

**Ratchaburi Electricity Generating Holding
Public Company Limited and its subsidiaries**

Annual financial statements
and
Audit report of Certified Public Accountant

For the years ended
31 December 2011 and 2010

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 statements of financial position as at 31 December 2011 and 2010, and the related statements of comprehensive 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 2011 and 2010, 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 Financial Reporting Standards.

As explained in notes 2 and 3 to the financial statements, with effect from 1 January 2011 the Company has adopted certain new and revised financial reporting standards. The Company's financial statements for the year ended 31 December 2010 have been restated accordingly.

(Vairoj Jindamaneepitak)
Certified Public Accountant
Registration No. 3565

KPMG Phoomchai Audit Ltd.
Bangkok
13 February 2012

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

| Assets | Note | Consolidated | | Separate | |
|--|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | financial statements | | financial statements | |
| | | 2011 | 2010 | 2011 | 2010 |
| | | | (Restated) | | (Restated) |
| | | (in Baht) | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 10,698,628,906 | 11,289,247,631 | 3,819,725,644 | 5,806,011,135 |
| Current investments | 8 | 3,010,688,381 | 2,601,383,130 | 2,850,000,000 | 2,600,000,000 |
| Trade accounts receivable from related parties | 6 | 2,340,443,285 | 3,341,232,206 | - | - |
| Trade accounts receivable from other party | | 313,528,317 | 1,571,265 | - | - |
| Dividend receivable | 6 | 30,813,300 | - | 2,541,230,650 | 1,828,941,385 |
| Advances to and other receivables from related parties | 6 | 105,285,611 | 155,122,839 | 79,147,184 | 151,428,769 |
| Short-term loans to related parties | 6 | - | - | - | 1,797,092,000 |
| Current portion of long-term loans to related party | 6 | 62,500,000 | 62,500,000 | 62,500,000 | 62,500,000 |
| Spare parts and supplies | 9 | 2,246,743,321 | 1,746,232,615 | - | - |
| Other current assets | | 323,043,048 | 76,329,814 | 169,889,433 | 55,729,492 |
| Total current assets | | 19,131,674,169 | 19,273,619,500 | 9,522,492,911 | 12,301,702,781 |
| Non-current assets | | | | | |
| Long-term trade receivable from related parties | 6 | - | 4,950,831 | - | - |
| Long-term receivable from related parties | 6 | - | - | 16,776,946 | 4,548,068 |
| Investments in subsidiaries | 6, 10 | - | - | 21,179,660,558 | 20,523,466,558 |
| Investments in jointly-controlled entities | 6, 11 | 13,643,499,397 | 10,997,708,654 | 4,121,064,670 | 3,142,338,420 |
| Investments in associate entities | 6, 11 | 356,561,561 | - | 357,062,040 | - |
| Investment in other company | 12 | 50,656,049 | 50,656,049 | 50,656,049 | 50,656,049 |
| Other long-term investments | 8 | 2,249,223,988 | 1,669,460,834 | 218,000,000 | 368,000,000 |
| Long-term loans to related parties | 6 | 1,611,633,470 | - | 3,453,645,798 | 793,900,000 |
| Property, plant and equipment | 13 | 50,556,039,343 | 35,164,866,661 | 465,386,853 | 384,609,732 |
| Land for future development projects | | 305,389,850 | 305,221,850 | 305,389,850 | 305,221,850 |
| Intangible assets | 14 | 6,097,146,046 | 795,509,846 | 670,881,846 | 671,840,930 |
| Deferred tax assets | 15 | 189,628,109 | 135,417,436 | 77,847,169 | 1,046,349 |
| Other non-current assets | 16 | 1,707,615,153 | 1,184,410,629 | 484,754,920 | 264,245,321 |
| Total non-current assets | | 76,767,392,966 | 50,308,202,790 | 31,401,126,699 | 26,509,873,277 |
| Total assets | | 95,899,067,135 | 69,581,822,290 | 40,923,619,610 | 38,811,576,058 |

