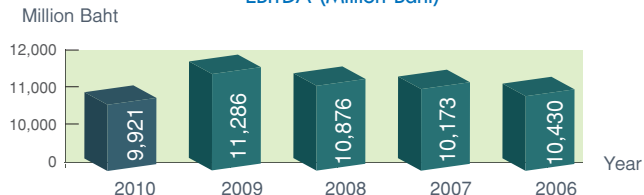
Current Ratio (Times)



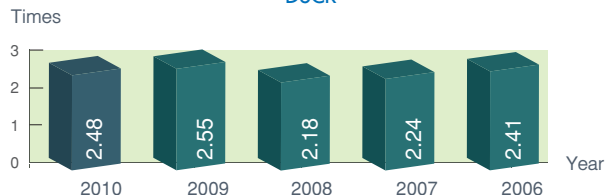
Debt to Equity Ratio (Times)



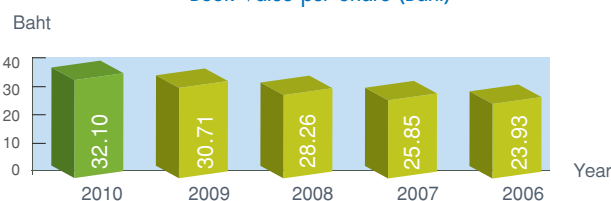
EBITDA (Million Baht)



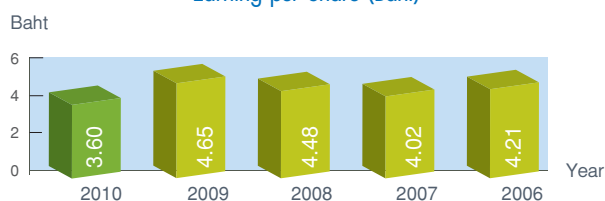
DSCR



Book Value per Share (Baht)



Earning per Share (Baht)



## Financial Overview

	2010	2009	2008	2007	2006
<b>Profit and Loss</b> (Million Baht)					
Total Revenues	44,248.76	37,653.83	43,801.85	46,072.34	51,848.22
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	9,920.91	11,285.96	10,876.44	10,172.99	10,430.12
Net Profit	5,220.41	6,739.60	6,492.90	5,829.40	6,106.04
<b>Balance Sheet</b> (Million Baht)					
Assets	69,446.40	69,341.82	69,672.44	70,300.93	72,105.05
Liabilities	22,899.24	24,817.69	28,697.90	32,821.13	37,409.65
Shareholders' Equity	46,547.16	44,524.13	40,974.54	37,479.80	34,695.40
<b>Shares or Information about Ordinary Share:</b>					
Book Value per Share (Baht)	32.10	30.71	28.26	25.85	23.93
Earning per Share (Baht)	3.60	4.65	4.48	4.02	4.21
Dividend per Share (Baht)	2.25	2.25	2.20	2.10	2.10
Dividend Payout Ratio (%)	62.50	48.41	49.13	52.24	49.87
Share Price at Closing Date (Baht)	38.25	35.25	42.75	45.75	43.00
<b>Financial Ratios</b>					
Current Ratio (Times)	2.00	2.41	2.15	2.11	2.02
Net profit margin (%)	11.80	17.90	14.82	12.65	11.78
Return on equity (%)	11.46	15.77	16.55	16.15	18.45
Return on assets (%)	7.52	9.70	9.28	8.19	8.60
EBITDA to assets ratio (%)	14.30	16.24	15.54	14.29	14.69
Debt to Equity Ratio (Times)	0.49	0.56	0.70	0.88	1.08
Debt service coverage ratio (DSCR) (Times)	2.48	2.55	2.18	2.24	2.41

# 2010 Operating Performance Summary

## 1. Growth and Investment Expansion

### 1.1 Investment in Core Business Domestic Electricity Development Projects

#### *Joint Investment and Development of a Small Power Plant*

The Company and its business partners have participated in the bidding for small power plant (SPP) firm contract according to the invitation announced by Electricity Generating Authority of Thailand (EGAT) in September 2010. Out of the four projects applied, the Company's proposals for three projects passed the selection process. The three projects are as follows:

(1) Nava Nakorn Electricity Generating Company Limited's SPP Cogeneration project located in Nava Nakorn Industrial Promotion Zone in Pathum Thani Province. The Company proposed for two projects and one was selected. The 130-megawatt project is a joint venture between Nava Nakorn Public Company Limited and the Company. the Company has 40 per cent stake in the joint venture.

(2) Ratchaburi World Cogeneration Company Limited SPP Cogeneration project in Ratchaburi Industrial Estate: The Company's proposals for both projects were selected. Each of the projects has a capacity to produce 110 megawatts of electricity. The Company invests in this joint venture with Thai World Power Company Limited. The Company holds 40 per cent stake in this joint venture.

EGAT will purchase 90 megawatts of electricity from each of the three projects under the SPP firm power purchase agreements. This provides the Company with constant revenue. Excess electricity generated from these projects and steam will be sold to industrial plants located in these industrial estates. As a result, the Company will earn more revenue from this activity. It is expected that the three projects will be completed and start commercial operations in 2015.

#### *PTO - A Power Plant and Expansion Project*

Following the success of the 1.75-megawatt flare gas fired PTO - A Power Plant in Sukhothai Province, the Company, through Ratchaburi Energy Company Limited, has invested in the Expansion Project. The 0.9 megawatt power plant, located adjacent to the existing plant uses natural gas from the Pratu - Thao A field. The project, which has already

started commercial operations on 2 December 2010, will increase electricity security for nearby communities. The combined power production capacity of 2.6 megawatts will help reduce bunker fuel import for electricity generation by 4.5 million litres per year.

#### *Sao Thien Power Plant Project*

Through Ratchaburi Energy Company Limited, the Company invested in the Sao Thien-A Project, which produces electricity from oil refinery byproducts at Sao Thien-A field, Sukhothai Province, to supply to the Provincial Electricity Authority. The project has a combined production capacity of 3.6 megawatts. A public hearing was organized and approval was granted by Communities and District Administration Office. The Company received written confirmation from the Provincial Electricity Authority on 20 August 2010. The project also applied for promotional privilege from the Board of Investment and permissions from related government offices. It is expected that the construction will be commenced in March 2011.

#### *Overseas Projects*

The Company and its partners have further developed four power plant projects with combined production capacity of 3,323 megawatts, 1,112.45 megawatts of which is contributed by the Company, in Lao PDR. The development of these projects has progressed well. Significant progress in the past year included negotiation on core agreements, including Power Purchase Agreement, Shareholder Agreement and Concession Agreement as well as financial support to fund these projects.





#### ***Nam Ngum 2 Hydroelectric Power Plant***

In 2010, the construction of the 615-megawatt Nam Ngum 2 Hydroelectric Power Plant in Lao PDR was completed and successfully performed test run to distribute electricity to EGAT's system. The project has been ready for producing and selling electricity according to the conditions set in the power purchase agreement even before the initial operation date scheduled since 4 January 2011. The Company will have generating capacity, according to its 25 per cent investment stake, of 153.75 megawatts.

#### ***Hongsa Thermal Power Plant***

The 1,878-megawatt power plant produces electricity from lignite. Located in Hongsa, Xayaboury Province, Lao PDR, the project is a joint venture between the Company and Banpu Power Company Limited, each holding 40 per cent stake in this joint venture, and Lao Holding State Enterprise holding 20 per cent stake. The joint venture operates two companies, including Hongsa Power Company Limited, which handles electricity generating concession, and Phu Fai Mining Company Limited that handles 25-year mining concession to supply coals for the power plant. The project was awarded as the concession agreement, power purchase agreement, EPC contract, Owner Engineer Services Construction Management Agreement and plant operation and maintenance agreement. Loan agreement was signed on 5 August 2010 and the first installment was reimbursed on 29 October 2009. The project is expected to start operations in 2015.

#### ***Nam Ngum 3 Hydroelectric Power Plant***

The 440-megawatt project is located in Xaysomboun Province, Lao PDR. The joint developers are Ratchaburi Electricity Generating Holding Public Company Limited holding 25 per cent, GMS Lao Company Limited holding 27 per cent, Marubeni Corporation holding 25 per cent and Lao Holding State Enterprise holding 23 per cent. In 2010, the negotiation with EGAT was successful and the Tariff MOU was signed with EGAT on 11 March 2010. As a result, the Nam Ngum 3 Power Company Limited was established to operate the project on 28 October 2010. The plant will begin its operations in 2017.

#### ***Xe-Pian Xe-Namnoy Hydroelectric Power Plant***

The 390-megawatt project is located in Attapue and Jampasak Provinces in Lao PDR. The joint developers for this project are Ratchaburi Electricity Generating Holding Public Company Limited (holding 25 per cent), Korea-based SK Engineering & Construction Company Limited (holding 26 per cent), Korea Western Power Company Limited (25 per cent), and the government of Lao PDR (24 per cent). On 16 August 2010, the project reached an agreement and signed the Tariff MOU with EGAT and is expected to begin commercial operations in 2018.

To further expand its opportunity in electricity generating business and confirm its commitment to long-term investment in Lao PDR which has high potential for energy business, the Company, through its subsidiaries namely RATCH-Lao Services Company Limited and RH International (Singapore) Corporation Pte. Limited has subscribed offered shares of Electricite Du Laos-Generation Public Company ("EDL Gen") at the amount of 81.112 million shares or 9.345 per cent under the latter's initial public offering. Electricite Du Laos (EDL), a state enterprise under Lao PDR's Energy and Mining Ministry is the major shareholder in EDL Gen. At present EDL Gen has total assets which are power plants with 387 megawatts capacity. More than ten projects which are now under construction and development will be transferred to EDL Gen in the future. EDL Gen's stock is the first to be traded on Lao's stock market which was opened for the first time on 11 January 2011.

In addition to investment in Lao PDR, the Company has always sought the opportunity to expand its investment in electricity generating business in overseas markets, including Indonesia, Vietnam, the Philippines and Australia, due to their constant economic growth and rising demand for electricity. The governments of these countries also have strong policy to support foreign investment. In making investment in these countries, the Company invests in existing local businesses, which enables the Company to immediately acknowledge income from operations and effectively control risks at the acceptable level.



To support its overseas investment expansion, the Company established RH International Corporation Limited in October 2009 to handle all overseas investment in electricity generating businesses and to support its growth in overseas projects. In 2010, RH International Corporation Limited registered two subsidiaries, namely RH International (Mauritius) Corporation Limited on 5 August 2010 and RH International (Singapore) Corporation Pte. Limited on 6 September 2010. Both companies act as the investment arm for the Company's overseas investment projects.

### ***1.2 Investment in Renewable Energy***

In 2010, the Company seriously looked for investment opportunities in the area of renewable energy, especially solar and wind power and biomass with a goal to increase its total renewable energy generating capacity to 100 megawatt by 2016. This will help reduce the country's dependence on fossil fuel for electricity generation while strengthening electricity security. More importantly, this will reduce carbon dioxide emission by 95,600 tonnes per annum. At present, the projects under development are as follows:

#### ***Khao Kor Wind Farm Project, Petchaboon Province Investment in Sustainable Energy Corporation Company Limited***

The Company through Ratchaburi Energy Company Limited has invested 51 per cent in Sustainable Energy Corporation Company Limited's Khao Kor Wind Farm Project. The 60-megawatt plant project is located in Khao Kor District, Petchaboon Province. The project is now under the process of loan securing and basic infrastructure construction. It is expected to start commercial operations in 2012. The project is granted Baht 3.50 adder per unit for 10 years from the Energy Regulation Commission. The project generates electricity from its wind farm with 26 wind turbines, each with 2.3 megawatts capacity. The investment in this project supports the government's alternative and green energy policy and goal. The Company will acknowledge the generating capacity of 30.6 megawatts according to its investment stake. Through this project, carbon dioxide emission will be cut by 63,500 tonnes per year while fossil fuel (bunker oil) will be reduced by 32 million litres per year, or approximately Baht 560 million per year. This equals one billion cubic feet of natural gas per year, or approximately Baht 240 million.



### ***Solar Power Electricity Project***

#### ***Investment in Solarta Company Limited***

Ratchaburi Energy Company Limited jointly invested with Yanhee Solar Power Company Limited in the Solar Power Project of Solarta Company Limited. The Company holds 49 per cent stake in this project which comprises eight sub projects with total 34.25 megawatts generating capacity. Located in Phra Nakhon Si Ayutthaya, Supanburi and Nakhon Pathom Provinces, the projects have secured Non-Firm power purchase agreement for very small power producer using renewable energy with Provincial Electricity Authority (PEA). It also receives Baht 8 adder per kilowatt hour for 10 years from the Energy Regulatory Commission. The project is scheduled for commercial operations in 2011-2012. The project has a strong commitment to become a learning source for young people and those interested in solar power generation, a pollution and greenhouse gas-free power production activity. The project will help reduce the import of bunker oil by 452,142 litres per year and cut carbon dioxide emission down by 2,500 tonnes per year.



### ***Other Renewable Energy Power Plant Projects***

Local renewable energy production industry's potential has been increased with greater expansion opportunity after the government made a clear policy in developing renewable energy to replace the country's major source of energy, namely fossil fuel, for electricity generation. The government's policy to promote private sector's investment in renewable energy comes in the form of financial subsidy or feed-in tariff which varies according to the type of energy. The Company therefore emphasizes in developing highly-potential renewable energy power production projects, such as biomass power plant which uses agricultural waste as the main source of energy. Two types of investment strategies include own investment and joint venture with business partners with high potential and different strengths that would drive the success of project development. Public and community participation and acceptance are highlighted in order to promote sustainable development.

### ***1.3 Investment in Related Businesses***

#### ***Power Plant Operation and Maintenance***

##### ***RATCH-Lao Services Company Limited***

RATCH-Lao Services Company Limited, in which the Company holds 99.99 per cent stake and was registered in Lao PDR, has been awarded the contract by Nam Ngum 2 Power Company Limited to operate and maintain the 615-megawatt Nam Ngum 2 Hydroelectric Power Plant, starting from 1 July 2009 till the end of the concession period. EGAT is the subcontractor for the operations and maintenance of the power plant and dam. In 2010, RATCH-Lao Services Company Limited has successfully tested the commissioning of the Nam Ngum 2 Hydroelectric Power plant. The initial operation date started in December 2010.

##### ***Chubu Ratchaburi Electric Services Company Limited***

Each of the Company and Chubu Electric Power (Thailand) Company Limited invested equally (49.99 per cent) in Chubu Ratchaburi Electric Services Company Limited. The company has a contract with Ratchaburi Power Company Limited to operate and provide maintenance service to the latter's 1,400-megawatt power plant. The contract lasts for 14 years, starting in 2008. EGAT is hired as a subcontractor to provide the power plant operations and maintenance service.



### ***Gas Turbine Maintenance***

#### ***EGAT Diamond Service Company Limited***

The Company entered into a joint venture agreement with EGAT, Mitsubishi Heavy Industries Limited and Mitsubishi Corporation to establish EGAT Diamond Service Company. The joint venture, in which the Company holds 10 per cent stake, provides maintenance service for the gas turbine for electricity generating system. The service contract covers 18 Asian countries namely Thailand, Malaysia, Singapore, Lao PDR, Myanmar, Vietnam, Cambodia, Brunei, Australia, New Zealand, India, Pakistan, Bangladesh, Sri Lanka, Bhutan, Nepal, Afghanistan and Maldives. In 2010, the construction of the repair shop is more than 50 per cent completed and will be able to start its operation in 2011. Investment in this project helps reduced time and expenses related to gas turbine maintenance which was normally done in other countries. As a result, the power plant is more capable of electricity generating. In addition, it promotes advanced-technology transfer, which helps improve skills of local engineers and promotes future independence.





### **Mining Business**

#### **Phu Fai Mining Company Limited**

Phu Fai Mining Company Limited is a joint venture between the Company, Banpu Power Company Limited and Lao Holding State Enterprise, with 37.5 per cent, 37.5 per cent and 25 per cent stake respectively. The company is responsible for handling lignite and lime mining concessions for lignite that is used as the source of energy for the Hongsa Thermal Power Plant in Xayaboury Province, Lao PDR. The concession period started from the agreement signing date in November 2009 and lasts for 25 years after the commercial operation date.



### **1.4 Assets Management**

The Company currently has assets, namely power plants and related businesses which are operated by subsidiaries and joint ventures. In 2010, the Company regularly monitored and followed up with the operations and performance of the businesses in which it invested as well as actively involved in setting policy, goals and budget to suit the needs of each business. In order to be involved in policy and goal setting, management and monitoring of its investment projects' operating performance, the Board of Directors assigned its directors and executives to be representative directors in the board of directors and management of its subsidiaries and joint ventures.

In managing power plants, plant operations efficiency and effective maintenance that enables the plant to maintain its payment ability and to be able to produce electricity to the level stated in the power purchase agreement are the ultimate goals. These factors have enabled the Company to regularly acknowledge income and generate regular profits. In addition to experienced team who has expertise and experience in power plant maintenance, the introduction of international standards, manufacturers' rules, legal compliance, compliance to the rules and regulations related to environment and safety are all important factors in strict power plant management. As a result, the Company's power plants successfully maintained their efficiency and high level of production capability. Its subsidiaries and joint ventures have incorporated the ISO 9001 and ISO14001 standards as a significant tool for power plant management. Safety and security were enhanced through the development of emergency plans, crisis management plan, and business continuity plan with regular training to ensure that all concerned staff members are ready in case to handle emergency.





## 2. Financial Management

In 2010, the Company continued to strictly follow the financial management policy that focuses on capital sufficiency, liquidity management and close monitoring of financial management of its subsidiaries and joint ventures. The Company prepared sufficient capital to support its plan to increase investment in three areas of core businesses in and outside Thailand. In addition risk and return on investment, the Company seriously considered liquidity that must be sufficient to support effective expansion of its various investment projects. Throughout these years, the Company has concentrated on financial cost management, maintaining appropriate level of financial ratio, and careful consideration of capital market which also affects funding at different periods. In 2010, significant financial management activities of the group are as follows:

Securing loans for the development of the Hongsa Thermal Power Plant operated by Hongsa Power Company Limited. The Company signed a loan agreement for USD2,783 million (approximately Baht 94,620 million) with nine Thai financial institutions on 5 August 2010 and has drawn the first installment on 29 October 2010. This represents the largest mobilization deal in Thailand at the moment.



Arranging for credit rating by two leading international companies — S&P Rating (S&P) and Moody's Investment Service (Moody's) — in order to prepare for fund mobilizing plan. S&P assigned its "BBB+" long-term corporate credit rating with stable outlook to the Company. At the same time, Moody's has assigned a first-time Baa1 rating with the stable outlook. These are considered very promising ratings that reflect the Company's leadership in the power industry, considering that the Company is the largest private power producer in Thailand and has very strong financial status provided by healthy cash flow and long-term power purchase agreement with EGAT. With such strong credit ratings, the Company will be able to successfully sought low-interest loans from local and international financial institutes to fund its future projects.

In early 2011, TRIS Rating has upgraded the Company's rating to "AA" from "AA-" with "Stable" outlook. The improved credit rating reflects the Company's stronger financial status, healthy investment in diverse power plant projects, leadership as the country's largest private power producers and handsome and constant dividend payment thanks to successful investment in various power plant projects. TRIS also maintained credit rating for Ratchaburi Electricity Generating Company Limited at "AA" with "Stable" outlook, thanks to the company's strong cash flow from long-term power purchase agreement with EGAT, its state-of-the-art power plants with good business fundamentals, and its widely recognized long experience in managing and operating power plants.

The Company has secured short-term facilities and trade finance facilities with local and international financial institutions with in Baht 9,000 million limit, which is sufficient to support the operations of the Company's group

## 3. Organizational Management

### *Human Resource Development to Support Business Expansion*

In 2010, the Company's recruitment strategy was improved by focusing more on candidates with expertise and experience, especially in the area of business development which is the Company's core business in order to support the Company's business expansion plan both in and outside the country.

In terms of people's development, the Company concentrated on short and long term development of specialized skills and capability for employees in different functions. This is undertaken in parallel with attitude and motivation promotion through unity of employees of all levels. Middle level management development is centered on leadership and advanced management skills, change management and strategic planning in order to prepare them for higher positions.

The Company's Intranet was improved to ensure efficient internal communications. The new system is linked with e-learning and knowledge management systems that will be implemented in the future. HR Employee Self Service was developed and introduced to increase convenience and speed in human resource management that also addresses better employees' demand.

### **Work Process Efficiency Increase**

The Company continued to develop and further enhance its work process efficiency through the implementation of advanced technology that helps increase flexibility and better addresses current business environment. IP Phone was introduced to lower communication costs between its employees in various countries. Lotus Note, the Company's core communications tool, was upgraded and thus increasing communications efficiency in and outside the organization. Virtual Private Network system was installed to make it more convenient for employees who have to work outside the office and in other countries to have easy access to the Company's database as if they were working in the office.

The Centralized Back-Up system was developed to provide better data protection for its subsidiaries. This Back-Up system was integrated with the Company's main system, ensuring uninterrupted operations even during crisis. In addition, the e-Payment system was introduced to help simplify cut complicated steps throughout the work process for greater convenience and rapid payment services for partners and trade suppliers.



## **4. Social Responsibility**

The Company's social responsibility activities in 2010 continued to focus on the environment, especially forests which are invaluable natural sources of foods, water, raw materials and a big and effective tool to absorb carbon dioxide which helps reduce global warming.

Throughout these years, the Company has been partnering with various organizations in actively maintaining, renovating and recovering forests area through two projects — "Love Forest and the Community" and the "99,784 Teak Cultivation in Honor of HM the King". Employees' volunteers and community relations are among the highest-important activities.

### **The "Love Forests and the Community 2010"**

Continuing for the third consecutive years, the project organizes three main activities, namely the annual community forest contest, "Kla Yim Youth Camp" and the "Community Forest Network Seminar

#### ***The Community Forest Contest in which a trophy from HRH Princess Maha Chakri Sirindhorn is granted to the winner:***

In 2010, the project ran from March 2010 and ended in September when awards were granted to 132 winning communities. Ban Huay Rai Burapa Village Community Forest in Oob Moong Subdistrict, Nong Wua Sor District, Udon Thani Province, won the first prize and a trophy from HRH Princess Maha Chakri Sirindhorn. The winning community had outstanding forest management efficiency that created benefits to the public in terms of social and economic benefits as well as sustainability, making it an ideal community forest model for others. Other awards include the regional community forests, eco-tourism community forests, provincial community forests and merit awards.



### **"Kla Yim Youth Camp"**

Holding true to its original objectives of growing a responsible young generation to continue community forest preservation, the project organized three activities as follows:

- "From the Origin to Downstream" Camp: 90 young people from the northern region participated in this activity. They had a field trip to study the ecosystem and life cycle of mangroves in Samut Songkhram Province, which are downstream forests. All of the participants learned and observed the relationship between forests at the origin of the river and the one at the mouth of the river, which give them a bigger picture and instill integrated natural resources preservation concept.

- Kla Yim Youth Camp - "Southern Community Forest": held at Baan Tham Phueng Community Forest, Surat Thani Province, the activity welcomed 80 young people from Songkhla, Narathiwat, Nakhon Si Thammarat, Krabi and Surat Thani Province to participate in the youth camp.
- Kla Yim Youth Camp - "Northeastern Community Forest": held at Khao Kham Hin Yok, Chaiyaphum Province where 99 young people from Khon Kaen, Chaiyaphum, Nakhon Panom, Si Saket, Udon Thani, Yasothorn and Ratchaburi Provinces participated in the activity.

All participants of the "Kla Yim Youth Camps" in the southern and northeastern regions had a chance to learn more about nature, community forest eco system, appropriate and sustainable use of community forests and energy conservation while practicing and growing holistic concept of natural resources preservation and developing skills required for becoming the next leaders of the community forest projects.



### Community Forest Network Seminar

With an aim of building a strong network of leaders from different community forests, the seminar initially focused on building regional network. In 2010, two seminars were held in Lampang Province in the northern region and Ratchaburi Province in the central region. Both events not only created a strong network of community forest leaders, but also promoted learning and sharing of experience among the participants. This is believed to be an effective way to promote long-term development of community forests as they will in the future become role models for new community forests in terms of good management and education sharing.

The seminar in the central region attracted 50 participants from Ratchaburi, Prachinburi, Rayong, Kanchanaburi, Lopburi, Chainat, Singburi and Saraburi Province. In the northern region, the 60 participants came from Chiang Mai, Chiang Rai, Lampoon, Payao, Lampang, Utaradit, Prae, Kampangeth, Phitsanulok, Tak, Petchaboon and Pichit.



### "99,784 Teak Cultivation in Honor of His Majesty the King"

Initiated in commemoration of His Majesty King Bhumibol Adulyadej's 60<sup>th</sup> anniversary of his accession to the throne and his birthday, the project encouraged participants to grow teakwood, a local species that absorbs carbon dioxide more efficiently. The project was held to create greater concrete impact from HM's concept and theory in reducing the global warming through trees growing. The project was organized in cooperation with the Department of Forestry, the Ministry of Natural Resources and Environment, and is later part of the national global warming reduction campaign of the Ministry of Energy.





When all the 99,784 teakwood are fully grown, they will be able to absorb 32,000 tonnes of carbon dioxide and at the same time release 24,000 tonnes of oxygen to the environment. The Company, in cooperation with the Department of Forestry, Ministry of Energy, government agencies, private organizations and communities grew teakwood in August 2010 in five areas as follows:

- Ratchaburi Power Plant, Muang District, Ratchaburi Province
- Ban Nong Plong Community, Nonsoong District, Nakhon Ratchasima Province
- Deteriorated forest area of Mae Sin, Mae San and the Left of Mae Soong National Park, and community forest at Sri Satchanalai District, Sukhothai Province
- Ta Pa Pao Community Forest, Mae Ta District, Lampoon Province
- Ban Talad Khi Lek, Doi Saket District, Chiang Mai Province

#### ***"Growing 19,874 Trees For Father"***

This is a spin off from the teak cultivation to commemorate HM's birthday on 5 December 2010. Under this campaign, trees were planted on a plot of 200 rai in Soong Noen Forest, Pong Malaeng Wan Village, Kokkrud District, Nakhon Ratchasima Province. More than 20,000 representatives from the Ministry of Energy, government agencies, and communities in Nakhon Ratchasima participated in the activity. Various species of plants, including teakwood, tamarind, neem trees, and Afzelia xylocarpa Craib were selected based on their durability, soil, air and environment. Once they are fully grown, this area will become another fertile green belt for the nearby communities.

#### ***Volunteer Employees Activities***

In 2010, the Company has encouraged employees to participate more in social responsibility activities. A new policy is set, requiring individual employee to participate in social activities for at least three days per annum and encouraging employees to create groups for the purpose of organizing social activities dependent on their interests and capability.

In the past year, there were 13 social contribution activities. 111 employees participated in those activities. This accounts of 85.38 per cent of the total employees.



#### ***Community Relations Activities***

Community relations activities continue to focus on "good neighbor" concept. In organizing all its projects, both in Thailand and Lao PDR, the Company emphasizes on quality of life development, community participation and strengthening relationship between the Company and communities. In 2010, Ratchaburi Power Plant, which is the Company's main power plant, continued its major activities, such as scholarships for students at all levels, public healthcare service that included medical and healthcare service for people living around the plant, and environment related activities. Environment inspector of the Ratchaburi Power Plant was appointed with participation from community residents. For the Pratu Tao plant in Sukhothai Province, community relations activities focused on promoting education, career development and community relationship strengthening. In addition, the Company provided for convenient communication with communities by assigning staff members to visit people in nearby communities on regular basis in order to learn first hand their demand and to ensure that communities remain confident and trust the Company.





## 5. Awards of Recognition

Significant recognitions in 2010 are as follows:

(1) The Company was named one of the top 10 listed companies that won the **Top Corporate Governance Report Awards** at the SET Awards 2010 organized by the Stock Exchange of Thailand.

(2) The Company was recognized as *“Excellent”* among participating listed companies at the Corporate Governance Report of Thai Listed Companies (CGR) 2010 organized by the Institute of Directors of Thailand.

(3) The Company was rated *“Excellence and Good Example”* at the 2010 shareholders meeting assessment by the Thai Investors Association. At the assessment, the Company received 100 scoring for the third consecutive year.

(4) The Company was one of the final 10 private companies entering into the final round of the “Chor Sa Ad” Award, held for the first time in 2010 by the Office of the National Anti-Corruption Commission in appreciate of organizations with outstanding transparency.

(5) The Company won recognition as an outstanding supporter — natural resources from the Ministry of Natural Resources and Environment in 2010

(6) The Company won recognition in forest preservation and rehabilitation from the Department of Forestry for its outstanding support to the Department. The award was granted to commemorate the 114<sup>th</sup> anniversary of the Department of Forestry.

(7) Ratchaburi Electricity Generating Company Limited won the “2010 Best Labor Relations and Welfare” for the third consecutive year from the Department of Labour and Welfare, Ministry of Labour.



## Message from the Chairman of the Board of Directors

Dear Shareholders,

During the past year, global warming, a major factor affecting the world's climate change, became an issue that everyone tried to find solutions under the Kyoto Protocol framework. A solution everyone agrees and is taking action is to develop renewable energy to replace fossil fuel, the main energy being in use today. The idea behind this is to reduce the emission of greenhouse gas, which is a main culprit for global warming. In Thailand, since as much as 70 per cent of power is generated from natural gas, the Ministry of Energy is formulating the renewable energy development policy as a national agenda. The goal is to increase the share of renewable and alternative energy to 20 per cent by 2022 in order to reduce fossil fuel imports from overseas and to lessen greenhouse effect in the power generation sector. This is expected to be done through two promotional measures; namely, adder and low-interest loans through the ESCO.

Based on this situation, since 2009, the Company has set renewable energy as one of its three main energy businesses aside from power generation and other businesses relating to power generation. In addition, the Company also targets to increase the generation of renewable energy to 100 megawatts by 2016. We focus our investment in wind, solar and biomass energy projects since they have potentially valuable investment. So far, the Company has already invested in the wind farm project at Khao Kor, Petchaboon Province. The farm has a capacity to produce up to 60-megawatt power and will begin commercial operations during 2011-2012. The company also invested in Solarta Company Limited whose projects are located in Phra Nakhon Sri Ayutthaya, Supan buri and Nakhon Pathom Province and have Solar Power generation capacity of 34.25 megawatts. The commercial operations are scheduled during 2011-2012.

Yet, in 2010, the power generation business remained our major source of income, most of which came from the 3,645-megawatt Ratchaburi Power Plant, the 700-megawatt Tri-Energy Power Plant, the 1,400-megawatt Ratchaburi Power Plant and the 2.6-megawatt natural gas-based PTO - A Power Plant derived as a by-product from crude oil production. The capacity of these four power plants totals 14 per cent of the country's installed capacity, maintained its efficiency in power generation and continued to be ready to generate and distribute power as specified in the PPAs.

In addition, the Company also managed to fulfill its development in large-scaled power plants in Lao PDR according to the plan. This includes the 615-megawatt Nam Ngum 2 hydroelectric power plant, which the Company co-invests with CH. Karnchang Public Company Limited. The power plant started running its first-phase initial operation in December 2010. In addition, there is the 1,878-megawatt Hongsa thermal Power Plant that the Company co-invests with Banpu Public Company Limited. So far, the project manages to secure USD 2,783 million or Baht 94,620 million and the loan has been disbursed to build the project since October 2010. Meanwhile, for the installed 440-megawatt Nam Ngum 3 hydroelectric power plant and the installed 390-megawatt Xe-Pian Xe-Namnoy hydroelectric plant power that the Company hold 25 per cent shares therein, the Tariff Memorandum of Understanding had been agreed and signed with the EGAT.

As for small power plants, in December last year, the Company won the EGAT's bidding of three Firm Small Power Producer (SPP) projects with capacity 350 megawatts. To develop the project, the Company will collaborate with Nava Nakorn Public Company Limited, which has been selected to develop one cogeneration project in the Nava Nakorn Industrial Promotion Zone, Pathum Thani Province, and also with Thai World Power Company Limited whose two projects in the Ratchaburi Industrial Estate have been approved. EGAT will buy power from these three projects at the rate of 90 megawatts from each of them under the firm PPAs. The transaction will make the Company enjoy a steady flow of income. As for the remaining generated power and steam, they will be directly sold to industrial plants in industrial estates, which will increase the Company's incomes. The three projects meanwhile are expected to start their commercial operation by 2015.

With regard to investment in other countries, the Company has conducted a feasibility study to invest in large power plant projects in the Philippines, Vietnam and Australia. The investment will be a joint venture with local partners and/or to buy certain equity in the already-run project to reduce some project development risk and also to immediately generate incomes to the company. In addition, we also study investment soundness in businesses relating to the coal business in order to turn them into a source of fuel for power plants in Indonesia and Australia. At present, the study and survey of coal reserves at each location is being conducted. We expect to reach a conclusion by 2011.

Recently, the Company subscribed to 81.112 million IPO shares of Electricite Du Laos-Generation Public Company Limited (EDL Gen), a company mainly held by Electricite Du Laos (EDL), a state-owned enterprise under the supervision of Lao PDR's Department of Energy and Mineral. The Company acquired the shares through two vehicles; namely, RH International (Singapore) Corporation Pte. Limited incorporated in Singapore and Ratch-Lao Services Company Limited incorporated in Lao PDR for a total of Baht 1,315 million. We expect the rate of return will be 5 per cent per annum. At present, EDL Gen's assets include a power plant with an installed capacity of 387 megawatts plus more than ten other projects currently being built and developed, which will be transferred to be EDL Gen's assets in the future.



During the past year, our own study of potential investment overseas started to take a clearer shape. Since the Company had to be ready to secure the much-needed capital here and abroad for investing in various projects, we asked the two international credit-rating firms; namely, Moody's and S&P Ratings to rate us. Moody's assigned us Baa1 while S&P Ratings rated us BBB+, which reflected strong financial fundamentals of the Company and our leadership in Thailand's power generation business. The ratings also reflected our ability to mobilize funds at a lower cost locally and overseas.

In addition, TRIS Rating has upgraded the Company's rating to "AA" from "AA-" and maintained credit rating for Ratchaburi Electricity Generating Company at "AA" that improved the Company's stronger financial status, and its widely recognized long experience in managing and operating power plants.

In 2010, Ratch's operation performances continued to grow and we were able to continue generating a good return to our shareholders. Our pre-tax profit and interest expenses totaled Baht 7,169.65 million while our net profit was Baht 5,220.41 million or Baht 3.60 a share. In September 2010, the Company paid an interim dividend totaling Baht 1,595 million or Baht 1.10 a share, which accounted for 53.6 per cent of our first six-month profit in 2010.

As for our social responsibility, the Company continues to pursue the carbon sink project both in the production process of our power plants and through social activities. During the past year, the Company continued the We Conserve Forests, Love the forests and the Community Project for the third consecutive year. The project focuses at the promotion and development of community forest management by communities for communities as a means to have local communities indirectly look after forestry resources. In addition, we also initiated a project to cultivate 99,784 Teaks to honor His Majesty the King as well as a project to plant 19,784 trees on December 5 for His Majesty the King to celebrate his 60<sup>th</sup> Anniversary in his Ascension to the Throne and his Birthday. The campaign focuses at teak as the tree is our national tree and it is able to well absorb CO<sub>2</sub> and hardwood local specie. Growing them will add more greenery to the country which will effectively reduce CO<sub>2</sub> in the atmosphere. As for the carbon sink project in Ratch's power generation process, we have implemented several methods to reduce the emission of CO<sub>2</sub>, which include saving energy through the introduction of technology in the production process and reducing electricity used in power plant. The Company also conducts a research to use CO<sub>2</sub> from the production process to raise seaweed before turning them into animal feed.

Clearly-seen success during the past year is not only a result of hardwork and commitment of our executives and staff, it's also a tribute from all stakeholders whether they are shareholders, business partners, suppliers, relevant agencies, communities and the society. It has been our great inspiration, which has transformed into a force to help us push our company forward in order to create returns that will fully reach every stakeholder.

On behalf of the Board of Directors, the management and our staff, I would like to sincerely thank all shareholders for suggestions, encouragement and trust you kindly share with us. We do hope to continue seeing your support that will allow us to achieve the goal we aspire, which is to be the most trusted leading electricity generating company in this region.

Yours sincerely,

(Mr. Witoon Simachokdee)  
Chairman of the Board of Directors



## Board of Directors

### 1. Mr. Witoon Simachokedee

- Chairman

### 2. Mr. Sutat Patmasiriwat

- Director

### 3. Mr. Wirash Kanchanapibul

- Director

### 4. Mr. Noppol Milinhanggoon

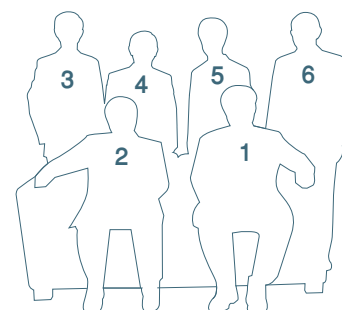
- Director
- President
- Secretary to the Board of Directors

### 5. Mr. Ratanapong Jongdamgerng

- Director
- Risk Management Committee Member

### 6. Mr. Sommai Khowkachaporn

- Independent Director
- Risk Management Committee Member
- Investment Working Committee Member







**1. Mr. Lae Dilokvidhyarat**

- Director
- Human Resources and Remuneration Committee Chairman
- Investment Working Committee Chairman

**2. Mr. Atchada Kesornsook**

- Independent Director
- Human Resources and Remuneration Committee member
- Investment Working Committee Member

**3. Mr. Chanin Vongkusolkrit**

- Director
- Human Resource and Remuneration Committee Member

**4. Mr. Nathi Premrasmi**

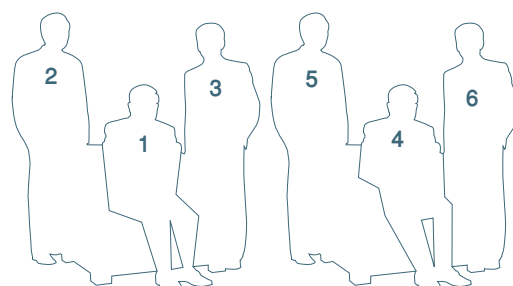
- Independent Director
- Audit Committee Chairman

**5. Mr. Satit Rungkasiri**

- Independent Director
- Audit Committee Member

**6. Mr. Metta Banturungsuk**

- Independent Director
- Audit Committee Member
- Risk Management Committee Chairman

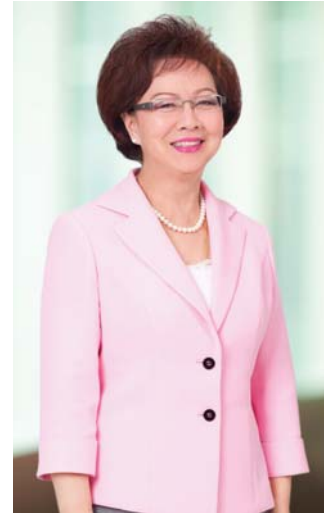


## Company's Management and Company Secretary



◀◀ **Mr. Noppol Milinthangoon**  
President

**Mrs. Darunee Abhinoraseth** ▶▶  
Senior Executive Vice President  
- Finance



**Mr. Prachuab Ujjin** ▶▶  
Senior Executive Vice President -  
Planning and Portfolio Management,  
second to be the managing  
Director of Ratchaburi Electricity  
Generating Company Limited



◀◀ **Mr. Peerawat Pumthong**  
Senior Executive Vice President  
- Business Development



◀◀ **Mr. Suchart Avusosakul**  
Executive Vice President  
- Planning and Portfolio Management

**Mr. Ni - run Wongchanglor** ▶▶  
Executive Vice President, seconded  
to be the Chief Financial Officer of  
Ratchaburi Power Company Limited





◀◀ **Mr. Somnuk Jindasup**  
Executive Vice President,  
seconded to be the Deputy  
Managing Director of  
Ratchaburi Electricity  
Generating Company  
Limited

**Mr. Vatchara Noomahan** ▶▶  
Executive Vice President,  
seconded to be the Managing  
Director of Tri Energy Company  
Limited



**Mr. Prayut Thongsuwan** ▶▶  
Executive Vice President  
seconded to be the Managing  
Director of Ratchaburi Energy  
Company Limited



◀◀ **Mrs. Sunee Rajatamutha**  
Senior Vice President  
and acting Executive Vice  
President-Finance



◀◀ **Mrs. Boontiva Dansamasatid**  
Senior Vice President-Corporate Secretary  
Office, Acting Executive Vice President-  
Corporate Administration and acting  
Company Secretary

**Mr. Sommai Poosanachakorn** ▶▶  
Vice President - Accounting



**Miss Raywadee Srikongyos** ▶▶  
Vice President- Finance

## Major Shareholders

Top 10 Major Shareholders

Ratchaburi Electricity Generating Holding Public Company Limited as of 25<sup>th</sup> November 2010

No.	Shareholders	Number of Share	Percentage
1.	The Electricity Generating Authority of Thailand (EGAT)	652,500,000	45.00
2.	NORTRUST NOMINEES LIMITED (Grouped)	132,496,700	9.14
	NORTRUST NOMINEES LTD. 132,382,400		
	NORTRUST NOMINEES LIMITED-MELBOURNE BRANCH FUTURE FUND CLIENTS 114,300		
3.	LITLEDOWN NOMINEES LIMITED	70,005,000	4.83
4.	Social Security Office (Grouped)	69,510,300	4.79
	Social Security Office (2 sources) 59,099,160		
	Social Security Office (4 sources) 10,411,140		
5.	AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED (Grouped)	53,212,100	3.67
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-APEX 19,500,000		
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED - AIA D-PLUS 17,575,000		
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-TIGER 16,077,100		
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-2 PAY 10 60,000		
6.	Thai NVDR Company Limited	40,430,020	2.79
7.	Bangkok Life Assurance Public Company Limited	27,415,400	1.89
8.	The Government Savings Bank Fund	25,989,800	1.79
9.	THE BANK OF NEW YORK (Grouped)	14,150,785	0.98
	THE BANK OF NEW YORK (NOMINEES) LIMITED 8,307,285		
	THE BANK OF NEW YORK NOMINEES LTD-CGT EXEMPT 3,182,500		
	THE BANK OF NEW YORK MELLON 2,211,000		
	THE BANK OF NY NOMINEES LTD SUB A/C CS CO. GLOBAL UK CLIENT A/C 450,000		
10.	Thaiflife Company Limited	13,513,600	0.93
	Total of Shares held by Top 10 Major Shareholders	1,099,223,705	75.81
	Portion of Shares held by Minor Shareholders	350,776,295	24.19
	Total of Shares	1,450,000,000	100.00

- Note:
1. The Electricity Generating Authority of Thailand (EGAT) is a stated-owned enterprise that operates and co-invests with other parties in electricity power and related business. EGAT is the largest shareholder of the Company, it has 6 representatives in the Company's 12-member Board of Directors.
  2. Shareholders of Thai NVDR Company Limited in item 6 do not have voting right at the shareholders' meeting.

Share Distribution by Nationality	Number of Shareholders	Number of Share	Percentage
Thai	19,082	1,147,426,559	79.13
Foreign	78	302,573,441	20.87
Total of Shareholders	19,160	1,450,000,000	100.00

\* Ratchaburi Electricity Generating Holding Public Company Limited's Article of Association has forbidden the foreign shareholders not to hold the Company's shares in excess of 25 per cent from the total of shares sold.



# Management Structure

## 1. Board of Directors

The Company's management structure comprises the Board of Directors, three committees and one working committee appointed by the Board of Directors to screen various matters as assigned. The committees and working committee are the Audit Committee, Human Resources and Remuneration Committee, Risk Management Committee and the Investment Working Committee. The Company's President is the top executive position in the Company.

As of 31 December 2010, the Board of Directors consisted of 12 members whose names are listed as follows:

No.	Name		Position	Date of appointment	Term
1.	Mr. Witoon	Simachokedee	- Chairman	1 January 2009	2
2.	Mr. Lae	Dilokvidhyarat	- Director - Chairman of the Human Resources and Remuneration Committee - Chairman of the Investment Working Committee	1 December 2006	2
3.	Mr. Nathi	Premrasmi	- Independent Director - Chairman of the Audit Committee	5 April 2008	1
4.	Mr. Metta	Banturngsuk	- Independent Director - Chairman of the Risk Management Committee - Member of the Audit Committee	1 June 2008	2
5.	Mr. Atchada	Kesornsook	- Independent Director - Member of the Human Resources and Remuneration Committee - Member of the Investment Working Committee	21 April 2007	2
6.	Mr. Sutat	Patmasiriwat	- Director	30 March 2010	1
7.	Mr. Chanin	Vongkusolkrit	- Director - Member of the Human Resources and Remuneration Committee	14 November 2003	3
8.	Mr. Ratanapong	Jongdamgerng	- Director - Member of the Risk Management Committee	5 April 2008	2
9.	Mr. Wirash	Kanchanapibul	- Director	30 March 2010	1
10.	Mr. Sommai	Khowkachaporn	- Independent Director - Member of the Risk Management Committee - Member of the Investment Working Committee	30 March 2010	1
11.	Mr. Satit	Rungkasiri	- Independent Director - Member of the Audit Committee	30 March 2010	1
12.	Mr. Noppol	Milinthangoon	- Director - President - Secretary to the Board of Directors	1 October 2008	2

Members of the Board of Directors are specialists with vast experience in different fields. They were appointed through a thorough selection process in order to ensure their ability to perform their duties in formulating and supervising the Company Management's performance. (Profiles and information about the Directors are published in the Profile of Directors, Company's Management and Company Secretary section and the Company's website.)

## 2. Authorized Directors as the Company's Signatory

The authorized Director as the Company's signatory are either Mr. Witoon Simachokedee, Chairman of the Board of Directors, or Mr. Noppol Milinhanggoon, President, with the Company's Seal: or the joint signatures of two out of four Directors namely Mr. Lae Dilokvidhyarat, Mr. Sutat Patmasiriwat, Mr. Ratanapong Jongdamgerng and Mr. Wirash Kanchanapibul, with the Company's Seal.

## 3. Composition of the Board of Directors

### 3.1. Composition of the Board of Directors

For the best efficiency and effectiveness in the Company's operations and compliance with the enforced regulations, the Board of Directors clearly specifies the composition of the Board of Directors. The number of Directors shall be no less than seven but not exceed 13 No. more than one-third of all Directors shall be Executive Directors. No less than one-third of all Directors shall be Independent Directors with a minimum number of three Independent Directors. No less than half of all Directors shall be the residents of Thailand. Chairman of the Board of Directors shall be a Non-Executive Management and not the same person as the President. The shareholders' meeting or the Board of Directors' Meeting shall appoint directors as the Chairman of the Board of Directors and the President.

### 3.2. Qualifications of Directors

A Director shall have the stated qualifications and shall not have prohibited qualifications by law. A Director shall not be a bankrupt person, an incapable or quasi-incompetent person, shall not have been convicted in a legal proceeding to have violated laws related to assets in a fraudulent action, never be terminated from a government or private organizations due to malpractice, have never been deprived from being a director, manager, employee or an authorized executive in other organization, not be a politician, a members of the Parliament, senator, or a member of a local administrative office or administrator, have educational and work experience or other experience as specified by the Company, devote sufficient time and full capability for the best benefits of the Company, and have duties to attend regular meetings. While in office, a Director can hold directorship in no more than five other listed companies. A Director shall not manage or make any arrangement that would conflict with the Company's interest or would provide advantages to other person or entity, and for personal or other person's benefit.

### 3.3. Appointment and Terms of Directors

Directors are appointed by the Annual General Shareholder's Meeting (AGM). At every AGM, one-third of the Directors shall retire from office. Directors with the longest stay in office shall retire. A retiring Director by a rotation of office may be reelected.

In case any Director resigns by reasons other than a rotation of office, the Board of Directors shall elect any person to replace the resigned Director. The Director so appointed shall retain his/her office during such time only as the resigned Director is entitled to retain.

Directors of the Company shall remain in their offices for no more than three consecutive terms and his/her age shall not exceed 72 years old.

## 4. Board of Directors' Authority and Duties

As shareholders' representatives, the Board of Directors has a duty to ensure that all the Company's businesses strictly comply with the policies under legal framework, objectives, regulations and resolutions of the Shareholders' Meeting. The Board of Directors is authorized to take action as stated in the Articles of Association and has roles, duties and responsibilities to manage the Company with integrity and avoid conflict of interest to protect the organization's benefits rather than any particular shareholder or group. The Board of Directors' duties and responsibilities are as follows:

- (1) Setting strategies, business plan and budget.
- (2) Monitoring and following-up the Management's activities against the target or forecast, at least every quarter
- (3) Managing human resources, including appointing or removing Director or high level executives and appraising performance against the earlier agreed target which is linked with remuneration.
- (4) Being responsible for the completion of activities in compliance with rules and regulations, Code of Business Ethics and the corporate governance principles, with focus on effective and sufficient internal control
- (5) Communicating with the stakeholders and the public by providing effective and appropriate communication channels

- (6) Establishing and setting roles and responsibilities of committees
- (7) Appraising performance of the Board of Directors, which requires self appraisal on yearly basis.

## 5. Independent Directors

The Company has clearly defined “Independent Director” in compliance with the Capital Market Supervisory Board as follows:

- (1) Hold no more than 0.5 per cent of shares with voting right of the Company, its subsidiaries, affiliates, joint ventures or other relevant firms that may have conflict of interests. This shall also include shareholding by people related to the independent director.

*(This is more strict than the regulation issued by the Capital Market Supervisory Board that requires independent director to hold no more than 1 per cent stake.)*

- (2) Be neither top executive, employee nor consultant receiving salary from or has authority to manage the Company, subsidiaries, joint ventures, affiliates or other legal entities that may have conflict of interest, except when the person has vacated the above mentioned position for at least two years before an appointment to the Company's Independent Director
- (3) Not have relationship, by family or by law, as mother, father, spouse, brother or sister, and child, including spouse of a child, of the Company's executive, major shareholder, employee who has authority to manage or may be nominated to take the management or other position that has the authority to manage the Company or its subsidiary
- (4) Have no business relations with the Company, its subsidiary, affiliate or other legal entity that may have conflict of interest that may affect the independent director's ability to make independent consideration; and must have never been a major shareholder, director who is not independent director, or executive of the organization that has business relationship with the Company's subsidiary, joint venture or other legal entity that may have conflict of interest, except the independent director has been terminated for the position for at least two years before being appointed as an independent director

The business relationship under the first article includes normal trade activity in a business operations, property leasing, assets or service related activity, or providing or receiving financial support through loan, guarantee or offering assets as collateral or other similar activities that bind the company or business partner with the burden to pay debt to the other party of at least three per cent of the Company's net assets, or more than Baht 20 million, or any condition that is of lower value. The debt calculation should follow the rules on connected transaction under the announcement by the Securities and Exchange Commission on information disclosure and listed company's practice on connected transaction. In this space, debt arising in one year before the business relationship starts is taken into account.

- (5) Have never been and is not the auditor of the Company, its subsidiary, joint venture or other legal entity that may have conflict of interest; and is not a major shareholder, a director who is not an independent director, executive, or managing partner of an auditor office which employs auditors of the Company, its subsidiary, joint venture or legal entity that may have conflict of interest, unless the person has been terminated from such condition for no less than two years prior to the day he/she is appointed as the independent director
- (6) Have never been and is not a provider of professional services, including legal and financial advisor, who receives more than Baht 2 million service fees from the Company, subsidiary, joint ventures or other legal entity that may have conflict of interest. In case the independent director operates a legal entity, the conditions shall include being a major shareholder, director who is not an independent director, management, or managing partner of the professional service provider, unless the person has been terminated from such condition for no less than two years prior to the day he is appointed as the independent director



- (7) Not be a director appointed as the representative of the Board of Directors of the Company, major shareholder or shareholder with relationship with the Company's major shareholder
- (8) Not have other quality that prohibits the person from providing independent opinion about the Company's operation

After being appointed as an independent director under the qualifications No. (1) - (8) mentioned above, the person may be appointed by the Board of Directors to make decision on their behalf to operate the Company, its subsidiaries, joint ventures, affiliates or other legal entity that may have conflict of interest. The person shall be able to make collective decision.

To recruit an Independent Director, the Company follows the nomination procedures in recruiting directors and top management, the details of which are described under the same topic. On 31 December 2010, the Company has five Independent Directors based on the definition described above, which accounts for more than one third of the total members of the Board. They are Mr. Nathi Premrasmi, Mr. Metta Banturngsuk, Mr. Atchada Kesornsok, Mr. Sommai Khowkachaporn and Mr. Satit Rungkasiri.