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of financial position

As at 31 December 2011 and 2010

| Liabilities and equity | Note | Consolidated financial statements | | Separate financial statements | |
|---|-----------|--------------------------------------|-----------------------|----------------------------------|-----------------------|
| | | 2011 | 2010 (Restated) | 2011 | 2010 (Restated) |
| | | (in Baht) | | | |
| Current liabilities | | | | | |
| Trade account payable to related party | 6 | 152,230,650 | 11,833,332 | - | - |
| Trade accounts payable to other parties | | 4,552,046,911 | 4,646,941,345 | - | - |
| Current portion of long-term loans | | | | | |
| from related party | 6 | 2,775,320,949 | - | - | - |
| Current portion of long-term loans | | | | | |
| from financial institutions | 17 | 191,826,780 | 3,617,468,002 | - | - |
| Current portion of debentures | 17 | 3,658,854,023 | - | - | - |
| Current portion of financial lease liability | 17 | 1,577,500 | 1,474,839 | - | - |
| Income tax payable | | 499,047,920 | 433,287,699 | - | - |
| Other current liabilities | 6, 18, 19 | 916,331,174 | 953,715,916 | 267,159,553 | 655,143,786 |
| Total current liabilities | | 12,747,235,907 | 9,664,721,133 | 267,159,553 | 655,143,786 |
| Non-current liabilities | | | | | |
| Long-term loans from related party | 6 | 1,425,625,869 | - | - | - |
| Long-term loans from financial institutions | 17 | 14,818,698,518 | 13,237,526,583 | 1,200,000,000 | - |
| Debentures | 17 | 15,788,341,233 | - | - | - |
| Financial lease liability | 17 | 1,817,140 | 3,259,557 | - | - |
| Deferred tax liabilities | 15 | 2,039,387,461 | - | - | - |
| Employee benefit obligations | 19 | 79,631,445 | - | 54,527,743 | - |
| Other non-current liabilities | | 387,190,902 | - | - | - |
| Total non-current liabilities | | 34,540,692,568 | 13,240,786,140 | 1,254,527,743 | - |
| Total liabilities | | 47,287,928,475 | 22,905,507,273 | 1,521,687,296 | 655,143,786 |
| Equity | | | | | |
| Share capital | | | | | |
| Authorised share capital | 20 | 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 | 21 | 1,531,778,000 | 1,531,778,000 | 1,531,778,000 | 1,531,778,000 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| Legal reserve | 21 | 1,450,000,000 | 1,450,000,000 | 1,450,000,000 | 1,450,000,000 |
| Unappropriated | | 30,661,590,543 | 29,129,420,635 | 21,920,154,314 | 20,674,654,272 |
| Other components of equity | | (226,021,021) | 18,887,917 | - | - |
| Total equity attributable to owners of the Company | | 47,917,347,522 | 46,630,086,552 | 39,401,932,314 | 38,156,432,272 |
| Non-controlling interests | | 693,791,138 | 46,228,465 | - | - |
| Total equity | | 48,611,138,660 | 46,676,315,017 | 39,401,932,314 | 38,156,432,272 |
| Total liabilities and equity | | 95,899,067,135 | 69,581,822,290 | 40,923,619,610 | 38,811,576,058 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2011 and 2010

| | Note | Consolidated | | Separate | |
|---|-----------|-------------------------|-------------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 2011 | 2010 | 2011 | 2010 |
| | | | (Restated) | | (Restated) |
| | | <i>(in Baht)</i> | | | |
| Revenue from sale and rendering of services | 6, 22 | 43,456,858,420 | 42,181,120,883 | - | - |
| Cost of sale and rendering of services | 6 | <u>(35,814,583,500)</u> | <u>(36,183,097,647)</u> | - | - |
| Gross profit | | 7,642,274,920 | 5,998,023,236 | - | - |
| Management service income | 6 | 188,547,551 | 258,664,050 | 308,643,223 | 271,380,910 |
| Dividend income | 6, 10, 11 | 60,062,641 | - | 4,830,810,682 | 3,684,473,009 |
| Interest income | 6 | 577,699,776 | 232,376,838 | 329,912,264 | 216,010,123 |
| Other income | 6 | 109,809,801 | 72,392,411 | 2,456,453 | 14,320,919 |
| Administrative expenses | 6, 23 | (1,393,453,118) | (851,581,081) | (852,255,209) | (551,602,965) |
| Gain (loss) on exchange rate | | (35,349,296) | 49,221,597 | (106,031,925) | 46,277,442 |
| Finance costs | 26 | (1,936,921,022) | (714,520,623) | (35,445,288) | - |
| Share of profit of jointly-controlled and associated entities | 11 | 1,333,094,778 | 1,443,132,513 | - | - |
| Profit before income tax expense | | 6,545,766,031 | 6,487,708,941 | 4,478,090,200 | 3,680,859,438 |
| Income tax expense | 27 | (1,822,215,544) | (1,266,545,722) | 62,819,649 | (5,604,187) |
| Profit for the year | | 4,723,550,487 | 5,221,163,219 | 4,540,909,849 | 3,675,255,251 |
| Other comprehensive income | | | | | |
| Foreign currency translation differences for | | | | | |
| foreign operations | | (176,795,162) | 18,887,917 | - | - |
| Net change in fair value of available-for-sale investments | 8 | (87,329,034) | - | - | - |
| Income tax for other comprehensive income | | 6,127,430 | - | - | - |
| Other comprehensive income for the year, net of income tax | | (257,996,766) | 18,887,917 | - | - |
| Total comprehensive income for the year | | 4,465,553,721 | 5,240,051,136 | 4,540,909,849 | 3,675,255,251 |
| Profit (loss) attributable to: | | | | | |
| Owner of the Company | | 4,840,642,018 | 5,225,909,684 | 4,540,909,849 | 3,675,255,251 |
| Non-controlling interests | | (117,091,531) | (4,746,465) | - | - |
| Profit for the year | | 4,723,550,487 | 5,221,163,219 | 4,540,909,849 | 3,675,255,251 |
| Total comprehensive income attributable to: | | | | | |
| Owner of the Company | | 4,595,733,080 | 5,244,797,601 | 4,540,909,849 | 3,675,255,251 |
| Non-controlling interests | | (130,179,359) | (4,746,465) | - | - |
| Total comprehensive income for the year | | 4,465,553,721 | 5,240,051,136 | 4,540,909,849 | 3,675,255,251 |
| Basic earnings per share (Baht) | 29 | 3.34 | 3.60 | 3.13 | 2.53 |