## 6. The Audit Committee

The Audit Committee of the Company consists of all Independent Directors with expertise, experiences and qualifications as defined by the regulation of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The committee members stay in office for three years. The current committee was appointed by the Board of Directors on 30 March 2010 and Mr. Pornchai Chamnongdet, Vice President of Internal Audit, acts as the committee's secretary. The names of the committee are listed as follows:

- |     |           |             |          |
|-----|-----------|-------------|----------|
| (1) | Mr. Nathi | Premrasmi   | Chairman |
| (2) | Mr. Metta | Banturngsuk | Member   |
| (3) | Mr. Satit | Rungkasiri  | Member   |

\* Mr. Metta Banturngsuk and Mr. Satit Rungkasiri have knowledge and capability in reviewing the Company's financial statements.

the Audit Committee reports directly to the Board of Directors and shall perform its tasks and responsibilities as assigned by the Board, which comply with the rules and regulations of SET and SEC, as follows:

- (1) Review and ensure that the Company has accurate and adequate financial report
- (2) Review and make sure the Company has an appropriate and effective internal control system
- (3) Review and ensure that the Company complies with the Securities and Exchange Commission Acts and the Stock Exchange of Thailand's rules and regulations and other laws relating to the Company's business
- (4) Select and nominate auditors of the Company and recommend the auditor's fee, and attend at least one meeting per year with the auditors without presence of the Management
- (5) Review connected transaction or items that may have conflict of interest based on the Stock Exchange of Thailand's rules and regulations
- (6) Prepare the Audit Committee report to be published in the annual report. The report shall be signed by the Chairman of the Audit Committee and comprise details as follows:
  - Opinions about the accuracy, adequacy and reliability of the Company's financial reports
  - Opinions about the adequacy of the Company's internal audit
  - Opinions about compliance to the securities and stock exchange law, the Stock Exchange of Thailand's regulations and laws concerned with the Company's business
  - Opinions about appropriateness of the auditors
  - Opinions about items that may have conflict of interest
- (7) Review the Internal Audit Division's performances in the following areas:
  - Approve the scope of operations, annual audit plan, budget and personnel recruitment to ensure it is sufficient to support the Internal Audit Division's operations
  - Review the appointment, reshuffle or termination of the Vice President of the Internal Audit Division Director
  - Review operational report
  - Review the independence of the Internal Audit Division
- (8) Consider and review audit criteria and process to ensure that they always comply with current business environment
- (9) Summarize and report the Audit Committee's tasks and movement to the Board of Directors



(10) Report following issues discovered or in doubt, which may have significant impact on the Company's financial status or operating performances, to the Board of Directors in order to correct it within the timeframe agreed by the Audit Committee

- Items that may have conflict of interest
- Fraud or irregularities or major weakness in the Internal Audit system
- Breach of Securities and Exchange Commission Acts and the Stock Exchange of Thailand's Rules and Regulations and other laws relating to the Company's business

In case that a Company's Director or executive does not adjust and correct the item within the timeframe stated in the first sentence, a member of the Audit Committee may report the item the action under the first sentence to the Securities and Exchange Commission or the Stock Exchange of Thailand.

(11) Implement the tasks stated in No. (1) - (10) above for subsidiaries as assigned or requested by subsidiaries within its scope of responsibilities or as requested by the subsidiaries

(12) Take other actions assigned by the Board of Directors which is approved by the Audit Committee

*(The Audit Committee's duties and responsibilities are stated in the Audit Committee Regulations which is published on the Company's website. The Audit Committee's meeting report and individual committee member's meeting attendance summary is published in the Good Corporate Governance Report section.)*

## 7. The Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee's term is three years. The current Human Resources and Remuneration Committee was appointed by the Board of Directors on 19 January 2009 and with Mrs. Darunee Abhinoraseth, Senior Executive Vice President-Finance, acts as the committee's secretary. The three members are as follows:

- |     |             |                |          |
|-----|-------------|----------------|----------|
| (1) | Mr. Lae     | Dilokvidhyarat | Chairman |
| (2) | Mr. Chanin  | Vongkusolkrit  | Member   |
| (3) | Mr. Atchada | Kesornsook     | Member   |

The Human Resources and Remuneration Committee reports directly to the Board of Directors. Its authorities and responsibilities as assigned by the Board of Directors cover the entire tasks concerning the management of human resources and remuneration of the Board of Directors, committees, and top management of the Company (meaning the President, Senior Executive Vice President and Executive Vice President). Its tasks are as follows:

- (1) Formulate the Company's visions and strategies on human resources management as well as their Management Development Plan
- (2) Review and ensure that the Board of Directors of the Company has appropriate size and good components responsively to the changing environment



- (3) Establish the clear, transparent and appropriate policy, criteria and procedure in nominating, selecting, removing or terminating Directors and top management of the Company to ensure that all companies in the Group have qualified management team who have appropriate competency and experiences to run the Company's business successfully and effectively
- (4) Select and nominate persons with required qualifications to be the President and top management of the Company's Group. Specialists can be invited to join in the selection process if necessary at the Company's expenses
- (5) Prepare succession plan for key executives and conduct a regular review, including appraising the importance of the position, recruiting and developing potential persons to ensure that the successor has knowledge, experience and other required qualifications that are useful for the organization to enhance the Company's efficiency, effectiveness and growth
- (6) Establish a policy and strategies on compensation which includes salary, meeting allowance, per diem, bonus and other benefits to Directors and top management in the Company's Group before proposing them to the Board of Directors for further approval. Consideration and approval will be based on clear and transparent criteria in order to induce, retain and motivate high qualified and high potential human resources
- (7) Formulates effective guidelines, procedures and process for assessing the performance of the Board of Directors and top management of the Company against the target mutually agreed in advance each year. These targets shall be relevant to the Company's Business Plan and set up in order to review the management's annual remunerations by taking duties, responsibilities, related risks and long term values to shareholders into consideration
- (8) Disclose policy related to remuneration and remunerations for the Board of Directors and top management in the Company's annual report

*(Roles and responsibilities of the Human Resources and Remuneration Committee are stated in the Company's regulation on the Human Resources and Remuneration Committee, which is published on the Company's website. The Committee's meeting reports and individual committee's member's meeting attendance record is published in the Good Corporate Governance Report section.)*

## 8. The Risk Management Committee

The Risk Management Committee's term is three years. The current committee was appointed by the Board of Directors on 30 March 2010 comprising three members. Mr. Suchart Avusosakul, Executive Vice President-Planning and Portfolio Management, acts as the secretary to the committee. The members are as follows:

- |    |                |               |          |
|----|----------------|---------------|----------|
| 1. | Mr. Metta      | Bunturingsuk  | Chairman |
| 2. | Mr. Ratanapong | Jongdamgerng  | Member   |
| 3. | Mr. Sommai     | Khowkachaporn | Member   |

The Risk Management Committee reports directly to the Board of Directors and its tasks as assigned by the Board are as follows:

- (1) Review the Company's risk management policy and framework, which would cover all the major risks; namely financial risk, investment risk, and corporate reputation risk, before proposing them to the Board of Directors for approval
- (2) Formulate risk management strategies and framework in compliance with the Company's risk management policy. The committee shall assess, monitor and control risk at the appropriate level
- (3) Monitor and ensure that risk management activities are in line with the Company's policy and framework approved by the Board of Directors
- (4) Set risk measurement and limit at the acceptable level
- (5) Set appropriate risk management measures for different situations
- (6) Review the sufficiency and effectiveness of risk management policy and system
- (7) Report regularly to the Board of Directors about the management, operation, risks, changes and areas of improvement to keep risk management in line with the Company's policy and strategy
- (8) Appoint a risk management working group if necessary
- (9) Support the risk managing working group in terms of personnel, budget and other necessary resources under the scope of responsibilities of the working group

### **The Risk Management Working Group**

The Risk Management Committee has established the "Risk Management Working Group", including Senior Executive Vice President - Planning and Portfolio Management as the chairman of the working group, executives from various divisions as members and Manager of Risk Management Department as the Secretary. Its duties and responsibilities are to identify nature of the risks and risk factors, study and analyze all internal and external risk factors that may affect the Company's operation, study and suggest guidelines for the Risk Management Committee's approval, monitor and ensure that risk management activities are implemented in compliance with the approved policy and, finally, write a risk management report for the Risk Management Committee's consideration every quarter.

*(The Risk Management Committee's roles and responsibilities are stated in the Company's regulation on the Risk Management Committee which is published on the Company's website. The committee's meeting report and the individual members attendance report are published in the Good Corporate Governance Report section.)*

### **9. The Investment Working Committee**

The Board of Directors appointed "The Investment Working Committee" to consider investment projects proposed by the Management and to ensure that the project well support the Company's policy, business goals and business environment. The committee shall provide their opinion and recommendation to the Board of Directors for approval. Appointed on 30 March 2010, the committee comprises three members and Mr. Peerawat Pumthong, Senior Executive Vice President - Business Development, acts as the secretary of the committee. The three members are:

- |    |             |                |          |
|----|-------------|----------------|----------|
| 1. | Mr. Lae     | Dilokvidhyarat | Chairman |
| 2. | Mr. Atchada | Kesornsook     | Member   |
| 3. | Mr. Sommai  | Khowkachaporn  | Member   |

*(Meeting reports of the Investment Working Committee and meeting attendance report of Investment Working Committee member are published under the Good Corporate Governance Report section.)*

### **10. Structure of the Management**

The Board of Directors has specified scope of responsibility and authority of the Board of Directors separately from the Management. The Board of Directors is responsible for formulating policy and monitoring the performances of the Management. The Management is responsible for implementing and executing the policies and reporting to the Board of Directors performance results.



The President is the top executive position in the Management and is authorized to manage daily operations of the Company as follows:

- (1) Manage, hire, appoint, punish and terminate employees. The Management is authorized to consider promotion or adjust salary of employees and waged staff members, excluding top-level executives who are Executive Vice President and upper.
- (2) Issue management process or other operations of the Company that do not conflict with the Company's regulations and the Board of Directors' resolution
- (3) Deciding on the scope of work and work conditions for employees to strictly follow
- (4) For external affairs, the President is authorized to act as a signatory except in any matters that the President or persons who have relationship with him may have conflict of interests. Such action can be taken only when approved by the Board of Directors with the presence of Independent Directors. In such case, the President may authorize any other person to act on his/her behalf, except for any matter that may hold the Company's liable as a borrower, buyer or hirer engaged in more than Baht 30 million. For any contract that is wrongfully made by the President which breaches the resolution of the Board of Directors, the Company will not be held liable, except in case of rectification by the Board of Directors.
- (5) The Board of Directors authorized the President to approve projects below Baht 30 million in total value. Projects with greater value shall be considered and approved by the Board of Directors
- (6) The President is authorized to approve donation of no more than Baht 200,000 each. Charity donation of up to Baht 400,000 shall be approved by the Board of Directors' Chairman while donation exceeding Baht 400,000 shall be approved by the Board of Directors.

In case that the President is not available or cannot perform his duty or when the position is vacant, the Board of Directors assigned Mrs. Darunee Abhinoraseth, Senior Executive Vice President - Finance, Mr. Prachuab Ujjin, Senior Executive Vice President - Planning and Portfolio Management, and Mr. Peerawat Pumthong, Senior Executive Vice President - Business Development, to act as the Acting President respectively with full authority, except for the President's responsibility as a member of the Board of Directors.

The Company's Management is divided into four disciplines — Business Development, Planning and Portfolio Management, Finance, and Corporate Administration. Each discipline is led by Senior Executive Vice President. Two units under the President are the Corporate Secretary Office and the Internal Audit Division which the latter reports directly to the Audit Committee.

As of 31 December 2010, the Company's "Management" according to the Securities and Exchange Act include executives holding Executive Vice President position and up, Vice President of Accounting Division and Vice President of Finance Division as follows:

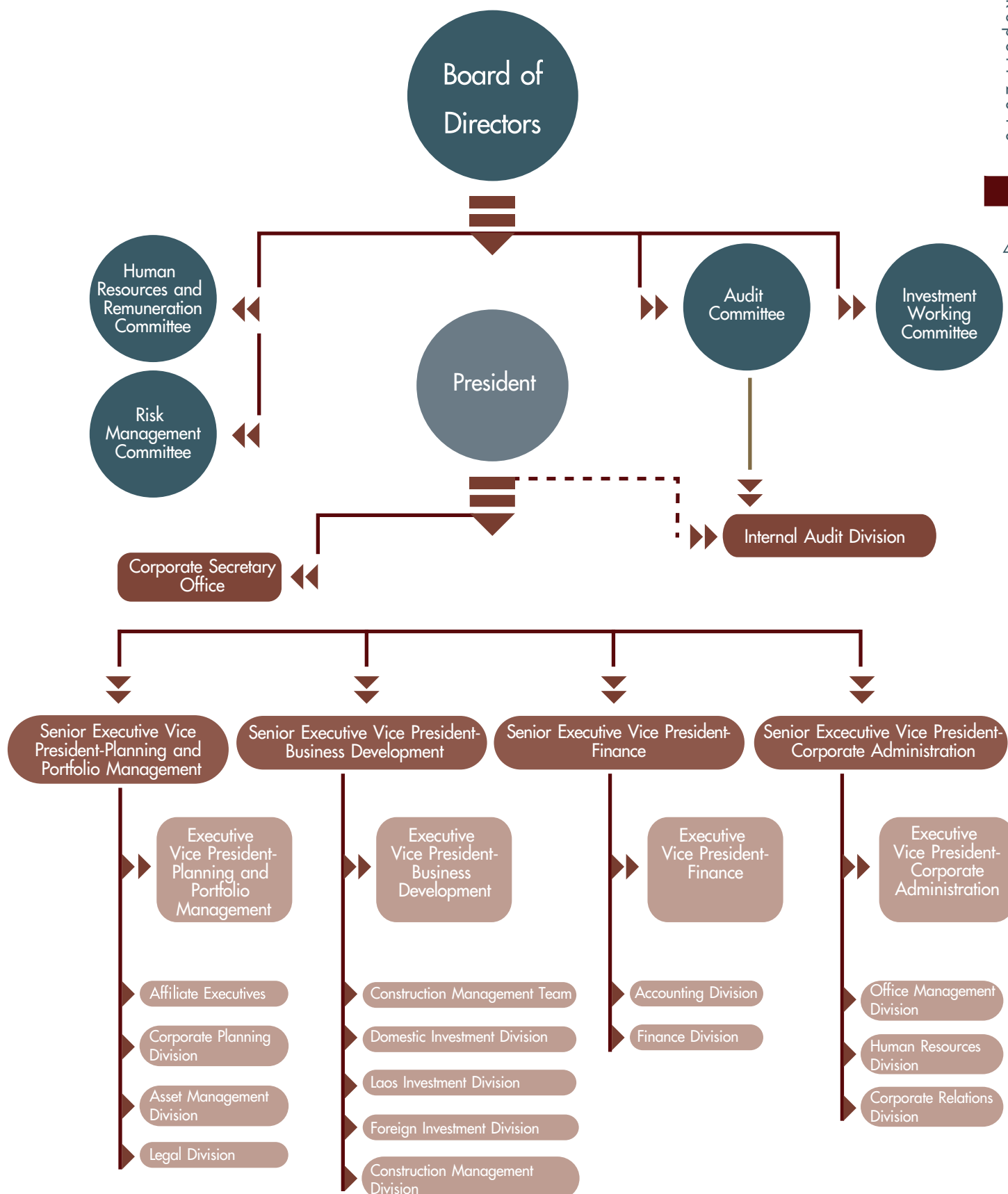
1.	Mr. Noppol	Milinthanggoon	President
2.	Mrs. Darunee	Abhinoraseth	Senior Executive Vice President - Finance
3.	Mr. Prachuab	Ujjin	Senior Executive Vice President - Planning and Portfolio Management
4.	Mr. Peerawat	Pumthong	Senior Executive Vice President - Business Development
5.	Mr. Suchart	Avusosakul	Executive Vice President - Planning and Portfolio Management
6.	Mr. Vatchara	Noomahan	Executive Vice President
7.	Mr. Somnuk	Jindasup	Executive Vice President
8.	Mr. Prayut	Thongsuwan	Executive Vice President
9.	Mr. Ni-run	Wongchanglor	Executive Vice President
10.	Mrs. Sunee	Rajathamutha	Acting Executive Vice President - Finance
11.	Mrs. Boontiva	Dansamasatid	Acting Executive Vice President - Corporate Administration
12.	Mr. Sommai	Poosanachakorn	Vice President of Accounting Division
13.	Miss Rewadee	Srikongyos	Vice President of Finance Division

*(Profile and details about executives are published in the Profile of Directors, Company's Management and Company Secretary section and the Company's website)*

The Company's organizational structure is as follows:



# Organization Chart



## 11. Secretary to the Board of Directors and Company Secretary

### *Secretary to the Board of Directors*

The Board of Directors appointed the President as its Secretary. The “Corporate Secretary Office” which reports directly to the President is responsible for arranging meetings, administration and coordination for the Board of Directors.

### *Company Secretary*

The Management has appointed Mrs. Boontiva Dansamasatid, Senior Vice President of the Corporate Secretary Office, as the Company Secretary. The Company Secretary's responsibilities as specified by the Securities and Exchange Act include arranging the Board of Directors and shareholders' meetings; providing initial advice to facilitate the Board of Director's meetings and activities in order to comply with related rules and regulations; handling secretariat works for the Board of Directors and facilitating the Board of Directors' activities; ensuring that the Board of Directors' resolutions are strictly executed; handling activities related to shareholders' rights and proper disclosure of information as regulated by related organization. (Profile and information about the Company Secretary are published in the Profile of Directors, Company Management and Company Secretary section.)

## 12. Recruitment and Nomination Procedures of Directors and Top Management

### *12.1 Board of Directors' Selection*

The Company considers director recruitment a very important task because directors who sit in the Board of Directors will participate in policy formulation and regulating the management and operations for the best benefits of the Company. Qualifications of Directors and Independent Directors are specified in accordance with the regulations set by related regulating agencies, legal requirements and the Company's Articles of Association which have already been described. The Company also considers educational background, training, work experience, specialized areas and skills that best suit the tasks, and willingness to contribute time and efforts to their designated missions that will strengthen the Board of Directors.

The Human Resources and Remuneration Committee is responsible for selecting, recruiting and screening nominees for the Board of Directors' consideration. Directors' appointment includes:

*Case 1:* A Director position is vacant due to reasons other than rotation of office: The Board of Directors has the authority to elect any person to replace the resigned Director. The Director so appointed shall retain his/her office during such time only as the resigned Director is entitled to retain. At least three fourths of the remaining Directors shall approve the appointment.

*Case 2:* A Director position is vacant due rotation of office: The Board of Directors shall propose to the shareholders' meeting for consideration at the annual shareholders' meeting. Criteria and process as specified in the Company's rules are as follows:

- (1) Each shareholder's vote is equal to the number of shares held. One share equals one vote
- (2) A shareholder may vote for one or more nominees but must not exceed the number of Directors to be appointed
- (3) In case a shareholder chooses more than one nominee, he/she has the right to vote for each nominee at the number of votes equivalent to the number of shares held. The shareholder cannot vote more for any particular nominee
- (4) The nominees who receive the second highest votes will be selected as the Directors according to the number of new directors to be selected. If the number of nominees receiving the same number of votes is higher than the number of new directors to be selected, the chairman of the meeting will make final decision.

Committed to encouraging equal treatment of shareholders, the Board of Directors allows individual shareholders to nominate a person with proper qualifications. The Board of Director will consider and nominate the person for the shareholders' consideration at the annual ordinary shareholders' meeting. This action has been continued since 2008. Details are specified in the Good Corporate Governance Report section.

### *12.2 Nomination and Recruitment of the Top Management*

“Top Management” means a person who holds the position of President, Senior Executive Vice President, and Executive Vice President.

The Human Resources and Remuneration Committee shall recruit the Directors and top management of the Company's Group by reviewing the nominee's educational background, knowledge, skills and work experiences, which should benefit their designated missions and the Company's overall operations.

Directors representing the major shareholder, EGAT, that have right to nominate to the Company's Board of Directors depending on shareholding proportion, have been appointed after the same selection procedure. Background and qualifications that are proper and necessary in governing the Company's businesses are taken into consideration. The President, who is EGAT's top executive and seconded to work at the Company, has also been nominated to the Human Resources and Remuneration Committee for consideration and screening prior to the Board of Directors' consideration and/or the shareholders' meeting's consideration according to the proper selecting procedure.

### **13. Policy on Appointing Directors and Executives to be Directors and the Management of Other Subsidiaries and Affiliates**

The Company has established subsidiaries to manage and operate designated missions as well as invested in many companies (information about the subsidiaries and affiliates are detailed in the General Information section). To ensure that the Management and supervision of all companies are in line with the Company's policy and to effectively monitor and assess operational performance of the subsidiaries and affiliates, the Company has a policy to appoint its directors and executives to be directors and/or executives in those companies.

### **14. Remuneration for the Directors and Executives**

#### *14.1 Policy and Criteria on Directors and Executives' Remuneration*

The Board of Directors has made the policy and criteria on remuneration of directors and high level management staff members in writing since 2005. This enables the Company to ensure that remuneration is based on clear, appropriate transparent and updated criteria and procedure as well as the best benefits of the Company's operations and ability to attract and retain quality human resources. Remuneration is linked to goals and performances of the Group, dependent on level of designated responsibilities, comparable to the remuneration offered by organizations in similar industry and size, able to attract and inspire persons with appropriate educational background, knowledge, capability, skills and experience that enhance the Group's success. The Human Resources and Remuneration Committee screens and proposes the remuneration of the Company's directors and members of all committees before seeking approval from the Board of Directors and later from the annual general meeting of shareholders.

At present directors receive two types of remunerations as follows:

- (1) Bonus - depending on the length of directorship and on the attendance to the Board of Directors' meetings. When a director holds directorship more than one position in the Company and its subsidiaries, the director shall receive bonus from the company that allocates the highest bonus at that point in time.
- (2) The retainer for the Company's Board of Directors paid on monthly basis and divided into two portions. The first 75 per cent, is fixed and the rest 25 per cent is paid when the director attend meetings. As for the Committee, the payment is made on attendance basis to the Committee's meeting. At present, the retainer as approved by the shareholders' meeting is as follows:
  - The retainer for the Board of Directors
    - Chairman 50,000 Baht
    - Director 40,000 Baht
  - The retainer for committee members (The Audit Committee, the Human Resources and Remuneration Committee and the Risk Management Committee)
    - Chairman 30,000 Baht
    - Director 24,000 Baht
- (3) Executive director does not receive fixed the retainer but he is entitled to receive bonus as a Director.

Remuneration for high level management is in line with the criteria and policy set earlier by the Board of Directors and must be considered and screened by the Human Resources and Remuneration Committee. The remuneration is linked with the performance appraisal against the earlier agreed target and must seek approval from the Board of Directors.

## 14.2 Remuneration of directors and top management

## 14.2.1 Ratchaburi Electricity Generating Holding Public Company Limited

## (1) Remuneration for the Board of Directors and committee members

Unit: Baht

No.	Names		Board Retainer for 2010				2009 Bonus/ <sup>1</sup>	Total
			Company's Directors	The Audit Committee	The Human Resources and Remuneration Committee	The Risk Management Committee		
1.	Mr. Witoon	Simachokedee <sup>/2 /7</sup>	572,983.87			24,000.00	1,100,000.00	1,696,983.87
2.	Mr. Lae	Dilokvidhyarat <sup>/3</sup>	480,000.00		120,000.00		1,100,000.00	1,700,000.00
3.	Mr. Nathi	Premrasmi <sup>/4 /9</sup>	470,000.00	144,000.00			1,100,000.00	1,714,000.00
4.	Mr. Metta	Banturungsuk <sup>/5 /6 /9</sup>	480,000.00	96,000.00		120,000.00	1,100,000.00	1,796,000.00
5.	Mr. Chulasingh	Vasantasingh	127,000.00				1,100,000.00	1,227,000.00
6.	Mr. Atchada	Kesornsook <sup>/8 /9</sup>	470,000.00		96,000.00		1,100,000.00	1,666,000.00
7.	Mr. Sutat	Patmasiriwat	371,935.48					371,935.48
8.	Mr. Chanin	Vongkusolkrit <sup>/8</sup>	440,000.00		72,000.00		1,100,000.00	1,612,000.00
9.	Mr. Ratanapong	Jongdamgerng <sup>/7</sup>	460,000.00			96,000.00	1,100,000.00	1,656,000.00
10.	Mr. Wirash	Kanchanapibul	371,935.48					371,935.48
11.	Mr. Sommai	Khawkachaporn <sup>/7 /9</sup>	351,935.48			72,000.00		423,935.48
12.	Mr. Satit	Rungkasiri <sup>/6 /9</sup>	361,935.48	72,000.00				433,935.48
13.	Mr. Noppol	Milinthanggoon <sup>/10</sup>					1,100,000.00	1,100,000.00
14.	Mr. Sombat	Santijaree <sup>/2</sup>	150,000.00				1,375,000.00	1,525,000.00
15.	Mr. Sathit	Limpongpan <sup>/4 /9</sup>	120,000.00	30,000.00			1,100,000.00	1,250,000.00
16.	Mr. Kurujit	Nakornthap <sup>/6 /9</sup>	120,000.00	24,000.00			1,100,000.00	1,244,000.00
17.	Mr. Pramote	Inswarn	120,000.00				1,100,000.00	1,220,000.00
Total			5,467,725.79	366,000.00	288,000.00	312,000.00	14,575,000.00	21,008,725.79

Remarks: <sup>/1</sup> 2009 Directors' remuneration paid in April 2010 according to the 2010 annual general meeting of Shareholders's resolution held on 29 March 2010

<sup>/2</sup> Chairman of the Board of Directors

<sup>/3</sup> Chairman of the Human Resources and Remuneration Committee

<sup>/4</sup> Chairman of the Audit Committee

<sup>/5</sup> Chairman of the Risk Management Committee

<sup>/6</sup> Member of the Audit Committee

<sup>/7</sup> Member of the Risk Management Committee

<sup>/8</sup> Member of the Human Resources and Remuneration Committee

<sup>/9</sup> Independent Director

<sup>/10</sup> Executive Director

In 2010, there were changes to the Board of Directors and committees as follows:

- Mr. Sutat Patamasiriwat, Mr. Wirash Kanchanapibul, Mr. Sommai Khawkachaporn and Mr. Satit Rungkasiri were appointed Directors on 30 March 2010.
- Mr. Witoon Simachokedee was appointed to the Chairman of the Board on 30 March 2010.
- Mr. Sombat Santijaree retired from the Chairman of the Board of Directors. Mr. Sathit Limpongpan, Mr. Kurujit Nakornthap and Mr. Pramote Inswarn retired from directorship on 29 March 2010.
- Mr. Nathi Premrasmi was appointed the Chairman of the Audit Committee. Mr. Metta Banturungsuk and Mr. Satit Rungkasiri were appointed members of the Audit Committee on 30 March 2010.
- Mr. Sommai Khawkachaporn was appointed a member of the Risk Management Committee on 30 March 2010.
- Mr. Sathit Limpongpan retired from the Chairman of the Audit Committee. Mr. Witoon Simachokedee retired from a member of the Risk Management Committee. Mr. Kurujit Nakornthap retired from a member of the Audit Committee on 29 March 2010.
- Mr. Chulasingh Vasantasingh resigned from the Board of Directors' member since 8 April 2010.



## (2) The Company's management remuneration

Unit: Million Baht

Remuneration	Number (persons)	Total
Salary	11 <sup>/1</sup>	34.896
Bonus	11 <sup>/1</sup>	19.444
Contribution to Provident Fund	11 <sup>/1</sup>	2.872
<b>Total</b>		<b>57.212</b>

Remarks: <sup>/1</sup> The Company's management comprises 13 executives and 2 are assigned on secondment mission in Ratchaburi Electricity Generating Company Limited.

## 14.2.2 Ratchaburi Electricity Generating Company Limited

Unit : Million Baht

Remuneration	Number (persons)	Total
(1) Directors		
Retainer	12 <sup>/1</sup>	3.115
2009 Bonus	8 <sup>/2</sup>	7.040
<b>Total</b>		<b>10.155</b>
(2) Management		
Salary	5	15.658
Bonus	5	7.177
Contribution to Provident Fund	5	1.477
<b>Total</b>		<b>24.312</b>

Remarks: <sup>/1</sup> Ratchaburi Electricity Generating Company Limited has 10 directors. In 2010, four directors retired and appointed during year. Some of them are Executive Director did not receive regular remuneration according to the preset rule.

<sup>/2</sup> Some of them are directors of Ratchaburi Electricity Generating Holding Public Company Limited and thus did not receive bonus from Ratchaburi Electricity Generating Company Limited.

14.2.3 Ratchaburi Gas Company Limited, Ratch Udom Power Company Limited, Ratchaburi Alliances Company Limited, Ratchaburi Power Company Limited, RATCH-Lao Services Company Limited, and RH International Corporation Limited

Directors and executives in these subsidiaries were appointed by the Ratchaburi Electricity Generating Holding Public Company Limited and do not receive remuneration from the Company.

## Dividend Payment Policy

Ratchaburi Electricity Generating Holding Public Company Limited has a policy to pay dividend at no less than 40 per cent of its total net profit according to the consolidated financial statements after capital reserve required by laws and other reserves. However, dividend payment also depends on the Company's cash flow.

Dividend paid to shareholders since the inauguration of its operation is as follows:

Year	Net Profit (Million Baht)	Net Profit after reserves required by laws (Million Baht) <sup>/1</sup>	% of dividend payment	Paid Dividend (Million Baht)	No. of shares (Million)	Dividend per share (Baht)
2001	3,060	2,907	49.9	1,450	1,450	1.00
2002	4,729	4,492	48.4	2,175	1,450	1.50
2003	5,424	5,153	49.2	2,537	1,450	1.75
2004	6,487	6,162	47.1	2,900	1,450	2.00
2005	6,066	5,763	50.3	2,900	1,450	2.00
2006	6,106	5,955	51.1	3,045	1,450	2.10
2007	5,829	5,829	52.2	3,045	1,450	2.10
2008	6,493	6,493	49.13	3,190	1,450	2.20
2009	6,740	6,740	48.4	3,263	1,450	2.25
2010	5,220	5,220	62.51	3,263	1,450	2.25 <sup>/2</sup>

Remarks: <sup>/1</sup> The Company has to deduct no less than five per cent of its annual net profit for reserve according to the law until the reserve is no less than 10 per cent of the registered capital or Baht 1,450 million. The Company has achieved this since 2006.

<sup>/2</sup> An agenda is proposed for the approval from the Annual General Meeting of Shareholders 2011 to be held on 28 March 2011. On 20 September 2010 The Company paid interim dividend for the first half operations of 2010 (January - June 2010) at Baht 1.10 per share

Ratchaburi Electricity Generating Company Limited, which is the Company's major subsidiary, has a policy to pay dividend to the Company at 100 per cent of its net profit after capital reserve required by law and other reserves after other conditions in loan agreement.

## 2010 Social and Environmental Responsibility

The Company's social responsibility activities have continued constantly throughout 2010 as it is viewed as very important mission in addition to thorough internal control. In 2010, such activities as forest resources and biodiversity were in focus with a goal to preserve and rehabilitate in order to maintain such resources for the next generation. More importantly, preservation of forests and biodiversity has great contribution to lowering global warming which causes climate change. Forests are great natural mechanism that effectively absorbs carbon dioxide. The Company has also encouraged employees' participation on voluntary basis, which successfully engaged employees and instill public service mind, a strong base for employees' integrity and sincerity.

Social and environment activities in 2010 are as follows:

### Environment

#### 1. Love the Forests and the Community Project

This cooperation between the Company and the Royal Forestry Department has continued for the third consecutive years. The initiative was intended to boost the morale of the individuals that are committed to developing and protecting community forests in a more efficient and well managed manner under the "By Community For Community" concept with greater participation in the Home-Temple-School format. Proper use of forests is also promoted to ensure sustainability. Participating community forests are promoted as model projects from which people in the community and the public at large learn more on sustainable forest preservation by communities. Three key activities under this project include the Community Forest Contest, Kla Yim Youth Camp and Community Forest Network Seminar. The Company assigned the Faculty of Forestry, Kasetsart University, to assess the success of the project to ensure concrete benefits to community and the public while addressing the Company's mission. While the Company celebrated its 10<sup>th</sup> anniversary in 2010, it has added a new activity, community forest study trekking, under this project.

##### 1.1 Community Forest Contest (for HRH Princess Maha Chakri Sirindhorn Trophy)

In the third Community Forest Contest, 132 awards were presented, including one Best National award, four regional awards, one special award, 66 provincial awards and 66 merit awards. The Baan Huay Rai Burapa Village Community Forest's in Oob Moong Subdistrict, Nong Wua Sor District, Udon Thani Province was named the Best National Community Forest and won the HRH Princess Maha Chakri Sirindhorn's Trophy. The best eco-tourism community forest award went to the Baan Thum Phueng Community Forest in Phanom District, Surat Thani Province. The best regional award winners are the northern region: Baan Sam, Kha Community Forest in Mae Tha District, Lampang Province; the central region: Baan Noan Hin Pueng Community Forest in Prachantakham District, Prachin Buri Province; the northeastern region: Baan Arloa-Doanbaen in Muang Distort, Surin Province and the southern region: Baan Tung Soong Community Forest in Ao Luek District, Krabi Province.



##### 1.2 Youth Camp

Realizing the importance of young people as the key driver of future development, the Company is committed to educating and encouraging young people to engage and embrace forest preservation. The youth camp activities focused on providing opportunity for young people to study the nature of forests, ecology, proper and sustainable use of forests and preservation, and energy conservation related to nature and environment preservation. Participants were also trained on necessary skills, such as analytical thinking, integration of knowledge and leadership in order to prepare them for a more challenging future. In 2010, 269 young people attended the three youth camp activities.

##### 1.3 Community Forest Leaders' Network Seminar

Aimed at building and linking together participating community forests in the "Love the Forest and the Community" project and create a strong nationwide network of community forests. The activity also promoted learning, sharing and exchanging experience between community forest leaders for long-term development. Thanks to their well-managed system, these efficiently managed community forest projects become a good source of learning and models for other similar projects. In 2010, the Company held two of the community forest network seminar, including the seminar in Lampang Province in the North and in Ratchaburi Province in the Central region.

##### 1.4 Assessment of the "Love the Forests and the Community" Project

The Company commissioned the Faculty of Forestry, Kasetsart University, to conduct an assessment of the "Love the Forests and the Community" project. The MOU was signed on 1 June 2010. The assessment was focused on the change of community perception towards community forest management under the Love the Forests and the Community Project. A comparison between award-winning and other community forests was conducted with focus on changes related to economic and social aspects as well as utilization of forests, richness and ecology of the community forests, change in community's perception change and community's

participation in forest management. The study also provided recommendation on Love the Forests and the Community Project improvement to best address community's specific needs.

The study also showed that the management of award-winning community forests is highly efficient and its standard meets the project's criteria. These award-winning community forests are managed by specific committees and involved a lot of community participation. Forest preservation also takes into account the ecology system, economy and social aspects, richness of the forests and the concept of forest preservation under sufficiency economy philosophy.

Most of the community forests acknowledge and understand the importance of the "Love the Forests and the Community" Project. The community forest contest also gives inspiration and encouragement to people working on forest preservation. The "Kla Yim" Youth Camp and community forests network seminar programs also efficiently educate the new generation while growing their commitment to forest preservation.



### **1.5 Community Forest Study Trail Route**

To commemorate the 10<sup>th</sup> anniversary of the Company's establishment, study trekking route was planned in 10 community forest projects. This is further developed from the "Love the Forest and the Community" project by promoting potential community forest projects that promote harmony living between man and nature. Participating projects were recruited from nationwide, according to their readiness such as participation of all parties concerned in the community forest development and the nature of the community forest that provides for learning and eco-tourism opportunity. The selection was jointly conducted by the Company and the Royal Forestry Department and finally 10 community forests were selected.

In 2010, Ban Ta Pa Pao Community Forest, Lampoon Province, has completed trekking route study. Three learning stations were established, including herbs, check dam, and community forest preservation. The natural trekking route at Ban Ta Pa Pao Forest was opened to public for the first time on 12 August 2010 and has welcomed more than 600 visitors since then.

## **2. "99,784 Teak Cultivation in Honor of HM the King"**

To commemorate the 60<sup>th</sup> anniversary of His Majesty's accession to the throne and HM's birthday, the Company initiated the "99,784 Teak Cultivation in Honor of HM the King" program in sincere gratitude of HM's concerns over global warming. Teak is a local plant with great potential to absorb carbon dioxide better than other trees. The campaign is one of the initiatives that has been activated in honor of HM the King under the "Stop Global Warming for Our Beloved King in Celebration of the 60<sup>th</sup> Anniversary of HM's Coronation Anniversary and his Birthday Anniversary" initiative run by the Ministry of Energy. Commenced in May 2010, the program completed in August 2010 and is expected that the 99,784 teak grown under this program would help absorb 32,870 tonnes of carbon dioxide and generate 24,000 tonnes of oxygen per year to the atmosphere.



## **3. "19,784 Trees Cultivation in Honor of HM the King"**

Following on from the teak cultivation program and with the same objective of commemorating His Majesty the King's birthday, the "19,784 trees cultivation" program also helps increase green areas and reduce global warming. Key activity is growing 19,784 trees that have high capability in absorbing carbon dioxide. Held on 5 December 2010 on a 200 rai plot in Soong Noen Forest, Pong Malaengwan Village, Kok Kruand Subdistrict, Nakhon Ratchasima Province, the program was successfully completed thanks to the cooperation between the Ministry of Energy, public and private organizations and communities in Nakhon Ratchasima Province.

## **4. Employees' Participation**

### **Employee Volunteer**

To promote public service mind among its employees, the Company has encouraged its employees to participate in social activities at least three days a year and create small groups or club to undertake activities that are of public benefit. In the past year, the Company organized 13 public service activities, in which 111 employees from Vice President to operational levels participate, representing 85.38 per cent of its workforce. This represents 3,844 hours in total. In addition, 13 high-level management members, from the Executive Vice President to President level, participated in social contribution activities, with a total of 448 hours time spent. In addition to public benefits, the Company's employees have strong pride and relationship with the Company.

\* Details of social responsibility activities, community relations and environmental impact management are presented in the Social and Environment Responsibility Report 2010.



# Human Resource Management

Human resource is considered vital to the Company's growth and ability to achieve its goals. The Company therefore has set a clear policy to continuously develop its human resources in order to keep them well-prepared for changes and support the Company's strategies.

## Employees' Policy

1. To enhance good working life quality by providing good working environment, occupational hygiene and safety comparable to international standards
2. To continuously develop knowledge and capabilities of the employees in order that they shall be prompt to serve the Company's growth
3. To promote the employees' occupational growth with regards to the capabilities and potentials
4. To properly and fairly manage the remuneration system and welfares
5. To encourage employees participation in developing organization

There has been no dispute between the Company and its employees. Human resource development plan is set out and continuously implemented for all level staff members. Remuneration and benefits are regularly reviewed and adjusted to ensure they are proper and fair. Opportunities are open for all employees to share their opinion related to operational development. In addition, various activities were introduced to promote employees' ethics and morale.

## Personnel Recruitment

The Company carefully recruits its employees to maintain a pool of quality staff members who have the required knowledge, skills and quality that best suit the nature of the work and support the Company's goal and business strategy. Employees must also be flexible, versatile and ready to be posted in foreign countries while active in learning that promotes effective performance in their current assignments. At the same time, they will be trained to increase capability and skills that support their career development in the future.

In 2010, the Company adjusted its manpower plan to better support its strategies that focus more in overseas investment. Implementing a three-year business plan (2010-2012), the systematic recruitment plan has been practiced to assure sufficiency of manpower to achieve the Company's missions.

## Competency-Based Human Resource Development

In human resource development, the Company focuses on individual competency, which comprises two parts as follows:

1. Core Competency meaning shared competency specified by the Company to create common value and desired practice that support the Company's vision and mission. The Core Competencies include drive for results, strategic thinking, team spirit, integrity, and relationship building.

2. Functional Competency meaning specific qualities that aspires employees to perform or demonstrate their capabilities that best suit their assignments and enhance their performances. Each discipline specifies the desired competency and capability that are appropriate to the nature of their operations, such as risk management, information seeking, concern for order and planning and organizing.

At the performance appraisal, which is done twice a year, individual employee's competency is appraised and the result is used for his/her development.



Attitude and motivation are promoted through activities that enable employees to instill good attitude towards their job assignments and organization, which are significant to human resource development. In 2010, the Company initiated the “RATCH Group Brothers and Sisters Program” under which executives and employees at all levels stayed and undertook the activities together for a certain period, which successfully and significantly promoted unity, understanding and bonding among themselves. The training on leadership development and advanced management skills was arranged for middle-level management. The training included leading change, strategic thinking and personality development which help the trainees develop important interpersonal skills and improved their leadership. The Company also arranged for its employees to attend public courses such as Capital Market Academy courses, King Prajadhipok Institute's Public Economy Management for Executive Course, Senior Executive Program, Chief Financial Officer Certificate Program and International Finance Reporting Standard, which helped improve advanced management skills and at the same time promote networking. In addition, field trips in and outside the country were arranged.

### Job Rotation

The Company's overseas operations have given good opportunities for all level of employees to have job rotation within the Company and among subsidiaries and joint ventures. Overseas posting also helped employees develop skills and experience at the international standard. A guideline manual was prepared for overseas posting, such as in Lao PDR, Vietnam, Indonesia and the Philippines, to help employees prepare themselves and understand more about these countries in all areas such as culture, language, tradition and related laws and regulations.

### Opinion Sharing and Complaints

#### 1. Opinion Sharing

Meetings: Formal meetings, namely the Board of Directors' Meeting, Management Meeting and division heads' meeting, were held on monthly basis. These meetings opened opportunities for the immediate supervisors of each department to meet every three months. Topic for the meeting were communicated to the participants ahead of the meeting date. During the meeting, all participants were given opportunity to share their opinions and clarify all questions. “Synergy Meeting”, an informal meeting between employees from different disciplines was initiated as another platform for employees to meet and update progress of their operations, new movements in the Company, share opinion, and brainstorm to prevent and find solutions to problems and create new activities.

Opinion sharing through employees' representatives: the Company arranged for the establishment of “Employees' Welfares Committee”, comprising representatives from the employer, and employees who are appointed through an election. The committee is responsible for recommending appropriate employees' welfares. The committee meets regularly every three months.

Other internal communications channels, including Intranet, were developed to accommodate communication among its employees. The Company's Intranet is developed to easily support the E-learning and Knowledge Management systems that will be implemented later. HR Employee Self Service system was introduced to make all human resources management process and coordination online, resulting in less paper consumption while increasing efficiency and speed of services related to human resource management.

#### 2. Complaint

The Company has clearly specified employees' complaint methods, as well as steps and timeframe for the appealing or solution or elimination of problems stated in the complaint and informed the person who lodges the complaint of the solution. In case that the complaint has impact on the Company, the employee who reports the information and evidence



related to the complaint and/or the person who considers the complaint will not be terminated, punished or taken action that may harm the person if the action is done with good intention.

### Work Life Quality and Social Responsibility

Public responsibility awareness is believed to have significant impact on a person's performance. The Company therefore allocates budget for social activities to encourage employees' participation in social activities. Goal for such activities is to improve quality of life, both physically and mentally, to allow for opportunities for employees to spend free time wisely and to promote social and public responsibility among them. Such activities are, for example, Health Club, Sports Club, Buddhism Club and Children's Club. In 2010, the Company's staff members have attended various social and public activities in addition to activities that help achieve each club's goals.

The Company also values and promotes good work environment. Occupational health and safety is ensured by the Occupational Health and Safety Committee successfully arranged the annual fire drill and personal health check, as well as participated in safety meetings with the building management on monthly basis.

### Remuneration, Welfares and Benefits

The Company has a policy to pay remuneration at a competitive level in the labor market and in the same level offered by other companies in the same industry in terms of type of business and size. This is to retain workforce with outstanding expertise, competency and capability and to attract capable outsiders to support the Company's growth. The Company's remuneration structure is based on the key principle which is to maintain competitiveness in the labor market. The Company also considered that the adjustment did not require too high budget. Individual remuneration is based on individual performance.

In terms of employees' welfares and benefits, the Company systematically improved its employees benefits through the recommendation of the "Employees' Welfares Committee". In 2010 the Company has improved employees' benefits in the area of eye health and dental service. Medical service included vaccination to prevent various diseases and promote better health care. This improvement has enabled the Company to effectively reduce medical expenses and loss of working time for sick employees. In addition, employees have better morale and security, thus are willing to dedicate themselves to produce quality work in their field.

***As of 31 December 2010, the Company and its subsidiaries have a combined workforce of 187 persons and has 300,455,478.65 Baht of personnel expense, accounting for 33 per cent of the total administration cost (including management remuneration) .***



# Good Corporate Governance Report

## 1. Business Ethics and Corporate Governance Policy

### 1.1 Preparation and Implementation of Business Ethics

The Board of Directors has prepared the *Business Ethics* in writing and has implemented it since the Company's inception in 2000. The Business Ethics comprises three documents including the *Code of Conduct*, *Executive Ethics* and *Employee Ethics*. Each document provides guideline of practice for the Company, executives and employees towards different stakeholder groups, such as shareholders, employees, creditors, business partners, competitors, community and the general public, the government and environment. The Company has regularly reviewed the Business Ethics to address the constantly changing environment while supporting the Company's vision, mission and policy as well as the Company's sustainable growth. *(The three documents are published on the Company's website.)*

### 1.2 Preparation and Implementation of Corporate Governance Policy

The Company's remains committed to operating the business with responsibility, fair treatment to all stakeholders, operational transparency, transparent information disclosure, short and long term added value and performance enhancement to the Company's operation, ethics of executives and employees, and responsibility towards the society and environment. These are guidelines that ensure world-class standard practice across the Company, which strengthens confidence of the shareholders, investors, and all stakeholders of Ratchaburi Electricity Generating Holding Public Company Limited.

In preparation of the Corporate Governance Policy, the Company uses the corporate governance principles of Stock Exchange of Thailand (SET) and the Securities and Exchange Commission as guidelines (SEC). The implementation of the policy enhances the Company's efficiency and ethics as well as responsibility towards the society, communities and the environment, which all forms strong foundation for sustainable growth. Since 2003, the Company's *Corporate Governance Policy* has been published in writing and reviewed on yearly basis to best address the current situation.

The Company also announced other policies to ensure guidelines for proper treatment of all stakeholder groups. Some of the policies are the risk management, shareholders, employees, social and environment, computer and network usage policies. *(All are published on the Company's website.)*

### 1.3 Communications and Monitoring Performance to Ensure Full Compliance with the Corporate Governance and Business Ethics Policies

Every new Director and employee will receive ethics and policies as part of their orientation kit which will be used as guideline and reference when performing their duties. All employees and Directors have to sign on the document to increase awareness, acknowledge their responsibility and reinforce their commitment to respect the Company's policies and ethics.

The Company established the *"Corporate Governance Working Group"*, comprising executives from all units, to act as a key mechanism to communicate the corporate governance policy from the Board of Directors and top management to all levels of employees, to listen to problems, difficulties and recommendations from all employees for further action, and to assess the execution results and ensure that the result comply well with the policy.

Various channels, including the Intranet, email system and internal meetings, are provided to effectively communicate and disseminate the Company's policy and corporate governance news to employees.

The *Internal Audit Division*, in addition to regular meet with all units, is responsible for monitoring and following up with the implementation of corporate governance policy by preparing annual audit plan and a quarterly reviewing report as well as make recommendation on solution and prevention of possible damages (if any).

The *"Compliance Database"* was prepared, distributed to the Board of Directors and published on the Company's internal database which is easily accessible for use by all employees. The database comprises guidelines for important areas of practice and operations of the Company as a listed company, such as the disclosure of information and significant information by the Company's executives, connected transaction, the acquisition or disposal of assets. The information is regularly updated.

The Board of Directors prepared the *"Report of Directors' and Executives' Interests"* and instructed the Directors and Executives to report their interests and related persons to the Company Secretary for reference and record. The Company Secretary shall make a copy and submit the report to the Board Chairman and the Chairman of the Audit Committee, according to the Securities and Exchange Act. The report will be used when considering who shall not have voting rights in the Board of Directors and shareholders' meetings.



## 1.4 Core Values

To achieve sustainable success and maintain leading position in the market, the Company believes that business ethics is a very important area, in addition to operational commitment, technology advancement, management excellence and corporate governance. The Company, therefore, strongly values ethical practice and integrity which also means not involving in any direct or indirect fraudulent action while maintaining the Company's confidentiality, benefits and assets; provides true and correct information; and respects and complies with the Company's rules and regulations. The development in this area started from the formulation and preparing in writing the Corporate Governance and Business Ethics, which are used as guidelines for the Board of Directors, the Management and employees. Following this is the promotion of *"Core Values"* that have to be embraced by all employees as follows:

- R: Respect** means believing in every employee's value, being aware of and accepting the differences of each person and promoting participation among all employees.
- A: Accountability** means accountability in the output and the outcome of their operations.
- T: Teamwork** means ability to work as a team, unity and commitment to working together to find creative solutions to problems or address any challenges presented in order to drive team's mutual success.
- C: Creativity** means creative thinking that provides better benefits and supports operational excellence development.
- H: Honesty** means holding to sincere, disciplined and ethical operation.

Integrity is defined as one of the Company's core competence. Employees whose works are related to the Company's significant information are required to sign the confidentiality agreement. As a listed company, Ratchaburi Electricity Generating Holding Public Company Limited has in place a rule prohibiting the use of insider information for abusive self-dealing, and requiring its Directors, executives, employees, and thier related persons to report any changes in the company's portfolio of themselves, according to the regulations of the Stock Exchange of Thailand and the Securities Exchange Commission of Thailand. Other rules and regulations on procurement, accounting, budgeting, finance and personnel management are clearly established.

Throughout the year 2010, there is no event or action that is against the Company's Business Ethics and Corporate Governance Policy.

## 2. Shareholders' Right

The Board of Directors prepared and implemented the *"Shareholder's Policy"* in 2007. The policy is used as a guideline for treating its shareholders who are the owners of the business. This reflects the Company's high respect of the fundamental rights of shareholders. With the Board of Directors' commitment to continuously protecting the shareholders' rights, there was not any event or action indicating the infringement of shareholders' right throughout the year 2010. The Company also ensured that its policy is strictly implemented as follows:

### 2.1 Right to Receive Information and Significant Information in Accurate, Sufficient and Timely Manner

The Company views that quality of the disclosure of information and significant information, both financial and non financial, is very important. The information shall be accurate, clear, updated, timely, and transparent. The information shall not be one-sided but include both positive and negative information. The information must be equally accessible to all shareholders. However, the disclosure of information shall not create too much cost for the Company or cause the Company to lose its competitiveness. The Board of Directors gives high priority to significant information disclosure that strictly follows related rules and regulations. Examples are immediate disclosure of significant information, disclosure of significant information to the general public, immediate clarification in case of rumors or related news, action taken in case of irregular stock trading; no disclosure of information without reasons; and insider's trading.

The Company clearly appointed persons who are responsible for information disclosure as follows:

- **The persons authorized to disclose information and significant information** are the Chairman of the Board of Directors, Directors, President and Senior Executive Vice Presidents.
- **The Corporate Secretary Office** is responsible for preparing document related to information and significant disclosure through the Securities Exchange of Thailand's electronic channel, annual report (Form 56-2) and being the contact person for the Securities Exchange of Thailand and the Securities and Exchange Commission.
- **The Accounting Division** is responsible for preparing financial information, the Management descriptions and analysis on the Company's operations and financial status.
- **The Investor Relations Department** is responsible for preparing the Form 56-1 and organizing analysts meeting.
- **The Corporate Relations Division** is responsible for the preparation of media release and arrangement of press conference.

The Company has ensured that shareholders have full opportunity to study the Company's information. Through its website ([www.ratch.co.th](http://www.ratch.co.th)), the Company provides additional communications channel in order that shareholders, investors, interested persons and the general public can have easy access to the Company's updated information. This also provides two-way communications that will lead to good understanding between the Company and investors. The website contains information both in Thai and English. The Company regularly arranges analyst meetings, local and international road shows, press conferences to announce quarterly and annual performances, distributes news and photo releases of the Company's activities to the media, arranges plant visits for institutional investors and analysts, and media relations activities.

In 2010, the Company accurately and completely followed rules and regulations related to information and significant information disclosure. There is no punishment from not submitting or late submission of report. Details of the Company's information disclosure activities are as follows:

(1) Disclosure of periodic reports such as financial statements, quarterly financial statements, annual report and Form 56-1	27 times
(2) Disclosure of non-periodic reports, such as the 2010 Annual General Meeting of Shareholders, its resolutions dividend payment, projects' investment and their progress and the establishment of subsidiaries for investment purpose, progress of investment projects,	25 times
(3) Analyst meeting	3 times
(4) Meeting with local investors	29 times
(5) International road shows	4 times
(6) Press conference on operational performances	7 times
(7) Press Interview	13 times
(8) Distribution of news and photo releases about the Company's activities	39 times
(9) Field trip for Shareholders' plant visit	2 times
(10) Institutional investors and stock analysts' work experience trip	2 times
(11) Media relations activities	7 times
(12) Website hits/pageviews (monthly average)	4,333 times

## 2.2 Rights to Register or Transfer Shares

The Company appointed Thailand Securities Depositories Company Limited (TSD) as its registrar responsible for the Company's share deposit, collecting and updating shareholders' information and provides services to shareholders, such as issuing, depositing, withdrawing and transferring of securities certificates, as well as remitting benefits to the shareholders. Shareholders can contact TSD directly at the TSD Call Center at 66(0) 2229 2888. At present, TSD offers online service through an investor portal. Shareholders can apply for the service at <http://www.tsd.co.th/investorportal/>.