The accompanying notes are an integral part of these financial statements

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

| | | Consolidated financial statements | | | | | | | | | | |
|--|--|--|----------------------|----------------------|------------------------|--|---|--|---|---|----------------------------------|------------------------|
| | | Retained earnings | | | | Other components of equity | | | | | | |
| | | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Currency translation differences | Fair value changes in available-for-sale investments <i>(in Baht)</i> | Income tax for other comprehensive income | Total other components of equity | Equity attributable to owners of the Company | Non- controlling interests | Total equity |
| Note | | | | | | | | | | | | |
| | Balance at 1 January 2010 - as reported | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 27,042,357,161 | - | - | - | - | 44,524,135,161 | - | 44,524,135,161 |
| 3 | Impact of changes in accounting policies - retrospective | - | - | - | 123,653,790 | - | - | - | - | 123,653,790 | - | 123,653,790 |
| | Balance at 1 January 2010 - restated | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 27,166,010,951 | - | - | - | - | 44,647,788,951 | - | 44,647,788,951 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | | | |
| | Additional payment in investment from non-controlling interests | - | - | - | - | - | - | - | - | - | 50,974,930 | 50,974,930 |
| 30 | Dividends to owners of the Company | - | - | - | (3,262,500,000) | - | - | - | - | (3,262,500,000) | - | (3,262,500,000) |
| | Total contributions by and distributions to owners of the Company | - | - | - | (3,262,500,000) | - | - | - | - | (3,262,500,000) | 50,974,930 | (3,211,525,070) |
| | Total transactions with owners, recorded directly in equity | - | - | - | (3,262,500,000) | - | - | - | - | (3,262,500,000) | 50,974,930 | (3,211,525,070) |
| Comprehensive income for the year | | | | | | | | | | | | |
| | Profit | - | - | - | 5,225,909,684 | - | - | - | - | 5,225,909,684 | (4,746,465) | 5,221,163,219 |
| | Other comprehensive income | - | - | - | - | 18,887,917 | - | - | 18,887,917 | 18,887,917 | - | 18,887,917 |
| | Total comprehensive income for the year | - | - | - | 5,225,909,684 | 18,887,917 | - | - | 18,887,917 | 5,244,797,601 | (4,746,465) | 5,240,051,136 |
| | Balance at 31 December 2010 | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 29,129,420,635 | 18,887,917 | - | - | 18,887,917 | 46,630,086,552 | 46,228,465 | 46,676,315,017 |