## 2.3 Right to Attend Meetings

The Board of Directors fully values and respect shareholders' rights by encouraging the shareholders, who are regarded as the Company's owners, to participate in the shareholders' meeting in order that they are updated of the Company's performances, involved in significant decision making, and audit the performances of the Company's Board of Directors and Management. The Company has arranged shareholders' meeting in accordance with related laws and the AGM Checklist prepared by Thai Investors Association, the Listed Companies Association and the Securities and Exchange Commission (SEC). The Board and Management take this as their responsibility to ensure that the shareholders meeting is transparent, fair and equally benefits all shareholders and stakeholders.

### *Shareholders' Meeting*

In 2010, the Company held one shareholders' meeting - *"the 2010 Annual General Meeting of Shareholders"* - on Monday 29 March 2010, starting at 14.00 hrs. and ending at 17.00 hrs. at Vibhavadi Ballroom, the Sofitel Centara Grand Bangkok, located at 1695 Paholyothin Road, Chatuchak, Bangkok. The meeting venue is easily accessed through public transport system, which provides great convenience for shareholders to travel to the venue. There is enough space to accommodate a large number of participants. The Company fully provided meeting facilities, including audio-visual equipment to support presentation on each agenda, computer and barcode system that enables fast shareholders registration and accurate and transparent ballot.

The registration to attend the meeting was opened at 12.00 hrs., two hours before the meeting time. Shareholders who arrived after the meeting began could register until the meeting adjourned. The Company did not limit the shareholders' right to attend the meeting and vote on the agenda under consideration and that resolution was not yet made. The Company also provided opportunity for shareholders to decide whether to attend the entire meeting or to attend some specific sessions. Persons appointed by the Chairman of the Board were responsible for registration. The Company also set simple process for checking identification document that shareholders have to present to attend the meeting as informed earlier in the meeting notice.

In the 2010 Annual General Meeting of Shareholders, 1,475 shareholders and proxie attended, accounting for 84.99 per cent of the total shares sold. The Chairman of the Board acted as the meeting's chairman according to the Company's Articles of Association, All Directors, the Management, auditor and legal advisors all participated in the meeting to provide additional information and answers questions at the meeting.

### *Prior to the Meeting*

The Company provided sufficient and timely information that assist shareholders' decision prior to the meeting. After the Board of Directors resolved to organize a shareholders meeting for the year 2010, the Company informed the shareholders of the date, time, place and agenda together with details via SET's ELCID before 9.00 a.m. of the next working day after the Board made decision. The Company advertised the annual shareholders meeting schedule in English-language newspapers on 21 - 23 March 2010 and in Thai-language newspapers on 24 - 26 March 2010, which are three-consecutive-day advertisement and no less than three days before the meeting date as required by the Company's Article of Association.

The Company delivered to the shareholders the meeting notice to inform them of date, time, meeting place together with a map, meeting agenda which is arranged according to their priority, background, reasons and key issue of each agenda tabled for consideration or acknowledgement. The information included the Board of Directors' opinion on each agenda to assist shareholders in making decision. The Company also delivered to the shareholders the related document as follows:

- (1) The Company's Articles of Association related to shareholders meeting.
- (2) Prescription of document that shareholders have to present to attend the meeting, proxy appointment, registration, and voting rules.
- (3) Previous meeting report that shareholders will have to rectify.
- (4) Board of Directors annual report which contains information about the Company's operations in the past year and future projects, financial statements with thier notes and auditor's report. In 2010, the Company prepared a summarized version of annual report (*containing financial statements and operational performances*) to facilitate the shareholders to quickly acknowledge and audit the Company's performance. The full version of annual report was prepared in CD-ROM format and distributed to all shareholders. The printed version was delivered to the shareholders upon request.
- (5) Profile and brief information of nominees for Director election and definition of the Company's Independent Directors.
- (6) The Company provided proxy appointment forms, all three types, as designed by the Department of Business Development, Commerce Ministry, as well as a list and information about Independent Directors and the President who can be appointed as the shareholders' proxy.
- (7) Individual shareholder's registration form with barcode for convenience and speed in registration.

The Company provided sufficient time for shareholders to study information and document prior to the meeting. Invitation to the 2010 shareholders meeting and related document are the same as those sent to shareholders by post mentioned above, were also published on the Company's website from 23 February 2010, a month before the meeting. The Company also assigned the Thailand Securities Depositories Company Limited, which is the Company's share registrar, to distribute the meeting notice to all shareholders on 12 March 2010, no less than 14 days prior to the meeting date as required by law.

The Company informed the shareholders in the meeting notice and on its website that they were welcomed to ask questions or ask for more information about the topics stated in the meeting agenda, or provide advices and opinions that are useful for the Company's operations prior to the meeting date through post, fax or email to [corporatesecretary@ratch.co.th](mailto:corporatesecretary@ratch.co.th). The Company would then clarify or provide additional information at the meeting. In the 2010 Annual General Meeting of Shareholders, no shareholder sent in questions or suggestions to the Company prior to the meeting.

Providing sufficient information prior to the meeting and facilities are parts of the Company's attempt to encourage shareholder to exercise their fundamental right in participating in the shareholders' meeting. Such provision has enabled the Company to successfully organize the shareholders' meeting which attracted more and more shareholders, both individuals and proxy, attending the meeting.

### *During the Meeting*

Before the 2010 Annual General Meeting of Shareholders began, the chairman of the meeting announced the quorum, assigned the Company Secretary to take minutes, and introduced the Directors, Management, auditors and legal advisors attending the meeting. The meeting chairman also declared all the meeting procedures including vote counting to meet with the shareholders meeting regulations of listed companies designed by the SET and to ensure that all shareholders clearly understand all the details as earlier informed in the meeting notice. The chairman also informed the meeting of voting rules, including separate ballots for each agenda for each shareholder that each shareholder already received on registration. Voting process was made simple. The chairman asked the meeting to raise hands if disagree or do not wish to vote in order that the Company's staff members would collect their ballots. Computerized and barcode systems were used in vote counting. The chairman also informed the meeting that the Company invited a representative from its legal advisor to act as an independent inspector to ensure the meeting was transparent and complied well with the laws and the Company's Articles of Association, to check other process, including checking document presented by the shareholders or their proxies, the quorum, connected persons who do not exercise their voting rights and vote counting; to ensure that the vote counting process complied with the Company's Articles of Association and the rules announced by the Chairman; and to ensure that all ballots were collected from all shareholders attending the meeting, especially for Director election session, and that meeting resolutions and vote counting were correct.

The Board of Directors strictly adheres to a principle of not taking any action that will infringe or derogate the right of the shareholders. In all shareholders' meeting, the Company has never abruptly informed the meeting of additional significant information, added new agenda for approval, or changed significant information without prior notice. The Company realized the necessity for the shareholders to study the information before making decision. The matters put on the agenda of the 2010 Annual General Meeting of Shareholders were as required by law. The Chairman of the Board who acted as the chairman of the meeting conducted the meeting as the same sequence as notified in the meeting notice without no agenda switching.

After providing background, details and full information for each agenda, the meeting Chairman allocated appropriate, sufficient and equal time for discussions that would encourage the meeting attendants to ask questions and make useful suggestions on related matters. The meeting Chairman then asked the meeting to vote. After the vote counts, the chairman reported voting results by dividing into "*agree*", "*disagree*" and "*abstention*" votes. In each agenda, the Company provided ballots for each shareholder. A computerized system was used to provide convenience for vote counting. The Director election and remuneration are treated as two different agendas and are voted separately. Individual vote was arranged for new Director election.

The Board of Directors allowed for other agendas (if any) in order to provide opportunities for the shareholders to propose additional issue other than those set in the meeting agenda. According to the Company's Articles of Association, to propose a new agenda for the shareholders' meeting to consider, the shareholders who propose the new agenda must represent no less than one third of the sold stocks. In the 2010 Annual General Meeting of Shareholders, no other agenda was proposed for voting. Only some recommendations and questions about the Company's operations were raised as recorded in the meeting minutes.

The Company conducted the 2010 Annual General Meeting of Shareholders according to the order informed in the meeting notice, provided completed and sufficient information, offered full opportunity for the participants to ask questions, and clearly answered the questions. The Company ensured that the voting system and tally are convenient and transparent and independent persons who have no conflict of interest in played the auditing role throughout the meeting.



### *After the Meeting*

The Company submitted to the SET the result of the 2010 Annual General Meeting of Shareholders, including voting results of each agenda which specified in detail the agree, disagree and abstention votes, and their percentage. The results were documented and submitted to the SET by post and through the SET's ELCID before 9.00 hrs. of the next working day after the meeting date.

The Company Secretary recorded and prepared meeting reports in writing by clearly and adequately recording essence of each agenda, questions by the shareholders and clarifications by the Board of Directors and Management, the recommendations from the meeting, and the meeting resolutions, including detailed voting results in all categories. The Company submitted the complete report signed by the chairman of the meeting to the SET, the SEC and the Registrar (*the Department of Business Development*) for reference. The minutes was published on the Company's website on 2 April 2010, before the 14-day deadline required by law, to offer opportunities for shareholders to express their opinions without waiting for the next meeting. Shareholders did not ask the Company to amend, add or adjust the minutes.

The Company arranged a meeting evaluation form to collect opinions and recommendations from the meeting attendants. The information collected is used to further improve the arrangement of shareholders meeting in order to ensure transparency, efficiency and benefits to both the Company and shareholders.

The Company received scoring of 100 points and recognized as "Good Example" in the Thai Investors Association' Annual General Meeting of Shareholders Assessment.

#### **2.4 Right to Appoint or Depose Director and Determine Directors' Remuneration**

According to the Company's Articles of Association, the Board of Directors shall propose to the shareholders' meeting to consider the appointment of new Directors to replace the vacancy caused by rotation of office and Directors' remuneration. The proposed of these two issues has been regularly practiced in every Annual General Meeting. Details are reported under the Management Structure section.

#### **2.5 Right to Appoint Auditor and Determine Auditor's Remuneration**

The Company's Articles of Association require the Board of Directors to propose to the Annual General Meeting of Shareholders the appointment of Auditor and remuneration. The Company strictly respects this regulation and proposed this to the general shareholders' meeting every year.

#### **2.6 Right to Share the Company's Profit**

Shareholders have the right to receive profit share because they are considered as co-owners of the Company depending on their shareholding proportion. The Company has paid dividend to shareholders according to its financial performances and dividend payment policy.

Throughout the past 10 years, the Company has constantly paid dividend every year. The Company's dividend receiving record showed that there were some accrued dividends. The Company therefore tried to contact the shareholders by informing them of the details of dividend reimbursement, coordinating with concerned organizations to reissue new cheques in case of lost or expired cheques, and facilitating the transfer of shareholding rights to the beneficiary who will receive the dividend in case of the shareholders' death. The Company also encouraged the shareholders to register for e-Dividend payment.

### *The Record Date*

At the 2010 Annual General Meeting of Shareholders, the Company announced the "*Record Date*" on 2 March 2010. This follows the Securities and Exchange of Thailand's recommendation. The book closing took place on 3 March 2010. Shareholders whose names appeared on the book had the right to attend the 2010 Annual General Meeting of Shareholders on 29 March 2010 and receive the dividend on 12 April 2010.

## **3. Equitable Treatment of All Shareholders**

The Company and the Management realized the duty of maintaining equitable treatment of all shareholders, regardless of major or minor ones, and Thai or foreign investors as stated in the Company's Shareholders Policy and the SET's guidelines and regulations for listed companies to maintain their status as listed companies on the SET.

### **3.1 Access to the Company's Information**

The Board of Directors ensured that all shareholders can equally have access to the Company's information mainly through the SET's channels. The Chairman of the Board of Directors, Directors, President and Senior Executive Vice Presidents are the authorized persons responsible for the Company's information disclosure. The website is provided as an additional channel for communication. Shareholders can also seek information from related divisions which are the Corporate Secretary Office and Investor Relations Department.

### **3.2 Preparation of Bilingual Documents**

For equal treatment of both Thai and international investors, the Company prepares all published information in both Thai and English languages, including all the information provided through the SET's ELCID, meeting notice, meeting documents and minutes, press conference and the Company's website.

### **3.3 Proposing Additional Agenda for the Annual General Meeting of Shareholders and Nominating Directors Prior to the Meeting**

Since 2008, the Company has adopted the SET's guideline encouraging listed companies to offer opportunity for minor shareholders to propose meeting agenda and nominate persons for Director election in advance. The Company published an invitation to the shareholders through the SET's ELCID and the Company's website, providing clear details about criteria, method, process and channel of agenda proposing. The announcement was published for three months (*from 1 October - 31 December 2009*). However, none of the shareholders proposed additional agenda or nominated persons for Director election.

### **3.4 Proxy Appointment**

Shareholders who cannot participate in the shareholders' meeting can appoint other persons to attend the meeting and vote on their behalf. The Company prepared and delivered proxy form to the shareholders. Proxy is available in three forms as designed by the Department of Business Development. *Form A* is the general proxy appointment form. *Form B* is a proxy appointment form that lists specific voting intention of the shareholder. *Form C* is the proxy appointment that is used only when the shareholder is a foreign investor with a custodian in Thailand. Shareholders can also download the proxy document from the Company's website or use other form of proxy or prepare it themselves.

The Company nominated three Independent Directors and the President Personal information of each nominated person and their conflict of interest status were provided on each concerned agenda for shareholders to appoint as their proxy to attend the meeting and vote on their behalf. In 2010, 169 shareholders assigned the Company's Independent Directors as their proxies and 36 shareholders assigned the President as their proxies.

### **3.5 Ballots**

In voting at the annual general shareholders' meeting, the Company prepared and provided ballots for every participant. Computerized system was deployed for tallying. In voting for Directors, individual vote and ballot was kept as reference.

### **3.6 No Additional Agenda**

The Board of Directors has the policy not to propose new agenda other than those informed in the meeting notice as it realizes that it is important and necessary for the shareholders to study information before making decision. Shareholders can propose additional agenda for consideration if necessary, by following the Company's Articles of Association. At the 2010 Annual General Meeting of Shareholders, there was no additional agenda proposed.

### **3.7 Prevention of the Abuse of Inside Information**

The Board of Directors has formulated measures to prevent Directors and the Management from insider trading. The Board of Directors has prepared written guidelines on internal information keeping and prevention of internal information usage for abusive self-dealing and required the practice of Directors and management. Since the inception of the Company. Later on since 2003 the Company required its employees to directly report any changes in the company's portfolio of themselves, their spouses, and children who have not become sui juris to the President within three working days after the changes happened. This regulation has been regularly implemented until today.

### **3.8 The Report on the Company's Share Holding**

The Board of Directors and the Management have the duty to report the holding and the changes in holding Company's shares to the SEC. The reports on the changes taken place by its directors, executives, spouses and children who have not become sui juris is regarded to be included as an agenda in the monthly meeting of the Board of Directors.

In 2010, there is no complaint related to inequitable treatment of shareholders or charge on Directors or Management for not reporting on holding the Company's shares as required, or on the use of insider information for abusive self-dealing or others' benefits.

## **4. Roles of Stakeholders**

### **4.1 Stakeholders Policy**

When the Company announced the Corporate Governance Policy in 2003, the stakeholders care principle was incorporated

into the policy for Directors, Management and employees to use as guidelines. It is stated in the policy that the Company shall *"promote and supervise to ensure that legal rights of stakeholders, such as customers, employees, business partners, shareholders, investors, creditors, competitors, independent auditor, government and communities in which the Company operates its business, are well protected and treated."* Since 2007, the Board of Directors has also prepared and implemented specific policy for each group of stakeholders, which has been published on the Company's internal communication channel and on its website. *The policies include the Shareholders Policy, Employees Policy, and Social and Environment Policy.* In 2010, the Company announced the *"Network and Computer Usage Policy"*

Based on the aforementioned policies on stakeholders announced by the Board of Directors, the Company took various actions in 2010 as follows:

***Shareholders:***

In 2010, the Board of Directors and the Management have ensured the compliance with the Shareholders' Policy related to fundamental right protection; equitable treatment of shareholders; quality information disclosure; encouraging shareholders to attend shareholders meeting to participate in decision making on significant matters and to acknowledge the Company's operations and activities, as well as to monitor the Board of Directors and the Management's performances; implementation of measures to prohibit the use of insider information for personal interest of the Board of Directors or the Management to protect shareholders' benefit; and ensuring no infringement of shareholders' right. Details are as reported in the Shareholder's Right and Equitable Treatment of Shareholders sections. With clear guidelines, there was no complaint about the shareholders right infringement, Board of Directors' mistakes or abusive-self dealings by the Company's Management.

***Employees and Human Resources Management:***

The Company assigned the *"Human Resources Division"* to be responsible for human resources development and management and other activities under the Company's employee policy. People are viewed as the most valuable resources and a significant factor enabling the Company to achieve its goal. The Company, therefore, carefully recruits capable persons with experience and constantly develops their skills as well as retains capable persons. The Company established provident fund and consistently contributes to the fund at progressive rate dependent on employment period, and ensures appropriate employee's benefits and remuneration that is within industry standard range, and good and safe work environment. Such provision ensures that its employees have good security and confidence so that they are willing to make good contribution and yield good performances under their duty and responsibility.

The Company has prepared the position structure that includes clear career path development to help employees to grow to their full capability, and have the opportunity to further develop their knowledge and capability as well as the Company's core competence, including commitment to excellence, strategic thinking, teamwork, ethics and integrity, networking building, and functional competency, such as business understanding, decision making, opportunism, risk management, collateral thinking and creativity. The Company provided specific training plan for each position, internal and external trainings, both in and outside the country. Clear succession plan for mid and high level executives is in place in order to help systematically and continuously develop its employees and enable them to develop strong leadership and to be ready for greater responsibility in higher positions, for future tasks and the ever-changing business environment. The Company also strengthens its relationship with external organizations, both in the public and private sectors. Foreign language (*English and local language*) skill development programs are available for all employees. The Company coordinates with leading language institutes in preparing long-term program to ensure continuous development.

Human Resource Information System (HRIS) has been developed to enhance efficiency in human resources operation in all process through online system. Systematic performance appraisal is in place where employees' performance is appraised every six months. Supervisor and the employee have to work together in setting goal. Appraisal result is taken into account when considering annual pay raise.

To encourage employees to participate in organizational development, the Company arranged for the election of *"Employees' Welfare Committee"* as required by law, as well as developed other internal communications channel to communicate policy and information throughout the organization while receiving opinion and useful recommendation from employees. Such channels include the Intranet which supports the e-learning and knowledge management (KM) that will be implemented later, regular internal meetings for all level employees of different responsibilities, as well as a meeting between the Management and employees. In 2010, the *"Synergy Meeting"*, an informal meeting between employees from different disciplines was initiated as another platform for employees to share knowledge, opinions, experience, problems and solutions, operational update, and creative ideas. The Synergy Meeting also promotes team work as it allows everyone to participate in order to create synergy that helps strengthen the Company.

The Company has improved employees' benefits in the area of eye health and dental service. Medical service is now included vaccination to prevent various diseases and promote better health care. Activities were arranged to promote public consciousness, solidarity, and work-life balance, such as encouraging employees to participate in various public service activities at least three days per year. The *"Social Activity Committee"*, the Buddhism Club, the Health Club, the Sports and Entertainment Club are among various activities initiated under this purpose.

In 2010, the Human Resources Division prepared an overseas posting guideline, providing necessary information, such as general information about a specific country, laws, social etiquette, culture, language, dos and don'ts and emergency plan, to help prepare employees who are selected to work in other countries where the Company has investment projects.

In the past year, there was no conflict or dispute between the Company and its employees and no accident that interrupts the Company's operations. Ratchaburi Electricity Generating Company Limited won for the Outstanding Organization Award 2010 on Labor Relations and Welfares.

#### *Community, Society and Environment*

The Company's Social and Environmental Policy promotes participation from community and gives high priority to good communications to ensure its position as *"a good neighbor"*, as well as to promote community development for sustainable living, local culture and tradition conservation and environment preservation for natural and life balance.

In ensuring good understanding and strong relationship with communities in the area where the Company has or plan to have business activities which are important to the Company's success, the Company strictly follows His Majesty the King *"Understand, Reach and Develop"* concept in its operations.

In 2010, the *"Love the Forests and the Community"* project was continued, in cooperation with the Department of Forestry, for the third consecutive years. The Community Forest Contest was held, where the winners won a trophy from HRH Princess Maha Chakri Sirindhorn. In addition, the community forest leaders meeting was held to promote sharing of knowledge and learning among people in the network. The activity also built further on the Youth Camp activity aimed at encouraging young people to embrace forest and natural resources preservation to their own and pass on the knowledge to the younger generation. On the occasion of the 10<sup>th</sup> anniversary of the Company's operations, the Company encouraged community forest projects to organize trekking activities, offering opportunities for the public at large to come and learn from first-hand experience and further expand the profit. Kasetsart University was asked to act as the third party in appraising the projects' success. The information collected from the assessment is then used for further project improvement to effectively address the project's objectives.

The Company has also participated in various public activities, such as assistance to people suffering from drought and flood and the constant and continuous improvement of quality of life and environment in the communities in which the Company operates. The Company was also regularly involved in projects and activities initiated by its subsidiaries, local communities, local administration, governmental agencies and other organizations.

The Company splits its Social Responsibility and Environment Report from the Annual Report in 2010 for the first time. With strong commitment to the Social and Environment Policy, the Company received no complaints and had no dispute related to the impact from the Company's operations on community, society and the environment.

#### *Network and Computer Use*

In 2010, the Company first introduced the *"Network and Computer System Policy"*. The policy draws guidelines for employees and network managers' operation system operator to ensure smooth, efficient and most effective use of the computer network, as well as strict compliance to comply with the Computer Crime Act.

#### *Other Stakeholders*

Although the Company has not yet announced specific policies on other stakeholders, such as customers, partners, shareholders, investors, creditors, competitors, independent auditor and government agencies, the Company is aware of their importance and possible impact of the Company's operations on them. As a result, the Company has ensured that all the stakeholders are treated well under the guidelines for the Management and employees' practice which are specified as part of the Business Ethics. (Details are published online under the Company's Business Ethics topic.)

#### **4.2 Report on Conflict of Interest of Directors and Executives**

The Board of Directors has created the *"Conflict of Interest of Directors and Executives Report Form"* and required all Directors and Executives to prepare conflict of interest reports for themselves and their related persons. The report must be submitted to the Company Secretary for reference and further submit to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The report is used for the Board of Directors' consideration and decision on stakeholders who have or may have conflict of



interest and do not have voting rights on the Company's transactions. This enables the Board of Directors to make the right decision for mutual benefits and in compliance with the Securities and Exchange Act.

#### **4.3 Guidelines for Transaction that May or May Not Have Conflict of Interest**

The Company's rules on Directors included the transparent management of conflict of interest. The rule specified that Directors who may have conflict of interest on any particular transaction shall not have the right to vote at the Board of Directors' meeting during a consideration on that transaction.

The Board of Directors, through the approval by the Audit Committee, has ensured that connected transaction undertaken by the Company and its subsidiaries are in the best benefits to the Company, its subsidiaries connected transactions are considered based on the same pricing and conditions as in transaction with other companies. Accurate and complete disclosure of such transactions is required according to related regulations. For flexibility and convenience, the Board of Directors authorized the President to approve connected transaction that is regarded as support the business, with generally practiced terms and conditions and trade agreement, within 30 million Baht limit. The transaction shall be reported at the quarterly Board of Directors' meeting, according to the Article 89/12 under the Securities and Exchange Act.

#### **4.4 Not Requesting, Accepting or Paying on Irregular Items**

As stated in its Business Ethics, the Company does not request, accept or make any payment related to irregularities to and from its trade partners and/or creditors. This policy has been strictly implemented since the Company's inception.

#### **4.5 Risk Management**

The Board of Directors announced the *"Risk Management Policy"* and has appointed the *"Risk Management Committee"* since 2003 in recognition of the importance of risk management. It considers that risk management shall be handled thoroughly and provides for appropriate measures to prevent and remedy the possible impact on stakeholders. *(Details are as in the Management Structure and Risk from Business Operations section.)*

#### **4.6 Complaint and Report on Irregularities Clue**

Stakeholders can communicate directly with the Company or through the provided channels, including website where they can contact the Company Secretary, Public Relations or Investors Relations units, or other channels that stakeholders view as appropriate. Stakeholders can report clues or lodge complaints about actions that breach the law or ethics, incorrect financial statement, or defect of internal control to the Company's Independent Directors or the Audit Committee for further investigation and reports to the Board of Directors.

Specific channels are provided for employees to report and complain on unfair treatment according to the Company's regulations on Personnel Management under Complaint Section.

#### **4.7 Community Participation**

One of its top priorities under the Company's social and environment policy is to promote community participation which has been implemented in every stage and period of its operations and project development. During project development period, the Company studied technical information in parallel to a study on economic, social, culture and way of life of the targeted communities in order to prepare community participation plan and key communication messages as well as activities to promote understanding between the project and communities. Public hearing was also held to provide opportunity for the communities to share their view on the areas required by government agencies and related authorities. During the construction period, the Company communicated regularly with the communities to ensure understanding of the project development and the Company's policy. When the project is under operational phase, effective communications with the communities continue. The Company always listens to the communities' recommendation for on-going development and improvement of activities that better address community needs.

Ratchaburi Electricity Generating Company Limited also initiated the *"Ratchaburi Power Plant Environmental Inspector Committee"*, comprising representatives from communities, community leaders, local administration and provincial administration. Regular meetings are encouraged to ensure regular news update and discussion on problems or issues that may cause problems, and recommendation shared by communities. The committee serves as another important channel that promotes community participation in monitoring the Company's operations.

#### **4.8 International Environment and Occupational Health Standard**

The Company has encouraged its subsidiaries to adopt the international standard operations. In terms of the environment, all the power plants within the Groups, including the Ratchaburi Power Plant, Tri-Energy Power Plant, and Ratchaburi Power Company

Limited's Plant, have implemented the ISO 14001 standard in their facilities and strictly monitored the system efficiency.

In 2010, the Ratchaburi Power Plant has prepared the system and its employees for the integration of the OHSAS and the ISO 14001 standards to be implemented in early 2011.

## 5. Disclosure of Information and Transparency

### 5.1 Quality of Disclosed Information

Quality of disclosed information includes accuracy, completeness, clarity, sufficiency and timeliness as mentioned in the Shareholders' Right. The Board of Directors has prepared the Board of Directors' Report on its Responsibility to Financial Reports and published it together with the Auditor's Report in the annual report and the Audit Committee provided its opinion on the quality of the financial statements as published in the Audit Committee's Report.

The quality disclosure of significant information to outsiders demonstrates to the public the Company's commitment to maintain operational transparency. In addition, it promotes confidence and credibility of investors and stakeholders. The Board of Directors and the Management, therefore, have ensured that the assigned persons disclose significant information not only at the minimum legal requirement but also by taking into account equal rights of investors to have access to such information.

### 5.2 Information Disclosure Channels

The Company has clearly assigned specific persons to be responsible for the disclosure of different types of information. The SET's electronic communications channel is used as the main channel for information disclosure. The Company also prepares website, press conference to announce its performances, analysts meeting, press release, local and international road shows and other activities as reported under the Shareholders' Right section.

### 5.3 Investor Relations

The Company assigned the *"Investor Relations Department"* to be the center for communicating, providing information and news, as well as fairly and equally arranging activities to create and strengthen relationship between the Company and its shareholders, institutional investors, individual investors, analysts and concerned government agencies. The department is also responsible for preparing annual investors' relations plan. The Company's President and top executives always acted as the Company's spokespersons who report, provide additional information, clarify and answer questions at the analyst meeting, local and international road shows. Interested persons may contact the Investor Relations Department by sending letter by post to the Company, or call 66(0) 2794 9841 or fax 66(0) 2794 9928 or through the Company's website [www.ratch.co.th](http://www.ratch.co.th) or sending emails to [ir@ratch.co.th](mailto:ir@ratch.co.th).

### 5.4 Disclosure of Director and Executive Remuneration Policy and Payment

The Board of Directors has disclosed the Director and executive remuneration payment policy and individual Director and executive remuneration by categories as explained under the Management Structure section.

## 6. The Board of Directors' Responsibility

### 6.1 The Board of Directors Structure

#### *Composition and Qualification*

The Company carefully reviewed the existing Board of Directors structure in order to ensure it appropriately matches their duties and complies with the rules and guidelines provided by laws and concerned regulatory agencies. The Company also takes into consideration the Company's regulations as approved by the shareholders' meeting and processed in the Company's regulations on the Board of Directors.

The Board of Directors comprises not more than 13 members, which fits well with the Company's business. They include five Independent Directors, representing more than one third of the total members. The number of Directors representing EGAT, which is the Company's major shareholder, depends on the investment proportion.

Directors have diversified skills and knowledge, including engineering, economics, accounting, business administration, human resource development, law and politics, experience, specialization and age. Such diversity provides greater benefits to the Board of Directors, especially in supervising the executives' management and operation and providing in-depth opinions that includes all concerned factors in each matter. All of the members of the Board of Directors have no offence against property history and no involvement in transaction that may cause conflict of interest to the Company. (*Profile of each Director is published in the Profile of Directors, Company's Management and Company Secretary section.*)

Each Director remains in office for no more than three consecutive 3-year terms and his/her age shall not exceed 72 years old. The Directors shall have all the required qualification and shall not have legally prohibited qualifications. (*Details of the board of*

*Directors, qualifications and terms are reported in the Management Structure section).*

*The Company's Board of Directors Structure and qualifications of the Directors and Independent Directors complement well with the Company's mission and objectives, as well related laws and regulations and corporate governance guideline.*

#### *Segregation of the Chairman of the Board of Directors and the President*

Chairman of the Board is a non-executive director, not the same person as the President and has no relations with the Management.

The President is the top executive of the Company.

Duties of Chairman of the Board and the President are clearly separated. The Chairman of the Board is the leader and plays a vital role in making decision on the Company's policy according to joint meeting between the Board of Directors and the Company's Management on the Company's business goal. The Chairman of the Board leads and conducts the meetings in efficient and effective manner, and encourages all Directors to participate in the meeting and openly express their opinion. The Chairman of the Board also supports and provides recommendation for the Management operation through the President and does not intervene in routine work by the Management.

The President is the top executive of the Company's Management whose responsibilities are explained under the Management Structure section.

The segregation of the Chairman of the Board and the President positions has ensured proper balance and prevented one of them to have excessive power. Responsibilities and authorities of both positions are clearly separated, which is part of the corporate governance practice.

#### *Chairman of the Board's Independence*

Despite the fact that the Chairman of the Board is the representative of EGAT which is a major shareholder holding 45 per cent of the Company's total stake, the Board of Directors comprises five Independent Directors, more than one third of the total number of Directors. As a result, the Directors can independently perform their duties as the shareholders' representative and there is a proper balance. The Chairman of the Board independently performs his duty and does not influence or dominate other Directors during discussions, encourages all Directors to discuss and express opinion openly by giving sufficient time to find mutual resolution on all matters considered at the Board of Directors' meeting.

#### *Coccurring Directorship on Other Companies*

None of the Company's Director holds positions in more than five other listed companies, which complies with the SET's recommendation on efficiency and time contribution.

To enable the President, who holds the top position in the Management, to fully perform his duties and have the chance to exchange experience and strengthen relationship with other companies, the President may hold directorship in no more than five state enterprises or listed companies, not including subsidiary, affiliates or joint ventures that the Company has to be involved in their management to protect the Company's benefit. Last year, Mr. Noppol Milinthanagoon, President, did not hold directorship in other



company than the Company's subsidiaries and joint ventures. The Company also allowed other Directors and executives to hold directorship and management positions in subsidiaries and joint ventures which are in line with their responsibilities.

The Board of Directors has formulated the Company's regulations on subsidiaries, affiliates and joint ventures supervision guidelines. The guidelines cover clear criteria for the appointment and responsibilities of the Company's representatives assigned to hold directorship or hold stakes in the companies in which the Company invests in to ensure supervision efficiency of their operations. *(Information about Directors and executives holding positions in other companies are reported in the Information about Directorship and Executives in the Company and Subsidiaries and Joint Ventures of the Company's Directors and Executives section.)*

#### **Director Selection and Recruitment**

The Board of Directors has set a director selection process that is transparent and beneficial to the Company. Nominees are screened by the Human Resources and Remuneration Committee. The appointment of Directors who retire during of the year is approved by the Board of Directors. The appointment of Directors who retire due to rotation of office, however, must be proposed at the Annual General Meeting of Shareholders for approval. *(Details about director selection are reported in the chapter on Management Structure section).*

#### **Secretary to the Board of Directors and Company Secretary**

The President is appointed the Board of Directors' Secretary by the Board. The *Corporate Secretary Office*, which reports directly to the President, is responsible for the Board of Directors' meeting arrangement and coordination on matters related to the Board. The board of Directors appointed Mrs. Boontiva Dansamasatid, Senior Vice President of Corporate Secretary Office as the *Company Secretary* whose responsibilities and duties are according to the Securities and Exchange Act. The Chairman of the Board informed the SEC and SET of the appointment. *(Details about the appointment and responsibilities of the Company's Secretary are reported in the chapter on Management Structure section).*

### **6.2 Committees**

The Board of Directors has appointed three committees and one working committee as appropriate and necessary to assist it in studying information, screening work and making recommendation, which enables the Board to perform its duty more efficiently. They are the Audit Committee, the Human Resources and Remuneration Committee, and the Risk Management Companies and the Investment Working Committee.

The Audit Committee is formed by all Independent Directors. For other committees, each committee shall include at least one Independent Director in order to ensure full independency. The Chairman shall not chair or be a member of any committees to promote the independency. *(Details of the composition and responsibilities of all committees are reported in the chapter on Management Structure.)*

### **6.3 Roles, Duties and Responsibilities of Directors**

Each of the Company's Directors realizes the responsibility towards the shareholders who are the business owners and have the right to appoint the Directors. Their Fiduciary Duties cover four major responsibilities namely Duty of Care, Duty of Loyalty, Duty of Obedience and Duty of Disclosure. The Board of Directors is committed to independence in decision making for the best benefits of the Company and shareholders.





### *Responsibility in Formulating Policy and Direction*

To ensure strong basis for effective and efficient management that supports the Company's growth and sustainability, the Board of Directors has worked closely with the Management in formulating and implementing policies

The Board of Directors is responsible for working with the Management in formulating the Company's vision, mission, business plan, goals, business strategies, budget, organizational structure and remuneration structure. The Board of Directors also ensures that the Company's vision, goal and performance are clearly communicated to Directors, the Management and employees and are regularly reviewed every year or when necessary.

In formulating strategies, the Board of Directors and the Management jointly consider various information, including the nature and structure of the Company's business, vision, mission, policies, goal, strategies, investment plan, performance result and appraisal compared to the business goals. Both also consider internal environment, namely management structure, personnel finance, strategy selection, business partner relationship and customer information, while considering external factors, including power business structure, and power development plan. Other factors taken into consideration are external factors that have significant impact on the Company's operations, such as government policy, electricity demand growth, oil price, production resource limitation (fuel and technology), economic, social and environmental limitation, competition in the power business, industry analysis, production factor and macroeconomic factors in international countries and the target selection in order to materialize the Company's vision.

### *Monitoring and Overseeing the Operation of the Management*

The Board of Directors also supervises and ensures the Company's operations fully comply with the corporate governance principles. The policy is regularly reviewed and communicated to Directors, executives and employees of all levels. Result of corporate governance implementation is included in the annual report.

To ensure that the operations of the Company are in line with the policy and goals, the Board of Directors requires the Management to regularly report to the Board of Directors' meeting a number of areas (*Monthly reports include operational performance analysis, progress of the Company's investment projects, financial report on short- and long-term investment cash flow, and the highest electricity generating capacity report, electricity capacity within EGAT and national systems, and energy stock prices*). Quarterly reports include quarterly financial report while annual report includes annual financial reports, annual operational performances compared to targets, and the reports by the three committees which must be submitted after the committee meetings.

In case that the operational performances are different from targets because of controllable factors, the Board of Directors demands the Management to analyze the reasons and then closely monitor, accelerate and solve problems. In case the event is caused by uncontrollable factors, the plan and target must be reviewed or set a substitute target.

In addition to reports and routine monitoring, the Company's Board of Management uses other channels to monitor the efficiency and effectiveness of operations. Other channels are the meeting of attended by the Company and its subsidiaries top executives, monthly meetings, attended by such as top executive meetings and division directors. In those meetings, the Management has the opportunity to monitor, acknowledge/prevent/ and solve operational problems. In addition, department managers are required to attend the internal management meetings every three months.



### *Role in Initiating Necessary Changes or Handling Issues*

The Board of Directors plays a significant role in setting or initiating important changes in the organization, such as organizational structure improvement and business plan. The Directors and the Management fully discuss all details before making decision.

The Board of Directors also places greater emphasis on community participation, green energy and carbon credit follow-up and implementation which becomes an increasingly important trend.

The Board of Directors has set up the *"Investment Working Committee"* and assigned its Directors to sit in the committee to help scrutinize investment projects in and outside the country. The projects have to support the Company's policy and business plan. The committee also has to consider various factors before submitting the issue to the Board of Directors for consideration, enabling the Board to work with greater efficiency.

The Board of Directors plays a significant role in providing advices on solving problems and issues raised by the Management at the Board meeting. On sensitive issues, the Board of Directors will assign Directors to consider and work closely with the Management. Directors who are representatives from government sector plays vital role in providing clarification on government policies, rules and regulations and related practice, enabling the Company to better understand the intention of the regulations and take better action. Directors from private sector meanwhile help provide new ideas that promote operational efficiency. Directors provide recommendations to the Company according to their specialization, including legal, finance, tax and engineering. Directors on secondment assignment in subsidiaries and joint ventures have supervised the operations of the subsidiaries and joint ventures to be in compliance with the Board of Directors and the Company's policy.

### *Non-Executive Director's Meeting*

The Board of Directors requires the non-executive directors to meet informally at least once a year to allow them opportunity to review and discuss the performance of the Board of Directors, Management and the Company, as well as discuss any issues without participation of the Management. Results from the discussion are applied in order to improve the efficiency of the Board of Directors. In 2010, one non-executive director's meeting was held in December. The meeting report was presented to the President after the meeting.

In addition, the Company organized informal meetings among Directors, including the Company's activities, such as corporate social and environment responsibility projects, sports and entertainment activities held on various occasions to promote good understanding and good relationship among Directors, and between Directors and the Management.

## **6.4 Management and Prevention of Conflict of Interest**

The Board of Directors and the Audit Committee have vital roles in formulating measures for managing and preventing conflict of interest and ensuring that all operations are reasonable and conducted for the best benefits of the Company and that information disclosure is complete and accurate according to the related rules and regulations. *(Details are published under the Stakeholders' Role section).*

## **6.5 Internal Control**

The Board of Directors gives high priority to internal control in all operational levels and ensures sufficient internal control. The Board clearly specifies and documented responsibility and authority of the Management and employees in writing, ensuring sufficient internal control that is appropriate for the Company' business operations. The Company provides for sufficient control on the Company's assets and property utilization and clearly identifies scope of responsibility of every level of operational staff to create check and balance. Accurate, systematic and timely financial reports are provided for the Management and public disclosure.

The *Internal Audit Division* was set up to be responsible for auditing all activities to ensure that the Company's operations are in line with the policy and guidelines set by the Board and the Management, and achieves the goals and objectives. The Internal Audit Division reports directly to the Audit Committee in order to perform its duty independently. The Internal Audit Division has assessed the sufficiency and appropriateness of internal control according to the COSO-Internal Control Integrated Framework, covering Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring.

The Internal Audit Division prepares the annual internal control audit plan implementation. The report which covers financial audit, operations audit and compliance audit is prepared and reported to the Audit Committee every quarter. The division also reviews and assesses the sufficiency and appropriateness of the internal control system and reports to the Audit Committee every year.

*In 2010, the audit results and assessment of sufficiency and appropriateness of the internal control system report submitted to the Audit Committee and the Board of Directors showed that there is no irregular item and that the Company's internal control system is sufficient and appropriate for the Company's business.*

## 6.6 Risk Management

The Board of Directors views that risk management is important in preventing adverse impact on the business and all stakeholders. It formulated and implemented the risk management policy across the entire organization and assigned the *"Risk Management Committee"* to identify risk factors, set measures in managing and control the risks to the acceptable level, report to the Board of Directors on quarterly basis and focuses on alarming factors or irregular items in order for the Company to adjust strategies and plans while being able to efficiently manage risks. *(Details of the Risk Management Committee are unveiled in the Management Structure section and the Risk Management Committee's Report.)*

## 6.7 The Board of Directors' Meeting

### *The Board of Directors' Meeting Practice*

For maximum benefits of the Company and its shareholders, the Company maintains the Board of Directors' independence in Decision making. All members of the Board of Directors perform their duty with integrity and for the best benefit of the Company. As representatives of shareholders, the Board of Directors closely leads, monitors the operations, guides, assists and supports the Management's operations.

### *Meeting Schedule, Meeting Agenda and Document Preparation*

The Board of Directors approved the Board's and committees' meeting schedules for the entire year and informed every director of the schedule. In 2010, the Board of Directors' meetings were scheduled at 16.30 hrs. of every third Monday of the month.

The Chairman of the Board of Directors and the President, who acts as the Board of Directors' Secretary, jointly considered the matters to be included in each agenda to ensure that all significant matters are submitted to the meeting. They informed the Directors in advance and distributed the meeting notice at the appropriate time according to the Company's regulation. Directors, however, are free to propose other matters to be included in the agenda and have to inform this 10 days before the meeting date. In case of urgent matters which may directly or indirectly affect the Company, Directors can propose such matters for consideration or acknowledgement when the Board of Directors considers other agenda at the meeting. *(Method for deciding matters to be included in the agenda and the method for Directors to propose other matters are stated in the Company's regulations on the Board of Directors' section and on the Company's website.)*

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

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

### *Roles of the Chairman of the Board, Directors, Management and Meeting Atmosphere*

*Chairman of the Board* leads the meeting, sufficiently and adequately allocates time for Directors to equally discuss and express opinions, encourages Directors to participate in the discussion and freely express opinions, and summarizes the meeting's resolutions.

*Directors* positively share opinions based on the study of the information provided by the Management and additional information by considering the benefits and impact on the Company as well as risks for the Company and all stakeholders in order to obtain the meeting resolution. Directors shall contribute time, knowledge and experience to their role as a Director of a listed company.

*The Management* is responsible for providing accurate, sufficient, complete and timely information that is relevant and necessary to support the meeting's decision, as well as present the information in advance in order to allow the Director's sufficient time to study the information. The Management shall propose alternatives to the Board of Directors, and provide information and clarify additional information when asked in the meeting. The Board of Directors requires top executives from all disciplines to attend the meeting and invite other concerned executives for clarification on specific matters.

### *Meeting Atmosphere and Expression of Opinion*

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

The meeting generally considers and discusses each agenda. The Management presents the background, rationale, importance, clarifications and related information to support decision making process and to support the Management's proposal. The Chairman of the Board allows sufficient time for all Directors to discuss all issues and encourages Directors to express opinions and ask questions on important matters for the Management to clarify. After that all will make decision together, leading to unanimous resolution.

The Company intends to propose as few matters as possible for the Board of Directors to rectify. In case of urgent matters or matters that involved the Company's benefit, the Management will informally meet with the Chairman of the Board and Directors to clarify and discuss in order to make decision on appropriate action and later proposed to the Board of Directors' meeting for rectification.

Directors who have conflict of interest do not have the right to vote on the matter (*conflict of interest is considered based on the information provided in the conflict of interest report that Directors and executives submitted to the Company Secretary*) and this has been strictly implemented in all meetings.

In considering connected transaction or items that may involve conflict of interest, the meeting will mainly consider the benefits of the Company and shareholders. The meeting will consider the necessity and reasons for each matter the same way it does for other transactions. Correct and complete process and disclosure of information are highly weighted.

The Company Secretary provides initial recommendation to the Management and the Board of Directors to ensure that all the practices are in compliance with the related regulations, such as asset acquisition information disclosure, connected transaction and good corporate governance principles.

#### ***Meeting Minutes Preparation and Keeping***

The Board of Directors assigns the Corporate Secretary Office to record, prepare and keep the minutes of the Board of Directors' meeting and shareholders meetings.

Meeting minutes are prepared in writing and cover all important details, including date and time the meeting begins and ends, list of attending Directors and executives, list of absent Directors, summary of the matters presented in the meeting, summary of the discussed matters, opinions and observation of the Directors, the resolution of the Board of Directors, and the name of the person who take notes. Meeting minutes were completed within 1-3 days after the meeting, delivered to all Directors for improvement and submitted to the meeting's Chairman to sign.

In 2010, the Board of Directors improved the meeting minutes acknowledgement practice. The Company Secretary is required to propose the meeting minute for the Board of Directors' consideration. If there is no change made within seven days, the minutes are automatically acknowledged and it does not required to present them to the next Board of Directors' meeting.

The Company provides a place and a system for keeping meeting minutes, which can be checked and referred to any time, and preventing any changes made without the Board of Directors' meeting acknowledgement.

After the meeting, the written resolution is communicated to related organizations for acknowledgement and/or implementation. Monitoring of the implementation is assured while the implementation result (if any) is reported to the Board of Directors later at an appropriate occasion.

In 2010, the Board of Directors, Committees and working groups appointed by the Board of Directors organized meetings that are in line with the nature of business and assigned tasks as follows:

- The Board of Directors held (monthly) ordinary meeting 12 times and one extraordinary meetings, totaling 13 meetings
- The Audit Committee held 5 meetings
- The Human Resources and Remuneration Committee held 4 meetings
- The Risk Management Committee held 4 meetings
- The Investment Working Committee held 7 meetings and one individual consultation
- Non-executive directors held one meeting

Directors have duty to attend every meeting except when it is unavoidable. In case a Director cannot attend the meeting, he/she may provide opinion on any matter in the meeting agenda which are distributed in advance. In 2010, meeting attendance of the Board of Directors, committee and working committee appointed by the Board of Directors is as follows:

	Name	Board of Directors	Audit Committee	Human Resources and Remuneration Committee	Risk Management Committee	Investment Working Committee
1.	Mr. Witoon Simachokedee	12/13				
2.	Mr. Lae Dilokvidhyarat	13/13		4/4		7/7
3.	Mr. Nathi Premrasmi	12/13	5/5			
4.	Mr. Metta Banturngsuk	13/13	4/4		4/4	
5.	Mr. Atchada Kesornsook	12/13		4/4		7/7
6.	Mr. Sutat Patmasiriwat	10/10				
7.	Mr. Chanin Vongkusolkrit	9/13		3/4		
8.	Mr. Ratanapong Jongdamgerng	11/13			4/4	
9.	Mr. Wirash Kanchanapiboon	10/10				
10.	Mr. Sommai Khowkachaporn	8/10			3/3	6/6
11.	Mr. Satit Rungkasiri	9/10	3/4			
12.	Mr. Noppol Milinthanggoon	13/13				

Remarks :

- (1) the number before / shows the number of meetings the Director attended
- (2) the number after / shows the total meetings happened while the director is in office
- (3) Mr. Sutat Patmasiriwat, Mr. Wirat Kanchanapiboon, Mr. Sommai Khowkachaporn and Mr. Satit Rungkasiri have become Directors since 30 March 2010
- (4) Mr. Metta Banturngsuk and Mr. Satit Rungkasiri have become Audit Committee members since 30 March 2010
- (5) Mr. Sommai Khowkachaporn has become a Risk Management Committee member since 30 March 2010
- (6) Mr. Sommai Khowkachaporn has become an Investment Screening Committee member since 30 March 2010

## 6.8 Performance Appraisal

### *Directors' Self Assessment*

The Board of Directors has implemented self assessment measures since 2002 and has regularly reviewed the assessment result and applied observation and recommendations for the Board of Directors' operations improvement. In 2010, the Company implemented an assessment form that has been agreed by the Board of Directors. The factors considered cover many important areas, including directors' readiness, strategy formulation and business planning, risk management and internal control, conflict of interest prevention, financial and performance report monitoring, the Board of Directors' meeting and nomination of the Board of Directors and the management. The assessment level for the entire Board of Directors is Excellence and the self-assessment is Excellence. The assessment result, observations and recommendations were considered and reviewed by the Board of Directors for further improvement.

### *Executive Assessment*

With assistance from the Human Resources and Remuneration Committee in assessing annual operational performance of top executives, the Board of Directors adopts the performance appraisal criteria that were agreed early of the year. The criteria comprise four areas - business development, investment management, financial management and organizational management. Each area has different weight. The assessment result is used to complement the remuneration of each top executives.

### *Remuneration for Directors and Top Executives*

*Directors' Remuneration (for the Board of Directors and Committees' members)* is considered by the Human Resources and Remuneration Committee and endorsed by the Board of Directors before it is submitted to the Annual General Meeting of Shareholders for approval. The remuneration complies with the Company's director remuneration policy and practice. Remuneration for the Directors and top executives is related to the goal and performance of the Company Group, their responsibility, and the practice in other companies



in the same industry in terms of business and size. The remuneration is also determined to motivate and retain human resources of required knowledge, capability, skills and experience that contribute to the success of the Company.

*Remuneration of the top management* is in line with the policy and criteria set by the Board, and are considered and reviewed by the Human Resources and Remuneration Committee based on the annual key performance indices set earlier. In considering remuneration of the top management, persons who may have conflict of interest did not attend the meeting. The Board of Directors approved the remuneration of the top management which is in accordance with appraisal results. The Chairman of the Board informed the President of the resolution. *(Details of Directors and executives remuneration are explained in the Management Structure section.)*

#### **6.9 New Director Orientation and the Development of Directors and Executives**

The Board of Directors helps newly appointed Director by providing orientation kit. Information included in the orientation kit, namely nature of business, structure of the group of companies, organizational structure, the operations of the group of companies, article of association document, objectives, certification, rules and regulations, policy, Code of Conduct, remuneration and benefits for directors.

To promote understanding of roles, duty and responsibility as well as necessary skills for the Directors to do their job best as the directors of a listed company, the Company has a policy to encourage the Directors to participate in seminars arranged by related organizations, such as the Institute of Directors (IOD) and SET. *(Details of the training and seminars on important topics that promotes effective performance as a director of a listed company are reported in the Profile of Directors, Company's Management and Company Secretary section).*

The Board of Directors strictly follows rules and regulations implemented by the government's regulatory organizations. The Management is required to prepare summary and present to the Board of Directors' meeting for acknowledgement of the announcement, rules, regulations and memorandum, both newly issued and amended by the SEC and SET.

The Company sent executives and related employees to attend the company secretary, corporate governance, internal audit, risk management and other related courses organized by various institutes and organizations. This enables Directors and employees to better understand their responsibilities, which supports the operations of the Board of Directors and committees.

#### **6.10 Succession Plan for Top Executives**

The Board instructed the Human Resources and Remuneration Committee to prepare the succession plan. As for the President, it follows the policy of the Company's major shareholder, which is EGAT. EGAT will nominate to the Board of Directors through the Human Resources and Remuneration Committee its executive who has appropriate qualifications, knowledge and capability to perform the task and brings greater benefits to the Company.

The Company is working on succession plan improvement by analyzing competency and expected qualifications of different positions. The guideline will support human resource development and nomination of qualified persons to replace vacancy and to support future business expansion. *(Succession Plan is already discussed under the Role of Stakeholders - Employees.)*

#### **6.11 Allocation of Reserve for Loss from Operations of Directors and Executives**

Directors and executives perform duties as entrusted or does the job result from their status and titles for the benefit of the Company including to hold the position in other companies as directed. In case there is any lawsuit claiming due to such performances, the Legal Department will be responsible for its defense until the case becomes final. The Company has set aside 2 million Baht a year as a reserve for loss if the duty is duly performed as a result of his/her authority whether or not such action is taking place now or was done in the past. In case it is a fraud or corruption, the Company shall not be responsible for any loss incurred and will demand all expenses resulting from defending such a case from the corrupted or fraudulent directors or executive officers.

### **7. Awards and Recognition**

With its commitment to serious and continual implementation of the corporate governance principles with an aim to secure sustainable growth for the Company, the Company in 2010 received various awards and recognition as follows:

1. The Company was named one of the top 10 listed companies that won the *Top Corporate Governance Report Awards* at the SET Awards 2010 organized by the Stock Exchange of Thailand.
2. The Company was recognized as *"Excellent"* among participating listed companies at the Corporate Governance Report of Thai Listed Companies (CGR) 2010 organized by the Institute of Directors of Thailand.
3. The Company was rated *"Excellence and Good Example"* at the 2010 shareholders meeting assessment by the Thai Investors Association. At the assessment, the Company received 100 scoring for the third consecutive year.
4. The Company was one of the final 10 private companies entering into the final round of the "Chor Sa Ad" Award, held for the first time in 2010 by the Office of the National Anti-Corruption Commission in appreciate of organizations with outstanding transparency.
5. The Company won recognition as an outstanding supporter — natural resources from the Ministry of Natural Resources and Environment in 2010
6. The Company won recognition in forest preservation and rehabilitation from the Department of Forestry for its outstanding support to the Department. The award was granted to commemorate the 114<sup>th</sup> anniversary of the Department of Forestry.
7. Ratchaburi Electricity Generating Company Limited won the "2010 Best Labor Relations and Welfare" for the third consecutive year from the Department of Labour and Welfare, Ministry of Labour.

## Nature of Business

Established on 7 March 2000, the Company currently has Baht 14,500 million paid registered capital. The Company is a holding company investing in subsidiaries and joint venture companies. Its revenue mainly came from dividend from investment it made in other companies, the dividend from which generates the Company's main revenue. The Company holds stakes in 11 subsidiaries and 10 joint venture companies as follows

### *Shareholding in Subsidiaries and Jointly - Controlled Entities Companies*

No.	Company	Shareholding (%)	Type of business
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#### ***Subsidiaries***

1.	Ratchaburi Electricity Generating Company Limited	99.99	Electricity generating business
2.	Ratchaburi Gas Company Limited	99.99	Investing in electricity generating business
3.	Ratch Udom Power Company Limited	99.99	Investing in electricity generating business
4.	Ratchaburi Alliances Company Limited	99.99	Investing in electricity generating business (through Ratch Udom Power Company Limited)
5.	Ratchaburi Energy Company Limited	99.99	Investing in electricity generation business using alternative energy as well as related business
6.	RATCH-Lao Services Company Limited	99.99	Providing operation and maintenance services, investing and operating other activities related to the Company's investment in Lao PDR
7.	RH International Corporation Limited	99.99	Investing, developing and operating electricity generating and related businesses in other countries
8.	RH International (Mauritius) Corporation Limited	99.99	Investing, developing and operating electricity generating and related businesses in other countries (held by RH International Corporation Limited)
9.	RH International (Singapore) Corporation Pte. Limited	99.99	Investing, developing and operating electricity generating and related businesses in other countries (held by RH International (Mauritius) Corporation Limited)
10.	Sustainable Energy Corporation Company Limited	51.00	Investing, developing and operating electricity (held by Ratchaburi Energy Company Limited)
11.	Khao Kor Wind Power Company Limited	51.00	Electricity generating business (held by Sustainable Energy Corporation Company Limited)

#### ***Jointly - Controlled Entities companies***

1.	Tri Energy Company Limited	50.00	Electricity generating business (held by Ratchaburi Gas Company Limited)
2.	Ratchaburi Power Company Limited	25.00	Electricity generating business (held by Ratchaburi Alliances Company Limited)

No.	Company	Shareholding (%)	Type of business
3.	SouthEast Asia Energy Limited	33.33	Investing, developing and operating electricity generating business in Lao PDR
4.	Nam Ngum 2 Power Company Limited	25.00	Electricity generating business (through SouthEast Asia Energy Limited)
5.	Chubu Ratchaburi Electric Services Company Limited	49.99	Providing operation and maintenance services to power plant
6.	Hongsa Power Company Limited	40.00	Electricity generating
7.	Phu Fai Mining Company Limited	37.50	Coal mining
8.	EGAT Diamond Service Company Limited	10.00	Investing in power plants' gas turbine maintenance service business
9.	Nam Ngum 3 Power Company Limited	25.00	Electricity generating business
10.	Solarta Company Limited	49.00	Electricity generating business

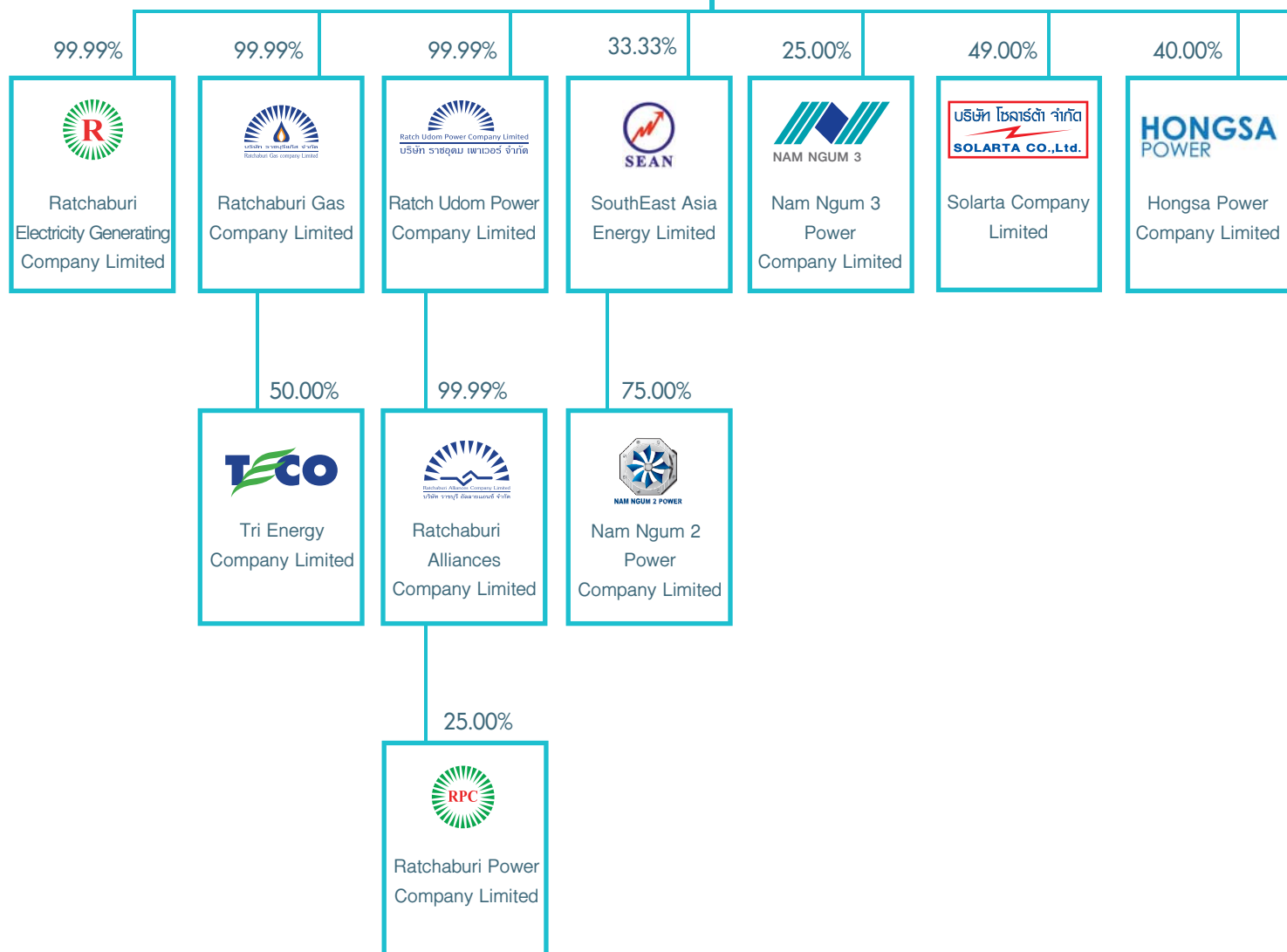
*(Information about subsidiaries and joint ventures is disclosed in General Information)*

The Company's policies and strategies, which focus mainly on investing and developing electricity generating business, are formulated to support the Company's development and expansion targets. Its strategies and policies concentrate on diversity of resources, ranging from natural gas, oil, coal, water and alternative energy, such as wind and solar power. The Company is also interested in expanding into related businesses, especially in LAO PDR which has provides huge potential for electricity generating projects, including hydroelectric power generation, thermal power plant and power plant operating and maintenance, coal mining, and investing jointly with partners in various projects. Capital management sufficient for effective operations and return on investment is in focus. The Company regularly participates in policy formulation and monitors the operations of the companies in which it has invested.



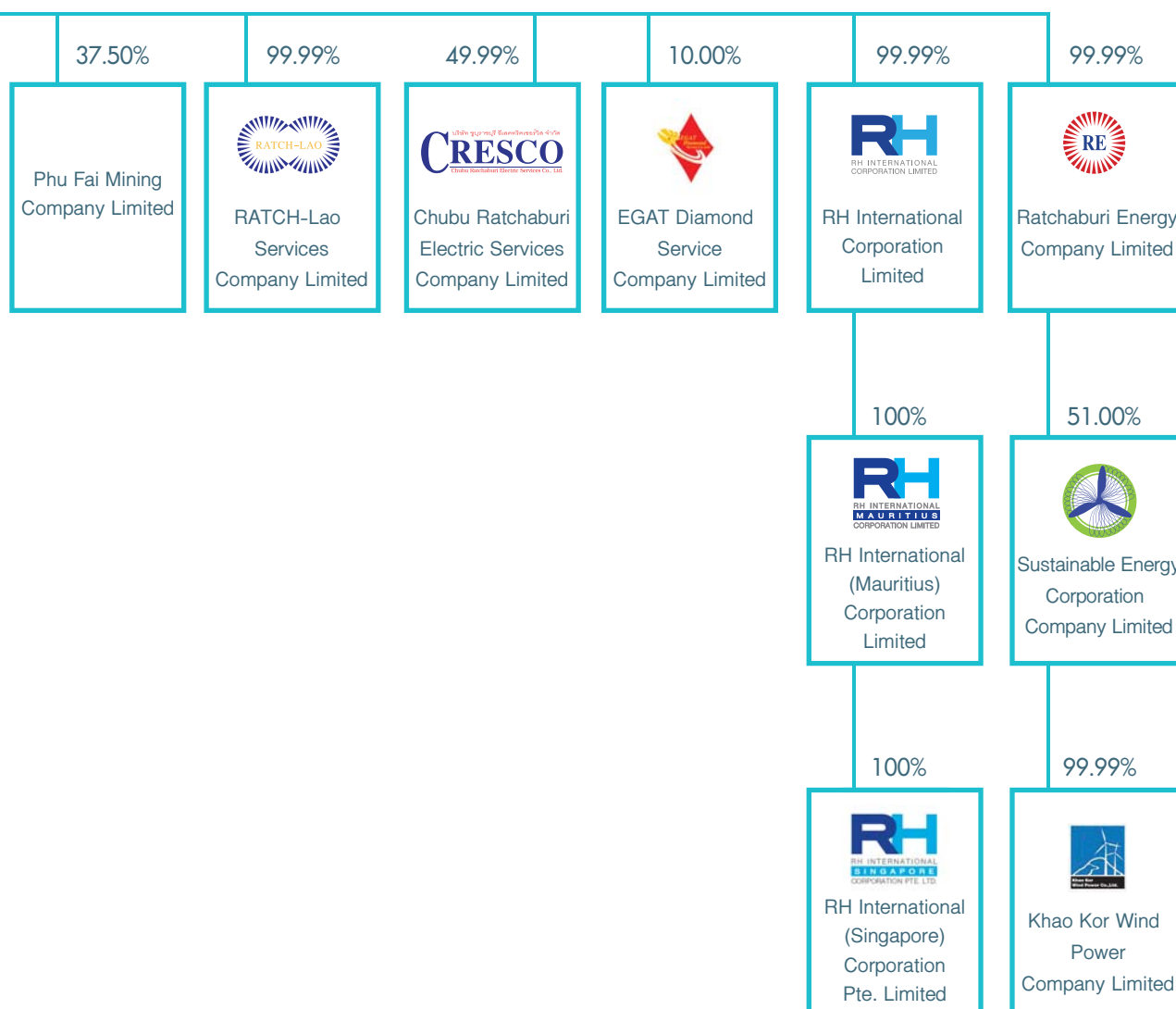
## Ratchaburi Electricity Generating Holding Public Company Limited

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# Investment Portfolio



## Revenue Structure of the Company, Subsidiaries and Jointly - Controlled Entities in 2010

In 2010, the Company's major source of revenue is from electricity sales by Ratchaburi Electricity Generating Company Limited to EGAT under the 25-year long-term power purchase agreement. Basic revenue structure under the Ratchaburi Power Plant's power purchase agreement includes two parts as follows:

### 1. Availability Payment (AP)

Availability Payment is set to cover all investment fund, including loans, loan interests, return to shareholders and fixed operating expenses such as maintenance and administration costs. In general, the AP depends on the power plant's readiness in electricity generation and distribution as required by EGAT.

### 2. Energy Payment (EP)

Energy Payment is received when electricity is produced and distributed to EGAT's system. Two major parts of EP are as follows:

- 1) Fuel Payment
- 2) Variable Operating and Maintenance Payment

In addition to electricity sales from Ratchaburi Power Plant, the Company receives revenue from other sales and services as follows:

1. Electricity sales from PTO-A Associated Gas Power Plant and Expansion Projects located in Kong Subdistrict, Kongkrait District Sukhothai Province. The two projects have production capacity of 1.75 megawatts and 0.9 megawatts respectively and started commercial operations on 27 June 2007 and 2 December 2010 respectively. The two projects are operated by Ratchaburi Energy Company Limited which produces electricity from flare gases which are byproducts of oil refining. Electricity generated from the two projects are sold to EGAT.
2. Operation and maintenance service from RATCH-Lao Services Company Limited, a Company's subsidiary established on 8 May 2009 under the LAO PDR's law. RATCH-Lao Services Company Limited entered into the Operation and Maintenance Agreement of the hydroelectric power plant with Nam Ngum 2 Power Company Limited, effective from 1 July 2009 until the end of the concession period.

Other income generated from jointly-controlled entities that invest in electricity generating business are as follows:

1. Tri Energy Company Limited, in which Ratchaburi Gas holds 50 per cent stake, and Ratchaburi Power Company Limited, in which Ratchaburi Alliance Company Limited holds 25 per cent stake. Both companies are jointly-controlled entities and their electricity sales revenue includes availability payment and energy payment, which are the same as basic revenue structure of Ratchaburi Electricity Generating Company Limited.
2. Chubu Ratchaburi Electric Service Company Limited, in which the Company holds 49.99 per cent stake, earns from providing operation and maintenance services to the two power plants of Ratchaburi Power Company Limited under 14 year agreement starting from the first operation date. The two power plants are 2 blocks of Combined Cycle Power Plant, each with 700-megawatt production capacity. Both of them started commercial operation from 1 March 2008 and 1 June 2008 respectively.

## 2010 and 2009 Income Structure of the Company

Types of Income	By	Company's Shareholding Ratio	Income			
			2010		2009	
			Million Baht	%	Million Baht	%
Revenue from sale and rendering of services						
- AP	Ratchaburi Electricity Generating Company Limited	99.99	10,844.45	24.51	12,264.88	32.57
- EP	Ratchaburi Electricity Generating Company Limited	99.99	31,259.06	70.64	23,048.57	61.21
- EP	Ratchaburi Energy Company Limited	99.99	35.35	0.08	31.43	0.08
- O&M	RATCH-Lao Services Company Limited *	99.99	42.26	0.10	5.71	0.02
Share of profit (loss) of jointly-controlled entities	Tri Energy Company Limited	50	616.54	1.39	535.56	1.42
	Ratchaburi Power Company Limited	25	957.44	2.16	1,191.56	3.16
	Chubu Ratchaburi Electric Services Company Limited	49.99	29.59	0.07	20.73	0.06
	SouthEast Asia Energy Limited	33.33	(22.01)	(0.05)	(25.77)	(0.07)
	Sustainable Energy Corporation ** Company Limited	51	(1.87)	-	(1.24)	-
	Hongsa Power Company Limited	40	(136.48)	(0.31)	(0.10)	-
	Phu Fai Mining Company Limited	37.50	(0.08)	-	(0.03)	-
Management service income	Ratchaburi Electricity Generating Holding Public Company Limited		258.67	0.58	139.67	0.37
Interest income	Ratchaburi Electricity Generating Holding Public Company Limited		197.73	0.45	222.91	0.59
	Ratchaburi Electricity Generating Company Limited	99.99	30.76	0.07	33.98	0.09
	Ratchaburi Energy Company Limited	99.99	3.68	0.01	1.56	0.01
	Ratchaburi Gas Company Limited	99.99	0.20	-	-	-
	RH International Corporation Limited	99.99	0.01	-	-	-
Other income	Ratchaburi Electricity Generating Holding Public Company Limited		60.60	0.14	35.53	0.09
	Ratchaburi Electricity Generating Company Limited	99.99	72.74	0.16	148.88	0.40
	Ratchaburi Energy Company Limited	99.99	0.05	-	-	-
	RATCH-Lao Services Company Limited	99.99	0.07	-	-	-
	Total		44,248.76	100.00	37,653.83	100.00

\* RATCH-Lao Services Company Limited has operating and maintenance service fee from the NN2 Hydroelectric power plant since July 1, 2009

\*\* Sustainable Energy Corporation Company Limited had been changed its status from the jointly-controlled entity to subsidiary company since August 16, 2010

# Power Industry and Competitions

## 1. Domestic Power Consumption

In 2010, Thailand's power consumption has expanded continuously in response to the country's economic growth driven by the global economic recovery. As a result, power consumption in the first eight months of the year grew by 14.96 per cent year-on-year. EGAT had projected that in 2010 electricity consumption would expand by 11 per cent, against the previous projection of 4-5 per cent. The country's power demand actually hit its peak on 10 May 2010, which is 24,009.9 megawatts, breaking the previous record of 22,044.9 megawatts on 24 April 2009. This means 1,965 megawatts or 8.9 per cent increase. In addition, this is 700 megawatts higher than the power consumption projection for 2010 of 23,249 megawatts, which was used as the calculation base in the Power Development Plan (PDP 2010) in April 2010. The increase equals generating capacity of a large power plant.

In December 2010, The Company's total generation capacity is representing 14 per cent of the national power system (excluding 2.6 megawatts produced by PTO-A Associated Power Plant and expansion which produce and sell power to EGAT/PEA under the non-firm power purchase agreement with small power producer).

### 1.1 Energy Policy

The government, by the Energy Ministry, has formulated the national energy policy by focusing on strengthening the country's energy security and enhancing energy independence. The government has promoted power production to ensure sufficient and stable power supply while increasing the choice of fuel used for power production in order to reduce risks of power supply shortage and fuel price fluctuation. The government promotes reasonable production and use of alternative energy while ensuring suitable and fair price. Quality of energy service, safe efficient power consumption and energy conservation are also in focus. The government, with public participation, is also responsible for impact from the energy production activities on the environment.

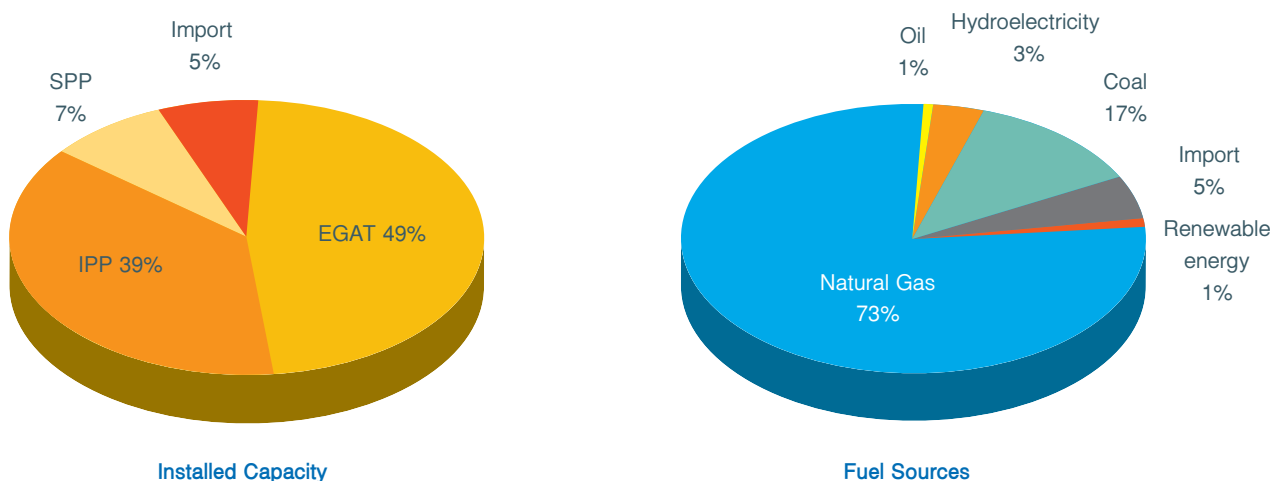
### 1.2 Competitions

Local electricity generating industry is part of the basic infrastructure sector under the supervision of the National Energy Policy Committee, the Ministry of Energy, and the National Energy Regulatory Board. These supervisory organizations are responsible for ensuring that the effective and efficient implementation of the government's policies, such as PDP 2010 that focuses on purchasing power from highly efficient small power producers, consideration on increased power purchase from neighboring countries, nuclear power and coal power plant implementation and promotion of power purchase from very small power producers.

The country's total installed capacity as of 31 December 2010 is 30,920.02 megawatts increase from last year at 5.85 per cent. Of this, 14,328.13 megawatts (49 per cent) belonged to EGAT, while 12,151.59 megawatts (39 per cent) were purchased from independent power producers (IPPs), 2,182.3 megawatts (7 per cent) were purchased from small power producers (SPPs) and 1,588 megawatts (5 per cent) were purchased from neighboring countries. Major fuel sources for power generation are natural gas (73 per cent) and coal (17 per cent).

The newest power plants entering into the electricity generating system are Phra Nakorn Nua's Cogeneration with generating capacity of 670 megawatts, Hydroelectric Power Plant Project from Lao PDR-Nam Theun 2 with generating capacity of 948 megawatts and SIPCO SPP with generating capacity of 60 megawatts.

Chart 1 : Installed capacity and major sources of fuel for power generation as of December 2010



## 2. Power Consumption in Other Countries

Given the slowdown of power consumption due to slow economic recovery and no plan to purchase additional power from domestic large power producers, the Company has adjusted its business plan by focusing more on overseas investment. The company has invested in overseas market and then sells power back to Thailand or sells electricity in such countries. In making decision on investment, the Company considers the power industries in various regions across the world as well as other related factors.

### 2.1 Power Industry and Competition in Asia Pacific

Asia Pacific power industry growth trend is controlled by economic development, oil price and prices of other sources of energy in the global market. The economic recovery in the past year has significantly promoted investment in the power industry, both in terms of power plant expansion and power industry infrastructure development.

Emerging markets in Asia Pacific have enjoyed continual growth and thus constantly seen increasing power demand at 4-6 per cent per annum on average. Major factors that boost the power industry growth are domestic purchasing power in individual market, significant economic sources and clear power and investment related policies.

In 2010, the global and Asia Pacific economies have seen clear signs of recovery from the 2008 global economic crisis. This drove the power demand to a high level as seen in the Business Monitor International's assessment.

Table 1: Asia Pacific electricity demand growth

Asia Pacific Electricity demand growth rate (%)

Country	2007	2008	2009F	2010F	2011F	2012F	2013F	2014F	Average growth
Australia	2.3%	4.5%	-3.8%	1.0%	1.0%	2.0%	2.0%	1.5%	1.3%
China	15.8%	4.6%	5.0%	7.5%	8.2%	8.0%	8.0%	8.0%	8.1%
Hong Kong	0.8%	-2.3%	-1.3%	4.0%	3.8%	6.2%	3.5%	3.6%	2.3%
India	6.5%	3.2%	5.0%	5.5%	6.0%	6.0%	6.0%	5.5%	5.5%
Indonesia	7.0%	6.2%	3.0%	6.6%	6.4%	6.0%	6.5%	7.0%	6.1%
Japan	1.8%	-0.5%	-2.5%	5.0%	1.5%	1.2%	1.0%	2.0%	0.6%
Malaysia	4.2%	1.3%	-3.7%	4.5%	6.0%	5.0%	5.0%	5.0%	3.4%
Pakistan	2.7%	-3.7%	-1.2%	6.0%	5.5%	4.6%	5.9%	5.1%	3.1%
Philippines	4.9%	0.0%	0.7%	5.5%	5.5%	4.9%	5.0%	5.0%	3.9%
Singapore	4.3%	1.5%	-5.3%	1.3%	3.8%	3.6%	4.0%	3.1%	2.0%
South Korea	5.8%	5.2%	-12.5%	2.0%	1.7%	2.4%	3.5%	2.5%	1.3%
Sri Lanka	8.9%	8.2%	3.8%	5.5%	7.8%	8.8%	8.1%	8.8%	7.5%
Taiwan	3.2%	-2.1%	-4.1%	6.1%	3.7%	3.5%	4.0%	3.5%	2.2%
Thailand	4.3%	2.0%	-1.7%	3.4%	6.5%	5.9%	6.0%	5.5%	4.0%
Vietnam	10.1%	14.0%	7.9%	10.1%	10.9%	11.0%	9.9%	9.0%	10.4%

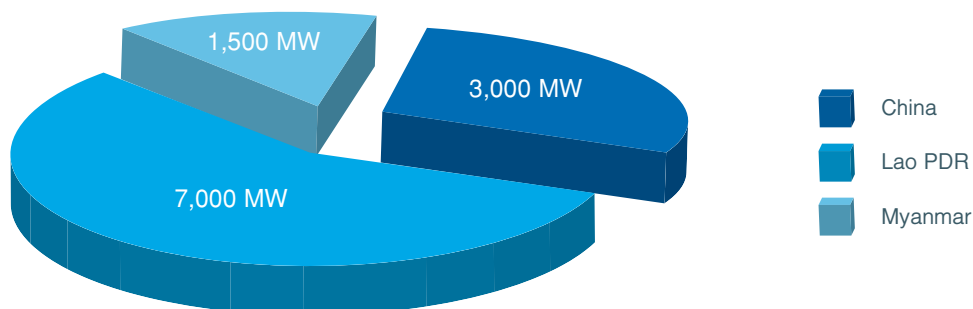
Source : Business Monitor International (BMI), an independent institution that provides financial, marketing and industrial analysis and projection covering 175 countries and 22 industries to support decision making of multinational companies, financial institutions and governments



## 2.2 Government Policy on Imported Electricity

Thai government has a clear policy to cooperate with its neighboring countries in power purchase. Under this policy, Thailand will buy power from neighboring countries within the limit of 25 per cent of Thailand's domestic installed capacity as stated in memorandum of agreement as follows:

Chart 2 : Power Purchased from Overseas



### Power Purchased from Lao PDR

Thailand and Lao PDR have signed four Memorandum of Understanding to purchase 7,000 megawatts from Lao PDR. At present, total power producing capacity of the projects that have already started commercial operations equaled 1,288 megawatts (Nam Tern 2 Project, Tern Hin Boon Project and Huay Hoh Project). Projects that are under construction will provide 2,290 megawatts (Nam Ngum 2 Hydroelectric Power Plant Project has been ready for producing and selling electricity since January 2011) Hongsa Thermal Power Plant Project and Tern Hin Boon Extension Project. In addition, projects that are under negotiation will provide 2,050 megawatts (Nam Ngum 3 Project, Saiyaburi Project and Xe-Pian Xe-Namnoy Projects). Total production capacity is 5,628 megawatts.

### Power Purchased from Myanmar

Thailand has entered a memorandum of understanding with Myanmar to purchase 1,500 megawatts from the Myanmar. Both countries also entered a cooperation agreement to develop two hydroelectric power plants projects on Salween River with 8,190 megawatts total generating capacity. EGAT has also signed an agreement to purchase 369 megawatts electricity from May Kok Project.

### Power Purchased from China

Thailand signed one memorandum of understanding with China, stating that Thailand would increase its power purchase from China to 3,000 megawatts by 2017. China will select and propose the appropriate projects while both countries will cooperate in planning and construction of the distribution system between the two countries, including sharing compensation on land reclaimed along the distribution line in Lao PDR.

## 2.3 Competition

The fluctuation in global economy in the past few years has had adverse impact on developing countries, such as Lao PDR, Vietnam, Indonesia and the Philippines. These countries have dense population and remarkable increase in electricity consumption, providing opportunity for the Company to conduct possibility study and invest in various types of power plants in those countries.

The Company first made overseas investment in Lao PDR. Its current investment projects include Nam Ngum 2 Hydroelectric Power Plant-615 megawatts which has started its commercial operations and transmitted power into Thailand's distribution system on March 2011, the Nam Ngum 3 Hydroelectric Power Plant-440 megawatts which will start commercial operations in 2017, Xe-Pian Xe-Namnoy Hydroelectric Power Plant-390 megawatts which will start commercial operations in 2018 and Hongsa Thermal Power Plant-1,878 megawatts which will begin commercial operations in 2015.

## Risks from Business Operations

The Company is confident and aware of the importance of effective risk management and control, which will enable the Company to run its business with stability, continuity, and at an acceptable level of risk. Risk management is used as a management tool to enhance the Company's success opportunity as much as possible, while minimizing the possibility of failure and loss, and reduce the uncertainty in the Company's overall performance. All these will help the Company achieve its objectives.

When operating its business, the Company experiences a variety of risk factors due to high competition and economic fluctuation in the country and in the global market. To meet the international standards of risk management and the Company's vision and mission through good corporate governance, the Company has for over the past ten years set the philosophy and policy for risk management as follows

1. Promoting the culture of risk management to stimulate understanding, conscience and responsibility concerning risk, control and the effect of risk on the Company in the process of management and operations throughout the Company.
2. Having in place sufficient and accepted international standard process, framework and measures for identifying, analyzing, assessing, ranking, managing, controlling, monitoring, reporting, evaluating and communicating the information of risks continuously, regularly and across the board in the Company.
3. Measuring the risk both in terms of quality, such as the Company's reputation and image, and in terms of quantity, such as loss, revenue decrease, and expense increase based on the possibility that could happen and affect the Company.
4. Setting risk limit at the level that the Company accepts to control the level of damage, and also identifying circumstances and risk degrees that are warning signs for the operators to manage risk under control level.
5. Having operational regulations in writing for the executives and operators to abide by in order to control the operational risk.

The Company's Board of Directors has appointed the **Risk Management Committee** comprising three directors who are in charge of screening policy, setting strategies and risk management framework, controlling, following up, maintaining risk level, and effectively managing risks of the entire organization.

The Company has established the "**Risk Management Working Group**" comprising the Company's high-level executives. The Working Committee is responsible for analyzing and assessing risks, managing risks to comply with the policy agreed by the Risk Management Committee, and preparing quarterly risk management report for the Company's Risk Management Committee's review.

### 1. Investment Risks

The Company has a policy to invest in electricity generating and related businesses, in and outside the country, taking into account the return for shareholders, employees and the public. The Company considers major risk factors that may have significant impact on its investment as follows:

#### 1.1 Risks Related to Economy and Government Policies

Future electricity demand mainly depends on the country's domestic economic growth. In 2009 the world was hard hit by a severe economic crisis and in 2010 Thailand did not fully recover from such crisis. The Ministry of Energy and EGAT have jointly prepared the Power Development Plan 2010-2030 (PDP 2010 April 2010) based on the electricity demand projection lower than that was stated in PDP 2007 Amendment 2. The plan also adjusts the proportion of energy resources used for generating electricity by increasing variety of energy resources in order to reduce dependence on natural gas. Such adjustments include the addition of nuclear-power plant projects and the increase of power purchased from renewable energy projects. The Company's

Board of Directors and the Management have focused their attention on investment opportunities in small power producers (SPPs), very small power producers (VSPPs) and renewable energy power plants that were subsidized by the government, as well as investment in overseas market and in related businesses. At the same time, risk management related to investment have been reinforced through close monitoring of the government's policy and economic development in order that the Company can formulate appropriate and timely risk management plan.

In 2010, the Company, in cooperation with its business partners, prepared 4 power sale proposals, in accordance with the invitation for SPPs (firm category) cogeneration projects. Three projects out of them won the bidding. In addition, the Company worked with its partners to invest in various high potential renewable energy projects, such as solar cells and wind farms. Details are as described in 2010 Operating Performance Section.

### **1.2 Risks Related to Project Selection**

Project selection is one of the significant risk factors that may or may not lead to project success, including timely commercial operation schedule, ability to avoid the construction cost overrun, and satisfactory return on investment both in terms of volume and time limit.

The Company has established an "Investment Working Committee" and set investment policy in writing which is used as project selection criteria. Factors to consider in project selection include location, source of fuel, infrastructure, communities and environment, equipment price, construction costs and project time frame. The Company's selection criteria cover project possibilities, related rules and regulations and return on investment that must be in the Company's accepted level. In making decision to invest overseas, the Company also has to consider other risks factors, such as economic conditions, social and political factors, regulations, interest rate, exchange rate and tax. The Company has hired specialists as technical, legal and financial advisors to analyze and provide opinions useful for project selection. The Company's representatives are appointed as directors or executives of the projects in which the Company invests in order to ensure that investment objectives are achieved.

### **1.3 Strategic Partner Selection and Policy**

In each project, the Company thoroughly selected strategic partners in order to prevent possible management conflict that affects the project success. In selecting strategic partners, the Company would consider financial risks, conflict of interest and the joint investors' policies which must be in line with the Company's investment policy and strategy. Roles of each strategic partner of each project were clearly set. The Company has ensured that details of all conditions are clearly stated in the contract and agreement made with each strategic partner and that these conditions are met. When necessary, specialists' opinions are sought in order to reduce risks related to arguments on any agreement with strategic partners.

### **1.4 Risks Related to Project Management**

The Company's Board of Directors and the Management seriously consider risks related to project management, especially those which may have impact on the environment and communities. To ensure that impact on the environment and communities are eliminated or at least kept at minimal and that the project management complies with generally accepted standard, the Company's Board of Directors and the Management closely monitor and ensure that the Company strictly implements measures that comply with law. The Company's social and environmental policies are formulated to provide guideline for implementation. Close monitoring of the policy implementation is undertaken in order to reduce risks related to conflict and objection from surrounding communities.

The Board of Directors and the Management have jointly considered and appointed representatives to be directors or executives in the management of all projects in which the Company invested. The representatives are involved in setting policies and project development direction, project performance monitoring and reporting to the Board of Directors on regular basis. "Construction Management Division", was established to follow up with the management of related agreements, such as procurement, product and service quality and project costing in order to reduce risks and possible impact caused by project delay or cost overrun or low quality equipment and machinery.

### 1.5 Risks Related to Commercial Operations

The Company has given high priority to the risks related to commercial operations as it may have high impact to the Company's income and profit. The "Asset Management Division" is assigned to follow up and monitor the operations and operational efficiency of the Company's subsidiaries to ensure that they meet the target. The Asset Management Division is responsible for providing post investment analysis, which will be considered for investment standard improvement, comparing performance of the Company's subsidiaries and other businesses and acting as the knowledge center in order to enhance operational excellence of the Group as a whole.

Major risks related to the operations and management under long-term agreement with business partners are Available Payment risks, production efficiency of machinery, maintenance, quality and quantity of fuel, political and legal risks, volume of water used in production, excessive waste, insurance and safety. The Company allows some impacts within the acceptable level.

## 2. Financial Risk

Considering that the Company and all companies within the Group may have the risks related to the lack of liquidity and sufficiency and timeliness of investment capital, the Company therefore prepared solutions or measures that help reduce such risks. Financial instruments used for this purpose are as follows:

### 2.1. Financial Liquidity

The Company has short and long-term investment plans for a number of projects of various sizes in and outside Thailand, which requires high investment and may have impacts on liquidity. The Company therefore implemented strict control on liquidity and financial management to ensure sufficient funds for project investment for each period of time and ability to adjust financial plan in accordance with the Company's capital needs, including

- Preparation of short and long-term cash flow forecast in order to closely monitor capital requirement, timely prepare appropriate funding plan and credit line
- Management of assets and investment by the **Capital Management Committee**, considering liquidity and credibility of the assets and monitoring every movements in the monetary market.
- The Company's 2004 Annual General Meeting of Shareholders approved the Company's plan to issue and offer debentures totaling Baht 7,500 million for electricity generating business investment and/or funding investment projects. This enables the Company to shorten fund mobilization period when it needs .
- In 2010, the Company commissioned S&P Rating (S&P) and Moody's Investors' Service (Moody's), which are global credit rating companies to rate the Company in order to prepare for possible capitalization. This helps increase opportunity to secure funds, shorten time for capital mobilization from domestic and international financial institutions, and increase possibility to win better terms and conditions that will result in lower costs.

### 2.2. Risks Related to Interest Rate and Exchange Rate

The Company has expanded its investment projects in and outside Thailand, which partly required foreign currency loans. To reduce possible impact from interest and exchange rate fluctuation in the future, the Company has ensured proper loan structure by keeping balance between foreign currency loans and power sales revenues, which is specified in the power sales structure in the long-term power purchase agreement made with EGAT. The Company also considered various financial tools, such as forward contracts to pay for foreign currency loans, spare parts payment and related transactions, as well as swap in order to reduce risks from interest rate volatility in the future. The Company has also set clear financial policies which are used as guidelines by all companies under the Group to ensure efficiency and consistency.

#### 2.2.1 Management of Risks Related to Interest Rates

Due to the free floating interest rate of its long-term loans, Ratchaburi Power Company Limited's policy is set to reduce risks of cash flow fluctuation caused by interest rate volatility. For long-term loans from foreign banks, the company pays the

interest rates in accordance with the LIBOR rate plus applicable margin, and made Interest Rate SWAP Agreement on 10 May 2006. The condition is valid throughout the loan period.

The interest rates of long-term loans provided by local banks are based on MLR plus applicable margin. Ratchaburi Power Company Limited made agreements with local banks to change the interest rates from free float to fixed rate for five years, starting from 1 September 2009 and will end on 31 August 2013.

For Tri Energy Company Limited, the interest rates for long-term loan is free floated based on LIBOR plus margin application rate. Tri Energy Company Limited, therefore, reduces possible risk from cash flow volatility caused by interest rate fluctuation by entering into the Interest Rate SWAP Agreement on 10 July 1998, which is effective throughout the loan period.

### **2.2.2 Management of Risks Related to Foreign Exchange Rate**

Although all income, loans and most of the expenses of Ratchaburi Electricity Generating Company Limited and the Group are in Thai Baht, there are some risks from exchange rate fluctuation because the Company has to purchase equipment and spare parts from overseas suppliers. For the imported equipment and spare parts, EGAT has compensated to the exchange rate volatility for importing cost on a part of revenue under the PPA entered with EGAT.

## **3. Management Risk**

To successfully manage the Company against the backdrop of high market competition and complex organizational structure driven by investment expansion, it is necessary for the Company to pay great attention to risks caused by errors in management, operational process, and people as well as external factors. The Company has studied and adopted advanced technology to improve existing machinery's efficiency while maintaining low cost and maximizing resources.

### **3.1. Human Resource**

The Company realizes that employees are valuable resources that drive the Company to success and, therefore, manages well the risks related to its employees. The Company ensures effective recruitment in order to secure qualified employees, provides remunerations and benefits that are fair and are within industry average to maintain good employees, develops people capability, and regularly reviews operational process and system to support the Company's future business expansion.

In 2010, the Company upgraded the human resource database of the entire Group in order to appropriately assign the right persons to the right jobs within the Group considering their competencies. This also enables the Company to help them develop skills and competency necessary to support the Company's growth. Human resource planning has been reviewed in order to secure long-term recruitment and succession plan that enables the Company to secure sufficient pool of human resource.

### **3.2. Corporate Reputation and Image**

Based on its vision to become a leading private power producer that is trusted by the general public, the Company has to continually maintain and strengthen its corporate image and reputation which are very valuable assets and a significant indicator of stakeholders' trust. The process and techniques for managing risks that may affect the Company's reputation and image are therefore put in top priority.

In the past year, the Company has developed the Crisis Management Manual and Crisis Communications Manual to be used as a tool to manage risks and reduce possible impact on corporate image and reputation. The plan and manual clearly state risk factors, indicate process to manage risks and identify clearly the persons in charge. In addition, trainings and risk handling are practiced on yearly basis to ensure that possible issues and crisis will be handled communicated properly, efficiently and effectively. With its commitment to good corporate governance, especially operational transparency, the Company has ensured sufficient auditing, internal control, and proper, equal and timely information disclosure to all stakeholders. The Company has also provided two-way communication channels to increase access to the updated information.

For subsidiaries operating electricity generating businesses, the Company has adopted the "good neighbor" policy in its relationship with nearby communities in order to grow the Company's business in parallel with community development and



environment protection. The Company has initiated many quality of life development activities, including education, sports, public health and career development, as well as activities that promote understanding and relationship with community. Public participation was encouraged in various projects by involving communities in the project initiation, decision, implementation and benefit sharing. As a result, the Company has never encountered objection from communities.

### 3.3 Occupational Health, Security and Environment

The Company gives high importance to managing environment quality in the nearby communities around its power plants in compliance with ISO 14001 standards. All its power plants have to closely and continuously monitor the quality of environment, including air, water, noise and biodiversity.

In 2010, the Ratchaburi Power Plant applied for the certification under the OHSAS 18001 (Occupational Health and Safety Assessment Series). The standard will be integratively implemented with the ISO 14000 in the plant in order to upgrade workplace safety, reduce accidents, occupational health impact, and safety in the Company and the public. It is expected to receive approval for the OHSAS 18001 in the first quarter of 2011.



## The Human Resources and Remuneration Committee's Report



The Company's Human Resources and Remuneration Committee was appointed and assigned by the Board of Directors to be responsible for human resource and remuneration management for the Board of Directors, its committees and top executives of the Company and its subsidiaries. The scope of responsibility includes formulating clear and transparent policies, criteria, methods and process for human resource management and remuneration to suit the person's job assignments, link with their performances and are in line with the best practices among the companies of the same size and similar business. The Committee is also responsible for the nomination and selection of persons with proper qualities to be appointed as Director and top

executives of the Company's Group in order to maintain capable and knowledgeable management team with sufficient experience to efficiently and effectively manage the Company to achieve its goal. Succession plans are in place for significant positions to ensure that the Company's top executives are well-prepared to take greater responsibility to support its growth. The Committee also sets the framework, criteria, methods and process for effective performance appraisal of the Group's management against the mutual pre-set annual goal under the business plan.

In 2010, the Human Resources and Remuneration Committee held four meetings to carefully and reasonably consider the issues within its authority and assignment. These include setting up the 2010 corporate key performance indices for Ratchaburi Electricity Generating Holding Public Company Limited and Ratchaburi Electricity Generating Company Limited; proposing Directors' remuneration for the Board of Directors to seek approval from the 2011 Annual Meeting of Shareholders ; revising the manpower framework for Ratchaburi Electricity Generating Holding Public Company Limited to support continuous growth; selecting and nominating Directors to replace the retired and resigned Directors; the nomination of the top executive to replace the retired person; and the performance appraisal which will be used in remuneration determination for employees of Ratchaburi Electricity Generating Holding Public Company Limited and Ratchaburi Electricity Generating Company Limited.

The Human Resources and Remuneration Committee strictly follows the policy, criteria, methods and process for human resource and remuneration as earlier formulated thorough consideration with transparency and integrity concerns. The Committee also ensured the accurate, complete and transparent information disclosure, such as the disclosure of Directors and top executives' remuneration in the Company's annual report. Independent opinion expression and discussion for the best benefits of the Company and its shareholders as a whole are the center of the Committee's decision making.

The Human Resources and Remuneration Committee considered that the composition of the Board of Directors and management of the Company's Group is appropriate and composed of members who have the required qualities and diversity in terms of educational background, skills, experience, expertise and age which significantly support the Company's operations and ability to achieve its pre-set goals and objectives. The Company's human resource and remuneration practice has been in compliance with the good corporate governance policy.

A handwritten signature in dark ink, appearing to read 'Lae Dilokvidhayarat'. The signature is fluid and cursive, written on a white background.

(Mr. Lae Dilokvidhayarat)

Chairman of the Human Resources and Remuneration Committee

# The Risk Management Committee's Report



The Company's Risk Management Committee is led by Mr. Metta Banturksuk, Chairman of the Risk Management Committee. Its members comprise Mr. Sommai Khawkachaporn and Mr. Ratanapong Jongdamgerng. Mr. Ni-run Wongchanglor (1 January - 14 October 2010) and Mr. Suchat Avusosakul (15 October - 31 December 2010), Executive Vice President - Planning and Portfolio Management who is also the acting Vice President - Corporate Planning, is the Committee's secretary.

In 2010, the Risk Management Committee held four joint meetings between the Risk Management Committee and the Company's Management. The resolution of each meeting was summarized and presented to Company's Board of Directors. In the past year, the Risk Management Committee's major tasks are as follows:

- Screening policy according to the new risk management standard and presented to the Board of Directors for approval on quarter basis. The new standard under the Company's strategic plan 2010 - 2014 has been introduced since the first quarter 2010.
- Monitoring risk management progress in order to acknowledge significant risks and to assess related operations to ensure that the existing committee has appropriate and sufficient risk management plan
- Providing necessary advices to improve the risk management plan's efficiency and effectiveness.

The Company has continuously developed its risk management system. Monthly meetings with various divisions and departments were held to monitor and update information related to risk factors and risk management process. Such close monitoring is to ensure that risk management continues without interruption and best addresses the changing environment.

A handwritten signature in black ink, appearing to read 'M. Banturksuk'.

(Mr. Metta Banturksuk)

Chairman of the Risk Management Committee

## Board of Directors' Report on Its Responsibility to Financial Report

The Public Company Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Stock Exchange Act B.E. 2535 and the Securities and Exchange Commission's Announcement on Financial Information and Company Performance Disclosure required the Board of Directors to prepare financial statements to show the Company's financial status, operating performance and cash flow in the past year in a reasonable and transparent manner for the benefits of the shareholders and investors.

The consolidated financial statements and the Company's financial statement as of 31 December 2010 have been audited by the Company's Auditor, namely KPMG Poomchai Company Limited. In auditing, the Board of Directors provided all relevant information and documents to enable the Auditor to examine and express his opinion in conformity with generally accepted standards. The Auditor's opinion, which appears in the Auditor's report, is already shown in this annual report.

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

The Board of Directors has provided and maintained the appropriate and efficient internal control system to reasonably ensure that the accounting data are accurate, complete, and sufficient to maintain its assets to prevent fraud and materially irregular operation.

The Board of Directors is of the opinion that the overall internal control system in five areas including organizational structure and environment, risk management, information system and communication control activities and monitoring system of the Company is satisfactory and can bring about reasonable confidence that the consolidated financial statements. The company financial statements of the Company for the year ending 31 December 2010 are reliable and prepared in conformity with generally accepted accounting principles and carried out accurately in accordance with law and all relevant rules and regulations.



(Mr. Witoon Simachokdee)

Chairman of the Board of Directors



(Mr. Noppol Milinthanggoon)

Director and President

## The Audit Committee's Report



The Audit Committee of the Ratchaburi Electricity Generating Holding Public Company Limited comprises three independent Directors. Mr. Nathi Premrasmi is the Chairman of the Audit Committee. Mr. Metta Banturungsuk and Mr. Satit Rungkasiri are Audit Committee members. Mr. Pornchai Chamnongdet, the Company's Vice President of Internal Audit Division acts as the Committee's secretary.

All members of the Audit Committee have the qualifications of Independent Directors and Audit Committee members as stated in the Company's regulations on the Company's Board of Directors 2009 and the Company's regulations on Audit Committee 2008. Both of which are compliant with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2010, the Audit Committee convened five meetings, including one meeting between the Committee and the auditors without the presence of the Management. All the Audit Committee members attended all the meetings (except in the Audit Committee Meeting No. 4/2010 in which Mr. Satit Rungkasiri was engaged in an overseas and did not attend the meeting). The Management of the Company and its subsidiaries and the auditors participated in the meetings to present information, receive opinions and suggestions that are useful to the management of the Company. The results of each meeting were presented to the Board of Directors of the Company and its subsidiaries for their acknowledgement.

Significant activities in the past previous year are as follows:

- Reviewing the accuracy, sufficiency and reliability of quarterly and annual financial statements of the Company and its subsidiaries prior to submission to the Board of Directors of each company.
- Reviewing that the internal control is sufficient and appropriate to ensure efficiency and effectiveness in preventing frauds and conflict of interest.
- Ensuring that the Company conforms to the Securities and Stock Exchange Laws, the Stock Exchange of Thailand's regulations and other laws and regulations related to the Company's business.
- Reviewing transactions that may involve conflict of interest. Connected transactions or that may involve conflict of interest were reported to the Audit Committee for consideration before it is forwarded for approval from the Board of Directors. The Company's Management reported these transactions to the Audit Committee for acknowledgement on quarterly basis.

In summary, the Audit Committee considered that the financial statements prepared by the Company and its subsidiaries clearly meet with generally accepted accounting standard, that the information disclosure is sufficient, accurate, complete and reliable, and that the internal control is efficient and sufficient to prevent frauds and conflict of interest. There is clear segregation of roles and responsibilities. And, The operations of the Company and its subsidiaries fully comply with the Securities and the Stock Exchange Laws and the regulations enforced by the Stock Exchange of Thailand or other related laws.

The Audit Committee approved and appointed Mr. Vairoj Jindamaneepitak (C.P.A No. 3565) or Mr. Ekkasit Choothamsathit (C.P.A. No. 4195) or Mr. Charoen Phosamritlert (C.P.A. No.4068) of KPMG Poomchai Audit Limited as the auditors for the Company and its subsidiaries in 2011. The total audit fee is Baht 1,680,000 (excluding out-of-pocket expense of no more than Baht 60,000), and Baht 715,000 of which is the audit fee for the Company. The Audit Committee proposed the mentioned auditor appointment and remuneration to the Board of Directors for further approval from the Annual General Meeting of Shareholders 2011.

(Mr. Nathi Premrasmi)

Chairman of the Audit Committee



# Management Discussion and Analysis

## 1. The Operating Performance of the Year 2010

In 2010, the Company invested in power plant projects and related businesses as well as established additional subsidiaries.

The details are as follows:

### 1.1 Hongsa Thermal Power Plant Project

On 21 June 2010, the Board of Directors meeting of Hongsa Power Co., Ltd. ("Hongsa Power"), the jointly-controlled entity approved the transfer of the development cost to investment in the amount of Baht 849 million. On 5 August 2010, Hongsa Power entered into a Financial Agreement which initially specified a loan amount of U.S. Dollars 2,783 million or equivalent Baht 94,620 million with 9 Thai financial institutions. Such loan is secured by all of share certificates which held by shareholders of such company. As at 31 December 2010, the jointly-controlled entity received the drawdown at the total amount of Baht 2,760 million and U.S. Dollars 39 million.

### 1.2 Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project

On 16 August 2010, the Company and partners, SK Engineering & Construction Co., Ltd., Korea Western Power Co., Ltd. and the Government of Laos People's Democratic Republic ("Lao PDR"), entered into a Tariff Memorandum of Understanding (Tariff MOU) with the Electricity Generating Authority of Thailand ("EGAT") for the project.

### 1.3 The Establishment of Nam Ngum 3 Power Company Limited

On 28 October 2010 The Company and partners, GMS Lao Co., Ltd., Marubeni Corporation and Lao Holding State Enterprise, registered Nam Ngum 3 Power Co., Ltd. ("Nam Ngum 3 Power") in Lao PDR regarding the investment to develop the Nam Ngum 3 Hydroelectric Power Plant Project, with installed capacity of 440 megawatts and scheduled for commercial operations in 2017. The registered capital of such company was U.S. Dollar 0.3 million, comprising 3,000 ordinary shares at par value of U.S. Dollar 100.

On 8 December 2010, the Company paid for paid-up share capital of Nam Ngum 3 Power at U.S. Dollar 20 each by converting the development costs to investment in the amount of Baht 0.45 million, in the proportion of investment of 25 per cent.

### 1.4 The Establishment of the Oversea Subsidiary Companies

The Company registered 2 subsidiaries with the objective to operate the investment in power business in overseas. The details are as follows

- On 5 August 2010, RH International Corporation Ltd., a subsidiary, registered RH International (Mauritius) Corporation Co., Ltd. in order to invest in power businesses in overseas. The registered capital of such company was U.S. Dollars 0.13 million, comprising 0.13 million ordinary shares at par value of U.S. Dollars 1 per shares. the Company had fully paid for the share capital, in the proportion of investment of 100 per cent

- On 6 September 2010, RH International (Mauritius) Corporation Co., Ltd., a subsidiary, registered RH International (Singapore) Corporation Pte. Ltd. in order to invest in power businesses in overseas. The registered capital of such company was SGD 0.12 million, comprising 0.12 million ordinary shares at par value of SGD 1 per shares. the Company had fully paid for the share capital, in the proportion of investment of 100 per cent

### 1.5 Investment in ordinary shares

On 28 December 2010, the two subsidiaries invested in ordinary shares of Electricite Du Laos-Generation Public Company ("EDL Gen") in Lao PDR's Stock Exchange. EDL Gen is a power generation in Lao PDR 75 per cent of its shares held by the Electricite Du Laos, a state owned enterprise. The subsidiaries held totaling 81.112 million shares, amounting to U.S. Dollars 43.37 million or Baht 1,315.10 million in the proportion of investment of 9.345 per cent. The details are as follows.

- RATCH-Lao Services Co., Ltd. invested in 56.112 million ordinary shares, at par value of LAK 4,300 per share, in EDL Gen amounting to U.S. Dollars 30 million in the proportion of investment of 6.467 per cent.

- RH International (Singapore) Corporation Pte. Ltd. invested in 25 million ordinary shares, at par value of LAK 4,300 per share, in EDL Gen amounting to U.S. Dollars 13.37 million in the proportion of investment of 2.878 per cent.

### 1.6 Khao Kor Wind Farm Project, Petchaboon Province

On 10 August 2010, Ratchaburi Energy Co., Ltd. a subsidiary, signed the Share Purchase Agreement and Shareholders Agreement to additionally acquire 6.3 million shares of Sustainable Energy Corporation Co. Ltd., (SEC), representing 21 per cent investment proportion. This results in the proportion of investment of the such subsidiaries had been changed from 30 per cent to 51 per cent.