The accompanying notes are an integral part of these financial statements

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

| | | Consolidated financial statements | | | | | | | | | | |
|--|--|--|----------------------|----------------------|------------------------|--|---|--|---|---|----------------------------------|-------------------------|
| | | Retained earnings | | | | Other components of equity | | | | | | |
| | | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Currency translation differences | Fair value changes in available-for-sale investments <i>(in Baht)</i> | Income tax for other comprehensive income | Total other components of equity | Equity attributable to owners of the Company | Non- controlling interests | Total equity |
| <i>Note</i> | | | | | | | | | | | | |
| | Balance at 31 December 2010 - as reported | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 29,000,270,397 | 18,887,917 | - | - | 18,887,917 | 46,500,936,314 | 46,228,465 | 46,547,164,779 |
| 3 | Impact of changes in accounting policies - retrospective | - | - | - | 129,150,237 | - | - | - | - | 129,150,237 | - | 129,150,237 |
| | Balance at 1 January 2011 - restated | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 29,129,420,634 | 18,887,917 | - | - | 18,887,917 | 46,630,086,551 | 46,228,465 | 46,676,315,016 |
| 3 | Impact of changes in accounting policies - prospective | - | - | - | (45,972,109) | - | - | - | - | (45,972,109) | (25,179) | (45,997,288) |
| | Balance at 1 January 2011 - as adjusted | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 29,083,448,525 | 18,887,917 | - | - | 18,887,917 | 46,584,114,442 | 46,203,286 | 46,630,317,728 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | | | | | | | |
| | Additional payment in investment from non-controlling interests | - | - | - | - | - | - | - | - | - | 777,767,211 | 777,767,211 |
| 30 | Dividends to owners of the Company | - | - | - | (3,262,500,000) | - | - | - | - | (3,262,500,000) | - | (3,262,500,000) |
| | <i>Total contributions by and distributions to owners of the Company</i> | - | - | - | (3,262,500,000) | - | - | - | - | (3,262,500,000) | 777,767,211 | (2,484,732,789) |
| | Total transactions with owners, recorded directly in equity | - | - | - | (3,262,500,000) | - | - | - | - | (3,262,500,000) | 777,767,211 | (2,484,732,789) |
| Comprehensive income for the year | | | | | | | | | | | | |
| | Profit | - | - | - | 4,840,642,018 | - | - | - | - | 4,840,642,018 | (117,091,531) | 4,723,550,487 |
| | Other comprehensive income | - | - | - | - | (163,707,334) | (87,329,034) | 6,127,430 | (244,908,938) | (244,908,938) | (13,087,828) | (257,996,766) |
| | Total comprehensive income for the year | - | - | - | 4,840,642,018 | (163,707,334) | (87,329,034) | 6,127,430 | (244,908,938) | 4,595,733,080 | (130,179,359) | 4,465,553,721 |
| | Balance at 31 December 2011 | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 30,661,590,543 | (144,819,417) | (87,329,034) | 6,127,430 | (226,021,021) | 47,917,347,522 | 693,791,138 | 48,611,138,660 |

The accompanying notes are an integral part of these financial statements

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

| | Note | Separate financial statements | | | Total equity | |
|--|------|----------------------------------|----------------------|-----------------------------------|------------------------|------------------------|
| | | Issued and paid-up share capital | Share premium | Retained earnings | | |
| | | | | Legal reserve <i>(in Baht)</i> | | Unappropriated |
| Balance at 1 January 2010 - as reported | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 20,262,139,800 | 37,743,917,800 |
| Impact of changes in accounting policies - retrospective | 3 | - | - | - | (240,779) | (240,779) |
| Balance at 1 January 2010 - restated | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 20,261,899,021 | 37,743,677,021 |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | |
| Dividends to owners of the Company | 30 | - | - | - | (3,262,500,000) | (3,262,500,000) |
| <i>Total contributions by and distributions to owners of the Company</i> | | - | - | - | (3,262,500,000) | (3,262,500,000) |
| Total transactions with owners, recorded directly in equity | | - | - | - | (3,262,500,000) | (3,262,500,000) |
| Comprehensive income for the year | | | | | | |
| Profit | | - | - | - | 3,675,255,251 | 3,675,255,251 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 3,675,255,251 | 3,675,255,251 |
| Balance at 31 December 2010 | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 20,674,654,272 | 38,156,432,272 |