### 1.7 The Investment in SPP Cogeneration Projects

#### (1) Investment in Nava Nakorn Electricity Generating Co., Ltd.

On July 21, 2010, the Company entered into the Joint Venture Agreement to establish Nava Nakorn Electricity Generating Co., Ltd. in order to submit the proposals for Firm SPP Cogeneration Projects according to the solicitation for power purchase from SPPs issued by EGAT. The Company hold 40 per cent of the company's ordinary shares. The registered capital of such company was Baht 2 million, comprising 0.2 million ordinary shares at par value of Baht 10 per share.

#### (2) Investment in Ratchaburi World Cogeneration Co., Ltd.

On December 22, 2010, the Company entered into the Joint Venture Agreement with Ratchaburi World Cogeneration Co., Ltd. in order to submit the proposals for Firm SPP Cogeneration Projects according to the solicitation for power purchase from SPPs issued by EGAT. The Company hold 10% of the company's ordinary shares. The registered capital of such company was Baht 40 million, comprising 4 million ordinary shares at par value of Baht 10 per share.

## 2. Management Discussion and Analysis Report according to Consolidated Financial Statements

(Million Baht)

	2010	2009	Increase (Decrease)	%
Revenue	44,248.76	37,653.83	6,594.93	17.51
Costs and expenses	39,033.09	30,914.23	8,118.86	26.26
<b>Net profit for the year</b>	<b>5,215.67</b>	<b>6,739.60</b>	<b>(1,523.93)</b>	<b>(22.61)</b>
Net loss attribute to minority interests	4.74	-	4.74	-
<b>Net profit attribute to Equity holder of the Company</b>	<b>5,220.41</b>	<b>6,739.60</b>	<b>(1,519.19)</b>	<b>(22.54)</b>

### 2.1 Analysis of Revenues

Total revenues of the Company and its subsidiaries for the year 2010 were Baht 44,248.76 million, increasing by Baht 6,594.93 million or 17.51 per cent from Baht 37,653.83 million in the year 2009. The main reasons were as follows:

2.1.1 The electricity sales for the year 2010 were Baht 42,138.86 million, increasing by Baht 6,793.98 million or 19.22 per cent from Baht 35,344.88 million in the year of 2009. The details of electricity sales were as follows:

(1) Revenue received from the Availability Payment for the year 2010 was Baht 10,844.45 million, decreasing by Baht 1,420.43 million or 11.58 per cent from Baht 12,264.88 million in the year 2009. The main reason was the average of Base Availability Credit in the year 2010 lower than that of the year 2009 as specified in the Power Purchase Agreement.

(2) Revenue received from the Energy Payment for the year 2010 was Baht 31,294.41 million, increasing by Baht 8,214.41 million or 35.59 per cent from Baht 23,080.00 million for the year 2009. The main reason was the Ratchaburi Power Plants were placed on reserved shutdown in the year 2010 less than the previous year. Therefore, the fuel consumption was higher than that of the previous year. Also, the fuel costs which are the main costs increased from the previous year by 35.43 per cent.

2.1.2 Management service income for the year 2010 was Baht 258.67 million, increasing by Baht 119.00 million or 85.20 per cent from Baht 139.67 million in the year 2009. The main reason was, in 2010, the Company recorded the financing service income and other management income from Hongsa Power Company Limited ("Hongsa Power"), the jointly-controlled entity, in the amount of Baht 115.08 million.

2.1.3 The Company recorded share of profit of jointly - controlled entities of the year 2010 in the amount of Baht 1,443.13 million, decreasing by Baht 277.58 or 16.13 per cent from Baht 1,720.71 million in the year 2009. The main reason was the Hongsa Thermal Power Plant, capacity of 1,878 megawatts and located in Xayaboury, Lao People's Democratic Republic, was under construction during the year 2010. Therefore, share of net loss of Hongsa Power for the year 2010 increased by Baht 136.38 million from the previous year.

## 2.2 Analysis of costs and expenses

Costs and expenses of the year 2010 were Baht 39,033.09 million, increasing by Baht 8,118.86 million or 26.26 per cent from Baht 30,914.23 million in the year 2009. The underlying reasons were as follows:

2.2.1 Cost of sales for the year 2010 were Baht 36,154.15 million, increasing by Baht 7,628.50 million or 26.74 per cent from Baht 28,525.65 million in the year 2009. The main reasons were as follow:

(1) Fuel costs for year 2010 were Baht 31,144.19 million, increasing by Baht 8,147.63 million or 35.43 per cent from Baht 22,996.56 million in the year 2009. The major reason was the Ratchaburi Power Plants had reserved shutdown in the year 2010 less than the previous year. Therefore, the fuel consumption was higher than the previous year.

(2) Other costs for the year 2010 was Baht 5,009.96 million, decreasing by Baht 519.13 million or 9.39 percent from Baht 5,529.09 million in the year 2009. The main reason was the Ratchaburi Power Plants had shutdown according to the maintenance plan in the year 2010 less than the previous year. Therefore, the spare part expenses and other costs decreased in the amount of Baht 338.14 million. Additionally, the depreciation and the obsolete spare part expenses of such power plants were lower than that of the previous year by Baht 111.47 million.

2.2.2 Finance costs (interest expenses) for the year 2010 were Baht 677.33 million, decreasing by Baht 183.77 million or 21.34 per cent from Baht 861.10 million in the year 2009 due to the quarterly repayment and lower interest rate compared to the previous year.

2.2.3 Income tax expense for the year 2010 was Baht 1,271.91 million, increasing by Baht 440.97 million or 53.07 per cent from Baht 830.94 million in the year 2009. The main reason was three blocks of Ratchaburi Combined Cycle Power Plants have ended their tax exemption from the Office of the Board of Investment; therefore, corporate income tax has been paid since 18 April 2010.

## 3. Analysis of Balance Sheets

### 3.1 Analysis of Assets

As at 31 December 2010 the total assets were Baht 69,446.40 million increasing by Baht 104.58 million from the year 2009 (Baht 69,341.82 million). The details were as follows:

(Million Baht)

	As at 31 December		Increase (Decrease)	%
	2010	2009		
Current Assets	19,273.62	19,196.41	77.21	0.40
Non Current Assets	50,172.78	50,145.41	27.37	0.05
<b>Total Assets</b>	<b>69,446.40</b>	<b>69,341.82</b>	<b>104.58</b>	<b>0.15</b>

3.1.1 As at December 31, 2010 current assets were Baht 19,273.62 million increasing by Baht 77.21 million from the year 2009 (Baht 19,196.41 million). The main reasons were as follows:

(1) Cash and cash equivalents, and short-term investments increased by Baht 1,862.78 million.

(2) Advances to and other receivables from related parties increased by Baht 137.15 million because the Company recorded accrued management receivables of jointly - controlled entities amounting to Baht 130.64 million.

(3) Trade account receivable from related party decreased by Baht 1,873.23 million because account receivable as at 30 December 2010 was only the electricity sales of December 2010, whereas the receivable as at 31 December 2009 was the electricity sales of November and December 2009.

3.1.2 As at 31 December 2010 non current assets were Baht 50,172.78 million increasing by Baht 27.37 million from the year 2009 (Baht 50,145.41 million). The main reasons were as follows:

(1) Investment in jointly-controlled entities increased by Baht 1,500.10 million due to the Company recorded the operating result and additional investment in jointly - controlled entities as follows:

	(Million Baht)
Tri Energy Co., Ltd.	284.44
Ratchaburi Power Co., Ltd.	232.45
Chubu Ratchaburi Electric Services Co., Ltd.	29.59
SouthEast Asia Energy Ltd.	218.43
Sustainable Energy Corporation Co., Ltd. *	(111.26)
Hongsa Power Co., Ltd.	845.28
Nam Ngum 3 Hydro electric Power Co., Ltd.	0.45
Nava Nakorn Electricity Generation Co., Ltd.	0.80
Phufai Mining Co., Ltd.	(0.08)
<b>Total</b>	<b>1,500.10</b>

\* Sustainable Energy Corporation Co., Ltd. has been changed its status from jointly-controlled entity to a subsidiary on 16 August 2010 as referred in item 1.6

(2) Other long-term investments increased by Baht 1,200.08 million because the Company invested in ordinary shares of EDL Gen amounting to U.S. Dollars 43.37 million as referred in item 1.5

(3) Net property, plant and equipment decreased by Baht 2,292.00 million due to the depreciation during the year in the amount of Baht 2,682.66 million.

(4) Other non-current assets decreased by Baht 512.89 million because in the year 2010 the Company transferred the development costs for Hongsa Thermal Power Plant Project to investment in jointly-controlled entities amounting to Baht 849.41 million.

### 3.2 Analysis of Liabilities and Shareholders' Equity

As at 31 December 2010, liabilities and shareholders' equity were Baht 69,446.40 million increasing by Baht 104.58 million from the year 2009 (Baht 69,341.82 million) . The reasons were as follows:

	(Million Baht)			
	As at 31 December		Increase (Decrease)	%
	2010	2009		
Current Liabilities	9,658.45	7,962.69	1,695.75	21.30
Non Current Liabilities	13,240.79	16,854.99	(3,614.20)	(21.44)
Total Liabilities	22,899.24	24,817.68	(1,918.44)	(7.73)
Shareholders' Equity	46,547.16	44,524.14	2,023.02	4.54
<b>Total Liabilities and Shareholders' Equity</b>	<b>69,446.40</b>	<b>69,341.82</b>	<b>104.58</b>	<b>0.15</b>

3.2.1 Current liabilities were Baht 9,658.45 million increasing by Baht 1,695.76 million from the year 2009 (Baht 7,962.69 million). This was mainly due to the fact that trade payable increased by Baht 1,102.45 million because of in

November and December 2010, the Ratchaburi Power Plants operated more than the previous year. Therefore, fuel costs were higher than the previous year.

3.2.2 Non current liabilities were Baht 13,240.79 million decreasing by Baht 3,614.20 million from the year 2009 (Baht 16,854.99 million) because of the repayment of long-term loan to financial institution and repayment of debentures in the year 2010.

3.2.3 Shareholders' equity was 46,547.16 million increasing by Baht 2,023.02 million from the year 2009 (Baht 44,524.14 million). The reasons were as follows:

(1) The increase in retained earnings caused by net profit for the year 2010 with the net profit amounting to Baht 5,220.41 million.

(2) The Company's shareholders approved the allotment of the Company's profit for the dividend payment for the operating results in the second half period of 2009 in the amount of Baht 1,667.50 million (1.15 Baht per share), in accordance with the Annual General Meeting of Shareholders on 29 March 2010. The said dividend was paid on April 12, 2010.

(3) The Board of Directors of the Company, held on 26 August 2010, approved the interim dividend payment for the operating results for the first half period of 2010 in the amount of Baht 1,595 million (Baht 1.10 per share), The said dividend was paid on 20 September 2010.

The total shareholders' equity in the amount of Baht 46,547.16 million consists of authorized share capital (issued and paid-up share capital) at Baht 14,500 million, share premium at Baht 1,531.78 million, currency transactions differences at Baht 18.89 million, appropriated legal reserve at Baht 1,450.00 million, unappropriated retained earnings Baht 29,000.27 million and minority interests at Baht 46.23 million.

#### 4. Major Financial Ratios

Ratios		2010	2009
1) Current Ratio	(Times)	2.00	2.41
2) Ratio of Net Profit	(%)	11.80	17.90
3) Rate of Return on Equity	(%)	11.46	15.77
4) Rate of Return on Assets	(%)	7.52	9.70
5) EBITDA	(Million Baht)	9,920.91	11,285.96
6) Ratio of EBITDA to Total Assets	(%)	14.30	16.24
7) Debt to Equity Ratio	(Times)	0.49	0.56
8) Debt Service Coverage Ratio	(Times)	2.48	2.55
9) Book Value per Share	(Baht)	32.10	30.71
10) Earning per Share	(Baht)	3.60	4.65

#### 5. Analysis of Cash Flows

Cash and cash equivalents of the Company and its subsidiaries as at 31 December 2010 were Baht 11,289.25 million increased by Baht 7,515.16 million from Baht 3,774.09 million on 31 December 2009. The details were summarized below:



	(Million Baht)		
	2010	2009	Increase (Decrease)
Net Cash provided by operating activities	9,323.77	8,990.62	333.15
Net cash provided by (used in) investing activities	4,914.51	(2,585.06)	7,499.57
Net cash used in financing activities	(6,757.96)	(7,282.76)	524.80
Net increase in cash and cash equivalents			
Net increase (decrease)	7,480.32	(877.20)	8,357.52
Cash and cash equivalents at beginning of year	3,774.09	4,651.29	(877.20)
Cash and cash acquired during the year	34.84	-	34.84
Cash and cash equivalents at end of year	<b>11,289.25</b>	<b>3,774.09</b>	<b>7,515.16</b>

5.1 Net cash provided by operating activities increased from the previous year in the amount of Baht 333.15 million. This was due to the change in operation assets and liabilities which increase the cash flow by Baht 1,339.22 million. Meanwhile, the decrease in operating performance from the previous year decreased the cash flow by Baht 1,006.07 million.

5.2 Net cash provided by investing activities increased in the amount of Baht 7,499.57 million. The main reason was net cash inflow in current investments was higher than the previous year in the amount of Baht 8,049.92 million. Moreover, the Company received dividend from jointly-controlled entities in the amount of Baht 1,057.10 million. However, the Company invested in ordinary shares of EDL Gen amounting to Baht 1,301.46 million.

5.3 Net cash used in financing activities decreased in the amount of Baht 524.80 million. The main reason was the repayment of loan and debentures in the year 2010 was less than the previous year in the amount of Baht 410.33 million.

# Audit Report of Certified Public Accountant

## To the Shareholders of Ratchaburi Electricity Generating Holding Public Company Limited

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2010 and 2009, and the related statements of income, changes in equity and cash flows for the years then ended of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries, and of Ratchaburi Electricity Generating Holding Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial positions as at 31 December 2010 and 2009, and the results of operations and cash flows for the years then ended of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries, and of Ratchaburi Electricity Generating Holding Public Company Limited, respectively, in accordance with generally accepted accounting principles.



(Vairoj Jindamaneepitak)  
Certified Public Accountant  
Registration No. 3565

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 February 2011

# Balance Sheets

## Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries As at 31 December 2010 and 2009

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
<b>Assets</b>		(in Baht)			
<b>Current assets</b>					
Cash and cash equivalents	6	11,289,247,631	3,774,087,823	5,806,011,135	1,418,701,607
Current investments	7	2,601,383,130	8,253,769,078	2,600,000,000	8,250,000,000
Trade accounts receivable from related parties	5	3,341,232,206	5,214,463,001	-	-
Trade account receivable from other party		1,571,265	-	-	-
Dividend receivable	5	-	-	1,828,941,385	2,714,414,446
Advances to and other receivables from related parties	5	155,122,839	17,968,893	151,428,769	12,682,576
Short-term loans to related parties	5	-	360,000	1,797,092,000	360,000
Current portion of long-term loans to related party	5	62,500,000	62,500,000	62,500,000	62,500,000
Spare parts and supplies	8	1,746,232,615	1,778,136,373	-	-
Other current assets		76,329,814	95,125,925	55,729,493	70,253,569
<b>Total current assets</b>		<b>19,273,619,500</b>	<b>19,196,411,093</b>	<b>12,301,702,782</b>	<b>12,528,912,198</b>
<b>Non-current assets</b>					
Long-term trade account receivable from related party	5	4,950,831	9,901,662	-	-
Long-term receivable from related party	5	-	-	4,548,068	92,687,574
Investments in subsidiaries	5, 9	-	-	20,523,466,558	20,144,716,558
Investments in jointly-controlled entities	5, 10	10,993,708,654	9,493,610,385	3,138,338,420	1,914,882,194
Investments in other companies	11	54,656,049	35,105,994	54,656,049	35,105,994
Other long-term investments	7	1,669,460,833	469,383,130	368,000,000	468,000,000
Long-term loans to related parties	5	-	-	793,900,000	1,412,781,000
Property, plant and equipment	12	35,164,866,661	37,456,864,208	384,609,732	88,883,343
Land for future development projects		305,221,850	304,973,850	305,221,850	304,973,850
Intangible assets	13	795,509,846	678,269,892	671,840,930	670,774,535
Other non-current assets	14	1,184,410,629	1,697,303,152	264,245,320	858,566,147
<b>Total non-current assets</b>		<b>50,172,785,353</b>	<b>50,145,412,273</b>	<b>26,508,826,927</b>	<b>25,991,371,195</b>
<b>Total assets</b>		<b>69,446,404,853</b>	<b>69,341,823,366</b>	<b>38,810,529,709</b>	<b>38,520,283,393</b>

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

# Balance Sheets

## Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries As at 31 December 2010 and 2009

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		(in Baht)			
<b>Current liabilities</b>					
Trade account payable to related party	5	5,916,666	202,686,743	-	-
Trade accounts payable to other parties		4,646,941,345	3,544,484,867	-	-
Current portion of long-term loans					
from financial institutions	15	3,617,468,002	2,034,875,236	-	-
Current portion of debentures	15	-	749,912,750	-	-
Current portion of financial lease liability	15	1,474,839	-	-	-
Income tax payable		433,287,699	204,502,887	-	-
Dividend payables	26	10,699,118	9,170,070	10,699,118	9,170,070
Other current liabilities	5, 16	942,666,265	1,217,061,068	640,259,274	767,195,524
<b>Total current liabilities</b>		<b>9,658,453,934</b>	<b>7,962,693,621</b>	<b>650,958,392</b>	<b>776,365,594</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	15	13,237,526,583	16,854,994,585	-	-
Financial lease liability	15	3,259,557	-	-	-
<b>Total non-current liabilities</b>		<b>13,240,786,140</b>	<b>16,854,994,585</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>22,899,240,074</b>	<b>24,817,688,206</b>	<b>650,958,392</b>	<b>776,365,594</b>
<b>Equity</b>					
<b>Share capital</b>	17				
Authorised share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Issued and paid-up share capital		14,500,000,000	14,500,000,000	14,500,000,000	14,500,000,000
Share premium	18	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000
Currency translation differences		18,887,917	-	-	-
Retained earnings					
Appropriated					
Legal reserve	18	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Unappropriated		29,000,270,397	27,042,357,160	20,677,793,317	20,262,139,799
<b>Total equity attributable to equity holders of the Company</b>		<b>46,500,936,314</b>	<b>44,524,135,160</b>	<b>38,159,571,317</b>	<b>37,743,917,799</b>
Minority interests		46,228,465	-	-	-
<b>Total equity</b>		<b>46,547,164,779</b>	<b>44,524,135,160</b>	<b>38,159,571,317</b>	<b>37,743,917,799</b>
<b>Total liabilities and equity</b>		<b>69,446,404,853</b>	<b>69,341,823,366</b>	<b>38,810,529,709</b>	<b>38,520,283,393</b>

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

# Statements of Income

Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries  
For the years ended 31 December 2010 and 2009

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		(in Baht)			
Revenue from sale and rendering of services	5, 24	42,181,120,884	35,350,586,985	-	-
Cost of sale and rendering of services	5	(36,183,097,647)	(28,530,838,239)	-	-
<b>Gross profit</b>		<b>5,998,023,237</b>	<b>6,819,748,746</b>	<b>-</b>	<b>-</b>
Management service income	5	258,664,050	139,672,156	271,380,910	147,349,859
Dividends income	5, 9, 10	-	-	3,684,473,009	5,921,487,270
Interest income	5	232,376,839	258,450,214	216,010,123	250,394,958
Other income	5	133,460,074	184,411,803	60,598,361	35,531,921
<b>Profit before expenses</b>		<b>6,622,524,200</b>	<b>7,402,282,919</b>	<b>4,232,462,403</b>	<b>6,354,764,008</b>
Administrative expenses	20, 21	(788,329,155)	(581,081,660)	(474,885,112)	(320,556,189)
Management benefit expenses	21	(112,419,767)	(110,270,309)	(77,075,720)	(76,782,009)
<b>Total expenses</b>		<b>(900,748,922)</b>	<b>(691,351,969)</b>	<b>(551,960,832)</b>	<b>(397,338,198)</b>
Share of profit of jointly-controlled entities, net of income tax	10	1,443,132,513	1,720,707,696	-	-
<b>Profit before finance costs and income tax expense</b>		<b>7,164,907,791</b>	<b>8,431,638,646</b>	<b>3,680,501,571</b>	<b>5,957,425,810</b>
Finance costs		(677,333,809)	(861,105,567)	-	-
<b>Profit before income tax expense</b>		<b>6,487,573,982</b>	<b>7,570,533,079</b>	<b>3,680,501,571</b>	<b>5,957,425,810</b>
Income tax expense	23	(1,271,907,210)	(830,936,727)	(2,348,053)	(12,589,191)
<b>Net profit for the year</b>		<b>5,215,666,772</b>	<b>6,739,596,352</b>	<b>3,678,153,518</b>	<b>5,944,836,619</b>
<b>Net profit (loss) attributable to :</b>					
Equity holders of the Company		5,220,413,237	6,739,596,352	3,678,153,518	5,944,836,619
Minority interests		(4,746,465)	-	-	-
<b>Net profit for the year</b>		<b>5,215,666,772</b>	<b>6,739,596,352</b>	<b>3,678,153,518</b>	<b>5,944,836,619</b>
<b>Basic earnings per share</b>	25	<b>3.60</b>	<b>4.65</b>	<b>2.54</b>	<b>4.10</b>

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



## Statements of Changes in Equity

### Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries For the years ended 31 December 2010 and 2009

Consolidated financial statements								
Note	Issued and paid-up share capital	Share premium	Currency translation difference	Retained earnings		Total equity attributable to equity holders of the Company	Minority interests	Total equity
				Legal reserve	Unappropriated			
26	Balance at 1 January 2009	14,500,000,000	1,531,778,000	-	1,450,000,000	23,492,760,808	40,974,538,808	-
	Net profit for the year	-	-	-	-	6,739,596,352	6,739,596,352	-
	Dividends	-	-	-	-	(3,190,000,000)	(3,190,000,000)	-
	Balance at 31 December 2009	14,500,000,000	1,531,778,000	-	1,450,000,000	27,042,357,160	44,524,135,160	-
26	Balance at 1 January 2010	14,500,000,000	1,531,778,000	-	1,450,000,000	27,042,357,160	44,524,135,160	-
	Translation of financial statement differences	-	-	18,887,917	-	-	18,887,917	-
	Minority interests at the subsidiary's acquisition date	-	-	-	-	-	-	50,974,930
	Net profit for the year	-	-	-	-	5,220,413,237	5,220,413,237	(4,746,465)
26	Dividends	-	-	-	-	(3,262,500,000)	(3,262,500,000)	-
	Balance at 31 December 2010	1,450,000,000	1,531,778,000	18,887,917	1,450,000,000	29,000,270,397	45,500,936,314	46,228,465

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

## Statements of Changes in Equity

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For the years ended 31 December 2010 and 2009

	Note	Separate financial statements				
		Issued and paid-up share capital	Share premium	Retained earnings		Total equity attributable to equity holders of the Company
				Legal reserve	Unappropriated	
				(in Baht)		
Balance at 1 January 2009		14,500,000,000	1,531,778,000	1,450,000,000	17,507,303,180	34,989,081,180
Net profit for the year		-	-	-	5,944,836,619	5,944,836,619
Dividends	26	-	-	-	(3,190,000,000)	(3,190,000,000)
Balance at 31 December 2009		14,500,000,000	1,531,778,000	1,450,000,000	20,262,139,799	37,743,917,799
Balance at 1 January 2010		14,500,000,000	1,531,778,000	1,450,000,000	20,262,139,799	37,743,917,799
Net profit for the year		-	-	-	3,678,153,518	3,678,153,518
Dividends	26	-	-	-	(3,262,500,000)	(3,262,500,000)
Balance at 31 December 2010		1,450,000,000	1,531,778,000	1,450,000,000	20,677,793,317	38,159,571,317

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

# Statements of Cash Flows

Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries  
For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in Baht)			
<b><i>Cash flows from operating activities</i></b>				
Net profit for the year	5,215,666,772	6,739,596,352	3,678,153,518	5,944,836,619
<b><i>Adjustments for</i></b>				
Depreciation and amortisation	2,722,816,483	2,795,920,864	26,330,468	15,461,277
Interest income	(232,376,839)	(258,450,214)	(216,010,123)	(250,394,958)
Finance costs	677,333,809	861,105,567	-	-
Provision for obsolescence of spare parts and supplies	28,437,226	59,634,809	-	-
Unrealised (gain) loss on exchange	18,239,038	(30,399,173)	21,798,036	(29,746,400)
Dividends income	-	-	(3,684,473,009)	(5,921,487,270)
Loss on disposal of spare parts and supplies	28,353,765	22,524,413	-	-
Gain on disposal of plant and equipment	(1,925,844)	(4,922,581)	(1,093,794)	(3,415,888)
Share profit of jointly-controlled entities, net of income tax	(1,443,132,513)	(1,720,707,696)	-	-
Amortisation of development costs	3,855,252	-	-	-
Income tax expense	1,271,907,210	830,936,727	2,348,053	12,589,191
	8,289,174,359	9,295,239,068	(172,946,851)	(232,157,429)
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable from related parties	1,877,230,626	1,420,058,917	-	-
Advances to and other receivables from related parties	(134,537,485)	13,742,728	(133,146,329)	(879,072)
Spare parts and supplies	(24,887,234)	92,770,979	-	-
Other current assets and non-current assets	(257,184,145)	(351,655,224)	(249,089,952)	(300,895,178)
Trade accounts payable to related party	(196,770,077)	202,686,743	-	-
Trade accounts payable to other parties	1,102,456,478	(918,263,504)	-	-
Other current liabilities	(282,478,691)	13,569,606	(117,356,108)	26,244,062
Income tax paid	(1,049,231,039)	(777,524,760)	(7,278,839)	(20,633,227)
<b>Net cash provided by (used in) operating activities</b>	<b>9,323,772,792</b>	<b>8,990,624,553</b>	<b>(679,818,079)</b>	<b>(528,320,844)</b>

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

# Statements of Cash Flows

Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries  
For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in Baht)			
<b><i>Cash flows from investing activities</i></b>				
Interest received	241,387,408	317,188,894	311,028,144	267,825,126
Dividends received	1,057,098,900	351,720,895	4,569,946,070	5,125,756,579
Purchase of property, plant and equipment	(383,210,977)	(139,970,696)	(331,219,299)	(77,795,788)
Sale of plant and equipment	3,933,355	11,326,577	2,703,411	7,140,561
Purchase of intangible assets	(3,124,701)	(4,920,149)	(2,667,008)	(6,285,700)
Purchase of land for future development projects	(48,000)	(459,450)	(48,000)	(459,450)
Sale of investment in jointly-controlled entity	-	-	-	58,000,000
Net cash inflow (outflow) in current investments	5,751,100,000	(2,298,815,189)	5,750,000,000	(3,350,000,000)
Cash outflow on acquisition of other long-term investments	-	(158,000,000)	-	(158,000,000)
Cash outflow on investments in securities available for sale	-	-	-	-
Net cash inflow on disposal of other long-term investments	2,467,240	12,204,940	-	-
Increase in short-term loans to related parties	(520,000,000)	(360,000)	(3,738,890,000)	(1,400,460,000)
Decrease in short-term loans to related parties	520,360,000	-	1,920,360,000	1,400,100,000
Decrease in long-term loans to related parties	-	-	618,881,000	-
Cash outflow on acquisition of subsidiaries	(60,750,000)	-	(378,750,000)	(142,914,000)
Cash outflow on acquisition of jointly-controlled entities	(373,695,705)	(639,875,694)	(373,695,705)	(585,375,694)
Cash outflow on acquisition of other companies	(19,550,055)	(35,105,994)	(19,550,055)	(35,105,994)
<b>Net cash provided by (used in) investing activities</b>	<b>4,914,506,631</b>	<b>(2,585,065,866)</b>	<b>8,328,098,558</b>	<b>1,102,425,640</b>
<b><i>Cash flows from financing activities</i></b>				
Finance costs paid	(677,386,473)	(861,320,936)	-	-
Proceeds from issue of ordinary shares	3,500,000	-	-	-
Dividends paid to equity holders of the Company	(3,260,970,951)	(3,189,128,242)	(3,260,970,951)	(3,189,128,242)
Proceeds from short-term loans from financial institutions	5,380,000,000	2,670,000,000	-	-
Repayment of short-term loans from financial institutions	(5,380,000,000)	(2,670,000,000)	-	-
Finance lease payments	(1,130,639)	-	-	-
Repayment of long-term loans from financial institutions	(2,071,974,800)	(1,732,306,800)	-	-
Redemption of debentures	(750,000,000)	(1,500,000,000)	-	-
<b>Net cash used in financing activities</b>	<b>(6,757,962,863)</b>	<b>(7,282,755,978)</b>	<b>(3,260,970,951)</b>	<b>(3,189,128,242)</b>

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

# Statements of Cash Flows

Ratchaburi Electricity Generating Holding Public Company Limited and its Subsidiaries  
For the years ended 31 December 2010 and 2009

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in Baht)			
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>7,480,316,560</b>	<b>(877,197,291)</b>	<b>4,387,309,528</b>	<b>(2,615,023,446)</b>
Cash and cash equivalents at beginning of year	3,774,087,823	4,651,285,114	1,418,701,607	4,033,725,053
Cash of subsidiary acquired during the year	34,843,248	-	-	-
<b>Cash and cash equivalents at end of year</b>	<b>11,289,247,631</b>	<b>3,774,087,823</b>	<b>5,806,011,135</b>	<b>1,418,701,607</b>
<b>Non-cash transaction:</b>				
Transfer development costs to investments in jointly-controlled entities	849,760,522	-	849,760,522	-

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



# Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited  
and its Subsidiaries

For the years ended 31 December 2010 and 2009

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These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 February 2011.

## 1. General information

Ratchaburi Electricity Generating Holding Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 555/1 Energy Complex, Building A 7th Floor, Vibhavadi Rangsit Road, Chatuchak, Chatuchak, Bangkok, Thailand.

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

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

The principal businesses of the Company are the investing in companies, whose objectives are to generate and sell electricity.

Details of the Company's subsidiaries and jointly-controlled entities as at 31 December 2010 and 2009 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2010	2009
<b>Direct subsidiaries</b>				
Ratchaburi Electricity Generating Company Limited	Generating and selling electricity	Thailand	99.99	99.99
Ratchaburi Energy Company Limited	Developing and operating power plant and investing in the power energy business	Thailand	99.99	99.99
Ratchaburi Gas Company Limited	Investing in the power energy business	Thailand	99.99	99.99
Ratch Udom Power Company Limited	Investing in the power energy business	Thailand	99.99	99.99
RATCH-Lao Services Company Limited	Providing operation and maintenance services	Lao PDR	99.99	99.99
RH International Corporation Limited	Investing in the power energy business	Thailand	99.99	99.99
<b>Indirect subsidiaries</b>				
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	99.99	99.99
RH International (Mauritius) Corporation Ltd.	Investing in the power energy business internationally	Mauritius	100	-
RH International (Singapore) Corporation PTE. LTD.	Investing in the power energy business internationally	Singapore	100	-
Sustainable Energy Corporation Company Limited	Investing in the power energy business	Thailand	51	30
<b>Jointly-controlled entities</b>				
Tri Energy Company Limited	Generating and selling electricity	Thailand	50	50
Ratchaburi Power Company Limited	Generating and selling electricity	Thailand	25	25
Chubu Ratchaburi Electric Services Company Limited	Providing operation and maintenance services	Thailand	50	50
SouthEast Asia Energy Limited	Investing in the power energy business	Thailand	33.33	33.33
Hongsa Power Company Limited	Generating and selling electricity	Lao PDR	40	40
Phufai Mining Company Limited	Coal mining and trading	Lao PDR	37.50	37.50
Nam Ngum 3 Power Company Limited	Generating and selling electricity	Lao PDR	25	-
Nava Nakorn Electricity Generating Company Limited	Generating and selling electricity and steam	Thailand	40	-

## 2. Basis of preparation of the financial statements

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared and presented in Thai Baht. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated. They are prepared on the historical cost basis except as stated in the accounting policies.

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

During 2010, the FAP announced the re-numbering of the following TFRS.

Former no.	Revised no.	Topic
TAS 11	TAS 101	Doubtful Account and Bad Debts
TAS 26	TAS 102	Income Recognition For Real Estate Business
TAS 27	TAS 103	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
TAS 34	TAS 104	Accounting for Troubled Debt Restructuring
TAS 40	TAS 105	Accounting for Investment in Debt and Equity Securities
TAS 42	TAS 106	Accounting For Investment Companies
TAS 48	TAS 107	Financial Instruments Disclosure and Presentation

The Group has adopted the revised Accounting Framework for the Preparation and Presentation of Financial Statements (revised 2009), which was issued by the FAP during 2010 and effective on 26 May 2010. The adoption of the revised framework does not have any material impact on the consolidated or separate Company's financial statements.

The FAP has issued during 2010 a number of new and revised TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised standards and interpretations are disclosed in note 30.

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

### 3. Significant accounting policies

#### (a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group's interests in jointly-controlled entities.

##### Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

##### Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group's share of the income, expenses and equity movements of jointly-controlled entities after adjustments to align the accounting policies with those of the Group, from the date that joint-control commences until the date that joint-control ceases. When the Group's share of losses exceeds its interest in a jointly-controlled entity, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the jointly-controlled entity.

**Transactions eliminated on consolidation**

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

**(b) Foreign currencies****Foreign currency transactions**

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

**Foreign entity**

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

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

Foreign exchange differences arising on translation are recognised in a separate component of equity until disposal of the investments.

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments.

**(d) Trade and other accounts receivable**

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

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

**(e) Spare parts and supplies**

Spare parts and supplies are stated at cost less allowance for obsolescence.

The spare parts are categorised as fuel, specific spare parts and common spare parts. Specific spare parts are used for specific plant equipment in the power plant.

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

The allowance for specific spare parts is calculated using the straight-line method to write off the balances of specific spare parts on hand at the year end over the remaining useful life of the power plant.

**(f) Investments****Investments in subsidiaries and jointly-controlled entities**

Investments in subsidiaries and jointly-controlled entities in the separate financial statements of the Company are accounted for using the cost method. Investments in jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

**Investments in other debt and equity securities**

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between

the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in the statement of income. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in the statement of income.

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

#### Disposal of investments

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

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

### (g) Property, plant and equipment

#### Owned assets

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

#### Leased assets

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

#### Depreciation

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Power plant, substations and transmission system	25	years
Flared gas fuelled small power plant	8	years
Equipment for gas turbine power plant	5-25	years
Operating and maintenance equipment and equipment for wind power plant	5	years
Buildings and structures	20	years
Building improvements	5	years
Furniture, fixtures and office equipment	5	years
Vehicles	5	years

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

### (h) Intangible assets

#### Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired. Negative goodwill in a business combination represents the excess of the fair value of the Group's share of the identifiable net assets acquired over the cost of acquisition.

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment as described in note 3(j).



### Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised in the statement of income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

Software licences	5-10	years
Right to use electrical transmission line	8	years

### (i) 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 measure reliably. Other development expenditures are 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 commencement of the commercial operation on a straight-line basis over the period of its expected benefit.

### (j) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

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

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

### Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

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

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

### Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(k) Interest-bearing liabilities**

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

**(l) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(m) Employee benefits****Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of income as incurred.

**(n) Provisions**

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(o) Revenue**

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

**Sale of electricity**

Revenue from sale of electricity comprises Availability Payments and Energy Payments. Availability Payments are recognised according to the term set out in the Power Purchase Agreement as conditions are met, essentially Contract Availability Hours, net amount of sales taxes and discounts. Energy Payments are calculated based on actual electricity delivered and monthly payment rates which refer to changes in the natural gas price specified in the agreement.

**Service income**

Service income is recognised as services are provided.

**Rental income**

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

**Interest, dividend and other income**

Interest and other income are recognised in the statement of income as it accrues. Dividend income is recognised in the statement of income on the date the Group's right to receive payments is established.

**(p) Expenses****Lease payments**

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of income for the accounting period in which they are incurred.

**Finance costs**

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset

which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

#### Deferred financing service fee

Deferred financing service fee is initially recorded at cost and carried at cost less accumulated amortisation. Amortisation is calculated using the effective interest method over the life of the long-term loan agreements and capitalised in power plant during construction. After construction is completed, amortisation is made through the income statement. Deferred financing service fee is recognised as cost of debt and deducted directly from long-term loans.

#### Other expenses

Other expenses are recognised in the statement of income as it accrues.

#### (q) Income tax

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

## 4. Change of status to subsidiary

At the meeting of the Board of Directors of Ratchaburi Energy Company Limited, a subsidiary, held on 18 August 2009, the Board approved to acquire 9 million shares of Sustainable Energy Corporation Company Limited ("SEC") for Wind Power Plant Project Development at 60 Mega Watt capacity at Amphur Khao Kor, Phetchabun Province from Ratchaburi Electricity Generating Holding Public Company Limited, amounting to Baht 112.50 million, in the proportion of investment of 30%.

During the 1st quarter of 2010, SEC called for additional paid-up share capital. The subsidiary paid for the additional paid-up share capital amounting to Baht 13.50 million, in the proportion of investment of 30%.

During the 3rd quarter of 2010, the Board of such subsidiary approved to additionally acquire 6.3 million shares of SEC from Wind Energy Holding Company Limited, amounting to Baht 47.25 million, in the proportion of investment of 21%. The subsidiary paid for the additional paid-up share capital in full amount.

As a result of the additional acquisition, the proportion of investment of the Company had been changed from 30% to 51% and the Group obtained control over SEC, and the assets, liabilities and operating result of SEC starting from 1 August 2010 have been included in the Group's consolidated financial statements as of and for the year ended 31 December 2010.

The subsidiary's net assets and liabilities on 1 August 2010 comprised the following:

	(in thousand Baht)
Cash and cash equivalents	34,843
Other current assets	3,169
Equipment	115
Project development costs	67,634
Other non-current assets	603
Trade accounts payables	(888)
Other liabilities	(1,446)
<b>Net carrying amounts of identifiable assets and liabilities</b>	<b>104,030</b>
Less minority interest	(50,975)
Add pre-acquisition loss	3,109
<b>Recognised net assets' value on acquisition</b>	<b>56,164</b>
Goodwill on acquisition	117,086
<b>Cash consideration</b>	<b>173,250</b>
Less cash paid for investment	(173,250)
Add cash acquired	34,843
<b>Net cash inflow</b>	<b>34,843</b>

## 5. Related party transactions and balances

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly-controlled by the Company or have transactions with the Company/Group were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Electricity Generating Authority of Thailand	Thailand	Major shareholder, some common directors
Ratchaburi Electricity Generating Company Limited	Thailand	Subsidiary, 99.99% shareholding, some common directors
Ratchaburi Energy Company Limited	Thailand	Subsidiary, 99.99% shareholding
Ratchaburi Gas Company Limited	Thailand	Subsidiary, 99.99% shareholding
Ratch Udom Power Company Limited	Thailand	Subsidiary, 99.99% shareholding
RATCH-Lao Services Company Limited	Lao PDR	Subsidiary, 99.99% shareholding
RH International Corporation Limited	Thailand	Subsidiary, 99.99% shareholding
Ratchaburi Alliances Company Limited	Thailand	Indirect subsidiary, 99.99% shareholding by a subsidiary
RH International (Mauritius) Corporation Ltd.	Mauritius	Indirect subsidiary, 100 % shareholding by a subsidiary
RH International (Singapore) Corporation PTE. LTD.	Singapore	Indirect subsidiary, 100 % shareholding by a subsidiary
Sustainable Energy Corporation Company Limited	Thailand	Indirect subsidiary, 51% shareholding by a subsidiary
Tri Energy Company Limited	Thailand	Jointly-controlled entity of subsidiary, 50% shareholding by a subsidiary
Ratchaburi Power Company Limited	Thailand	Jointly-controlled entity of subsidiary, 25% shareholding
Chubu Ratchaburi Electric Services Company Limited	Thailand	Jointly-controlled entity of the Company, 50% shareholding
SouthEast Asia Energy Limited	Thailand	Jointly-controlled entity of the Company, 33.33% shareholding
Hongsa Power Company Limited	Lao PDR	Jointly-controlled entity of the Company, 40% shareholding
Phufai Mining Company Limited	Lao PDR	Jointly-controlled entity of the Company, 37.50% shareholding
Nam Ngum 2 Power Company Limited	Lao PDR	Subsidiary of a jointly-controlled entity, 75% shareholding by a jointly-controlled entity
Nam Ngum 3 Power Company Limited	Lao PDR	Jointly-controlled entity of the Company, 25% shareholding
Nava Nakorn Electricity Generating Company Limited	Thailand	Jointly-controlled entity of the Company, 40% shareholding

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of electricity	Contractually agreed price
Service income on operation and maintenance services	Contractually agreed price
Management service income	Contractually agreed price
Purchase of goods/raw materials	Contractually agreed price
Operation and maintenance service fee	Contractually agreed price
Interest income	Contractually agreed rate
Other income	Contractually agreed price
Rental income	Contractually agreed price

Significant transactions for the years ended 31 December 2010 and 2009 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Major Shareholder</b>				
Sale of electricity	42,137,398	35,344,881	-	-
Purchase of fuel	1,413,218	614,386	-	-
Purchase of electricity	161,263	183,067	-	-
Operation and maintenance services fee	1,118,893	1,075,917	-	-
<b>Subsidiaries</b>				
Management service income	-	-	14,433	9,590
Dividend income	-	-	3,684,473	5,906,487
Interest income	-	-	18,287	27,489
<b>Jointly-controlled entities</b>				
Operation and maintenance services income	42,255	5,706	-	-
Management service income	251,921	127,393	251,921	127,393
Dividend income	-	15,000	-	15,000
Interest income	22,450	4,568	22,450	4,568
Other income	38,063	39,452	-	-
Rental income	11,329	11,330	-	-

Balances as at 31 December 2010 and 2009 with related parties were as follows:

Trade account receivable from related parties	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Major Shareholder</b>				
Electricity Generating Authority of Thailand	3,331,649	5,213,512	-	-
<b>Jointly-controlled entity</b>				
Nam Ngum 2 Power Company Limited	9,583	951	-	-
Less allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>3,341,232</b>	<b>5,214,463</b>	<b>-</b>	<b>-</b>
Bad and doubtful debts expense for the year	-	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Related parties</b>				
Within credit terms	3,341,232	5,214,463	-	-
Less allowance for doubtful accounts	-	-	-	-
<b>Net</b>	<b>3,341,232</b>	<b>5,214,463</b>	<b>-</b>	<b>-</b>

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

Dividend receivable	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Subsidiary</b>				
Ratchaburi Electricity Generating Company Limited	-	-	1,828,941	2,714,414

Advances to and other receivables from related parties	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Major Shareholder</b>				
Electricity Generating Authority of Thailand	481	540	-	-
<b>Subsidiaries</b>				
Ratchaburi Electricity Generating Company Limited	-	-	386	378
Ratchaburi Energy Company Limited	-	-	185	101
RATCH-Lao Services Company Limited	-	-	4,589	335
RH International Corporation Limited	-	-	-	29
RH International (Mauritius) Corporation Limited	-	-	277	-
RH International (Singapore) Corporation PTE. LTD.	-	-	277	-
Sustainable Energy Corporation Company Limited	-	212	2,380	212
<b>Jointly-controlled entities</b>				
Tri Energy Company Limited	2,282	2,153	2,281	2,153
Ratchaburi Power Company Limited	11,305	5,589	-	-
Chubu Ratchaburi Electric Services Company Limited	800	807	800	807
SouthEast Asia Energy Limited	13,145	8,630	13,145	8,630
Hongsa Power Company Limited	127,109	8	127,109	8
<b>Other company</b>				
EGAT Diamond Service Company Limited	-	30	-	30
<b>Total</b>	<b>155,122</b>	<b>17,969</b>	<b>151,429</b>	<b>12,683</b>

Long-term trade account receivable from related party	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Major Shareholder</b>				
Electricity Generating Authority of Thailand	4,951	9,902	-	-

Long-term receivable from related party	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Subsidiary</b>				
Ratch Udom Power Company Limited	-	-	4,548	92,687



Loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009	2010	2009
	(% per annum)		(in thousand Baht)			
<b>Short-term loans</b>						
<b>Subsidiaries</b>						
RATCH-Lao Services Company Limited	2.50	-	-	-	899,846	-
RH International (Mauritius) Corporation Limited	2.50	-	-	-	448,623	-
RH International (Singapore) Corporation PTE. LTD.	2.50	-	-	-	448,623	-
<b>Jointly-controlled entity</b>						
Hongsa Power Company Limited	6.69	6.69	-	360	-	360
Less allowance for doubtful accounts			-	-	-	-
Short-term loans to related parties-net			-	360	1,797,092	360
<b>Long-term loans</b>						
<b>Subsidiary</b>						
Ratch Udom Power Company Limited	2.05	1.50	-	-	793,900	1,412,781
<b>Jointly-controlled entity</b>						
SouthEast Asia Energy Limited	7.375	7.12	62,500	62,500	62,500	62,500
			62,500	62,500	856,400	1,475,281
<b>Less current portion</b>			(62,500)	(62,500)	(62,500)	(62,500)
allowance for doubtful accounts			-	-	-	-
Long-term loans to related parties-net			-	-	793,900	1,412,781

Loans to related parties	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Summary of loans to related parties</b>				
Short-term loans	-	360	1,797,092	360
Long-term loans	62,500	62,500	856,400	1,475,281
	62,500	62,860	2,653,492	1,475,641
Less allowance for doubtful accounts	-	-	-	-
<b>Total loans to related parties-net</b>	<b>62,500</b>	<b>62,860</b>	<b>2,653,492</b>	<b>1,475,641</b>
Bad and doubtful debts expense for the year	-	-	-	-

Movements during the years ended 31 December 2010 and 2009 of loans to related parties were as follows:

Loans to related parties	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Short-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	-	-
Increase	-	-	3,197,092	1,400,100
Decrease	-	-	(1,400,000)	(1,400,100)
At 31 December	-	-	1,797,092	-
<b>Jointly-controlled entity</b>				
At 1 January	360	-	360	-
Increase	520,000	360	520,000	360
Decrease	(520,360)	-	(520,360)	-
At 31 December	-	360	-	360
<b>Total short-term loans to related parties</b>				
At 1 January	360	-	360	-
Increase	520,000	360	3,717,092	1,400,460
Decrease	(520,360)	-	(1,920,360)	(1,400,100)
At 31 December	-	360	1,797,092	360
<b>Long-term loans</b>				
<b>Subsidiaries</b>				
At 1 January	-	-	1,412,781	1,412,781
Increase	-	-	-	-
Decrease	-	-	(618,881)	-
At 31 December	-	-	793,900	1,412,781
<b>Jointly-controlled entity</b>				
At 1 January	62,500	62,500	62,500	62,500
Increase	-	-	-	-
Decrease	-	-	-	-
At 31 December	62,500	62,500	62,500	62,500
<b>Total long-term loans to related parties</b>				
At 1 January	62,500	62,500	1,475,281	1,412,781
Increase	-	-	-	-
Decrease	-	-	(618,881)	-
At 31 December	62,500	62,500	856,400	1,412,781

Investments in subsidiaries	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Subsidiaries	-	-	20,523,467	20,144,717

Investments in jointly-controlled entities	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Jointly-controlled entities	10,993,709	9,493,610	3,138,338	1,914,882

Trade payables to related party	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Electricity Generating Authority of Thailand	5,917	202,687	-	-

Other payables to related parties	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Major Shareholder</b>				
Electricity Generating Authority of Thailand	30,501	29,066	1,166	-
<b>Subsidiary</b>				
Ratchaburi Electricity Generating Company Limited	-	-	-	519
<b>Total</b>	<b>30,501</b>	<b>29,066</b>	<b>1,166</b>	<b>519</b>

Unearned revenue and accrued expenses-related parties	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Major Shareholder</b>				
Electricity Generating Authority of Thailand	42,916	73,526	-	1,798
<b>Jointly-controlled entity</b>				
Ratchaburi Power Company Limited	13,636	15,210	12,220	13,794
<b>Total</b>	<b>56,552</b>	<b>88,736</b>	<b>12,220</b>	<b>15,592</b>

### Significant agreements with related parties

#### Short-term loans Agreement

As at 31 December 2010, the Company granted loans to RATCH-Lao Services Company Limited, a subsidiary, amounting to Baht 2.6 million and U.S. Dollars 30 million which bear interest at the rate as stipulated in the agreement. Such loan will be repayable as stipulated in the agreement.

As at 31 December 2010, the Company granted loans to RH International (Mauritius) Corporation Limited, a subsidiary of RH International Corporation Limited, amounting to U.S. Dollars 15 million which bear interest at the rate as stipulated in the agreement. Such loan will be repayable as stipulated in the agreement.

As at 31 December 2010, the Company granted loans to RH International (Singapore) Corporation PTE. LTD., a subsidiary of RH International (Mauritius) Corporation Limited, amounting to U.S. Dollars 15 million which bear interest at the rate as stipulated in the agreement. Such loan will be repayable as stipulated in the agreement.

#### Long-term loans Agreements

The Company granted loans to Ratch Udom Power Company Limited, a subsidiary, amounting to Baht 1,412.78 million which bear interest at the rates as stipulated in the agreement under the existing agreement and condition, by an issuance of promissory notes held at call to the Company. During the year 2010, the subsidiary made repayment to the Company amounting to Baht 618.88 million. As at

31 December 2010, the Company had the outstanding balance of such loans amounting to Baht 793.90 million. The Company has no intention to recall such loans from the subsidiary within one year. Therefore, the Company classified such loans as long-term loans.

The Company granted loans to SouthEast Asia Energy Limited, Vientiane Branch, a jointly-controlled entity, amounting to Baht 62.50 million which bear interest at the rates as stipulated in the agreement. The repayment term of principal and interest is within 30 months commencing from the signing date in the Shareholders' Loan Agreement or the loan approval date from the financial institutions to the jointly-controlled entity, whichever is the earlier. However, on 12 February 2010, the Company has amended the loan agreement with such jointly-controlled entity by extension of the period of repayment and its interest for another 18 months which will be due on 4 September 2011. Therefore, the Company classified such loans as current portion of long-term loans as at 31 December 2010.

#### **Power Purchase Agreement**

On 9 October 2000, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Power Purchase Agreement with EGAT for the period of 25 years, whereby the subsidiary will deliver the Net Electrical Generation from the Thermal Generating Units 1 and 2 and the Combined Cycle Generating Blocks 1, 2 and 3 to EGAT as defined in the agreements. Under the Power Purchase Agreement, the subsidiary will receive revenue from EGAT comprising of an Availability Payment (AP) and an Energy Payment (EP). The Availability Payment (AP) covers repayment of principal and interest of loan, equity return for shareholders, fixed expenses in operation and maintenance, and administrative expenses. Such expenses will be adjusted to cover the change of interest rate, Consumer Price Index and exchange rate. The Energy Payment (EP) covers production costs comprising of fuel costs variable costs in operation and maintenance, which will be adjusted in accordance with the fuel price, efficiency ratio and Consumer Price Index.

On 3 December 2008, Ratchaburi Energy Company Limited, a subsidiary, entered into the 2 Megawatts Power Purchase Agreement with EGAT for the period of 5 years. The contract can be extended for a period of five years subject to the provision of written notice to the counterparty within 30 days before the contract expiry date.

#### **Operation and Maintenance Agreement and Other Service Agreements**

On 7 January 2009, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Operation and Maintenance Agreement with EGAT whereby EGAT will operate and provide general maintenance services including major overhaul for the subsidiary. The total operation and general maintenance charge including services charges for major maintenance are approximately Baht 16,608.16 million, adjusted by the annual Consumer Price Index. The contract is valid from 1 January 2009 until the termination dates of the Power Purchase Agreements for Thermal Generating Units and Combined Cycle Generating Units.

#### **Land Lease Agreement and Common Facility Agreement**

On 7 September 2004 and 21 October 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Land Lease Agreement with Ratchaburi Power Company Limited to lease an area of 145 rais in the Ratchaburi Power Plant area for a power plant project to Ratchaburi Power Company Limited for the period of 25 years and 3 months commencing from Ratchaburi Power's commercial operation date.

On 25 November 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into the Common Facility Agreement with Ratchaburi Power Company Limited whereby the subsidiary will provide certain facilities, utilities, services, right to use and access rights relating to the construction and operation of the facility to Ratchaburi Power Company Limited as defined in the agreement. This agreement is effective from the signing date in the agreement and will be expired on the expiry date of the Land Lease Agreement dated 7 September 2004.

#### **Management Service Agreement**

On 27 February 2004, the Company entered into the Management Service Agreement with Ratchaburi Power Company Limited whereby the Company will receive management fee from Ratchaburi Power Company Limited amounting to U.S. Dollars 2.5 million per year for the period of 25 years and 3 months commencing from the commercial operation date of the first unit of Ratchaburi Power Company Limited with total contract value of U.S. Dollars 63.12 million.

### Agreements in relation to investments in Chubu Ratchaburi Electric Services Company Limited

On 29 September 2005, the Company and Chubu Electric Power (Thailand) Company Limited entered into the Shareholders Agreement to set up Chubu Ratchaburi Electric Services Company Limited and made the first payment of paid-up capital in proportion of each equity holder totaling Baht 10 million. As at 31 December 2010, the Company has commitment to make payment for the unpaid share capital amounting to Baht 10 million. In addition, under this Shareholders Agreement, should Chubu Ratchaburi Electric Services Company Limited require additional funding exceeding its registered capital, the Company agreed to provide financial support in the form of shareholder loans or any guarantees to Chubu Ratchaburi Electric Services Company Limited in proportion of the Company's shareholding of 50%. There are no specific amounts of financial supports specified in the agreement. As at 31 December 2010, the Company has not provided any loans or guarantees according to the agreement.

### Agreements in relation to investment in SouthEast Asia Energy Limited

On 26 May 2006, the Company entered into the Equity Contribution Agreement between shareholders and lenders from financial institutions so as to obligate the capital contribution payment to SouthEast Asia Energy Limited, a jointly-controlled entity. The Company has total commitments to pay capital contribution to such jointly-controlled entity of Baht 2,202.25 million. As at 31 December 2010, the Company has outstanding commitments amounting to Baht 58.91 million.

### Operation and Maintenance Agreement and Other Service Agreements

On 25 September 2009, RATCH-Lao Services Company Limited entered into the Operation and Maintenance Agreement of the hydroelectric power plant with Nam Ngum 2 Power Company Limited. The contract is valid from 1 July 2009 until the end of the concession period under the concession agreement. In consideration thereof, EGAT will act as the subcontractor for the operation and maintenance of dam and powerhouse while RATCH-Lao Service Company Limited will provide building maintenance, facilities and other management services. The initial operation and maintenance services fee are approximately Baht 3,200 million, which will be adjusted by the rates as stipulated in the agreement. On 26 September 2009, RATCH-Lao Services Company Limited entered into the Subcontract Agreement on operation and maintenance of such hydroelectric power plant with EGAT whereby EGAT will operate and provide general maintenance services to Nam Ngum 2 Power Company Limited. The contract is valid from 1 July 2009 until the concession period under the concession agreement with initial approximate contract price of Baht 2,000 million, which will be adjusted by the rates as stipulated in the agreement.

## 6. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Cash on hand	350	254	100	100
Cash at banks - current accounts	507,134	4,032	2,225	(561)
Cash at banks - saving accounts	3,462,185	305,390	123,686	69,162
Highly liquid short-term investments	7,319,579	3,464,411	5,680,000	1,350,000
<b>Total</b>	<b>11,289,248</b>	<b>3,774,087</b>	<b>5,806,011</b>	<b>1,418,701</b>

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Thai Baht (THB)	10,782,871	3,765,739	5,806,011	1,418,701
United States Dollars (USD)	506,179	8,347	-	-
Lao Kip (LAK)	198	1	-	-
<b>Total</b>	<b>11,289,248</b>	<b>3,774,087</b>	<b>5,806,011</b>	<b>1,418,701</b>

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 11 July 2005, the Board approved the policy to maintain cash reserves for repayment of principal and interest of loan in the next quarter. As at 31 December 2010, such reserves amounting to Baht 884 million were included in cash and cash equivalents (2009: Baht 798 million).

## 7. Other investments

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Current investments</b>				
Short-term deposits at financial institutions	2,500,000	8,251,100	2,500,000	8,250,000
Debt securities held to maturity	101,383	2,669	100,000	-
	2,601,383	8,253,769	2,600,000	8,250,000
<b>Other long-term investments</b>				
Equity securities available for sale	1,301,461	-	-	-
Debt securities held to maturity	368,000	469,383	368,000	468,000
	1,669,461	469,383	368,000	468,000
<b>Total</b>	<b>4,270,844</b>	<b>8,723,152</b>	<b>2,968,000</b>	<b>8,718,000</b>

The currency denomination of other investments as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Thai Baht (THB)	2,969,383	8,723,152	2,968,000	8,718,000
Lao Kip (LAK)	1,301,461	-	-	-
<b>Total</b>	<b>4,270,844</b>	<b>8,723,152</b>	<b>2,968,000</b>	<b>8,718,000</b>

Movements during the years ended 31 December 2010 and 2009 of marketable equity securities during the Initial Public Offering ("IPO") were as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Available-for-sale securities</b>				
At 1 January	-	-	-	-
Purchases during the year	1,301,461	-	-	-
Valuation adjustment	-	-	-	-
<b>At 31 December</b>	<b>1,301,461</b>	<b>-</b>	<b>-</b>	<b>-</b>

At the Board of Directors meeting of RH International (Singapore) Corporation PTE. LTD., a subsidiary, held on 17 December 2010, the Board approved to invest in 25 million ordinary shares of Electricite du Laos-Generation Public Company ("EDL Gen") at par value of LAK 4,300 per share in Lao PDR's Stock Exchange amounting to U.S. Dollars 13.37 million, in the proportion of investment of 2.878%.

At the Board of Directors meeting of RATCH-Lao Services Company Limited, a subsidiary, held on 17 December 2010, the Board approved to invest in 56.112 million ordinary shares of EDL Gen at par value of LAK 4,300 per share in Lao PDR's Stock Exchange amounting to U.S. Dollars 30 million, in the proportion of investment of 6.467%.

As at 31 December 2010, EDL Gen was in the processes of IPO and will be traded in Lao PDR's Stock Exchange on 11 January 2011.



## 8. Spare parts and supplies

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Fuel	711,049	677,722	-	-
Specific spare parts	1,437,203	1,495,447	-	-
Common spare parts	95	95	-	-
Spare parts in transit	43,642	22,192	-	-
Total	2,191,989	2,195,456	-	-
Less allowance for obsolescence	(445,757)	(417,320)	-	-
Net	1,746,232	1,778,136	-	-

The cost of spare parts and supplies which was recognised as an expense and included in 'cost of sale' for the year ended 31 December 2010 amounted to Baht 1,588.44 million (2009: Baht 795.75 million).

## 9. Investments in subsidiaries

	Separate financial statements	
	2010	2009
	(in thousand Baht)	
Subsidiaries		
At 1 January	20,144,717	20,001,803
Acquisitions	378,750	142,914
At 31 December	20,523,467	20,144,717

Investments in subsidiaries as at 31 December 2010 and 2009, and dividend income from those investments for the years then ended were as follows:

	Separate financial statements									
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	( $\%$ )		(in thousand Baht)							
<b>Subsidiaries</b>										
Ratchaburi Electricity Generating Company Limited	99.99	99.99	18,275,000	18,275,000	18,275,000	18,275,000	-	-	18,275,000	18,275,000
Ratchaburi Gas Company Limited	99.99	99.99	1,165,903	1,165,903	1,165,903	1,165,903	-	-	1,165,903	1,165,903
Ratch Udom Power Company Limited	99.99	99.99	420,900	420,900	420,900	420,900	-	-	420,900	420,900
Ratchaburi Energy Company Limited	99.99	99.99	640,000	285,000	640,000	265,000	-	-	640,000	265,000
RATCH-Lao Services Company Limited	99.99	99.99	16,664	16,664	16,664	16,664	-	-	16,664	16,664
RH International Corporation Limited	99.99	99.99	5,000	1,250	5,000	1,250	-	-	5,000	1,250
<b>Total</b>					<b>20,523,467</b>	<b>20,144,717</b>	<b>-</b>	<b>-</b>	<b>20,523,467</b>	<b>20,144,717</b>
									<b>3,684,473</b>	<b>5,906,487</b>

#### Investment in RH International Corporation Limited

On 28 October 2009, the Company established RH International Corporation Limited in order to invest in overseas. The registered capital of such company was Baht 5 million, comprising 500,000 ordinary shares at par value of Baht 10 per share. As at 31 December 2010, the Company had fully paid for the share capital, in the proportion of investment of 99.99%.

#### Investment in RH International (Mauritius) Corporation Limited

At the Board of Directors meeting of RH International Corporation Limited, a subsidiary, held on 5 July 2010, the Board approved to establish RH International (Mauritius) Corporation Limited in Mauritius in order to invest in power businesses in overseas. The registered capital of such company was U.S. Dollars 0.13 million, comprising 130,000 ordinary shares at par value of U.S. Dollars 1 per share. As at 31 December 2010, the Company had fully paid for the share capital, in the proportion of investment of 100 %.

#### Investment in RH International (Singapore) Corporation PTE. LTD.

At the Board of Directors meeting of RH International (Mauritius) Corporation Limited, a subsidiary, held on 24 August 2010, the Board approved to establish RH International (Singapore) Corporation PTE. LTD. in Singapore in order to invest in power businesses in overseas. The registered capital of such company was SGD 0.12 million, comprising 120,000 ordinary shares at par value of SGD 1 per share. As at 31 December 2010, the Company had fully paid for the share capital, in the proportion of investment of 100 %.

#### Increase in share capital of Ratchaburi Energy Company Limited

At the extraordinary shareholders meeting of Ratchaburi Energy Company Limited, a subsidiary, held on 14 September 2009, the shareholders unanimously approved to increase the authorised share capital from Baht 140 million, comprising 14 million shares at par value of Baht 10 per share, to Baht 640 million, comprising 64 million ordinary shares at par value of Baht 10 per share by issuance of new ordinary shares totaling 50 million shares at par value of Baht 10 per share and called up at Baht 2.5 per share amounting to Baht 125 million. The increase in authorised share capital was registered with the Ministry of Commerce on 15 September 2009. As at 31 December 2010, the Company had fully paid for the share capital, in the proportion of investment of 99.99 %.

#### Increase in share capital of Sustainable Energy Corporation Company Limited

At the extraordinary shareholders' meeting of Sustainable Energy Corporation Company Limited held on 17 August 2010, the shareholders approved to increase the authorised share capital from Baht 300 million, comprising 30 million shares at par value of Baht 10 per share, to Baht 950 million, comprising 95 million shares at par value of Baht 10 per share by issuance of new ordinary shares totalling 65 million shares at par value of Baht 10 per share. The additional share capital will be called up according to the requirement of investment in Khao Kor power plant project. At the Board of Directors meeting of such company held on 22 October 2010, the Board approved to call for the 14 million shares at par value of Baht 2.5 per share amounting to Baht 35 million. Ratchaburi Energy Company Limited, a subsidiary, already paid for the called-up share capital. However, as at 31 December 2010 such company had not yet registered the increase in the authorised share capital with the Ministry of Commerce. Therefore, the portion of the investment in such company of the subsidiary remained 51%.

#### Dividends from subsidiaries

At the Board of Directors meeting of Ratchaburi Gas Company Limited, a subsidiary, held on 8 June 2010, the Board approved the appropriation of the interim dividend of Baht 2.68 per share, totalling Baht 134.38 million. The interim dividend was paid to shareholders during September 2010.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 15 November 2010, the Board approved the appropriation of the interim dividend of Bath 0.36 per share, totalling Baht 653.80 million. The interim dividend will be paid to shareholders during August 2011.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 23 August 2010, the Board approved the appropriation of the interim dividend of Bath 0.64 per share, totalling Baht 1,175.14 million. The interim dividend will be paid to shareholders during May 2011.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 20 May 2010, the Board approved the appropriation of the interim dividend of Baht 0.62 per share, totalling Baht 1,124.27 million. The interim dividend was paid to shareholders during December 2010.

At the annual general meeting of the shareholders of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 16 March 2010, the shareholders approved the appropriation of dividends from the net profit of 2009 of Baht 2.74 per share, totalling Baht 5,014.57 million, after deducting the interim dividend of Baht 2.41 per share, amounting to 4,417.69 million from the net profit for nine-month period ended 30 September 2009. The balance of dividends, amounting to Baht 596.88 million, was paid to shareholders during September 2010.

At the Board of Directors meeting of Ratchaburi Gas Company Limited, a subsidiary, held on 2009, the Board approved the appropriation of the interim dividend of Baht 4.28 per share, totalling Baht 213.90 million. The interim dividend was paid to shareholders during December 2009.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 16 November 2009, the Board approved the appropriation of the interim dividend of Baht 0.69 per share, totalling Baht 1,265.14 million. The interim dividend was paid to shareholders during June 2010.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 18 August 2009, the Board approved the appropriation of interim dividends of Baht 0.79 per share, totaling to Baht 1,449.27 million. The dividend was paid to shareholders during February 2010.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 19 May 2009, the Board approved the appropriation of the interim dividend of Baht 0.93 per share, totalling Baht 1,703.27 million. The interim dividend was paid to shareholders during November 2009.

At the annual general meeting of the shareholders of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 17 March 2009, the shareholders approved the appropriation of dividends from the net profit of 2008 of Baht 2.97 per share, totalling Baht 5,424.18 million, after deducting the interim dividend of Baht 2.27 per share, amounting to 4,149.28 million from the net profit for nine-month period ended 30 September 2008. The balance of dividends, amounting to Baht 1,274.90 million, was paid to shareholders during May 2009.

## 10. Investments in jointly-controlled entities

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
At 1 January	9,493,610	7,362,008	1,914,882	1,387,506
Share of net profits of investments - equity method	1,443,133	1,720,707	-	-
Payment for additional shares	373,695	639,876	373,695	585,376
Transferred development costs to investments	849,761	-	849,761	-
Dividend income	(1,057,099)	(228,981)	-	-
Investment in jointly-controlled entity before change of status	(109,391)	-	-	-
Disposals	-	-	-	(58,000)
<b>At 31 December</b>	<b>10,993,709</b>	<b>9,493,610</b>	<b>3,138,338</b>	<b>1,914,882</b>

Investments in jointly-controlled entities as at 31 December 2010 and 2009, and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements													
	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity – net		Dividend income	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(in thousand Baht)													
(%)														
Jointly-controlled entities														
Tri Energy Company Limited	50	50	3,618,420	3,618,420	1,809,211	1,809,211	4,675,616	4,391,177	-	-	4,675,616	4,391,177	332,099	213,982
Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	3,318,318	3,085,872	-	-	3,318,318	3,085,872	725,000	-
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	99,538	69,949	-	-	99,538	69,949	-	15,000
SouthEast Asia Energy Limited	33.33	33.33	6,430,019	5,708,669	2,143,340	1,902,890	2,051,924	1,833,490	-	-	2,051,924	1,833,490	-	-
Sustainable Energy Corporation	-	30	-	75,000	-	112,500	-	111,264	-	-	-	111,264	-	-
Hongsa Power Company Limited	40	40	2,457,793	3,407	983,116	1,362	846,538	1,259	-	-	846,538	1,259	-	-
Phufai Mining Company Limited	37.5	37.5	1,679	1,679	630	630	523	599	-	-	523	599	-	-
Nam Ngum 3 Power Company Limited	25	-	1,808	-	452	-	452	-	-	-	452	-	-	-
Nava Nakorn Electricity Generating Company Limited	40	-	2,000	-	800	-	800	-	-	-	800	-	-	-
Total					6,778,799	5,667,843	10,993,709	9,493,610	-	-	10,993,709	9,493,610	1,057,099	228,982

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost – net		Dividend income	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	%											
	in thousand Baht)											
Jointly-controlled entities												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	-	15,000
SouthEast Asia Energy Limited	33.33	33.33	6,430,019	5,708,669	2,143,340	1,902,890	-	-	2,143,340	1,902,890	-	-
Hongsa Power Company Limited	40	40	2,457,793	3,407	983,116	1,362	-	-	983,116	1,362	-	-
Phufai Mining Company Limited	37.5	37.5	1,679	1,679	630	630	-	-	630	630	-	-
Nam Ngum 3 Power Company Limited	25	-	1,808	-	452	-	-	-	452	-	-	-
Nava Nakorn Electricity Generating Company Limited	40	-	2,000	-	800	-	-	-	800	-	-	-
Total					3,138,338	1,914,882	-	-	3,138,338	1,914,882	-	15,000

The following summarised financial information on jointly-controlled entities which have been accounted for using the equity method represents the percentage of ownership held by the Group as follows:

2010	Owner ship (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/ (loss)
(in thousand Baht)										
Tri Energy Company Limited	50	1,753,468	9,736,818	11,490,286	1,897,188	241,848	2,139,036	10,257,484	9,024,408	1,233,076
Ratchaburi Power Company Limited	25	2,152,277	5,385,333	7,537,610	1,058,503	3,683,267	4,741,770	4,912,440	3,931,278	981,162
Chubu Ratchaburi Electric Services Company Limited	50	212,141	8,351	220,492	120,954	-	120,954	514,210	484,620	29,590
SouthEast Asia Energy Limited	33.33	90,989	9,547,123	9,638,112	289,332	6,624,183	6,913,515	1,903	31,204	(29,301)
Sustainable Energy Corporation Company Limited	51	28,454	109,805	138,259	36,848	-	36,848	6,575	15,648	(9,073)
Hongsa Power Company Limited	40	603,307	2,297,767	2,901,074	539,887	1,574,491	2,114,378	13,657	150,134	(136,477)
Phufai Mining Company Limited	37.5	530	-	530	64	-	64	-	73	(73)
Nam Ngum 3 Power Company Limited	25	282	188	470	30	-	30	-	12	(12)
<b>Total</b>		<b>4,841,448</b>	<b>27,085,385</b>	<b>31,926,833</b>	<b>3,942,806</b>	<b>12,123,789</b>	<b>16,066,595</b>	<b>15,706,269</b>	<b>13,637,377</b>	<b>2,068,892</b>

2009	Owner-ship (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit/ (loss)
(in thousand Baht)										
Tri Energy Company Limited	50	1,306,032	5,103,433	6,409,465	1,369,676	648,602	2,018,278	4,863,940	4,328,375	535,565
Ratchaburi Power Company Limited	25	2,650,619	5,619,637	8,270,256	1,215,944	4,514,632	5,730,576	5,249,654	4,344,168	905,486
Chubu Ratchaburi Electric Services Company Limited	50	180,040	11,369	191,409	121,460	-	121,460	493,005	472,278	20,727
SouthEast Asia Energy Limited	33.33	64,586	8,600,514	8,665,100	210,040	6,021,614	6,231,654	2,377	28,153	(25,776)
Sustainable Energy Corporation Company Limited	30	19,842	261	20,103	522	-	522	25	2,440	(2,415)
Hongsa Power Company Limited	40	1,606	-	1,606	341	-	341	10	113	(103)
Phufai Mining Company Limited	37.5	621	-	621	31	-	31	1	31	(30)
<b>Total</b>		<b>4,223,346</b>	<b>19,335,214</b>	<b>23,558,560</b>	<b>2,918,014</b>	<b>11,184,848</b>	<b>14,102,862</b>	<b>10,609,012</b>	<b>9,175,558</b>	<b>1,433,454</b>



**Payment for additional paid-up share of jointly-controlled entities**

During the year 2010, SouthEast Asia Energy Limited, a jointly-controlled entity, called for additional paid-up share capital. The Company paid for the additional paid-up share capital amounting to Baht 240.45 million, in the proportion of investment of 33.33%.

During the year 2010, Hongsa Power Company Limited, a jointly-controlled entity, called for additional paid-up share capital. The Company paid for the additional paid-up share capital amounting to Baht 132.44 million, in the proportion of investment of 40%, and converted the development costs to investment in the amount of Baht 849.31 million.

**Investments in Nam Ngum 3 Power Company Limited**

On 8 December 2010, the Company paid for paid-up share capital of Nam Ngum 3 Power Company Limited at U.S. Dollar 20 each by converted the development costs to investment in the amount of Baht 0.45 million, in the proportion of investment of 25%. The registered capital of such company was U.S. Dollar 0.3 million, comprising 3,000 ordinary shares at par value of U.S. Dollar 100 per share. As at 31 December 2010, the Company had commitments for the remaining unpaid-share capital of U.S. Dollar 60,000 as described in note 14.

**Investment in Nava Nakorn Electricity Generating Company Limited**

On 21 July 2010, the Company entered into the Joint Venture Agreement to establish Nava Nakorn Electricity Generating Company Limited in order to submit the proposals for Firm Small Power Producer ("SPP") Cogeneration Projects with EGAT, in the proportion of investment of 40%. The registered capital of such company was Baht 2 million, comprising 200,000 ordinary shares at par value of Baht 10 per share. As at 31 December 2010, the Company had commitments for the remaining unpaid-share capital of Baht 0.8 million.

**11. Investments in other companies****Investment in EGAT Diamond Service Company Limited**

On 12 October 2009, the Company entered into the Joint Venture Agreement to establish EGAT Diamond Service Company Limited in order to provide maintenance services of gas turbine. The registered capital of such company was Baht 623 million, comprising 6.23 million ordinary shares at par value of Baht 100 per share. The Company paid for paid-up share capital of Baht 81.32 each, amounting to Baht 50.66 million, in the proportion of investment of 10%. As at 31 December 2010, the Company had commitments for the remaining unpaid-share capital of Baht 11.64 million (2009: Baht 27.19 million).

**Investment in Ratchaburi World Cogeneration Company Limited**

On 22 December 2010, the Company entered into the Joint Venture Agreement with Ratchaburi World Cogeneration Company Limited in order to submit the proposals for Firm SPP Cogeneration Projects with EGAT in the proportion of investment of 10%. The registered capital of such company was Baht 40 million, comprising 4 million ordinary shares at par value of Baht 10 per share. As at 31 December 2010, the Company had commitments for the remaining unpaid-share capital of Baht 4 million.

## 12. Property, Plant and equipment

	Consolidated financial statements							
	Land	Buildings and building improvements	Power plants, substation & transmission system and operating & maintenance equipment	Equipment for gas turbine power plant which has not been put in use	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	(in thousand Baht)							
<b>Cost</b>								
At 1 January 2009	751,457	497,040	57,440,965	15,826	170,349	65,606	216,204	59,157,447
Additions	-	34	1,662	-	12,954	10,528	111,518	136,696
Transfers	-	13,927	211,004	-	66,106	-	(291,037)	-
Disposals	-	-	(380)	-	(30,824)	(35,071)	-	(66,275)
<b>At 31 December 2009 and 1 January 2010</b>	<b>751,457</b>	<b>511,001</b>	<b>57,653,251</b>	<b>15,826</b>	<b>218,585</b>	<b>41,063</b>	<b>36,685</b>	<b>59,227,868</b>
Acquisitions through business combination	-	-	-	-	127	-	-	127
Additions	296,353	197	2,333	-	13,653	13,718	66,299	392,553
Transfers	-	1,795	67,410	-	11,779	-	(80,984)	-
Disposals	-	-	(14)	-	(10,876)	(11,542)	-	(22,432)
<b>At 31 December 2010</b>	<b>1,047,810</b>	<b>512,993</b>	<b>57,722,980</b>	<b>15,826</b>	<b>233,268</b>	<b>43,239</b>	<b>22,000</b>	<b>59,598,116</b>
<b>Accumulated depreciation</b>								
At 1 January 2009	-	200,358	18,695,296	-	136,210	46,659	-	19,078,523
Depreciation charge for the year	-	25,706	2,703,670	-	14,476	8,500	-	2,752,352
Disposals	-	-	(251)	-	(30,479)	(29,141)	-	(59,871)
<b>At 31 December 2009 and 1 January 2010</b>	<b>-</b>	<b>226,064</b>	<b>21,398,715</b>	<b>-</b>	<b>120,207</b>	<b>26,018</b>	<b>-</b>	<b>21,771,004</b>
Acquisitions through business combination	-	-	-	-	12	-	-	12
Depreciation charge for the year	-	26,388	2,623,731	-	26,783	5,755	-	2,682,657
Disposals	-	-	(14)	-	(10,783)	(9,627)	-	(20,424)
<b>At 31 December 2010</b>	<b>-</b>	<b>252,452</b>	<b>24,022,432</b>	<b>-</b>	<b>136,219</b>	<b>22,146</b>	<b>-</b>	<b>24,433,249</b>
<b>Net book value</b>								
At 1 January 2009	751,457	296,682	38,745,669	15,826	34,139	18,947	216,204	40,078,924
<b>At 31 December 2009 and 1 January 2010</b>	<b>751,457</b>	<b>284,937</b>	<b>36,254,536</b>	<b>15,826</b>	<b>98,378</b>	<b>15,045</b>	<b>36,685</b>	<b>37,456,864</b>
<b>At 31 December 2010</b>	<b>1,047,810</b>	<b>260,541</b>	<b>33,700,548</b>	<b>15,826</b>	<b>97,049</b>	<b>21,093</b>	<b>22,000</b>	<b>35,164,867</b>

	Separate financial statements				
	Land	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	(in thousand Baht)				
<b>Cost</b>					
At 1 January 2009	-	108,940	37,176	5,317	151,433
Additions	-	7,579	7,139	59,804	74,522
Transfers	-	64,816	-	(64,816)	-
Disposals	-	(30,726)	(22,277)	-	(53,003)
<b>At 31 December 2009 and 1 January 2010</b>	-	<b>150,609</b>	<b>22,038</b>	<b>305</b>	<b>172,952</b>
Additions	292,040	10,691	13,718	5,617	322,066
Transfers	-	5,922	-	(5,922)	-
Disposals	-	(8,555)	(8,259)	-	(16,814)
<b>At 31 December 2010</b>	<b>292,040</b>	<b>158,667</b>	<b>27,497</b>	<b>-</b>	<b>478,204</b>
<b>Accumulated depreciation</b>					
At 1 January 2009	-	95,367	23,753	-	119,120
Depreciation charge for the year	-	8,431	5,796	-	14,227
Disposals	-	(30,389)	(18,889)	-	(49,278)
<b>At 31 December 2009 and 1 January 2010</b>	-	<b>73,409</b>	<b>10,660</b>	<b>-</b>	<b>84,069</b>
Depreciation charge for the year	-	19,884	4,846	-	24,730
Disposals	-	(8,469)	(6,736)	-	(15,205)
<b>At 31 December 2010</b>	<b>-</b>	<b>84,824</b>	<b>8,770</b>	<b>-</b>	<b>93,594</b>
<b>Net book value</b>					
At 1 January 2009	-	13,573	13,423	5,317	32,313
At 31 December 2009 and 1 January 2010	-	77,200	11,378	305	88,883
<b>At 31 December 2010</b>	<b>292,040</b>	<b>73,843</b>	<b>18,727</b>	<b>-</b>	<b>384,610</b>

As at 31 December 2010, land, buildings, power plant and equipment of Ratchaburi Electricity Generating Company Limited, a subsidiary, totalling Baht 34,617.07 million, have been mortgaged and pledged as collateral in accordance with the long-term loans agreements (2009: Baht 37,216.96 million).

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2010 amounted to Baht 1,712.30 million (2009: Baht 334.03 million).

### 13. Intangible assets

	Consolidated financial statements				Total
	Right to use electrical transmission line	Software licences	License on project development	Goodwill from business combination	
	(in thousand Baht)				
Cost					
At 1 January 2009	10,925	6,952	665,512	-	683,389
Additions	-	6,286	-	-	6,286
At 31 December 2009 and 1 January 2010	10,925	13,238	665,512	-	689,675
Additions	458	2,667	-	117,086	120,211
At 31 December 2010	11,383	15,905	665,512	117,086	809,886
Accumulated amortisation					
At 1 January 2009	2,064	6,740	-	-	8,804
Amortisation charge for the year	1,366	1,235	-	-	2,601
At 31 December 2009 and 1 January 2010	3,430	7,975	-	-	11,405
Amortisation charge for the year	1,370	1,601	-	-	2,971
At 31 December 2010	4,800	9,576	-	-	14,376
Net book value					
At 1 January 2009	8,861	212	665,512	-	674,585
At 31 December 2009 and 1 January 2010	7,495	5,263	665,512	-	678,270
At 31 December 2010	6,583	6,329	665,512	117,086	795,510

	Separate financial statements		
	Software licences	License on project development	Total
	(in thousand Baht)		
<b>Cost</b>			
At 1 January 2009	6,952	665,512	672,464
Additions	6,286	-	6,286
<b>At 31 December 2009 and 1 January 2010</b>	<b>13,238</b>	<b>665,512</b>	<b>678,750</b>
Additions	2,667	-	2,667
<b>At 31 December 2010</b>	<b>15,905</b>	<b>665,512</b>	<b>681,417</b>
<b>Accumulated amortisation</b>			
At 1 January 2009	6,740	-	6,740
Amortisation charge for the year	1,235	-	1,235
<b>At 31 December 2009 and 1 January 2010</b>	<b>7,975</b>	<b>-</b>	<b>7,975</b>
Amortisation charge for the year	1,601	-	1,601
<b>At 31 December 2010</b>	<b>9,576</b>	<b>-</b>	<b>9,576</b>
<b>Net book value</b>			
At 1 January 2009	212	665,512	665,724
<b>At 31 December 2009 and 1 January 2010</b>	<b>5,263</b>	<b>665,512</b>	<b>670,775</b>
<b>At 31 December 2010</b>	<b>6,329</b>	<b>665,512</b>	<b>671,841</b>

License on project development represented the Joint Development Right fee on the participation of the Hongsa Lignite Project as described in note 14.

#### 14. Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Development costs - Hongsa Lignite Project	15,692	639,000	15,692	639,000
Development costs - Nam Ngum 3 Project	182,369	151,652	182,369	151,652
Development costs - Xe-Pian Xe-Namnoy Project	57,381	54,036	57,381	54,036
Development costs for wind power project	72,592	-	-	-
Deferred charges	847,056	838,220	-	-
Others	9,321	14,395	8,803	13,878
<b>Total</b>	<b>1,184,411</b>	<b>1,697,303</b>	<b>264,245</b>	<b>858,566</b>

#### Joint Development Agreement in relation to Lignite Mining Project and the Lignite-Fired Power Project (Hongsa Lignite Project)

On 11 December 2007, the Company entered into a Joint Development Agreement ("JDA") with Banpu Power Limited (a subsidiary of Banpu Public Company Limited) with the purpose of joint completing the development of the Lignite-Fired Power Project and the Lignite Mining Project at Hongsa District, Sayaboury Province, Lao People's Democratic Republic ("Lao PDR") as the Head of Agreement (Project Development Agreement) dated 18 December 2006 between the Government of the Lao People's Democratic Republic ("GOL") and Banpu Power Limited in developing two projects, being the Lignite-Fired Power Project and the Lignite Mining Project. Such agreement was approved by GOL on 10 January 2008. The remaining interests of 20% and 25% in the Lignite-Fired Power Project and Lignite Mining Project, respectively are held by Lao Holding State Enterprise ("LHSE"), and nominated by GOL.

According to the Joint Development Agreement, the Company has commitments to responsible for project development costs whereby the Company and Banpu Power Limited shall share the costs and expenses equally. Until 31 December 2010, the Company had paid project development costs of such projects totaling Baht 865 million (2009: Baht 639 million). In addition the Company has commitments to provide financial support equally in the form of loans to LHSE for its administrative expenses during the development of the project until LHSE receives dividends from the Project Company. The amounts of financial support are preliminarily estimated at U.S. Dollars 410,000 (U.S. Dollars 205,000 for the Company's portion) and can be adjusted to the requirements of LHSE. In addition, the Company agreed to pay the Joint Development Right Fee on the participation of the Hongsa Lignite Project amounting to U.S. Dollars 20 million. The Company already paid such fee amounting to U.S. Dollars 3.2 million. As at 31 December 2010, the Company had outstanding commitment amounting to U.S. Dollars 16.8 million.

On 1 December 2008 and 30 January 2009, the Company and Banpu Power Limited entered into the First and the Second Amendments to the Joint Development Agreement dated 11 December 2007.

On 13 May 2009, the Company and Banpu Power Limited entered into a Tariff Memorandum of Understanding (Tariff MOU) with EGAT. Under such MOU, the Company issued letter of guarantee which was issued by a local bank to EGAT amounting to Baht 73.65 million. Subsequently on 2 April 2010, such letter of guarantee had been returned after signing Power Purchase Agreement with EGAT.

On 15 July 2009, the Company, Banpu Power Limited and LHSE established Hongsa Power Company Limited under the laws of Lao People's Democratic Republic with the initial authorised share capital of U.S. Dollars 100,000 so as to acquire power concession of the Hongsa Lignite Project. The Company, Banpu Power Limited and LHSE will hold 40%, 40% and 20% of the company's ordinary shares, respectively. The Company fully paid for the paid-up share capital in September 2009.

On 20 August 2009, the Company and Banpu Power Limited entered into a loan agreement with Hongsa Power Company Limited for credit line of Baht 3,070 million for use as working capital during the project development process, with interest at the rates as stipulated in the agreement. Such loan will be repayable when the jointly-controlled entity receives the loan approval from the financial institutions. However, the Company already paid for such loan during the year 2010.

On 1 September 2009, the Company, Banpu Power Limited and LHSE established Phufai Mining Company Limited under the laws

of Lao People's Democratic Republic with the initial authorised share capital of U.S. Dollars 50,000 so as to acquire mining concession of the Hongsa Lignite Project. The Company, Banpu Power Limited and LHSE will hold 37.5%, 37.5% and 25% of the company's ordinary shares, respectively. The Company fully paid for such share capital in November 2009.

At the Board of Directors meeting of Hongsa Power Company Limited held on 21 June 2010, the Boards approved the increase in share capital by transferred the development costs to investment in the amount of Baht 849 million.

On 5 August 2010, Hongsa Power Company Limited entered into a Financial Agreement which initially specified a loan amount of U.S. Dollars 2,783 million or equivalent Baht 94,620 million with 9 Thai financial institutions. The loan is secured by all of share certificates of such company. As at 31 December 2010, the loan had been drawdown by the Company in the amount of Baht 2,760 million and U.S. Dollars 39 million.

### Hydro Power Plant Project, Nam Ngum 3

In accordance with the Memorandum of Understanding ("MOU") on the joint project development - Hydro Power Plant Project, Nam Ngum 3 dated 26 April 2005 between the Company, GMS Lao Company Limited and Marubeni Corporation, the Company has committed to pay project development cost of this project in the proportion of 32.47%. The Company will be able to transfer the project development costs which were already paid as equity of the formed company which will be established to engage in and pursue project management of the Hydro Power Plant Project, Nam Ngum 3.

On 18 December 2006, the Company, GMS Lao Company Limited and Marubeni Corporation entered into a Memorandum of Understanding with EGAT in relation to the sales and purchases of power from Hydro Power Plant Project, Nam Ngum 3, located in the Laos People's Democratic Republic. The agreement period shall be 27 years with the commercial operation date expected to be in 2013. This project has total capacity of 440 megawatts and the total project cost of approximately U.S. Dollars 708 million. However, this Memorandum of Understanding expired on 18 June 2008. Subsequently on 11 March 2010, the new Tariff MOU had been signed.

On 13 May 2008, the Company entered into a Shareholders Agreement with the other three shareholders, GMS Lao Company Limited, Marubeni Corporation, and Lao Holding State Enterprise, to form a company under the policies and laws of Lao People's Democratic Republic with the initial authorised share capital of approximately U.S. Dollars 0.3 million, comprising 3,000 ordinary shares with a par value of U.S. Dollars 100 per share. The Company hold 25% of the company's ordinary shares. The formed company will be established to engage in and pursue project management of the Hydro Power Plant Project, Nam Ngum 3. Such company had been registered on 28 October 2010. In addition, during December 2010, the Company converted the development costs to investment in such Company in the amount of Baht 0.45 million, in the proportion of investment of 25%.

On 13 May 2008, the Company and Marubeni Corporation entered into a Financial Support Agreement with GMS Lao Company Limited in order to provide financial support for share capital payment for Hydro Power Plant Project, Nam Ngum 3 to GMS Lao Company Limited. The Company has committed to provide financial support in the form of collateral or guarantee and direct funding for the total initial amount of not exceeding U.S. Dollars 1.22 million. As at 31 December 2010, the Company had not yet provided any guarantee or loan in accordance with the conditions under this agreement.

### Xe-Pian Xe-Namnoy, Hydroelectric Power Project

On 14 November 2008, the Company entered into a Project Development Agreement with SK Engineering & Construction Co., Ltd., Korea Western Power Co., Ltd and the Government of the Laos People's Democratic Republic (Lao PDR) in order to jointly develop Xe-Pian Xe-Namnoy, Hydroelectric Power Project located in Attopeu and Champassak districts. This is in accordance with the Joint Development Agreement that the Company entered on 6 August 2007 with the proportion of investment of 25%.

On 16 August 2010, the Company and partners entered into a Tariff Memorandum of Understanding (Tariff MOU) with EGAT for such project.



## 15. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Current</b>				
Current portion of long-term loans from financial institutions secured	3,617,468	2,034,875	-	-
Current portion of debentures secured	-	749,913	-	-
Current portion of financial lease liability	1,475	-	-	-
	<b>3,618,943</b>	<b>2,784,788</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Long-term loans from financial institutions secured	13,237,527	16,854,995	-	-
Financial lease liability	3,260	-	-	-
	<b>13,240,787</b>	<b>16,854,995</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>16,859,730</b>	<b>19,639,783</b>	<b>-</b>	<b>-</b>

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

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Within one year	3,617,468	2,784,788	-	-
After one year but within five years	13,237,527	16,854,995	-	-
<b>Total</b>	<b>16,854,995</b>	<b>19,639,783</b>	<b>-</b>	<b>-</b>

Finance lease liability as at 31 December were payable as follows:

	Consolidated financial statements					
	2010			2009		
	Principal	Interest	Payments	Principal	Interest	Payments
	(in thousand Baht)					
Within one year	1,475	281	1,756	-	-	-
After one year but within five years	3,260	307	3,567	-	-	-
<b>Total</b>	<b>4,735</b>	<b>588</b>	<b>5,323</b>	<b>-</b>	<b>-</b>	<b>-</b>

On 16 June 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into an underwriting agreement with four local financial institutions. Under the agreement, these four financial institutions had jointly agreed to underwrite the refinancing facilities totalling Baht 34,262 million, which comprised Tranche A long-term credit facilities of Baht 24,262 million, debenture facilities of not exceeding Baht 10,000 million and Tranche C short-term credit facilities of not exceeding Baht 10,000 million as temporary facilities before completion of debenture issuance to refinance the full amount of existing loans.

On 23 June 2005, Ratchaburi Electricity Generating Company Limited entered into a loan agreement with six local financial institutions which comprised Tranche A long-term credit facilities of Baht 24,262 million and Tranche C short-term credit facilities of Baht 10,000 million. On 25 July 2005, the subsidiary drew down the Tranche A and Tranche C credit facilities totalling of Baht 34,262 million to repay the full amount of the existing loans. On that day the subsidiary redeemed the mortgage and pledge as collateral of land, buildings, power plant and equipment and investment in securities toward the existing loans, and mortgaged and pledged land, building, power plant and equipment as collateral in accordance with the refinancing agreement and debentures.

During 26 to 29 July 2005, the subsidiary issued and distributed the unsubordinated debentures, bearing the name of the holders, secured, with the debenture holder representative and principal instalment repayments to the general public and institutional investors.

The debenture comprised Tranche B1 of Baht 7,000 million with a three-year repayment period and a fixed interest rate of 3.67% per annum and Tranche B2 of Baht 3,000 million with a five-year repayment period and a fixed interest rate of 3.67% per annum for the first and second year and Minimum Lending Rate (MLR) minus 2 per annum throughout the remaining periods. The subsidiary used proceeds from issuing of debentures amounting to Baht 10,000 million to repay the full amount of Tranche C short-term credit facilities on 29 July 2005.

On 16 June 2009, a subsidiary entered into the Letter Agreement regarding loan interest rate reduction with the existing financial institutions from MLR less 1.5% to 2.5% per annum to MLR less 2% to 2.5% per annum for long-term loans which will be repayable from 25 July 2009 to 31 March 2015.

## 16. Other current liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2010	2009	2010	2009
		(in thousand Baht)			
Other accounts payable from related parties	5	30,501	29,066	1,166	519
Other accounts payable		8,951	28,963	-	-
Unearned revenue and accrued from related parties	5	56,552	88,736	12,220	15,592
Value added tax		124,675	135,611	-	-
Accrued license fee on project development		508,978	636,819	508,978	636,819
Others		213,009	297,866	117,895	114,266
Total		942,666	1,217,061	640,259	767,196

## 17. Share capital

	Par value per share (in Baht)	2010		2009	
		Number	Baht	Number	Baht
		(thousand shares / thousand Baht)			
<b>Authorised</b>					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
<b>At 31 December</b>					
- ordinary shares		1,450,000	14,500,000	1,450,000	14,500,000
<b>Issued and paid up</b>					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
<b>At 31 December</b>					
- ordinary shares		1,450,000	14,500,000	1,450,000	14,500,000

## 18. Additional paid-in capital and reserves

### Share premium

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

### Legal reserve

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

## 19. Segment information

The Group/Company operates in a single line of business, power plant business. Therefore, management considers that the Group/Company operates in a single line of business. In addition, the Group/Company operates its principle business in Thailand. Therefore, the management considers that the Group/Company operates in a single geographic area.

## 20. Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Personnel	218,931	166,512	168,971	124,138
Administrative	245,394	212,452	132,894	94,260
Consulting and professional fees	78,832	52,658	77,689	52,551
Public relation	75,355	44,615	48,488	22,203
Premise tax	17,274	13,516	35	77
Donation	28,800	20,217	20,403	11,561
Depreciation and amortisation	96,114	49,917	26,330	15,461
Loss on disposal of spare parts and fixed assets	27,629	21,194	75	305
<b>Total</b>	<b>788,329</b>	<b>581,081</b>	<b>474,885</b>	<b>320,556</b>

## 21. Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
<b>Management</b>				
Directors' remuneration	9,549	10,012	6,434	6,892
Wages and salaries	50,555	48,291	34,896	33,604
Contribution to defined benefit plans	4,349	3,833	2,872	2,446
Others	47,967	48,134	32,874	33,840
	112,420	110,270	77,076	76,782
<b>Other employees</b>				
Wages and salaries	130,870	102,231	99,927	76,903
Contribution to defined benefit plans	9,114	7,619	7,130	5,685
Others	59,056	40,644	48,332	31,198
	199,040	150,494	155,389	113,786
<b>Total</b>	<b>311,460</b>	<b>260,764</b>	<b>232,465</b>	<b>190,568</b>

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

## 22. Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht)			
Fuel costs	31,027,158	22,910,372	-	-
Depreciation and amortisation	2,722,816	2,795,921	26,330	15,461
Operation and maintenance service fee	1,079,689	1,001,005	-	-
Spare parts and repair expenses	1,027,996	1,407,682	-	-
Administrative expenses	317,497	226,411	153,407	106,203
Insurance premium	208,951	226,582	-	-
Employee benefit expenses	218,932	166,512	168,971	124,138
Other costs	214,201	280,162	-	-
Consulting and professional fees	78,832	52,658	77,689	52,551
Public relation	75,355	44,615	48,488	22,203

## 23. Income tax expense

### Income tax reduction

Royal Decree No. 387 B.E. 2544 dated 5 September 2001 grants companies listed on the Stock Exchange of Thailand a reduction in the corporate income tax rate from 30% to 25% for taxable profit not exceeding Baht 300 million for the five consecutive accounting periods beginning on or after enactment. Listed companies that received income tax reduction under this Royal Decree are also eligible to continue the period of tax reduction under Royal Decree No. 475 but not beyond the 2010 accounting period ending on or after 31 December 2010. The Company has, accordingly, calculated income tax on its taxable profit for the years ended 31 December 2010 and 2009 at the corporate income tax rate as specified in the Royal Decree.

## 24. Promotional privileges

### Ratchaburi Electricity Generating Company Limited

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the subsidiary has been granted privileges by the Board of Investment for Thermal Generating Power Plant and Combined Cycle Generating Power Plant. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations (31 October 2000 for Thermal power plant and 18 April 2002 for Combined cycle power plant).

### Ratchaburi Energy Company Limited

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the subsidiary has been granted privileges by the Board of Investment for Flared gas fuelled small power plant project. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations (27 June 2007 for BOI no.2222(2)/2549 and 2 December 2010 for BOI no.1091(2)/2553) which is not exceed 100% of investment excluded cost of land and working capital.

As promoted companies, the subsidiaries must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenues from promoted and non-promoted businesses:

	Consolidated financial statements					
	2010			2009		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Revenue	8,056,301	32,124,820	42,181,121	25,959,813	9,390,774	35,350,587
<b>Total revenues</b>	<b>8,056,301</b>	<b>32,124,820</b>	<b>42,181,121</b>	<b>25,959,813</b>	<b>9,390,774</b>	<b>35,350,587</b>

## 25. Earnings per share

### Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2010 and 2009 were based on the net profit for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2010	2009	2010	2009
	(in thousand Baht / thousand shares)			
Net profit attributable to equity holders of the Company (basic)	5,220,413	6,739,596	3,678,154	5,944,837
Number of ordinary shares outstanding	1,450,000	1,450,000	1,450,000	1,450,000
Earnings per share (basic) (in Baht)	3.60	4.65	2.54	4.10

## 26. Dividends

At the Board of Directors meeting of the Company held on 26 August 2010, the Board approved the appropriation of interim dividend of Baht 1.10 per share, totalling Baht 1,595 million. The interim dividend was paid to shareholders in September 2010.

At the annual general meeting of the shareholders of the Company held on 29 March 2010, the shareholders approved the appropriation of dividend of Baht 2.25 per share, totalling Baht 3,262.50 million, from the net profit of 2009 after deducting the interim dividends of Baht 1.10 per share, totalling Baht 1,595 million, paid to shareholders in September 2009 from the net profit for the nine-month period ended 30 September 2009. The balance of dividend amounted to Baht 1,667.50 million which was paid to shareholders in April 2010.

At the Board of Directors meeting of the Company held on 17 August 2009, the Board approved the appropriation of interim dividend of Baht 1.10 per share, totalling Baht 1,595 million. The interim dividend will be paid to shareholders in September 2009.

At the annual general meeting of the shareholders of the Company held on 31 March 2009, the shareholders approved the appropriation of dividend of Baht 2.20 per share, totalling Baht 3,190 million, from the net profit of 2008 after deducting the interim dividends of Baht 1.10 per share, totalling Baht 1,595 million, paid to shareholders in September 2008 from the net profit for the six-month period ended 30 June 2008. The balance of dividend amounted to Baht 1,595 million which was paid to shareholders in April 2009.

## 27. Financial instruments

### Financial risk management policies

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

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

### Capital management

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

### Interest Rate Risk

Interest rate risk arises from the fluctuations in market interest rates, which may have negative effect on current future operations of the Group. Management believes that exposure to interest rate risk is minimal because the floating interest rate according to the condition in long-term loans agreement (note 15) is included in the availability payment as specified in the Power Purchase Agreement (note 4). Therefore, the Group does not enter into a hedging agreement to protect against such risk.

The effective interest rates of loans to related parties at 31 December 2010 and 2009 and the periods in which those liabilities mature or re-price were disclosed in note 4.

The effective interest rates of interest-bearing liabilities at 31 December 2010 and 2009 and the periods in which those liabilities mature or re-price were disclosed in note 15.

### Foreign Currency Risk

The Group has no significant foreign currency risk since the major business transactions of the Group are carried out in Thai Baht. In respect of currency exchange risk, which mainly relates to the purchase of spare parts and maintenance expenses in US Dollars, the Group manages its short-term exchange risk by entering into forward exchange contracts, normally of a maturity of no longer than 30 days.

### Credit Risk

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

The group had no significant credit risk with any single counterparty or group counterparties as the only customer of the Group is EGAT, a State Enterprise.

### Liquidity risk

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

### Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held to maturity and available for sale, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.



The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair values of financial asset and liabilities, together with the carrying values shown in the balance sheets at 31 December, were as follows:

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying value	Fair value	Carrying value
<b>2010</b>	<b>(in thousand Baht)</b>			
<b>Asset</b>				
<b>Non-current</b>				
Equity securities available for sale	1,301,461	1,301,461	-	-
<b>Liabilities</b>				
<b>Current</b>				
Long-term loans from financial institutions	3,479,422	3,617,468	-	-
<b>Non-current</b>				
Long-term loans from financial institutions	11,003,814	13,237,527	-	-
<b>Total</b>	<b>14,483,236</b>	<b>16,854,995</b>	<b>-</b>	<b>-</b>

	Consolidated financial statements		Separate financial statements	
	Fair value	Carrying value	Fair value	Carrying value
<b>2009</b>	<b>(in thousand Baht)</b>			
<b>Liabilities</b>				
<b>Current</b>				
Long-term loans from financial institutions	1,966,895	2,034,875	-	-
Debentures	735,505	749,913	-	-
<b>Non-current</b>				
Long-term loans from financial institutions	14,588,593	16,854,995	-	-
<b>Total</b>	<b>17,290,993</b>	<b>19,639,783</b>	<b>-</b>	<b>-</b>

## 28. Commitments with non-related parties

### Power Purchase Agreement

On 17 September 2010, Ratchaburi Energy Company Limited, a subsidiary, entered into the 0.9 Megawatts Power Purchase Agreement with Provincial Electricity Authority ("PEA") for the period of 5 years. The contract can be extended for a period of five years subject to the provision of written notice to the counterparty. As prescribed in the agreement, the subsidiary must generate and sell electricity to PEA within 30 December 2011. However, the subsidiary has started its commercial operation since 2 December 2010.

### Operation and Maintenance Agreement and Other Service Agreement

On 10 March 2008, Ratchaburi Energy Company Limited, a subsidiary, entered into an Operation and Maintenance Agreement with a service provider having operation service fee of approximately Baht 2.58 million per year. The agreement is effective for a period of one year. On 1 April 2010, both companies renewed the period of such agreement up to 31 December 2010 with service fee of approximately Baht 2.07 million per year. As at 31 December 2010, there is no outstanding commitment of the Company (2009: Baht 0.65 million).

### Fuel Purchase Agreements

On 27 October 2000, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a 25-year Gas Sales Agreement with PTT Public Company Limited ("PTT") whereby PTT will supply natural gas to the subsidiary at an agreed quantity and price.

On 1 June 2004, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a 3-year Diesel Purchase

Agreement with PTT Public Company Limited ("PTT"), which can be extended for a period of one year until the end of contract. However, without the three-month advance written notice designated the intention to terminate the contract from PTT, PTT would sell diesel to the subsidiary at the agreed quantity and price as stated in the contract.

On 17 January 2006, Ratchaburi Energy Company Limited, a subsidiary, entered into a Gas Sales Agreement (gas is a by-product from crude oil production) with PTTEP Siam Company Limited and PTT Exploration and Production Public Company Limited for its 2 Megawatts power plant project (PTO-A) and 0.9 Megawatts power plant project (PTO-A (EX)) with the initial price of Baht 26.65 per 1 million B.T.U. for eight years from the date of commencement of commercial operation, which was 27 June 2007 and 2 December 2010, respectively.

#### **Contractual Service Agreement**

On 29 December 2005, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into a Contractual Service Agreement for the Combined Cycle Generating Power Plant between the subsidiary and the Consortium of General Electric International Operations Co., Inc. and GE Energy Parts, Inc. The agreement is effective from the agreement date until the end of the operation of gas turbine according to Power Purchase Agreement in year 2027 with a total contract price of US Dollars 428.60 million with adjustments as conditions specified in the agreement. As at 31 December 2010, such subsidiary had outstanding commitments amounting to U.S. Dollars 296.80 million (2009: U.S. Dollars 317.33 million).

#### **Letter of Guarantee**

On 31 December 2010, subsidiaries had a commitment from letter of guarantee issued by a financial institution for compliance with agreement conditions in the amount of Baht 76.92 million. (2009: Baht 76.42 million).

#### **Capital commitment**

As at 31 December 2010, the Company had outstanding capital commitments amounting to Baht 0.56 million (2009: Baht 13.43 million).

As at 31 December 2010, a subsidiary of SouthEast Asia Energy Limited, which is the Company's jointly-controlled entity, had outstanding capital commitment on the significant agreements in the investing proportion under Consulting and Other Service Agreement for Hydro Power Plant Project Nam Ngum 2 and Hydro Power Plant Project Nam Barg 1-2 of Baht 129.27 million, Swiss Franc 0.3 million, and U.S. Dollars 0.07 million presently, under construction (2009: Baht 49.20 million, Swiss Franc 0.77 million, and U.S. Dollars 0.10 million).

#### **Pledge of share agreement**

On 15 November 2005, the Board of Directors meeting of Ratchaburi Alliances Company Limited, a subsidiary, approved to pledge all of share certificates of Ratchaburi Power Company Limited, jointly-controlled entity, held by such subsidiary as collateral for loans.

Ratchaburi Gas Company Limited has pledged all of share certificates of Tri Energy Company Limited, jointly-controlled entity, as collateral for loans from such jointly-controlled entity.

SouthEast Asia Energy Limited, a jointly-controlled entity, has pledged partially its share certificates and all of share certificates of Nam Ngum 2, a subsidiary of the jointly-controlled entity, as collateral for its loans and the subsidiary of the jointly-controlled entity's loans.

## **29. Events after the reporting period**

On 13 January 2011, the Company entered into a Share Purchase Agreement with Yanhee Solar Power Company Limited to acquire ordinary shares of Solarta Company Limited for solar power plant project development. The registered capital of such company was Baht 1 million, comprising 10,000 ordinary shares at par value of Baht 100 per share. The Company paid for paid-up share capital of Baht 25 per share, amounting to Baht 7.08 million, in the proportion of investment of 49%. At the extraordinary shareholders' meeting of such company held on 31 January 2011, the shareholders approved to increase the authorised share capital of 5.49 million shares and additional called up for the existing share of Baht 45 per share and the new share of Baht 70 per share, totalling Baht 188.53 million. On 3

February 2011, the Company already paid for such share capital, in the proportion of investment of 49%.

On 18 January 2011 and 16 February 2011, the Company paid for the additional paid-up share capital of 120.23 million shares at par value of Baht 10 per share to SouthEast Asia Energy Limited, a jointly-controlled entity, of Baht 0.33 and Baht 0.10 each amounting to Baht 39.67 million and Baht 12.02 million, respectively, in the proportion of investment of 33.33%.

At the Board of Directors meeting of the Company held on 17 January 2011, the Board approved to grant the loan to RH International (Singapore) Corporation PTE. LTD., a subsidiary RH International (Mauritius) Corporation Limited amounting to U.S. Dollars 15.02 million which bear interest at the rate as stipulated in the agreement. Such loan will be repayable as stipulated in the agreement.

At the Board of Directors' meeting of the Company held on 14 February 2011, the Board approved the appropriation of interim dividends from the net profit of 2010 of Baht 1.15 per share amounting to Baht 1,667.50 million. The resolution will be presented to shareholders for the approval in the shareholders' meeting on 28 March 2011.

At the Board of Directors' meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 14 February 2011, the Board approved the appropriation of interim dividends from the net profit of 4<sup>th</sup> quarter 2010 of Baht 0.46 per share amounting to Baht 854 million.

### 30. Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the following new and revised TFRS that have been issued as of the reporting date but are not yet effective. The new and revised TFRS are anticipated to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

TAS	Topic	Year effective
<i>TAS 1 (revised 2009)</i>	<i>Presentation of Financial Statements</i>	<i>2011</i>
<i>TAS 2 (revised 2009)</i>	<i>Inventories</i>	<i>2011</i>
<i>TAS 7 (revised 2009)</i>	<i>Statement of Cash Flows</i>	<i>2011</i>
<i>TAS 8 (revised 2009)</i>	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	<i>2011</i>
<i>TAS 10 (revised 2009)</i>	<i>Events after the Reporting Period</i>	<i>2011</i>
<i>TAS 12</i>	<i>Income Taxes</i>	<i>2013</i>
<i>TAS 17 (revised 2009)</i>	<i>Leases</i>	<i>2011</i>
<i>TAS 18 (revised 2009)</i>	<i>Revenue</i>	<i>2011</i>
<i>TAS 24 (revised 2009)</i>	<i>Related Party Disclosures</i>	<i>2011</i>
<i>TAS 27 (revised 2009)</i>	<i>Consolidated and Separate Financial Statements</i>	<i>2011</i>
<i>TAS 28 (revised 2009)</i>	<i>Investments in Associates</i>	<i>2011</i>
<i>TAS 31 (revised 2009)</i>	<i>Interests in Joint Ventures</i>	<i>2011</i>
<i>TAS 33 (revised 2009)</i>	<i>Earnings per Share</i>	<i>2011</i>
<i>TAS 34 (revised 2009)</i>	<i>Interim Financial Reporting</i>	<i>2011</i>
<i>TAS 36 (revised 2009)</i>	<i>Impairment of Assets</i>	<i>2011</i>
<i>TAS 37 (revised 2009)</i>	<i>Provisions, Contingent Liabilities and Contingent Assets</i>	<i>2011</i>
<i>TAS 38 (revised 2009)</i>	<i>Intangible Assets</i>	<i>2011</i>

Management expects to adopt and apply these new TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Company's financial statements of those new standards assessed to have the greatest potential impact on the financial statements in the period of initial application. These standards are as follows:

#### **TAS 16 (revised 2009) — Property, plant and equipment**

The principal changes introduced by the revised TAS 16 and affecting the Group/Company are that (i) costs of asset dismantlement, removal and restoration have to be included as asset costs and subject to annual depreciation; (ii) the depreciation charge has to be determined separately for each significant part of an asset; and (iii) in determining the depreciable amount, the residual value of an item of property, plant and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of

the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

The revised TAS 16 permits as a transitional provision that these changes may be introduced prospectively from the year of introduction. Management intends to adopt this transitional provision and accordingly the introduction of the revised TAS 16 from 1 January 2011 has no impact on the financial statements of 2010 or prior years. Management is currently reviewing the impact on the financial statements of introducing the revised TAS 16 from 1 January 2011.

#### TAS 19 — Employee benefits

There is currently no Thai accounting standard covering employee benefits and the Group/Company does not presently account for the costs of post-employment benefits under defined benefit plans; other long-term employee benefits; and termination benefits until such costs are incurred. The new TAS 19 includes the requirements to recognise and account for such costs in the period in which the service is performed. The requirements are complex and require actuarial assumptions to measure the obligation and expense. Moreover, the obligations are measured on a discounted basis because they may be settled many years after the employees render the related service. The transitional provisions of TAS 19 permit the transitional liability to be recognised and accounted for in one of four different ways: (i) retrospectively; (ii) immediately in equity (retained earnings) at the transition date; (iii) immediately in profit or loss at the transition date; (iv) as an expense on a straight-line basis over up to five years from the transition date. Management has determined that the transitional liability as at 1 January 2011 for post-employment benefits is Baht 71.90 million for the Group and Baht 51.20 million for the Company. Management intends to adopt transitional provision 2 to recognise and account for this liability.

#### TAS 12 — Income Taxes

The Group expects to adopt and apply the Thai accounting standard in related to Income Taxes for the 2011 financial statements by recognised the deferred tax of the Group/Company on temporary differences between the financial reporting purposes and the taxation. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Management has determined that the impact of the adoption as at 1 January 2011, which will be adjusted to the financial statements as an increase in assets and retained earnings amounting to Baht 152.76 million for the Group and Baht 12.80 million for the Company.

### 31. Reclassification of accounts

Certain accounts in the 2009 financial statements have been reclassified to conform to the presentation in the 2010 financial statements as follows:

	2009					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass	After reclass.	Before reclass.	Reclass	After reclass.
	(in thousand Baht)					
<b>Balance sheet</b>						
Trade account receivable from related party	5,213,512	951	5,214,463	-	-	-
Advances to and other receivables from related party	18,920	(951)	17,969	-	-	-
Trade accounts payable to related party	-	202,687	202,687	-	-	-
Trade accounts payable to other parties	3,746,861	(202,376)	3,544,485	-	-	-
Other current liabilities	1,217,372	(311)	1,217,061	-	-	-
		-			-	

The reclassifications have been made because in the opinion of management, the new classification is more appropriate to the Group's business.

## Auditor's Fee

### Auditor's Fee

In 2010, the Company and its subsidiaries paid the audit fee of Baht 1,780,000 to the auditor's office. Such amount comprised the Company's audit fee of Baht 715,000 and subsidiaries' audit fee of Baht 1,065,000. No audit fee had been paid to the auditors or other related parties to the auditors and the auditor's office.

### Non-Audit Fee

During the previous year, the amount of Baht 2,513,900 was paid to the related party of the auditor's office as a consulting fee for the specific purposes and the Company would also be responsible for the future expenses of undelivered work of Baht 1,365,000.

The engagement of the related party to the auditor's office to provide the non-audit work, reported to the Audit Committee, were not involved the conflict of interest of their own work which would interfere the independence and judgement of the auditors.

# Related Transactions

## Ratchaburi Electricity Generating Holding Public Company Limited

For the year ended 31 December 2010

Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<b>Ratchaburi Electricity Generating Holding Public Company Limited (the Company)</b>			
<b>1. Management service agreement</b>			
1.1 Providing services related to the job of Internal Audit, Legal, Secretariat of the Board of Directors, Information technology and Financial management <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 4.34 million</li> <li>• As at 31 December 2010, other receivable - management service income in December 2010 was Baht 0.39 million</li> </ul>	Ratchaburi Electricity Generating Co., Ltd. (agreement signed on 5 January 2009)	4.34	Ratchaburi Electricity Generating Co., Ltd. does not have employees with this skill while the Company does. Service is charged on actual time spent based on market rate.
1.2 Providing management and operations service to the power generating from PTO-A Associated Gas Power Plant Project <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 1.20 million</li> <li>• As at 31 December 2010, other receivable - management service income in December 2010 was Baht 0.18 million</li> </ul>	Ratchaburi Energy Co., Ltd. (agreement signed on 11 January 2010)	1.20	Ratchaburi Energy Co., Ltd. does not have employees with this skill while the Company does. Service fee is charged on monthly basis, is similar to the market rate. The total service fee is Baht 0.91 million per year (excluding VAT) plus actual expenses.
1.3 Assigning 3 representatives to Tri Energy Co., Ltd. as the Managing Director, Accounting and Finance Manager and Administration and Agreement Management Manager <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 24.87 million</li> <li>• As at 31 December 2010, other receivable - management service income in December 2010 was Baht 2.28 million</li> </ul>	Tri Energy Co., Ltd. (agreement signed on 14 November 2003)	24.87	Tri Energy Co., Ltd. requests for the service and the Company has experts in this area. The service is based on market rate, which according to the agreement starts at Baht 1.42 million per month (excluding VAT) and increases 6 per cent per year.
1.4 Providing management service by assigning 2 executives to Chubu Electric Services Co., Ltd. as the Managing Director and the Administration and Finance Manager <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 8.98 million</li> <li>• As at 31 December 2010, other receivable - management service income in December 2010 was Baht 0.80 million</li> </ul>	Chubu Ratchaburi Electric Services Co., Ltd. (agreement signed on 1 January 2006)	8.98	Chubu Ratchaburi Electric Services Co., Ltd. requests for the service and the Company has experts in this area. The service fee is based on market rate.
1.5 Assigning an executive to Ratchaburi Power Co., Ltd. as Chief Financial Officer <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 4.40 million</li> </ul>	Ratchaburi Power Co., Ltd. (agreement signed on 1 March 2007)	4.40	Ratchaburi Power Co., Ltd. requests for the service and the Company has experts in this area. The service fee is based on market rate at Baht 0.371 million per month (excluding VAT).



Related Transactions	Related Parties	Million Baht	Necessity and Reasons
1.6 Assigning 2 persons to SouthEast Asia Energy Ltd. to work in engineering and finance units <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 5.03 million</li> <li>• As at 31 December 2010, other receivables - management service income in December 2010 was Baht 0.45 million</li> </ul>	SouthEast Asia Energy Ltd. (agreement signed on 10 April 2006)	5.03	SouthEast Asia Energy Ltd. requests for the service and the Company has experts in this area. The service based on market rate started at Baht 0.42 million per month (excluding VAT) with 7 per cent increase per year.
1.7 Providing internal audit, legal, tax, secretariat of the Board of Directors, information technology, financial management and human resources management <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 4.02 million</li> <li>• As at 31 December 2010, other receivables - management service income in January - December 2010 was Baht 4.02 million</li> </ul>	RATCH-Lao Services Co., Ltd. (Agreement signed on 1 December 2008)	4.02	RATCH-Lao Services Co., Ltd. requests the Company to provide the service and the Company has experts in this area. Service fee is based on market rate, which is Baht 0.335 million per month (excluding VAT).
1.8 Management Agreement with Ratchaburi Power Co., Ltd. <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 80.36 million</li> <li>• As at 31 December 2010, deferred income was Baht 12.22 million</li> </ul>	Ratchaburi Power Co., Ltd. (Agreement signed on 27 February 2004)	80.36	The Company provides public services and technical recommendation related to the construction, operating and maintaining the power plants for Ratchaburi Power Co., Ltd. The Company receives USD 625,000 per quarter, paid in advanced every quarter. Starting from the first commercial operation date for the first unit (1 March 2008). The service agreement lasts for 25 years and three months.
1.9 Providing technical, finance, accounting, legal services, and office rental service <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 4.87 million</li> <li>• As at 31 December 2010, other receivable - management service income in October-December 2010 was Baht 2.38 million</li> </ul>	Sustainable Energy Corporation Co., Ltd. (Agreement signed on 1 November 2009 and 1 November 2010)	4.87	Sustainable Energy Corporation Co., Ltd. requests the Company to provide the service and the Company has experts in technical, financial, accounting and legal service. Service fee is charged based on market rate. Office rental is charged at Baht 0.24 million per month (excluding VAT).
1.10 Providing technical, finance accounting, and legal services <ul style="list-style-type: none"> <li>• Management service income in 2010 was Baht 128.28 million. The related transactions were as follows:               <ul style="list-style-type: none"> <li>- Management service income was Baht 6.00 million</li> <li>- Financing service fee was Baht 93.00 million</li> <li>- Reimbursement fee was Baht 7.19 million</li> <li>- Management service fee was Baht 22.09 million</li> </ul> </li> <li>• As at 31 December 2010, other receivables-management service income in December 2010 was Baht 127.11 million</li> </ul>	Hongsa Power Co., Ltd,	128.28	Hongsa Power Co., Ltd, requests the company to provide the service and the Company has personnel responsible in this area. Service fee is charged based on market rate.

Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<b>2. The Company's loan extension to subsidiaries/ jointly controlled entities</b> 2.1 Loan extended to Ratch Udom Power Co., Ltd. through promissory notes. As of 31 December 2010, the total amount was Baht 793.90 million <ul style="list-style-type: none"> <li>• Interest income in 2010 was Baht 17.10 million</li> <li>• As of 31 December 2010, other account receivables - accrued interest was Baht 4.55 million</li> </ul>	Ratch Udom Power Co., Ltd. (Board of Directors' resolution 2/2006)	17.10	The loan was extended to Ratchaburi Alliances Co., Ltd. for investing in Ratchaburi Power Co., Ltd. Interest rate charge was based on Siam Commercial Bank one-year fixed deposit rate for corporate customers plus one per cent, which is considered reasonable.
2.2 Loan extended to SouthEast Asia Energy Ltd. - Vientiane branch under shareholders' loan agreement. As of 31 December 2010, the total amount was Baht 62.50 million <ul style="list-style-type: none"> <li>• In Q3/2010, interest income was Baht 4.49 million</li> <li>• As of 31 December 2010, other account receivables - accrued interest was Baht 12.70 million</li> </ul>	SouthEast Asia Energy Ltd. (agreement signed on 4 September 2007)	4.49	The loan is spent on feasibility study for the Nam Bak I-II project. Baht 250 million loan was south from shareholders at average MLR rate of Krungthai Bank, TMB and Siam City Bank's plus 1 per cent which is considered reasonable.
2.3 Loan extension to Hongsa Power Co., Ltd. through Baht 3,070 million shareholders' loan agreement. Loan payment was made on 22 December 2010. <ul style="list-style-type: none"> <li>• Interest income in 2010 was Baht 17.96 million</li> </ul>	Hongsa Power Co., Ltd. (the Board of Directors' resolution at the 8/2009 meeting, and the loan agreement was signed on 20 August 2009)	17.96	The loan is to fund the Hongsa Power Plant administrative costs during the plant development period. Interest rate charge was based on average MLR rate of Bangkok Bank, Bank of Ayudhya, Kasikorn Bank, Krung Thai Bank and Siam Commercial Bank plus 0.75 per cent, which is considered reasonable. The loan will be paid back to the Company when Hongsa Power Plant is successful in securing loans from financial institutions.
2.4 Loan extension to RATCH-Lao Services Co., Ltd. through Baht 8 million loan agreement. As of 31 December 2010, total loan extension was Baht 2.60 million. <ul style="list-style-type: none"> <li>• Interest income in 2010 was Baht 0.02 million</li> <li>• As of 31 December 2010, other account receivables - accrued interests was Baht 0.02 million</li> </ul>	RATCH-Lao Services Co., Ltd. (agreement signed on 30 August 2010)	0.02	The loan is spent for administration and operation costs. Fixed interest rate is 2.5 per cent which is considered reasonable.
2.5 Loan extension to RATCH-Lao Services Co., Ltd. through USD 30.00 million loan agreement. As of 31 December 2010, total loan extension was USD 30 million. <ul style="list-style-type: none"> <li>• Interest income in 2010 was Baht 0.55 million</li> <li>• As of 31 December 2010, other account receivables - accrued interests was Baht 0.55 million</li> </ul>	RATCH-Lao Services Co., Ltd. (agreement signed on 17 December 2010)	0.55	The loan is to subscribe shares offered by Electricite Du Laos - Generation Public Company under its initial public offering plan.

Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<p>2.6 Loan extension to RH International (Singapore) Corporation Pte. Ltd. through USD 15 million loan agreement. Total loan as of 31 December 2010 was USD 15 million.</p> <ul style="list-style-type: none"> <li>Interest income in 2010 was Baht 0.28 million</li> <li>As of 31 December 2010, other account receivables - accrued interest rates was Baht 0.28 million</li> </ul>	<p>RH International (Singapore) Corporation Pte. Ltd. (agreement signed on 17 December 2010)</p>	0.28	The loan is to subscribe shares offered by Electricite Du Laos - Generation Public Company under its initial public offering plan.
<p>2.7 Loan extension to RH International (Mauritius) Corporation Ltd. through USD 15 million loan agreement. Total loan as of 31 December 2010 was USD 15 million.</p> <ul style="list-style-type: none"> <li>Interest income in 2010 is Baht 0.28 million</li> <li>As of 31 December 2010, other account receivables - accrued interest rates was Baht 0.28 million.</li> </ul>	<p>RH International (Mauritius) Corporation Ltd. (agreement signed on 17 December 2010)</p>	0.28	The loan is to subscribe shares offered by Electricite Du Laos-Generation Public Company which will be traded on Lao PDR's stock market.
<p><b>3. Service Agreement</b></p> <p>3.1 Feasibility study for cogeneration power plant project in Ratchaburi Industrial Estate</p> <p>The Company contracted EGAT to conduct a feasibility study of the project based on small cogeneration power plant conditions, its technical, environmental and financial risks</p> <ul style="list-style-type: none"> <li>Service fee in 2010 was Baht 2.00 million</li> </ul>	<p>EGAT (agreement signed on 1 February 2010)</p>	2.00	The Company has no employees with expertise in this area while EGAT does. Service fee is charged according to the condition stated in the contract of Baht 2.50 million (excluding VAT).
<p>3.2 Landscape design agreement for the Company's 317-rai plot of land in Pathum Thani Province</p> <p>The Company contracted EGAT to design landscape for the company's land plot covering 317-rai in Sam Kok District, Pathum Thani Province.</p> <ul style="list-style-type: none"> <li>Service fee in 2010 was Baht 0.25 million</li> <li>As at 31 December 2010, accrued expense was Baht 0.20 million</li> </ul>	<p>EGAT (LOI signed on 9 September 2010)</p>	0.25	EGAT's employees have expertise in landscape design and experience in appraising possible impact from landscape development on nearby communities. The service fee under this agreement is Baht 481,000 (excluding VAT).
<p>3.3 Review of technical design conditions for the 500 KV distribution line system for Nam Ngum 3 Hydroelectric Power Plant</p> <p>The Company contracted EGAT to review and provide opinion on the technical design conditions for the 500KV distribution line system for Nam Ngum 3 Hydroelectric Power Plant.</p> <ul style="list-style-type: none"> <li>Service fee in 2010 was Baht 0.95 million</li> </ul>	<p>EGAT</p>	0.95	The Company has no employee with this skill while EGAT does.

Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<p>3.4 Engineering consultant agreement for the wind farm in Khao Kor, Petchaboon Province</p> <p>The Company commissioned EGAT to check and provide opinion related to engineering work for the wind turbine generator (WTG) and distribution system designed by a contractor.</p> <ul style="list-style-type: none"> <li>• Service fee in 2010 was Baht 1.60 million</li> </ul>	<p>EGAT</p> <p>(agreement signed on 6 November 2009)</p>	1.60	The Company has no employees with this skills and experience while EGAT does. The service fee under this agreement was Baht 1.50 million (excluding VAT), which is in line with normal business practice.
<p>3.5 Engineering Consultant Agreement for Khao Kor Project, Petchaboon Province</p> <p>The Company contracted EGAT to inspect and consult on engineering of the Balance of Plant within the project area and inspect the electrical equipments for the project.</p> <ul style="list-style-type: none"> <li>• Service fee in 2010 was Baht 1.62 million</li> </ul>	<p>EGAT</p> <p>(Agreement signed on 16 November 2009)</p>	1.62	The Company has no employee with this skill while EGAT does. Service fee under this agreement is Baht 1.62 million according to the agreement (excluding VAT), which is in line with normal business practice.
<p>3.6 Feasibility study of a cogeneration power plant project in Navanakorn Industrial Estate, Pathum Thani</p> <p>The Company contracted EGAT to conduct a feasibility study of a natural gas-fired cogeneration power plant to support and ensure efficient consideration on issue related to risks.</p> <ul style="list-style-type: none"> <li>• Service fee in 2010 was Baht 0.83 million</li> </ul>	<p>EGAT</p> <p>(Agreement signed on 1 February 2010)</p>	0.83	The Company does not have employees with this skills but EGAT does. Service fee is charged at Baht 0.83 million (excluding VAT) according to the agreement, which is considered normal business practice.
<p>3.7 Agreement on environmental consultancy service for Hongsa Mine and EPC Contractor agreement review</p> <p>The Company contracted EGAT to conduct additional study on environment, according to the condition stated in Hongsa Mining concession agreement and to review EPC Contractor agreement in detail.</p> <ul style="list-style-type: none"> <li>• Service fee in 2010 was Baht 4.50 million</li> </ul>	<p>EGAT</p>	4.50	The Company has no employee with this skill while EGAT does.

#### Ratchaburi Electricity Generating Co., Ltd.

<p><b>1. Power Purchase Agreement - Ratchaburi Power Plants</b></p> <p>1.1 Power Purchase Agreement - Ratchaburi Power Plants</p> <p>Ratchaburi Electricity Generating Co., Ltd. entered a 25-year power purchase agreement with EGAT</p> <ul style="list-style-type: none"> <li>• Revenue from sale in 2010 was Baht 42,103.51 million</li> <li>• As at 31 December 2010, related transactions was as follows:</li> <li>Trade account receivable was Baht 3,325.02 million</li> <li>Long-term trade account receivables was Baht 4.95 million</li> </ul>	<p>EGAT</p> <p>(agreement signed on 9 October 2000)</p>	42,103.51	Ratchaburi Electricity Generating Co., Ltd. has to supply power produced at its power plant to EGAT and in turn receives income from EGAT according to the conditions set in the Power Purchase Agreement, which is in line with normal business practice.
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Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<p>1.2 Fuel oil supply agreement</p> <p>EGAT supplies fuel oil to Ratchaburi Electricity Generating Co Ltd.</p> <ul style="list-style-type: none"> <li>Fuel oil expenses in 2010 were Baht 1,413.22 million</li> </ul>	EGAT (agreement signed on 9 October 2000)	1,413.22	According to the power purchase agreement, EGAT is responsible for supplying fuel and bunker oil at market price.
<p><b>2. Station service power and power system for water supply purchase agreement</b></p> <ul style="list-style-type: none"> <li>Expenses in 2010 were Baht 161.26 million</li> <li>As at 31 December 2010, the related transactions were as follows: <ul style="list-style-type: none"> <li>Trade account payable in November 2010 was Baht 20.09 million</li> <li>Accrued expenses in December 2010 were Baht 19.75 million</li> </ul> </li> </ul>	EGAT (agreement signed on 24 July 2001)	161.26	The Company had to buy electricity from EGAT for its power plant operation and water supply system at the same rate as other customers.
<p><b>3. Power Plant Operations and Maintenance Agreement</b></p> <p>Ratchaburi Electricity Generating Co., Ltd. contracted EGAT to operate and provide major and minor maintenance services for its power plants</p> <ul style="list-style-type: none"> <li>Expenses in 2010 were Baht 1,089.94 million, consisted of <ul style="list-style-type: none"> <li>Monthly service fee at Baht 934.74 million</li> <li>Other expenses at Baht 155.20 million</li> </ul> </li> <li>As at 31 December 2010, related transactions are as follows: <ul style="list-style-type: none"> <li>Accounts payable at Baht 8.24 million</li> <li>Accrued expenses at Baht 17.25 million</li> </ul> </li> </ul>	EGAT (agreement signed on 7 January 2009)	1,089.94	EGAT has experience and expertise in power plant operations and maintenance. Starting service charge according to the agreement is Baht 16,608 million and is adjusted according to Thailand's annual Consumer Index which is in line with normal business practice.
<p><b>4. Management Service Agreement</b></p> <p>4.1 Ratchaburi Electricity Generating Co., Ltd. leases a 143-rai plot of land to Ratchaburi Power Co., Ltd. for power plant construction.</p> <ul style="list-style-type: none"> <li>Income in 2010, was Baht 11.17 million</li> <li>As at 31 December 2010, unearned revenue was Baht 1.40 million</li> </ul>	Ratchaburi Power Co., Ltd. (Agreement signed on 7 June 2004)	11.17	Ratchaburi Power Plant has appropriate facilities and infrastructure for electricity generating business. Land lease fee is Baht 10.90 million per year and adjusted according to Consumer Price Index every five years, which is in line with normal business practice.

Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<p>4.2 Ratchaburi Electricity Generating Co., Ltd. leases 2-rai plot to Ratchaburi Power Co., Ltd. for construction of a gas receiving station.</p> <ul style="list-style-type: none"> <li>Income in 2010, was Baht 0.16 million</li> <li>As at 31 December 2010, unearned revenue was Baht 0.02 million</li> </ul>	<p>Ratchaburi Power Co., Ltd. (Agreement signed on 21 October 2005)</p>	<p>0.16</p>	<p>Ratchaburi Power Plant has appropriate facilities and infrastructure for electricity generating business. Land lease fee is Baht 0.15 million per year and adjusted according to Thai Consumer Price Index every five years, which is in line with normal business practice.</p>
<p>4.3 Facility Usage Agreement</p> <ul style="list-style-type: none"> <li>Income in 2010 was Baht 38.06 million, consisted of: Environmental service Baht 2.86 million Diesel tank rental fee Baht 2.04 million</li> <li>Infrastructure fee at Baht 33.16 million</li> <li>As at 31 December 2010, the related transaction was as follows: Other account receivables was Baht 11.30 million</li> </ul>	<p>Ratchaburi Power Co., Ltd. (agreement signed on 25 November 2005)</p>	<p>38.06</p>	<p>Ratchaburi Electricity Generating Co., Ltd. has appropriate facilities and infrastructure to support electricity generating business. Service charges are as follows:</p> <ul style="list-style-type: none"> <li>Environmental services at Baht 2.67 million per year (excluding VAT)</li> <li>Diesel oil tank rental charge at Baht 2.00 million per year and is adjusted according to Thailand's Consumer Price Index every five years, which is a normal business practice.</li> <li>Infrastructure service charged according to the condition in the agreement, which is a normal business practice.</li> </ul>
<p><b>5. Service Agreement</b></p> <p>5.1 Environmental quality monitoring service agreement for Ratchaburi Power Plant in 2009-2010</p> <ul style="list-style-type: none"> <li>Expenses in 2010 were Baht 5.51 million</li> <li>As at 31 December 2010, related transactions were as follows: <ul style="list-style-type: none"> <li>- Prepaid expenses Baht 0.23 million</li> <li>- Account payable Baht 0.96 million</li> </ul> </li> </ul>	<p>EGAT (agreement signed on 31 January 2008 and 9 February 2010)</p>	<p>5.51</p>	<p>Ratchaburi Electricity Generating Co., Ltd. does not have specialist in this area while EGAT does. Service charge, according to the agreement, is Baht 3.91 million and Baht 4.50 million per year (excluding VAT), which is in line with normal business practice.</p>
<p>5.2 Environment quality monitoring service for bunker oil supply system for 2009-2010</p> <ul style="list-style-type: none"> <li>Expenses in 2010 were Baht 0.85 million</li> <li>As at 31 December 2010, prepaid expenses were Baht 0.08 million</li> </ul>	<p>EGAT (agreement signed on 31 January 2008 and 9 February 2010)</p>	<p>0.85</p>	<p>Ratchaburi Electricity Generating Co., Ltd. does not have employees specialized in this area while EGAT does. Service charge, according to the agreement, is Baht 0.78 million and Baht 0.81 million per year (excluding VAT), which is in line with normal business practice.)</p>



Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<p>5.3 Environmental quality monitoring service for waste water treatment system of Ratchaburi Power Plant for 2009-2010</p> <ul style="list-style-type: none"> <li>Expenses in 2010 were Baht 0.59 million consisted of: <ul style="list-style-type: none"> <li>Service fee under agreement at 0.43 million</li> <li>Water quality analysis fee at Expenses in 2010 were Baht 0.16 million</li> </ul> </li> <li>As at 31 December 2010, the related transactions were as follows: <ul style="list-style-type: none"> <li>Prepaid expenses were Baht 0.01 million</li> <li>Account payable were Baht 0.05 million</li> </ul> </li> </ul>	EGAT (agreement signed on 31 January 2008 and 9 February 2010)	0.59	Ratchaburi Electricity Generating Co., Ltd. does not have employees specialized in this area while EGAT does. Service charge, according to the agreement, is Baht 0.49 million and Baht 0.22 million per year (excluding VAT), which is in line with normal business practice.

#### Ratchaburi Energy Co., Ltd.

<p><b>1. Power Purchase Agreement</b></p> <p>Ratchaburi Energy Co., Ltd. signed a Power Purchase Agreement with EGAT to sell electricity from the 1.75 megawatts PTO-A Associated Gas Power Plant Project, Sukhothai Province.</p> <ul style="list-style-type: none"> <li>Revenue from sale in 2010 was Baht 33.89 million</li> <li>As at 31 December 2010, trade account receivables was Baht 6.63 million</li> </ul>	EGAT (agreement signed on 3 December 2008)	33.89	Ratchaburi Energy Co., Ltd. has to supply electricity produced from the PTO-A Associated Gas Power Plant Project, which produces electricity from flare gas (from the Pratu-Tao-A field) in Sukhothai Province, to EGAT according to the power purchase agreement which is normal business practice.
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#### RATCH-Lao Services Co., Ltd.

<p><b>1. Operation and Maintenance Agreement for the Nam Ngum 2 Hydroelectric Power Plant</b></p> <p>RATCH-Lao Services Co., Ltd. signed an agreement to provide operation and maintenance service to the Nam Ngum 2 Hydroelectric Power Plant and dam including building and facilities, and general management service</p> <ul style="list-style-type: none"> <li>Revenue from rendering of services in trade 2010 was Baht 42.25 million</li> <li>As at 31 December 2010, related trade account receivables was Baht 9.58 million</li> </ul>	Nam Ngum 2 Power Co., Ltd. (agreement signed on 25 June 2009)	42.25	<p>RATCH-Lao Services Co., Ltd. provides operation and maintenance service to the power plant, dam, buildings, facilities and general management for 27 years. Service fees are as follows:</p> <ul style="list-style-type: none"> <li>Pre-Operational Phase (1 July 2009- 31 August 2010) amount of Baht 13.314 million</li> <li>Side Agreement Partial-Operation Phase (1 September - 31 October 2010) amount of Baht 15.48 million</li> <li>Operational Phase (1 November 2010 until end of the concession period) - amount of Baht 115 million per year and increased three per cent per year, which is normal business practice</li> </ul>
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Related Transactions	Related Parties	Million Baht	Necessity and Reasons
<b>2. Operation and Maintenance Agreement for the Nam Ngum 2 Hydroelectric Power Plant</b> RATCH-Lao Services Co., Ltd. signed a subcontract agreement with EGAT for the operation and maintenance of the Nam Ngum 2 Hydroelectric Power Plant which EGAT has to operate and maintain the power plant and dam. <ul style="list-style-type: none"> <li>Cost of rendering service in 2010 was Baht 28.95 million</li> <li>As at 31 December 2010 <ul style="list-style-type: none"> <li>Related trade account payables was Baht 5.29 million</li> <li>Related trade accrued expenses for December 2010 was Baht 5.92 million</li> </ul> </li> </ul>	EGAT (agreement signed on 26 June 2009)	28.95	RATCH-Lao Services Co., Ltd. does not have employees with this expertise but EGAT does. RATCH-Lao Services entered into the subcontract agreement. Services are charged as follows: <ul style="list-style-type: none"> <li>Pre-operational Phase (1 July 2009 - 31 August 2010) amount of Baht 0.86 million per month</li> <li>Side Agreement Partial - Operational Phase (1 September 2010 - 31 October 2010) Baht 5.10 million per month</li> <li>Operational Phase (1 November 2010 till end of the concession period) amount of Baht 5.92 million per month and is increased three per cent per year which is normal business practice.</li> </ul>

**Relationship between parties engaged in related transaction is as follows:**

**1. The Company and Ratchaburi Electricity Generating Company Limited**

- 1.1 The Company holds 99.99 per cent share in Ratchaburi Electricity Generating Company Limited
- 1.2 Some of the Company's executives are directors of Ratchaburi Electricity Generating Company Limited

**2. The Company and Ratchaburi Energy Company Limited**

- 2.1 The Company holds 99.99 per cent in Ratchaburi Energy Company Limited
- 2.2 Some of the Company's executives are directors of Ratchaburi Energy Company Limited

**3. The Company and Tri Energy Company Limited**

- 3.1 Ratchaburi Gas Company Limited, which is a subsidiary of the Company, holds 50.00 per cent stake in Tri Energy Company Limited
- 3.2 Some of the Company's executives are directors of Tri Energy Company Limited.

**4. The Company and Chubu Ratchaburi Electric Services Company Limited**

- 4.1 The Company holds 49.99 per cent share in Chubu Ratchaburi Electric Service Company Limited
- 4.2 Some of the Company's executives are directors of Chubu Ratchaburi Electric Services Company Limited

**5. The Company and Ratchaburi Power Company Limited**

- 5.1 Ratchaburi Alliances Company Limited, which is a subsidiary of the Company, holds 25.00 per cent share in Ratchaburi Power Company Limited
- 5.2 Some of the Company's executives are directors of Ratchaburi Power Company Limited

**6. The Company and SouthEast Asia Energy Limited**

- 6.1 The Company holds 33.33 per cent in SouthEast Asia Energy Limited
- 6.2 Some of the Company's executives are directors of SouthEast Asia Energy Limited

**7. The Company and RATCH-Lao Services Company Limited**

- 7.1 The Company holds 99.99 per cent in RATCH-Lao Services Company Limited
- 7.2 Some of the Company's executives are directors of RATCH-Lao Services Company Limited

**8. The Company and Sustainable Energy Corporation Company Limited**

- 8.1 Ratchaburi Energy Company Limited, which is a subsidiary of the Company, holds 51.00 per cent share in Sustainable Energy Corporation Company Limited
- 8.2 Some of the Company's executives are directors of Sustainable Energy Corporation Company Limited

**9. The Company and Ratch Udom Power Company Limited**

- 9.1 The Company holds 99.99 per cent in Ratch Udom Power Company Limited
- 9.2 Some of the Company's executives are directors of Ratch Udom Power Company Limited

**10. The Company and Ratchaburi Alliances Company Limited**

- 10.1 Ratch Udom Power Company Limited, a subsidiary of the Company, holds 99.99 per cent share in Ratchaburi Alliances Company Limited
- 10.2 Some of the Company's executives are directors of Ratchaburi Alliances Company Limited

**11. The Company and Hongsa Power Company Limited**

- 11.1 The Company holds 40.00 per cent share in Hongsa Power Company Limited
- 11.2 Some of The Company's executives are directors of Hongsa Power Company Limited

**12. The Company and EGAT**

- 12.1 EGAT is the major shareholder holds 45.00 per cent share in the Company
- 12.2 Some of EGAT's executives are directors of the Company

**13. The Company and RH International (Mauritius) Corporation Limited**

- 13.1 The Company holds 99.99 per cent in RH International Corporation Limited
- 13.2 RH International Corporation Limited holds 100.00 per cent share in RH International (Mauritius) Corporation Limited
- 13.3 Some of The Company's executives are directors of RH International (Mauritius) Corporation Limited

**14. The Company and RH International (Singapore) Corporation Pte. Limited**

- 14.1 The Company holds 99.99 per cent in RH International Corporation Limited
- 14.2 RH International Corporation Limited holds 100.00 per cent share in RH International (Mauritius) Corporation Limited
- 14.3 RH International (Mauritius) Corporational Limited hold 100.00 per cent share in RH International (Singapore) Corporation Pte. Limited
- 14.4 Some of The Company's executives are directors of RH International (Singapore) Corporation Pte. Limited

**15. Ratchaburi Electricity Generating Company Limited and EGAT**

- 15.1 The Company holds 99.99 per cent share in Ratchaburi Electricity Generating Company Limited
- 15.2 EGAT holds 45.00 per cent share in the Company
- 15.3 Some of EGAT's executives are directors of Ratchaburi Electricity Generating Company Limited

**16. Ratchaburi Electricity Generating Company Limited and Ratchaburi Power Company Limited**

- 16.1 The Company holds 99.99 per cent in Ratchaburi Electricity Generating Company Limited
- 16.2 Ratchaburi Alliances Company Limited, which is a subsidiary of the Company, holds 25.00 per cent share in Ratchaburi Power Company Limited
- 16.3 Some of the Company's directors and executives are directors in Ratchaburi Power Company Limited

**17. Ratchaburi Energy Company Limited and EGAT**

17.1 EGAT is the major shareholder holding 45.00 per cent stake in the Company

17.2 The Company holds 99.99 per cent share in Ratchaburi Energy Company Limited

**18. RATCH-Lao Services Company Limited and Nam Ngum 2 Power Company Limited**

18.1 The Company holds 99.99 per cent in RATCH-Lao Services Company Limited

18.2 SouthEast Asia Energy Limited, which is a jointly-controlled entity of the Company, holds 75.00 per cent share in Nam Ngum 2 Power Company Limited

**19. RATCH-Lao Services Company Limited and EGAT**

19.1 EGAT is the major shareholder holding 45.00 per cent stake in the Company

19.2 The Company holds 99.99 per cent in RATCH-Lao Services.

# Profile of Directors, Company's Management and Company Secretary

## Board of Directors

1.	Mr. Witoon Simachokedee Chairman (EGAT's Representative Director)	Age 56 years	Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence
			2	None	None

### Education and Training

- Ph.D. (Public Administration), Ramkhamhaeng University
- Master of Business Administration, Thammasat University
- Bachelor of Laws, Thammasat University
- Bachelor of Engineering (Electrical Engineering), Kasetsart University
- Certificate, Top Executive Program in Commerce and Trade, University of Thai Chamber of Commerce
- Certificate, The Role of the Chairman Program, Thai Institute of Directors Association
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Financial Statements for Directors, Thai Institute of Directors Association
- Certificate, Corporate Governance for Board of Directors and Executives of State Enterprise and Public Organization, Class 1, Public Director Institute

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

### Other Positions at Present

2009 - Present	Permanent Secretary	Ministry of Industry
2008 - Present	Board of Directors Member	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2008 - Present	Board of Directors Chairman	EGAT International Company Limited <sup>(4)</sup>
2008 - Present	Board of Directors Member	PTT Chemical Public Company Limited <sup>(4)</sup>
2008 - Present	Board of Directors Chairman	Thai Oleochemicals Company Limited <sup>(4)</sup>
2008 - Present	Board of Directors Member	PTT Aromatics and Refining Public Company Limited <sup>(4)</sup>

### Previous

2009	Director-General, Department of Industrial Works	Ministry of Industry
2008 - 2009	Director-General, Department of Primary Industries and Mines	Ministry of Industry
2008 - 2009	Board of Directors Member	Industrial Estate Authority of Thailand
Apr. - July 2008	Board of Directors Member	Electricity Generating Public Company Limited <sup>(4)</sup>
2006 - 2008	Deputy Permanent Secretary	Ministry of Industry
2003 - 2006	Inspector General	Ministry of Industry
2002 - 2006	Deputy Director-General, Department of Industrial Works	Ministry of Industry



2.	Mr. Lae Dilokvidhyarat Director, Human Resources and Remuneration Committee Chairman, Investment Working Committee Chairman (EGAT's Representative Director)	Age 63 years	Current Position in Office  2	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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### Education and Training

- Master of Development Studies, Institute of Social Studies, The Hague, The Netherlands
- Post-graduate Diploma in International and National Development, Institute of Social Studies, The Hague, The Netherlands
- Bachelor of Political Science (Finance), Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Audit Committee Program, Thai Institute of Directors Association
- Certificate, Finance for Non-Finance Director Program, Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

### Other Positions at Present

2007 - Present	Adjunct Professor	Faculty of Economics, Chulalongkorn University
2007 - Present	Advisor	Labour and Management Development Centre, Faculty of Economics, Chulalongkorn University
2004 - Present	Board of Directors Member	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2009 - Present	Board of Directors Member	Ratchaburi Power Company Limited <sup>(3)</sup>
Present	Member	Political Development Council
Present	Advisor	Labour Congress of Thailand

### Previous

1993 - 2007	Associate Professor and Director of the Centre	Labour and Management Development Centre, Faculty of Economics, Chulalongkorn University
1993 - 1995	Policy Advisor to the Minister of Labour and Social Welfare	Ministry of Labour and Social Welfare
	Ad-hoc Committee on Human Rights	The Senate of Thailand
	Advisor	State Enterprise Labour Relations Committee
	Subcommittee Member on Labour Right	National Human Right Commission
	Advisor	Labour Committee, The House of Representatives
	Advisor	Electricity Generating Authority of Thailand Labour Union
	Advisor	Metropolitan Electricity Authority Labour Union
	Advisor	Asian Workers Institute of Occupational Health, Safety and Environment
1992	National Programme Coordinator	International Programme on the Elimination of Child Labour (ILO-IPEC)
1989 - 1990	Labour Policy Advisor to the Prime Minister	
1990	Overseas Expert on Human Resource Development	Japan International Cooperation Agency (JICA)
1976 - 1977	Research Fellow	Friedrich-Ebert Foundation, Bonn, West Germany

3.	Mr. Nathi Premrasmi Independent Director, Audit Committee Chairman	Age 62 years	Current Position in Office  1	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Bachelor of Political Science (Honored), Thammasat University
- Diploma, National Defence College (Class 45)
- Certificate, Senior Executive Development Program (Class 36), Institute of Administration Development
- Certificate, Political Government in Democracy Regime Program for Senior Executive (Class 4), King Prajadhipok's Institute
- Certificate, Senior Governing Officers Course (Class 26), Ministry of Interior
- Certificate, Director Certification Program, Thai Institute of Directors Association

4.	Mr. Metta Banturngsuk Independent Director, Audit Committee Member Risk Management Committee Chairman	Age 59 years	Current Position in Office  2	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Bachelor of Accounting, Chulalongkorn University
- Bachelor of Laws, Ramkhamhaeng University
- Diploma, National Defence College (Class 46)
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Director Accreditation Program, Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

2010 - Present	Standing Committee on Ethics	The House of Representatives
2010 - Present	Board of Directors Member	PTT Aromatics and Refining Public Company Limited <sup>(4)</sup>
2009 - Present	Chairperson of Committee to Organize National Identity Activities	Office of the Prime Minister
2009 - Present	Vice Chairperson of Committee on Selection and Promotion of National Outstanding Achievements	Office of the Prime Minister

### Previous

2009 - 2010	Board of Directors Chairman	CAT Telecom Public Company Limited
2009 - 2010	Vice Chairman	Thailand Post Company Limited
2009	Permanent Secretary	Office of the Prime Minister
2007 - 2008	Deputy Permanent Secretary	Office of the Prime Minister
2005 - 2007	Inspector-General	Office of the Prime Minister
2003 - 2005	Advisor	Office of the Secretariat of the Carbinet
2001 - 2003	Assistant Secretary-General	Office of the Secretariat of the Carbinet

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

2009 - Present	Deputy Permanent Secretary	Ministry of Energy
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### Previous

2008 - 2009	Board of Directors Member	PTT Exploration and Production Public Company Limited <sup>(4)</sup>
2006 - 2009	Director-General, Department of Energy Business	Ministry of Energy
2003 - 2007	Board of Directors Member	PTT Public Company Limited <sup>(4)</sup>
2002 - 2006	Director-General, Energy Policy and Planning Office	Ministry of Energy
1995 - 2002	Deputy Secretary-General, National Energy Policy Office	The Prime Minister's Office
1993 - 1995	Director, Petroleum Department	National Energy Policy Office, The Prime Minister's Office

5.	Mr. Atchada Kesornsook Independent Director, Human Resources and Remuneration Committee Member Investment Working Committee Member	Age 61 years	Current Position in Office  2	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Science (Industrial Engineering), Illinois Institute of Technology, Chicaco, ILL, U.S.A.
- Bachelor of Science (Civil Engineering), Mapua Institute of Technology, The Philippines
- Certificate, Top Executives Program (Class 4), The Capital Market Academy Leader
- Certificate, Mini Master of Modern Management Program (Class 3), National Defence College
- Diploma in Public Law and Management for Executive Program (Class 3), King Prajadhipok's Institute
- Certificate, Politics and Government in Democratic System for Executive Program (Class 6), King Prajadhipok's Institute
- Certificate, The Joint-State Sectors Regular Course (Class 11), National Defence College
- Certificate, International Management Program, The Association of Overseas Technical Scholarship (AOTS), Japan
- Certificate, APEC SME College for Management Capacity Building Program, The Association of Overseas Technical Scholarship (AOTS), Japan
- Certificate, The Leadership Development Program for Thailand (THLD), The Association of Overseas Technical Scholarship (AOTS), Japan
- Certificate, Senior Executive Program (Class 7), Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certificate, Top Management for Corporate Innovation, Asian Productivity Organization, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Audit Committee Program, Thai Institute of Directors Association
- Certificate, Finance for Non-Finance Directors Program, Thai Institute of Directors Association
- Certificate, Monitoring the System of Internal Control and Risk Management Program, Thai Institute of Directors Association
- Certificate, Monitoring the Internal Audit Function Program, Thai Institute of Directors Association
- Certificate, Monitoring the Quality of Financial Reporting Program, Thai Institute of Directors Association
- Certificate, Successful Formulation & Execution of Strategy Program, Class 4/2009 Thai Institute of Directors Association
- Seminar on "Corporate Governance Report of Thai Listed Companies," Thai Institute of Directors Association, SET, SEC, and Listed Companies Association

6.	Mr. Sutat Patmasiriwat Director (EGAT's Representative Director)	Age 57 years	Current Position in Office  1	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University
- Certificate, Advanced Management Program, Harvard Business School, U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, Creating Value Through Product Management and Customer Profitability, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Director Certification Program, Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

2008 - Present	Chairman	Loyal Contact Limited
2008 - Present	Chairman	Ziberia International Productions Company Limited
2007 - Present	Advisor to the Standing Committee on Energy	The Senate House
2005 - Present	Advisor	B. GRIMM Group

### Previous

2007 - 2009	Advisor to the Senator	The Senate of Thailand
2007 - 2008	Audit Committee Member	Ratchaburi Electricity Generating Holding Public Company Limited
2005 - 2010	Board of Directors Member	Amata Power Limited <sup>(4)</sup>
2006 - 2008	Advisor to the Chairman of the Standing Committee on Transportation	The National Legislative Assembly of Thailand
2005 - 2007	Chairman	TUV SUD (Thailand) Company Limited
2003 - 2006	Advisor to the Standing Committee on Economic Affairs, Commerce and Industry	The Senate House
1997 - 2000	President	B. GRIMM Energy Technology Company Limited
1992 - 1997	Senior Executive Vice President	B. GRIMM Industrial and Commercial Services Company Limited
1987 - 1992	Vice President	B. GRIMM Industrial and Commercial Services Company Limited

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

### Other Positions at Present

2010 - Present	Board of Directors Chairman	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
2010 - Present	Board of Directors Chairman	Ratchaburi Power Company Limited <sup>(3)</sup>
April 2010 - Present	Board of Directors Chairman	EGAT Diamond Service Company Limited <sup>(3)</sup>
Dec 2009 - Present	Board of Directors Member	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2009 - Present	Governor	The Electricity Generating Authority of Thailand <sup>(1)</sup>

### Previous

2009	Board of Directors Member	EGAT International Company Limited <sup>(4)</sup>
2008 - 2009	Deputy Governor-Generation	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2007 - 2008	Assistant Governor-Generation	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2006 - 2007	Assistant Governor-Operation and Maintenance Business	The Electricity Generating Authority of Thailand <sup>(1)</sup>



7.	Mr. Chanin Vongkusolkrit Director, Human Resource and Remuneration Committee Member (BANPU's Representative Director) * Banpu Public Company Limited Group made a disposal transaction of all the shares they hold in the Company on 19 November 2010	Age 58 years	Current Position in Office  3	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Business Administration (Finance), St. Louis University, U.S.A.
- Bachelor of Economics, Thammasat University
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Director Certification Program Refresher Course, Thai Institute of Directors Association

8.	Mr. Ratanapong Jongdamgerng Director, Risk Management Committee Member (EGAT's Representative Director)	Age 60 years	Current Position in Office  2	RATCH Shareholding  7,938 shares 0.00055%	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Business Administration, Thammasat University
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- Certificate, Finance of Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Senior Executive Development Program-1, GE Co., Ltd., U.S.A.
- Certificate, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Certificate, Advanced Management Program, Harvard Business School, U.S.A.
- Certificate, Positioning Utility Executives for Change, University of Idaho, U.S.A.
- Certificate, Director Certification Program, Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	Connected Transactions with BANPU, a Major Shareholder, * as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

### Other Positions at Present

2001 - Present	Chief Executive Officer	Banpu Public Company Limited <sup>(1)</sup>
1993 - Present	Board of Directors Member	Banpu Public Company Limited <sup>(1)</sup>
1997 - Present	Board of Directors Member	BLCP Power Limited <sup>(4)</sup>
2004 - Present	Board of Directors Member	The Erawan Group Public Company Limited
1983 - Present	Board of Directors Member	Mitr Phol Sugar Company Limited

### Previous

2005 - May 2009	Vice Chairman	Listed Company Association
1995 - 2002	Board of Directors Member	Tri Energy Company Limited <sup>(3)</sup>
1990 - 2004	Board of Directors Member	United Securities Public Company Limited
1997 - 2004	Board of Directors Member	United Standard Terminal Company Limited

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

### Other Positions at Present

None

### Previous

2007 - 2010	Deputy Governor - Transmission System	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2008	Board of Directors Member	EGAT International Company Limited <sup>(4)</sup>
2006 - 2008	Board of Directors Member	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
2006 - 2007	Deputy Governor - Policy and Planning	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2004 - 2006	Assistant Governor - Information Technology	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2003 - 2004	Assistant Governor - Administration and Finance, Transmission System Group	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2000 - 2003	Assistant Governor - Power Purchase	The Electricity Generating Authority of Thailand <sup>(1)</sup>

9.	Mr. Wirash Kanchanapibul Director (EGAT's Representative Director)	Age 58 years	Current Position in Office  1	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- Certificate, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Certificate, Senior Executive Development Program-1, GE Co., Ltd., U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Positioning Utility Executives for Change, University of Idaho, U.S.A.
- Certificate, Finance of Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association

10.	Mr. Sommai Khawkachaporn Independent Director, Risk Management Committee Member Investment Working Committee Member	Age 62 years	Current Position in Office  1	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Business Administration, Long Island University, New York, U.S.A.
- Bachelor of Business Administration, University of the East, the Philippines
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Audit Committee Program, Thai Institute of Directors Association
- Certificate, Directors Certification Program Refresher Program, Thai Institute of Directors Association
- Certificate, Finance for Non-Finance Directors Program, Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Working Experience		
Other Positions at Present		
2010 - Present	Deputy Governor - Administration	The Electricity Generating Authority of Thailand <sup>(1)</sup>
Previous		
2009	Board of Directors Member	EGAT International Company Limited <sup>(4)</sup>
2009	Board of Directors Member	District Cooling System and Power Plant Company Limited <sup>(4)</sup>
2008 - 2009	Deputy Governor - Corporate Social Responsibility	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2006 - 2008	Assistant Governor-Transmission System Operation	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2005 - 2006	Assistant Governor-Demand Side Management	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

Working Experience		
Other Positions at Present		
2008 - Present	Board of Directors Member	PTT Exploration and Production Public Company Limited <sup>(4)</sup>
2008 - Present	Board of Directors Member	Wang Thong Group Public Company Limited
2007 - Present	Board of Directors Member	IRPC Public Company Limited <sup>(4)</sup>
2004 - Present	Board of Directors Member	Thai Lube Base Oil Public Company Limited <sup>(4)</sup>
Previous		
2008	Board of Directors Member	PTT Aromatics and Refining Public Company Limited <sup>(4)</sup>
1999 - 2005	Board of Directors Member and Audit Committee Member	National Petrochemical Public Company Limited <sup>(4)</sup>

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Mr. Satit Rungkasiri

- Independent Director,  
Audit Committee Member

Age 51 years

Current Position  
in Office

1

RATCH  
Shareholding

None

Prohibited Qualifications/  
Dishonestly Committed  
an Offence  
None

## Education and Training

- Master of Economics, Atlanta University, U.S.A. (Scholarship&Outstanding Student Award from the National Deans' Lists of America)
- Bachelor of Science (Economics), Kasetsart University
- Certificate, Advanced Management Program, Harvard Business School, U.S.A.
- Certificate, Executive Program (Class 2), Capital Market Academy
- Diploma, National Defence College
- Certificate, the Civil Service Executive Program for Senior Civil Servants (Class 39), Office of the Civil Service Commission
- Diploma on Taxation, France, by ACTIM Scholarship
- Certificate, EDI Taxation Technology, University of Canberra, Australia
- Certificate, Tax Authorities' Use of the Internet, University of New South Wales, Australia
- Certificate, Director Certification Program, Thai Institute of Directors Association

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Mr. Noppol Milinhanggoon

- Director,  
President,  
Secretary to the Board of Directors  
(EGAT's Representative Director and Executive  
Director)

Age 56 years

Current Position  
in Office

2

RATCH  
Shareholding

None

Prohibited Qualifications/  
Dishonestly Committed  
an Offence  
None

## Education and Training

- Master of Engineering (Nuclear Engineering), Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering) 2<sup>nd</sup> Class Honor, Chulalongkorn University
- Certificate, Capital Market Academy Leader Program, Class 9
- Diploma, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Diploma in Public Law and Management, King Prajadhipok's Institute
- Certificate, Finance for Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Senior Executive Development Program-1, GE Co., Ltd., U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Senior Command Course, Class 22, Institute of Police Administration Development
- Certificate, Director Certification Program, Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

Other Positions at Present		
2010 - Present	Director-General	Revenue Department, Ministry of Finance
2009 - Present	Board of Directors Member	Securities and Exchange Commission
Previous		
2009 - 2010	Board of Directors Member	Bank of Thailand
2009 - 2010	Vice Chairman	Financial Institution Development Fund
2009 - 2010	Board of Directors Member	Government Pension Fund
2009 - 2010	Board of Directors Member	Credit Information Protection Commission
2009 - 2010	Board of Directors Member	Capital Market Supervisory Board, Securities and Exchange Commission
2009 - Sep 2010	Director-General	Fiscal Policy Office, Ministry of Finance
2009 - Sep 2010	Deputy Permanent - Secretary	Ministry of Finance
2009	Board of Directors Member	ACL Bank Public Company Limited
2009	Board of Directors Member	Provincial Electricity Authority
2008	Principal Advisor on Strategic Tax Administration, and Spokesperson	Revenue Department
2007	Board of Directors Member	Small Business Credit Guarantee Corporation
2005	Board of Directors Member	State Railway of Thailand
2004	Board of Directors Member	Liquor Distillery Organization, Excise Department, Ministry of Finance

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year (Executive Director)	Conflict of Interest in previous year
None		Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

Other Positions at Present		
2010 - Present	Engineer Level 14 (Equivalent to Deputy Governor)	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2009 - Present	Board of Directors Chairman	Hongsa Power Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Chairman	Phu Fai Mining Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	Tri Energy Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member	Ratchaburi Power Company Limited <sup>(3)</sup>
2008 - Present	Board of Directors Member	SouthEast Asia Energy Limited <sup>(3)</sup>
2008 - Present	Board of Directors Member	Nam Ngum 2 Company Limited <sup>(3)</sup>
Previous		
2008 - 2010	Engineer Level 13 (Equivalent to Assistant Governor)	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2007 - 2008	Assistant Governor - Thermal Power Plant Construction	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2005 - 2007	Assistant Governor - Power Plant	The Electricity Generating Authority of Thailand <sup>(1)</sup>



## Company's Management and Company Secretary

1. Mr. Noppol Milinhanggoon Director, President Secretary to the Board of Directors (EGAT's Representative Director and Executive Director)	Age 56 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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### Education and Training

- Master of Engineering (Nuclear Engineering), Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering) 2<sup>nd</sup> Class Honor, Chulalongkorn University
- Certificate, Capital Market Academy Leader Program, Class 9
- Diploma in Public Law and Management, King Prajadhipok's Institute
- Diploma, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Certificate, Finance for Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Senior Executive Development Program-1, GE Co., Ltd., U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, ASEAN Executive Development Program (AEDP), Thammasat Business School, Thammasat University
- Certificate, Senior Command Course, Class 22, Institute of Police Administration Development
- Certificate, Director Certification Program, Thai Institute of Directors Association

2. Mrs. Darunee Abhinoraseth Senior Executive Vice President - Finance	Age 60 years	RATCH Shareholding  5,300 shares 0.00037%	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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### Education and Training

- Master of Business Administration (Executive), SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Bachelor of Accountancy (2<sup>nd</sup> Class Honor), Chulalongkorn University
- Certificate, Certified Investment and Securities Analysts (CISA) Level1 (Academic Year 2002), Securities Analysts Association
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Chief Financial Officer (CFO), Federation of Accounting Professions
- Certificate, Director Certification Program (DCP), Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	(Executive Director)	Connected Transactions with EGAT, a Major Shareholder, as disclosed in this Annual Report and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

## Working Experience

Other Positions at Present		
2010 - Present	Engineer Level 14 (Equivalent to Deputy Governor)	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2009 - Present	Board of Directors Chairman	Hongsa Power Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Chairman	Phu Fai Mining Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	Tri Energy Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member	Ratchaburi Power Company Limited <sup>(3)</sup>
2008 - Present	Board of Directors Member	SouthEast Asia Energy Limited <sup>(3)</sup>
2008 - Present	Board of Directors Member	Nam Ngum 2 Company Limited <sup>(3)</sup>
Previous		
2008 - 2010	Engineer Level 13 (Equivalent to Assistant Governor)	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2007 - 2008	Assistant Governor - Thermal Power Plant Construction	The Electricity Generating Authority of Thailand <sup>(1)</sup>
2005 - 2007	Assistant Governor - Power Plant	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

Other Positions at Present		
2010 - Present	Board of Directors Member	Nam Ngum 3 Power Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Chairman	RH International Corporation Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	Hongsa Power Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member	Phu Fai Mining Company Limited <sup>(3)</sup>
2007 - Present	Board of Directors Member	Tri Energy Company Limited <sup>(3)</sup>
Previous		
2006 - 2007	Senior Director, seconded to be the Chief Financial Officer, Ratchaburi Power Company Limited	Ratchaburi Electricity Generating Holding Public Company Limited
2005 - 2006	Director, Accounting Division	Ratchaburi Electricity Generating Holding Public Company Limited
2001 - 2005	Director, Finance Division	Ratchaburi Electricity Generating Holding Public Company Limited
1995 - 2001	Assistant Director, Portfolio Management Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1994 - 1995	Accountant Level 10, Portfolio Management Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Notes: <sup>(1)</sup> Major Shareholder <sup>(2)</sup> Subsidiary Company <sup>(3)</sup> Jointly - Controlled Entity Company <sup>(4)</sup> Energy Enterprise

<b>3.</b> Mr. Prachuab Ujijn Senior Executive Vice President - Planning and Portfolio Management and second to be the Managing Director of Ratchaburi Electricity Generating Company Limited	Age 59 years	RATCH Shareholding  43,500 shares 0.00300%	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Science (Electrical Engineering), University of Missouri-Columbia, U.S.A.
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- Certificate, Advanced Management Program (AMP), Harvard Business School, Boston MA, U.S.A.
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association

<b>4.</b> Mr. Peerawat Pumthong Senior Executive Vice President - Business Development	Age 52 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Business Administration, Monash University, Australia, with Certificate of Merit (Highest score) in International Business
- Master of Engineering, Asian Institute of Technology (AIT) (Germany Government Scholarship)
- Bachelor of Engineering (2<sup>nd</sup> Class Honor), Khonkaen University
- Certificate, ASEAN Executive Development Program (AEDP), Thammasat Business School
- Certificate Mini MBA, Chulalongkorn University
- Certificate, Electric Power Development, Swedish Board of Investment and Technical Support (BITS), Sweden
- Certificate, ASEAN Executive Program, General Electric International Operation Company, Inc., U.S.A.
- Certificate, Hydro Electric Power, Japan International Cooperation Agency (JICA), Columbo Plan, Japan
- Certificate, Thermal and Hydro Power Project Planning, Snowy Mountain Engineering Cooperation, Columbo Plan, Australia
- Certificate, Advanced Course in Public Economics (Class8), King Prajadhipok's Institute
- Certificated, Director Certification Program (DCP), Thai Institute of Directors Association

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

2010 - Present	Board of Directors Member	Nam Ngum 3 Power Company Limited <sup>(3)</sup>
2010 - Present	Board of Directors Member	Chubu Ratchaburi Electric Services Company Limited <sup>(3)</sup>
2005 - Present	Executive Committee Member	Ratchaburi Power Company Limited <sup>(3)</sup>
2004 - Present	Board of Directors Chairman	Ratchaburi Gas Company Limited <sup>(2)</sup>
2000 - Present	Director and Managing Director	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>

### Previous

1999 - 2000	Director, Ratchaburi Power Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1997 - 1999	Director, Efficiency Control Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1996 - 1997	Assiant Director, Efficiency Control Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

2010 - Present	Board of Directors Chairman	Ratch Udom Power Company Limited <sup>(2)</sup>
2010 - Present	Board of Directors Chairman	Ratchaburi Alliances Company Limited <sup>(2)</sup>
2010 - Present	Executive Committee Member	Ratchaburi Power Company Limited <sup>(3)</sup>
2010 - Present	Board of Directors Member	RH International (Mauritius) Corporation Limited <sup>(2)</sup>
2010 - Present	Board of Directors Member	RH International (Singapore) Corporation Pte. Limited <sup>(2)</sup>
2010 - Present	Board of Directors Member	SouthEast Asia Energy Limited <sup>(3)</sup>
2009 - Present	Board of Directors Chairman	RATCH-Lao Sevicees Company Limited
2009 - Present	Board of Directors Chairman	Sustainable Energy Corporation Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Chairman	Khao Kor Wind Power Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member and Executive-Directors	Nam Ngum 2 Power Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member and Executive-Directors	Hongsa Power Company Limited <sup>(3)</sup>
2009 - Present	Board of Directors Member	Phu Fai Mining Company Limited <sup>(3)</sup>
2009 - Present	Secretary to the Investment Committee	Ratchaburi Electricity Generating Holding Public Company Limited
2006 - Present	Board of Directors Chairman	Ratchaburi Energy Company Limited <sup>(2)</sup>

### Previous

2006 - 2009	Executive Vice President - Business Development	Ratchaburi Electricity Generating Holding Public Company Limited
2004 - 2006	Senior Director, Business Management Division	Ratchaburi Electricity Generating Holding Public Company Limited
2000 - 2003	Director, Business Management Division	Ratchaburi Electricity Generating Holding Public Company Limited
1979 - 2000	Chief Level 10, Business Venture Group Portfolio Management Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
	Chief Level 10, Contract Negotiation and Management Group, Domestic Power Purchase Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
	Chief Level 10, Engineering and Project Implementation Group, Business Venture Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

5.	Mr. Suchart Avusosakul Executive Vice President - Planning and Portfolio Management	Age 59 years	RATCH Shareholding  60,000 shares 0.00414%	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Bachelor of Accountancy, Chulalongkorn University
- Bachelor of Laws, Sukhothai Thammathirat Open University
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Chief Financial Officer (CFO), Federation of Accounting Professions

6.	Mr. Ni - run Wongchamlor Executive Vice President seconded to be the Chief Financial Officer of Ratchaburi Power Company Limited	Age 50 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Management, Asian Institute of Management (AIM), the Philippines
- Bachelor of Arts - Accounting, Thammasat University
- Certificate, Chief Financial Officer (CFO), Federation of Accounting Professions
- Certificate, ASEAN Executive Development Program (AEDP), Thammasat Business School
- Certificate, The Job of the Chief Financial Officer, New York Salomon Center & Singapore Institute of Management, Singapore
- Certificate, Managerial Skills Enhancement, SASIN Graduate Institute of Business Administration, Chulalongkorn University

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

Other Positions at Present		
2010 - Present	Board of Directors Member	Ratchaburi Energy Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	Sustainable Energy Corporation Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	Khao Kor Wind Power Company Limited <sup>(2)</sup>
Previous		
2009 - 2010	Executive Vice President-Finance	Ratchaburi Electricity Generating Holding Public Company Limited
2007 - 2009	Senior Director, seconded to be the Chief Financial Officer, Ratchaburi Power Company Limited	Ratchaburi Electricity Generating Holding Public Company Limited
2006 - 2006	Director, Accounting Division	Ratchaburi Electricity Generating Holding Public Company Limited
2000 - 2006	Director, Finance and Accounting Division	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
1998 - 2000	Chief, Operative Unit and Hydro Plant Audit Department, Internal Audit Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1997 - 1998	Chief, Generation and Transmission System Business Audit Department, Internal Audit Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1994 - 1996	Chief, Audit Department 2, Internal Audit Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

Other Positions at Present		
2009 - Present	Board of Directors Member and Managing Director	RH International Corporation Limited <sup>(2)</sup>
2007 - Present	Board of Directors Member and Managing Director	Ratchaburi Gas Company Limited <sup>(2)</sup>
2007 - Present	Board of Directors Member and Managing Director	Ratch Udom Power Company Limited <sup>(2)</sup>
2007 - Present	Board of Directors Member and Managing Director	Ratchaburi Alliances Company Limited <sup>(2)</sup>
Previous		
2008 - 2010	Executive Vice President-Planning and Portfolio Management	Ratchaburi Electricity Generating Holding Public Company Limited
2007 - 2010	Board of Directors Member and Managing Director	Ratchaburi Energy Company Limited <sup>(2)</sup>
2007 - 2008	Senior Director, Portfolio Management Division	Ratchaburi Electricity Generating Holding Public Company Limited
2006 - 2007	Senior Director, Finance Division	Ratchaburi Electricity Generating Holding Public Company Limited
2003 - 2006	Senior Director, seconded to be the Director-Finance & Accounting, Tri Energy Company Limited	Ratchaburi Electricity Generating Holding Public Company Limited
1997 - 2003	Vice President, seconded to be the Director-Finance and Accounting, Tri Energy Company Limited	Banpu Public Company Limited <sup>(4)</sup>
1996 - 1997	Senior Manager-Investment Division	Banpu Public Company Limited <sup>(4)</sup>
1993 - 1996	Senior Manager-Finance Division	Banpu Public Company Limited <sup>(4)</sup>
1991 - 1993	Manager-Finance Division	Banpu Public Company Limited <sup>(4)</sup>
1989 - 1991	Assistant Finance Manager-Finance and Accounting Division	Banpu Public Company Limited <sup>(4)</sup>



<b>7.</b> Mr. Prayut Thongsuwan Executive Vice President seconded to be the Managing Director of Ratchaburi Energy Company Limited	Age 52 years	RATCH Shareholding  3,100 shares 0.00021 %	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Public and Private Management, The National Institute of Development Administration
- Bachelor of Political Sciences (Public Administration), Thammasat University
- Certificate, ASEAN Executive Program General Electric International Operation Company, Inc., U.S.A.
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Advanced Mini MBA, Chulalongkorn University

<b>8.</b> Mr. Vatchara Noomahan Executive Vice President, seconded to be the Managing Director of Tri Energy Company Limited	Age 58 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master Degree in Management, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Master Degree in Electrical Engineering, Chulalongkorn University
- Bachelor Degree in Electrical Engineering (2<sup>nd</sup> Class Honor), Kasetsart University

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

Working Experience		
Other Positions at Present		
2010 - Present	Board of Directors Member and Managing Director	Ratchaburi Energy Company Limited <sup>(2)</sup>
Previous		
2006 - 2010	Executive Vice President-Corporate Administration	Ratchaburi Electricity Generating Holding Public Company Limited
2000 - 2006	Director, General Administration Division	Ratchaburi Electricity Generating Holding Public Company Limited
2004 - 2006	Director, Ratchaburi Power Plant Communication Center	Ratchaburi Electricity Generating Holding Public Company Limited
1998 - 2000	Chief-Procurement and General Services Department, Demand Side Management and Planning Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

Working Experience		
Other Positions at Present		
2006 - Present	Board of Directors Member and Managing Director	Tri Energy Company Limited <sup>(3)</sup>
Previous		
2003 - 2006	Senior Director, seconded to be the Managing Director, Tri Energy Company Limited	Ratchaburi Electricity Generating Holding Public Company Limited
2001 - 2003	Managing Director, Tri Energy Company Limited	Banpu Public Company Limited's Group <sup>(4)</sup>
1995 - 2001	Director-Operations, Tri Energy Company Limited	Banpu Public Company Limited's Group <sup>(4)</sup>
1994 - 1995	Assistance Vice President of Business Development-Power	Banpu Public Company Limited <sup>(4)</sup>
1990 - 1994	Chief of Operation Training Division-Training Department	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1981 - 1990	Shift Charge Engineer-North Bangkok Power Plant	The Electricity Generating Authority of Thailand <sup>(1)</sup>
1974 - 1981	Unit Engineer-South Bangkok Power Plant	The Electricity Generating Authority of Thailand <sup>(1)</sup>

<b>9.</b> Mr. Somnuk Jindasup Executive Vice President, seconded to be the Deputy Managing Director of Ratchaburi Electricity Generating Company Limited	Age 52 years	RATCH Shareholding  7,300 shares 0.00050 %	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Engineering (Electrical Engineering), Chulalongkorn University
- Bachelor of Science (Electrical Engineering) (2<sup>nd</sup> Class Honor), King Mongkut's Institute of Technology North Bangkok Campus
- Certificate, ASEAN Executive Program, General Electric International Operation Company, Inc., U.S.A.
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Advanced Mini MBA, Chulalongkorn University
- Graduate Diploma in Public Law and Management, King Prajadhipok's Institute
- Certificate, Executive Development Program, Thai Listed Company Association
- Certificate, Advanced Senior Executive Program, SASIN Graduate Institute of Business Administration of Chulalongkorn University

<b>10.</b> Mrs. Sunee Rajatamutha Senior Vice President and acting Executive Vice President-Finance	Age 52 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Accounting Thammasat University
- Master of Business Administration (Finance) Chulalongkorn University
- Bachelor of Accounting (2<sup>nd</sup> Class Honor), Chulalongkorn University
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Chief Financial Officer (CFO), Federation of Accounting Professions
- Certificate, Modern Management Program, Chulalongkorn University

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

2004 - Present	Deputy Managing Director	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	RATCH-Lao Services Company Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	EGAT Diamond Service Company Limited <sup>(3)</sup>

### Previous

2003 - 2004	Director, Operating Division and Acting Deputy Managing Director	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
2000 - 2003	Director, Operating Division	Ratchaburi Electricity Generating Company Limited <sup>(2)</sup>
1996 - 2000	Chief, Plant Maintenance Department Wang-Noi Power Plant	Wang-Noi Power Plant, the Electricity Generating Authority of Thailand <sup>(1)</sup>
1995 - 1996	Head, Shift 3 Thermal Power Plant Operating Section	South Bangkok Thermal Power Plant, the Electricity Generating Authority of Thailand <sup>(1)</sup>
1994 - 1995	The Cogen (SPP) Operation Project Team Leader N75	South Bangkok Thermal Power Plant, the Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

### Other Positions at Present

None

### Previous

2009 - 2010	Senior Vice President, seconded to be the Chief Financial Officer, Ratchaburi Power Company Limited	Ratchaburi Electricity Generating Holding Public Company Limited
2007 - 2009	Vice President-Finance	Ratchaburi Electricity Generating Holding Public Company Limited
2006 - 2007	Senior Manager, seconded to be the Director-Finance & Accounting, Tri Energy Company Limited	Ratchaburi Electricity Generating Holding Public Company Limited
2004 - 2006	Manager-Treasury Department	Ratchaburi Electricity Generating Holding Public Company Limited
2000 - 2004	Manager-Management Accounting and Budgeting Department	Ratchaburi Electricity Generating Holding Public Company Limited
1983 - 2000	Chief of Management Financial Accounting and Budgeting Department	The Electricity Generating Authority of Thailand <sup>(1)</sup>

<b>11.</b> Mrs.Boontiva Dansamasatid • Senior Vice President-Corporate Secretary Office, Acting Executive Vice President-Corporate Administration and acting Company Secretary	Age 50 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Business Administration, Kasetsart University
- Bachelor of Arts (English) (2<sup>nd</sup> Class Honor), Chulalongkorn University
- Certificate, Mini MBA, Kasetsart University
- Certificate, Company Secretary Program, Thai Institute of Directors Association
- Certificate, Business Laws Program, Thammasat University
- Certificate, The Leadership Grid, and The Supervisory Grid

<b>12.</b> Mr. Sommai Poosanachakorn • Vice President - Accounting	Age 46 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Public and Private Management, The National Institute of Development Administration
- Bachelor of Accounting, Thammasat University
- Certificate, Chief Financial Officer (CFO), Federation of Accounting Profession
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

Other Positions at Present		
	None	
Previous		
2006 - 2007	Senior Manager, Corporate Secretary Department	Ratchaburi Electricity Generating Holding Public Company Limited
2003 - 2006	Manager, Corporate Secretary Department	Ratchaburi Electricity Generating Holding Public Company Limited
2000 - 2003	Manager, Administration and Human Resource Department	Ratchaburi Electricity Generating Holding Public Company Limited
1998 - 2000	Administration Officer Level 10, acting Chief of Administration Affairs, Training Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

## Working Experience

Other Positions at Present		
2010 - Present	Board of Directors Member	RH International Corporation (Mauritius) Limited <sup>(2)</sup>
2010 - Present	Board of Directors Member	RH International Corporation (Singapore) Pte. Limited <sup>(2)</sup>
2009 - Present	Board of Directors Member	RH International Corporation Limited <sup>(2)</sup>
2007 - Present	Board of Directors Member	Ratchaburi Alliances Company Limited <sup>(2)</sup>
2007 - Present	Board of Directors Member	Ratch Udom Power Company Limited <sup>(2)</sup>
Previous		
2006 - 2006	Manager, seconded to be the Finance Manager, SouthEast Asia Energy Limited	Ratchaburi Electricity Generating Holding Public Company Limited
2004 - 2006	Manager-Management Accounting and Budgeting Department	Ratchaburi Electricity Generating Holding Public Company Limited
2000 - 2004	Manager-Treasury Department	Ratchaburi Electricity Generating Holding Public Company Limited



13. Miss Raywadee Srikongyos Vice President- Finance	Age 52 years	RATCH Shareholding  None	Prohibited Qualifications/ Dishonestly Committed an Offence  None
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#### Education and Training

- Master of Public and Private Management, The National Institute of Development Administration
- Bachelor of Business Administration Finance (1<sup>st</sup> Class Honor), University of the Thai Chamber of Commerce
- Fixed Income Primer Program, Lehman Brothers Institute of Finance, U.S.A.
- Certificate, Mini MBA, Thammasat University
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University

Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in previous year	Conflict of Interest in previous year
None	None	None

Working Experience		
Other Positions at Present		
	None	
Previous		
2006 - 2010	Vice President-Office Management Division	Ratchaburi Electricity Generating Company Limited
2003 - 2006	Manager-Compliance Department	Ratchaburi Electricity Generating Company Limited
2000 - 2003	Manager-Financial Planning and Management Department	Ratchaburi Electricity Generating Company Limited
1982 - 2000	Administration Officer Level 9, acting Chief of Management and Financing, Finance Division	The Electricity Generating Authority of Thailand <sup>(1)</sup>

# The Group of Company's Securities Holding of the Directors and Executives as at 31 December 2010

Name			Position			Ratchaburi Electricity Generating Holding Public Company Limited		Subsidiaries						
						Common Share <sup>(1)</sup>			RG		RGAS	RUDOM	RALL	RE
						Year 2009	Year 2010	Increased/ Decreased	Common Share <sup>(2)</sup>	Debentures 1/ 2005 Series 2 (3.1)(Unit)	Common Share <sup>(2)</sup>	Common Share <sup>(2)</sup>	Common Share <sup>(2)</sup>	Common Share <sup>(2)</sup>
1.	Mr. Witoon	Simachokedee	Chairman	-	-	-	-	-	-	-	-			
2.	Mr. Nathi	Premrasmi	Independent Director	-	-	-	-	-	-	-	-			
3.	Mr. Metta	Banturngsuk	Independent Director	-	-	-	-	-	-	-	-			
4.	Mr. Atchada	Kesornsook	Independent Director	-	-	-	-	-	-	-	-			
5.	Mr. Sommai	Khowkachaporn	Independent Director	n/a <sup>(5)</sup>	-	-	-	-	-	-	-			
6.	Mr. Satit	Rungkasiri	Independent Director	n/a <sup>(5)</sup>	-	-	-	-	-	-	-			
7.	Mr. Lae	Dilokvidhyarat	Director	-	-	-	-	-	-	-	-			
8.	Mr. Sutat	Patmasiriwat	Director	n/a <sup>(5)</sup>	-	-	-	-	-	-	-			
9.	Mr. Ratanapong	Jongdamgerrng	Director	7,938	7,938	-	-	-	-	-	-			
10.	Mr. Wirash	Kanchanapibul	Director	n/a <sup>(5)</sup>	7,306	-	-	-	-	-	-			
11.	Mr. Chanin	Vongkusolkrit	Director	-	-	-	-	-	-	-	-			
12.	Mr. Noppol	Milinthanggoon	Director and President	-	-	-	1	-	1	1	1			
13.	Mrs. Darunee	Abhinoraseth	Senior Executive Vice President-Finance	5,300	5,300	-	1	-	1	1	1			
14.	Mr. Prachuab	Ujjin	Senior Executive Vice President-Planning and Portfolio Management	43,500	43,500	-	1	-	1	-	1			
15.	Mr. Peerawat	Pumthong	Senior Executive Vice President-Business Development	-	-	-	1	-	1	1	1			
16.	Mr. Suchart	Avusosakul	Executive Vice President-Planning and Portfolio Management	40,000	60,000	20,000	-	-	-	-	-			
17.	Mr. Ni-run	Wongchanglor	Executive Vice President	-	-	-	1	-	1	1	1			
18.	Mr. Prayut	Thongsuwan	Executive Vice President	3,100	3,100	-	1	-	-	1	1			
19.	Mr. Vatchara	Noomahan	Executive Vice President	-	-	-	-	-	-	-	-			
20.	Mr. Somnuk	Jindasup	Executive Vice President	7,300	7,300	-	-	-	-	-	-			
21.	Mrs. Sunee	Rajatamutha	Senior Vice President and Acting Executive Vice President-Finance	n/a <sup>(5)</sup>	-	-	-	-	-	-	-			
22.	Mrs. Boontiva	Dansamasatid	Senior Vice Presiden-Corporate Secretary Office Acting Executive Vice President-Corporate Administration	n/a <sup>(5)</sup>	-	-	-	-	-	-	-			
23.	Mr. Sommai	Poosanachakorn	Vice President-Accounting	-	-	-	-	-	-	1	1			
24.	Ms. Raywadee	Srikongyos	Vice President-Finance	n/a <sup>(5)</sup>	-	-	-	-	-	-	-			
The Shareholdings of the Directors and the Executives that Resigned from His/Her Position during the Year 2010 <sup>(4)</sup>														
1.	Mr. Sombat	Samtijaree	Chairman	-	-	-	-	-	-	-	-			
2.	Mr. Satit	Limpongpan	Independent Director	-	-	-	-	-	-	-	-			
3.	Mr. Kurujit	Nakornthap	Independent Director	30,000	30,000	-	-	-	-	-	-			
4.	Mr. Pramote	Inswang	Director	8,079	8,079	-	-	-	-	-	-			
5.	Mr. Chulasingh	Vasantasingh	Director	-	-	-	-	-	-	-	-			
6.	Mr. Sakchai	Sripetch	Vice President-Finance	28,052	13,052	(15,000)	1	-	1	1	1			

Remarks : (1) The numbers of RATCH shares held by the Directors and the Executives of RATCH have included those held by their spouse and their minor children (in accordance with the SEC regulation No. Sor jor 12/2552). The table shows the securities that held by Directors, Managing Director, all executives in the 1<sup>st</sup> to 4<sup>th</sup> rank and those with equivalent positions to the executive at 4<sup>th</sup> ranked. Also include the executives in accountancy and finance. (in accordance with the SEC regulation No. Gor jor 17/2551).

(2) The numbers of the debentures and common shares of the Joint venture companies's held by the Directors and the Executives of RATCH represent only the part that held by each Director and the Executive solely (in accordance with the Public Company Limited Act, Section 88 (2)).

(3) The numbers of Ratchaburi Electricity Generating Company Limited debenture 1/2005 in this table represent the debenture holdings of each Director and Executive solely.

3.1 Ratchaburi Electricity Generating Company Limited debenture 1/2005 Series 2: 5 years, issued 29 July 2005 at the value of Baht 1,000 per unit

(4) The Shareholding of the Director or the Executive who resigned from his/her position during the Year represents the number of securities held by that person until the date of his/her retirement or resignation from the Company.

(5) n/a means the person is not a Director or the Executive of the Company during the said period.

RUDOM = Ratch Udom Power Company Limited  
 RL = RATCH-Lao Services Company Limited  
 RI(I)S = RH International (Singapore) Corporation Pte. Limited  
 SEC = Sustainable Energy Corporation Company Limited  
 KKW = Khao Kor Wind Power Company Limited  
 CRESCO = Chubu Ratchaburi Electric Services Company Limited  
 PFM = Phu Fai Mining Company Limited  
 SLT = Solatar Company Limited

# Information about Directorship and Executives in the Company and Jointly - Controlled Entities of the Company's Directors and

Name		Ratchaburi Electricity Generating Holding Public Company Limited	Controlling Shareholders (Electricity Generating Authority of Thailand)	*Controlling Shareholders (Banpu Public Company Limited Group)	RG	RGAS	RUDOM	RALL	RE
1. Mr. Witoon	Simachokedee	DD	D						
2. Mr. Nathi	Premrasmi	I,AA							
3. Mr. Metta	Banturngsuk	I,A,RR							
4. Mr. Atchada	Kesornsook	I,H							
5. Mr. Sommai	Khowkachaporn	I,R							
6. Mr. Satit	Rungkasiri	I,A							
7. Mr. Lae	Dilokvidhyarat	D,HH	D						
8. Mr. Sutat	Patmasiriwat	D	D,Governor		DD				
9. Mr. Ratanapong	Jongdamgerng	D,R	**Deputy Governor-Distribution System						
10. Mr. Wirash	Kanchanapibul	D	Deputy Governor-Administration						
11. Mr. Chanin	Vongkusolkrit	D,H		D,CEO					
12. Mr. Noppol	Milinthangoon	D,P	Engineer, level 14		D				
13. Mrs. Darunee	Abhinoraseth	Senior Executive Vice President-Finance							
14. Mr. Prachuab	Ujjan	Senior Executive Vice President-Planning and Portfolio Management			D,MD	DD			
15. Mr. Peerawat	Pumthong	Senior Executive Vice President-Business Development					DD	DD	DD
16. Mr. Suchart	Avusosakul	Executive Vice President-Planning and Portfolio Management							D
17. Mr. Ni-run	Wongchanglor	Executive Vice President				D,MD	D,MD	D,MD	
18. Mr. Prayut	Thongsuwan	Executive Vice President							D,MD
19. Mr. Vatchara	Noomahan	Executive Vice President							
20. Mr. Somnuk	Jindasup	Executive Vice President			DMD				
21. Mrs. Sunee	Rajatamutha	Senior Vice President and Acting Executive Vice President-Finance							
22. Mrs. Boontiva	Dansamasatid	Senior Vice President-Corporate Secretary Office and Acting Executive Vice President-Corporate Administration							
23. Mr. Sommai	Poosanachakorn	Vice President-Accounting					D	D	
24. Miss Raywadee	Srikongyos	Vice President-Finance							

## Remarks

\* Banpu Public Company Limited Group made a disposal transaction of all the shares they hold in the Company on 19<sup>th</sup> November 2010.

\*\* Mr. Ratanapong Jongdamgerng hold the position of Deputy Governor - Distribution System, Electricity Generating Authority of Thailand until 30<sup>th</sup> September 2010.

A. DD = Board of Directors Chairman

I = Independent Director

MD = Managing Director

A = Audit Committee Member

H = Human Resources and Remuneration Committee Member

R = Risk Management Committee Member

CEO = Chief Executive Officer

D = Board of Directors Member

P = President

DMD = Deputy Managing Director

AA = Chairman of Audit Committee

HH = Chairman of the Human Resources and Remuneration Committee

RR = Chairman of the Risk Management Committee

B

RG = Ratchaburi Electricity Generating Company Limited

RGAS = Ratchaburi Gas Company Limited

RUDOM = Ratch Udom Power Company Limited

RALL = Ratchaburi Alliances Company Limited

RE = Ratchaburi Energy Company Limited

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RL = RATCH-Lao Services Company Limited	RPCL = Ratchaburi Power Company Limited	SEC = Sustainable Energy Corporation Company Limited	KKW = Khao Kor Wind Power Company Limited
RI = RH International Corporation Limited.	CRESCO = Chubu Ratchaburi Electric Services Company Limited	HPC = Hongsa Power Company Limited	SLT = Solarta Company Limited
RI(M) = RH International (Mauritius) Corporation Limited	SEAN = SouthEast Asia Energy Limited	PFM = Phu Fai Mining Company Limited	
RI(S) = RH International (Singapore) Corporation Pte. Limited	NN2 = Nam Ngum 2 Power Company Limited	EDS = EGAT Diamond Service Company Limited	
TECO = Tri Enervay Company Limited		NN3 = Nam Naum 3 Power Company Limited	

# General Information about the Company, Subsidiaries and Joint Ventures

## Ratchaburi Electricity Generating Holding Public Company Limited

Company	: 555/1 Energy Complex, Building A, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand
Tel.	: 66(0) 2794 9999
Fax	: 66(0) 2936 4000
Website	: www.ratch.co.th
Email	: contactinfo@ratch.co.th
Registration No.	: 0107543000031
Type of business	: Investing, developing and operating electricity generating and related businesses
Registered capital	: 14,500 Million Baht
Par value	: 10 Baht
Paid-up capital	: 14,500 Million Baht
Status	: (1) The Company's total installed capacity is 5,647.45 megawatts comprising <ul style="list-style-type: none"> <li>• 5 commercially operated power plants namely               <ol style="list-style-type: none"> <li>1) Ratchaburi Power Plant accounting for the Company's 3,645 megawatts,</li> <li>2) Tri Energy Power Plant accounting for the Company's 350 megawatts,</li> <li>3) Ratchaburi Power Company's Power Plant accounting for the Company's 350 megawatts,</li> <li>4) PTO-A and Expansion Associated Gas Power Plant Project; the Non-Firm SPP Power Plant that has installed capacity of 2.6 megawatts, and</li> <li>5) Nam Ngum 2 Hydroelectric Power Plant in Lao PDR accounting for the Company's 153.75 megawatts,</li> </ol> </li> <li>• The developing projects which are divided into 4 of domestic projects and 3 of Lao PDR projects. Domestic projects are               <ol style="list-style-type: none"> <li>1) Khao Kor Wind Farm Project, Petchaboon Province accounting for the Company's 30.6 megawatts,</li> <li>2) Solar Power Generation Project of Solarta Company Limited accounting for the Company's 16.8 megawatts,</li> <li>3) SPP Cogeneration Project of Nava Nakorn Electricity Generating Company Limited accounting for the Company's 52 megawatts, and</li> <li>4) SPP Cogeneration Projects of Ratchaburi World Cogeneration Company Limited accounting for the Company's 88 megawatts.</li> </ol> </li> <li>Lao PDR projects are               <ol style="list-style-type: none"> <li>1) Hongsa Thermal Power Plant Project accounting for the Company's 751.2 megawatts,</li> <li>2) Nam Ngum 3 Hydroelectric Power Project accounting for the Company's 110 megawatts, and</li> <li>3) Xe-Pian Xe-Namnoy Hydroelectric Power Project accounting for the Company's 97.5 megawatts.</li> </ol> </li> </ul>
	: (2) The Company has 11 subsidiaries namely <ol style="list-style-type: none"> <li>1) Ratchaburi Electricity Generating Company Limited,</li> <li>2) Ratchaburi Gas Company Limited,</li> <li>3) Ratch Udom Power Company Limited,</li> <li>4) Ratchaburi Alliances Company Limited,</li> <li>5) RATCH-Lao Services Company Limited,</li> <li>6) Ratchaburi Energy Company Limited,</li> <li>7) RH International Corporation Limited,</li> <li>8) RH International (Mauritius) Corporation Limited,</li> <li>9) RH International (Singapore) Corporation Pte. Ltd.</li> <li>10) Sustainable Energy Corporation Company Limited, and</li> <li>11) Khao Kor Wind Power Company Limited,</li> </ol> and also has 10 Jointly - Controlled Entities that are <ol style="list-style-type: none"> <li>1) Tri Energy Company Limited,</li> <li>2) Ratchaburi Power Company Limited,</li> <li>3) SouthEast Asia Energy Limited,</li> <li>4) Nam Ngum 2 Power Company Limited,</li> <li>5) Hongsa Power Company Limited,</li> <li>6) Phu Fai Mining Company Limited,</li> <li>7) Chubu Ratchaburi Electric Services Company Limited,</li> <li>8) EGAT Diamond Service Company Limited,</li> <li>9) Nam Ngum 3 Power Company Limited, and</li> <li>10) Solarta Company Limited</li> </ol>



## Subsidiaries

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
1. Ratchaburi Electricity Generating Company Limited 128 Moo 6, Phikunthong Subdistrict, Muang District, Ratchaburi 70000, Thailand Tel : 66(0) 2978 5111-9 66(0) 3236 5740 ext. 3210 Fax : 66(0) 2978 5110 66(0) 3236 5740 ext. 3204 Registration No. 0125543002288	Electricity generating business	18,275	10	18,275	99.99	Supervising the operations of Ratchaburi Power Plants, including two units of thermal power plant with 735 megawatts each, and three blocks of combined cycle plants with 725 megawatts each, totaling 3,645 megawatts. It has 25-year power purchase agreement with EGAT and has started commercial operations in October 2000.
2. Ratchaburi Gas Company Limited 555/1 Energy Complex, Building A, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand Tel : 66(0) 2794 9999 Fax : 66(0) 2936 4000 Registration No. 0105539137646	Investing in electricity generating business	500	10	500	99.99	Holding 50 per cent stake in Tri Energy Company Limited, which currently oversees the operations of the 700 megawatts Tri Energy Power Plant, accounting for 350 megawatts of the Company's generation capacity.
3. Ratch Udom Power Company Limited 555/1 Energy Complex, Building A, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand Tel : 66(0) 2794 9999 Fax : 66(0) 2936 4000 Registration No. 0105546140266	Investing in electricity generating business	420.90	10	420.90	99.99	Holding 99.99 per cent in Ratchaburi Alliances Company Limited.

## Subsidiaries

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's shareholding (%)	Status
4. Ratchaburi Alliances Company Limited 555/1 Energy Complex, Building A, 7 <sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand Tel : 66(0) 2794 9999 Fax : 66(0) 2936 4000 Registration No. 0105547004145	Investing in electricity generating business	420.20	10	420.20	99.99 (held by Ratchaburi Power Company Limited)	Holding 25 per cent in Ratchaburi Power Company Limited which oversees the operations of the 1,400 megawatts Combined Cycle Power Plants accounting for 350 megawatts of the Company's generating capacity.
5. RATCH-Lao Services Company Limited 13 Unit 01, Ban Nongsangthor, Xaysettha, Vientiane, Lao PDR Tel : (007) 856 21 414 895 Fax : (007) 856-21 454 075	Providing operation and maintenance services to power plant, investing and operating other activities related to the Company's investment in Lao PDR	USD 500,000	USD 1	USD 500,000	99.99	Established in Lao PDR on 8 May 2009 and has had agreements to provide operation and maintenance services for the Nam Ngum 2 Hydroelectric Power Plant as follows: (1) An Operation and Maintenance signed with Nam Ngum 2 Power Company Limited on 25 June 2009 and effective since 1 July 2009 until the power plant concession ends. (2) An Operation and Maintenance Subcontract Agreement signed with EGAT on 26 June 2009 and effective since 1 July 2009 until the power plant concession ends.

## Subsidiaries

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
<p>6. Ratchaburi Energy Company Limited</p> <p>Headquarter</p> <p>555/1 Energy Complex, Building A, 7<sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand</p> <p>Tel : 66(0) 2794 9999</p> <p>Fax : 66(0) 2936 4000</p> <p>Branch I Office</p> <p>32 Ban Tham Mai Krai Village Moo 11 Kong Subdistrict, Kong Krilat District, Sukhothai Province, Thailand</p> <p>Branch II Office</p> <p>32/1 Ban Tham Mai Krai Village Moo 11 Kong Subdistrict, Kong Krilat District, Sukhothai Province 64170, Thailand</p> <p>Tel : 66(0) 55 601 104</p> <p>Fax : 66(0) 55 601 104</p> <p>Registration No. 0105544085845</p>	Investing in electricity generation business using alternative energy and in related businesses	640	10	640	99.99	<p>(1) Overseeing the operations of the 1.75 megawatt Pratu-Tao power plant. The project generates power using flare gases which are by products from the Pratu-Tao A oil field located at Ban Tham Mai Krai, Kong Subdistrict, Kong Krilat District, Sukhothai Province, and is supported by the Department of Natural Energy under the Ministry of Energy. The project started commercial operations and distributing power in June 2007.</p> <p>Investing in the development of 0.9 megawatt PTO-A Expansion Power Project, located in the same premise of the existing project, use natural gases from the same oil field and has started its commercial operation, since December 2010.</p> <p>(2) Investing 51 per cent in 60 megawatts wind farm in Petchaboon Province. This project will contribute 30.6 megawatts to the Company and is under development.</p>
<p>7. RH International Corporation Limited</p> <p>555/1 Energy Complex, Building A, 7<sup>th</sup> Floor, Vibhavadi Rangsit Road, Chatuchak, Bangkok, Thailand</p> <p>Tel : 66(0) 2794 9999</p> <p>Fax : 66(0) 2936 4000</p> <p>Registration No. 0105552116711</p>	Investing in electricity generation business using alternative energy and in related businesses	5	10	5	99.99	Established on 28 October 2009 to be an armlength in overseas investment.

## Subsidiaries

Company	Type of business	Registered capital (Million baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
8. RH International (Mauritius) Corporation Limited 4 <sup>th</sup> Floor, Ebene Skies, Rue de L'Institut, Ebene Mauritius	Investing, developing and operating electricity and relaxed businesses overseas	USD 130,000	USD 1	USD 130,000	99.99 (held by RH International Corporation Limited)	Established on 5 August 2010 to be an armlength in overseas investment.
9. RH International (Singapore) Corporation Pte. Limited. 1 Temasek Avenue, #27-01 Millenia Tower, Singapore 039192	Investing, developing and operating electricity and relaxed businesses overseas	SGD 120,000	SGD 1	SGD 120,000	99.99 (Held by RH International (Mauritius) Corporation Limited)	Established on 6 September 2010 to be an armlength in overseas investment.
10. Sustainable Energy Corporation Company Limited 123 Suntowers Building B, 31 <sup>st</sup> Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Tel : 66(0) 2978 5300 Fax : 66(0) 2978 5333 Registration No. 0105551036692	Investing, developing and operating power generating businesses	300	10	120	51 (held by Ratchaburi Energy Company Limited)	(1) Overseeing the wind farm project, a non-firm small power producer. Located in Petchaboon Province, the 60 megawatts power plant will start commercial operations in 2011. (2) Shareholders comprises Wind Energy Holding Company Limited holding 39 per cent stake, Ratchaburi Energy Company Limited holding 51 per cent stake and other minor shareholders holding 10 per cent stake.

### Subsidiaries

Company	Type of business	Registered capital (Million baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
11. Khao Kor Wind Power Company Limited 123 Sun Towers Building B, 31 <sup>st</sup> Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Tel : 66(0) 2978 5300 Fax : 66(0) 2978 5333 Registration No. 0105552030574	Electricity generating business	200	10	50.75	51 (held by Sustainable Energy Corporation Company Limited)	Established on 24 March 2009 to oversee the wind farm project in Petchaboon Province.

## Jointly - Controlled Entities

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
1. Tri Energy Company Limited 1550 Thanaphum Building, 16 <sup>th</sup> Floor, New Petchaburi Road, Makkasan, Ratchthevi, Bangkok 10320, Thailand Tel : 66(0) 2207 0307-14 Fax : 66(0) 2207 0315-16 Registration No. 0105538029882	Electricity generating business	3,423.80	100	3,423.80	50 (held by Ratchaburi Gas Company Limited)	(1) Overseeing the operations of Tri Energy Power Plant in Ratchaburi Province. The combined cycled power plant with one 700 megawatts unit has a 20-year Power Purchase Agreement with EGAT and has started its commercial operations since July 2000.  (2) Shareholders holding 50 per cent stake equally include Chevron Thailand Energy Company and Ratchaburi Gas Company Limited.
2. Ratchaburi Power Company Limited 1828 Sukhumvit Road, Bang Chak, Pra Khanong, Bangkok, 10260, Thailand Tel : 66(0) 2344 5111 Fax : 66(0) 2332 3882 Registration No. 0105539081349	Electricity generating business	7,325	100	7,325	25 (held by Ratchaburi Alliances Company Limited)	(1) Overseeing the operations of Ratchaburi Power Company Limited's plant located in the premise of Ratchaburi Power Plant. The company has a 25-year Power Purchase Agreement with EGAT. The Company has two 700 megawatts combined cycled units, totaling 1,400 megawatts. The first unit started commercial operation in March 2008 and the second unit started in June 2008.  (2) Shareholders include Hong Kong Electric International Power (Mauritius) Limited holding 25 per cent stake, Chubu Electric Power Company International B.V. holding 15 per cent stake, PTT Public Company Limited holding 15 per cent stake, Union Energy Company Limited holding 10 per cent stake, Toyota Tsusho Corporation holding 10 per cent stake, and Ratchaburi Alliances Company Limited holding 25 per cent stake.

## Jointly - Controlled Entities

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
3. SouthEast Asia Energy Limited 587 Viriyathavorn Building, 20 <sup>th</sup> Floor, Suthisarn Vinijchai Road, Din Daeng, Bangkok, 10400, Thailand Tel : 66(0) 2275 4873 Fax : 66(0) 2691 8307 Registration No. 0105547063036	Investing, developing and operating electricity generating businesses in Lao PDR	6,606.75	10	5,532	33.33	(1) Shareholders are the Company holding 33.33 per cent stake, Ch.Karnchang Public Company Limited holding 38 per cent stake, Bangkok Expressway Public Company Limited holding 16.67 per cent stake, and other shareholders holding 12 per cent stake. (2) SouthEast Asia Energy Limited (holding 75 per cent stake) and the Lao PDR's government (holding 25 per cent stake) jointly invested in the Nam Ngum 2 Power Company Limited which oversees the construction of the 615 megawatts Nam Ngum 2 Hydroelectric Power Plant in Lao PDR, accounting for the Company's 153.75 megawatts.
4. Nam Ngum 2 Power Company Limited 215 Lanexang Avenue, Bann Siag Yuen, Chantabouly, Vientiane, Lao PDR Tel : (007) 856 21 223 215 Fax : (007) 856 21 215 500	Electricity generating business	8,809	10	7,370	25 (held by SouthEast Asia Energy Company Limited)	(1) Established on 21 April 2006 and registered in Lao PDR. (2) Overseeing the construction of the Nam Ngum2 Hydroelectric Power Plant in Lao PDR. The plant has a generating capacity of 615 megawatts and a 27-year Power Purchase Agreement starting from the Initial Operation Date (March 2011). (3) Shareholders comprise SouthEast Asia Energy Limited holding 75 per cent stake and the Lao PDR government holding 25 per cent stake.
5. Hongsa Power Company Limited Sikhottabong, Vientiane, Lao PDR Tel: : (007) 856 21 223 911 Fax : (007) 856 21 222 089	Electricity generating business	USD 76,000,000	USD 10	USD 76,000,000	40	(1) Established in Lao PDR on 15 July 2009 to operate the electricity generating concession under the Hongsa Thermal Power Plant Project located in Xayaboury, Lao PDR. The project has a generating capacity of 1,878 megawatts and uses lignite as primary fuel. It is expected to start commercial operations in 2015. (2) Shareholders consist of the Company holding 40 per cent stake, Banpu Power Company Limited holding 40 per cent stake, and Lao Holding State Enterprise holding 20 per cent stake.



## Jointly - Controlled Entities

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
6. Phu Fai Mining Company Limited Sikhottabong, Vientiane Capital, Lao PDR Tel : (007) 856 21 223 911 Fax : (007) 856 21 222 089	Coal mining business	USD 50,000	USD 10	USD 50,000	37.5	(1) Established in Lao PDR on 1 September 2009 to operate lignite mining concession project. Lignite from this project is used for electricity generation at Hongsa Thermal Power Plant. (2) Shareholders include the Company holding 37.5 per cent stake, Banpu Power Company Limited holding 37.5 per cent stake, and Lao Holding State Enterprise holding 25 per cent stake.
7. Chubu Ratchaburi Electric Services Company Limited 128 Moo 6, Phikunthong Sub-district, Muang District, Ratchaburi 70000, Thailand Tel : 66(0) 2978 5180, 66(0) 3236 5740 ext 3210 Fax : 66(0) 2978 5126, 66(0) 3236 5740 ext 3204 Registration No. 0705548000938	Operating and providing power plant maintenance services	40	100	20	49.99	(1) Providing operation and maintenance services for Ratchaburi Power Company Limited's Plant for 14-year period starting from the plant's commercial operation date in June 2008. (2) Shareholders comprise Chubu Electric Power (Thailand) Company Limited holding 49.99 per cent stake, the Company holding 49.99 per cent stake, and individual investors holding 0.02 per cent stake.
8. EGAT Diamond Service Company Limited 53 Moo 2 Charansanitwong Road, Bang Kruai District, Nonthaburi 11130, Thailand Tel : 66(0) 2436 8791 Fax : 66(0) 2436 8787 Registration No. 0125552017292	Investing in power plants' gas turbine maintenance service	623	100	351.06	10	(1) Established on 15 December 2009 to operate power generating system's gas turbine maintenance workshop. It is expected to start the maintenance service in 2011 covering various countries in 18 Asian countries, namely Thailand, Malaysia, Singapore, Lao PDR, Myanmar, Vietnam, Cambodia, Brunei, Australia, New Zealand, India, Pakistan, Bangladesh, Sri Lanka, Bhutan, Nepal, Afghanistan and Maldives (2) Shareholders comprise EGAT holding 45 per cent stake, Mitsubishi Heavy Industries, Limited holding 30 per cent stake, Mitsubishi Corporation holding 15 per cent stake and the Company holding 10 per cent stake.

## Jointly - Controlled Entities

Company	Type of business	Registered capital (Million Baht)	Par value (Baht)	Paid-up capital (Million Baht)	Company's Shareholding (%)	Status
9. Nam Ngum 3 Power Company Limited No. 026, Unit 02, Kaysone Phomvihane Avenue, Ban Phonexay, Xaysettha District, Vientiane, Lao PDR Tel : (007) 856 21 412 639 Fax : (007) 856 21 412 644	Electricity generating	USD 300,000	USD 100	USD 60,000	25	(1) Established on 28 October 2010 to operate Nam Ngum 3 Hydroelectric Power Plant  (2) Shareholders include the Company holding 25 per cent stake, GMS Lao Company Limited holding 27 per cent stake, Marubeni Corporation holding 25 per cent stake, and Lao Holding State Enterprise holding 23 per cent stake. The company is located in Lao PDR and has a generating capacity of 440 megawatts. Commercial operations is scheduled in 2017.
10. Solarta Company Limited 454 Charansanitwong Road, Bang-O, Bangplad, Bangkok 10700, Thailand Tel : 66(0) 2879 0300 ext. 59920 Fax : 66(0) 2879 0399 Registration No. 0105553085861	Electricity generating	550	100	385	49	(1) Operate 8 of the Non-firm VSPP solar power generation projects located in Phra Nakhon Si Ayutthaya Province, Suphan Buri Province and Nakhon Pathom Province with total installed capacity of 34.25 megawatts. The commercial operations are expected during 2011 and 2012.  (2) Shareholders are Yanhee Solar Power Company Limited holding 51 per cent stakes and the Company holding 49 per cent stake.

## Reference Persons

### Registrar

: Thailand Securities Depository Company Limited  
62 The Stock Exchange of Thailand Building  
Ratchadapisek Road, Khlong Toey,  
Bangkok 10110, Thailand  
Tel. 66(0) 2229 2800  
Fax. 66(0) 2654 5427

### Auditor

: KPMG Phoomchai Audit Limited  
95 Empire Tower, 48<sup>th</sup> Floor,  
South Sathorn Road, Bangkok 10120, Thailand  
Tel. 66(0) 2677 2000  
Fax. 66(0) 2677 2222

### Legal Advisor

: Baker and McKenzie Company Limited  
990 Abdulrahim Place, 25<sup>th</sup> Floor,  
Rama IV Road,  
Bangkok 10500, Thailand  
Tel. 66(0) 2636 2000  
Fax. 66(0) 2636 2111  
: Linklaters (Thailand) Limited  
87/1 Capital Tower, 20<sup>th</sup> Floor,  
All Seasons Place, Wireless Road,  
Bangkok 10330, Thailand  
Tel: 66(0) 2305 8000  
Fax: 66(0) 2305 8010

### Corporate Secretary

: Mrs. Boontiva Dansamasatid  
Email: corporatesecretary@ratch.co.th  
Tel. 66(0) 2794 9510  
Fax. 66(0) 2797 9929

### Corporate Relations

: Mrs. Charusuda Boonkerd  
Email: PR@ratch.co.th  
Tel. 66(0) 2794 9940  
Fax. 66(0) 2794 9928

### Investor Relations

: Ms. Ananda Muthitacharoen  
Email: IR@ratch.co.th  
Tel. 66(0) 2794 9841  
Fax. 66(0) 2794 9928



**RATCHABURI**  
ELECTRICITY GENERATING  
HOLDING PCL.

บริษัท ผลิตไฟฟ้าราชบุรีโฮลดิ้ง จำกัด (มหาชน)

Ratchaburi Electricity Generting Holding Public Company Limited

555/1 Energy Complex, Building A, 7<sup>th</sup> Floor,  
Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900, Thailand

Tel : 66(0) 2794 9999 Fax : 66(0) 2936 4000

[www.ratch.co.th](http://www.ratch.co.th)