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of changes in equity

For the years ended 31 December 2011 and 2010

| | Note | Separate financial statements | | | Total equity | |
|--|------|----------------------------------|----------------------|-----------------------------------|------------------------|------------------------|
| | | Issued and paid-up share capital | Share premium | Retained earnings | | |
| | | | | Legal reserve <i>(in Baht)</i> | | Unappropriated |
| Balance at 31 December 2010 - as reported | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 20,677,793,318 | 38,159,571,318 |
| Impact of changes in accounting policies - retrospective | 3 | - | - | - | (3,139,046) | (3,139,046) |
| Balance at 1 January 2011 - restated | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 20,674,654,272 | 38,156,432,272 |
| Impact of changes in accounting policies - prospective | 3 | - | - | - | (32,909,807) | (32,909,807) |
| Balance at 1 January 2011 - as adjusted | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 20,641,744,465 | 38,123,522,465 |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Contributions by and distributions to owners of the Company</i> | | | | | | |
| Dividends to owners of the Company | 30 | - | - | - | (3,262,500,000) | (3,262,500,000) |
| Total contributions by and distributions to owners of the Company | | - | - | - | (3,262,500,000) | (3,262,500,000) |
| Total transactions with owners, recorded directly in equity | | - | - | - | (3,262,500,000) | (3,262,500,000) |
| Comprehensive income for the year | | | | | | |
| Profit | | - | - | - | 4,540,909,849 | 4,540,909,849 |
| Other comprehensive income | | - | - | - | - | - |
| Total comprehensive income for the year | | - | - | - | 4,540,909,849 | 4,540,909,849 |
| Balance at 31 December 2011 | | 14,500,000,000 | 1,531,778,000 | 1,450,000,000 | 21,920,154,314 | 39,401,932,314 |

The accompanying notes are an integral part of these financial statements

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of cash flows

For the years ended 31 December 2011 and 2010

| | Consolidated | | Separate | |
|--|----------------------|----------------------|------------------------|----------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | | (Restated) | | (Restated) |
| | <i>(in Baht)</i> | | | |
| Cash flows from operating activities | | | | |
| Profit for the year | 4,723,550,487 | 5,221,163,219 | 4,540,909,849 | 3,675,255,251 |
| Adjustments for | | | | |
| Depreciation | 3,206,902,245 | 2,682,658,891 | 26,909,468 | 24,729,856 |
| Amortisation | 69,561,905 | 2,970,779 | 2,136,338 | 1,600,614 |
| Interest income | (577,699,776) | (232,376,839) | (329,912,264) | (216,010,123) |
| Finance costs | 1,936,921,022 | 714,520,623 | 35,445,288 | - |
| Provision for obsolescence of spare parts and supplies | 59,213,403 | 28,437,226 | - | - |
| Unrealised loss on exchange | 175,366,781 | 18,239,038 | 109,519,785 | 21,798,036 |
| Dividend income | (60,062,641) | - | (4,830,810,682) | (3,684,473,009) |
| (Gain) loss on disposal of plant and equipment | 723,047 | (1,925,844) | (874,209) | (1,093,795) |
| Loss on disposal of spare parts and supplies | - | 28,353,765 | - | - |
| Employee benefit obligations | 32,421,298 | - | 7,513,733 | - |
| Shares of profit of jointly-controlled and associated entities | (1,333,094,778) | (1,443,132,513) | - | - |
| Amortisation of development costs | - | 3,855,252 | - | - |
| Income tax expense | 1,822,215,544 | 1,266,545,722 | (62,819,649) | 5,604,187 |
| | 10,056,018,537 | 8,289,309,319 | (501,982,343) | (172,588,983) |
| Changes in operating assets and liabilities | | | | |
| Trade accounts receivable from related parties | 1,030,591,349 | 1,877,230,626 | - | - |
| Advances to and other receivables from related parties | 111,770,705 | (133,586,485) | 76,207,732 | (133,146,329) |
| Spare parts and supplies | (28,603,451) | (24,887,234) | - | - |
| Other current assets and non-current assets | (716,671,566) | (265,997,760) | (286,816,488) | (249,089,955) |
| Trade account payable from related party | 140,397,318 | (196,770,077) | - | - |
| Trade account payable from other parties | (595,985,368) | 1,102,456,478 | - | - |
| Other current liabilities | (162,508,672) | (274,751,035) | (450,889,818) | (117,713,975) |
| Cash generated from (used in) operating activities | 9,835,008,852 | 10,373,003,832 | (1,163,480,917) | (672,539,242) |
| Income tax paid | (1,880,977,285) | (1,049,231,039) | (12,303,802) | (7,278,838) |
| Net cash from (used in) operating activities | 7,954,031,567 | 9,323,772,793 | (1,175,784,719) | (679,818,080) |

The accompanying notes are an integral part of these financial statements

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

Statements of cash flows

For the years ended 31 December 2011 and 2010

| | Consolidated | | Separate | |
|--|------------------------|------------------------|------------------------|------------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | | (Restated) | | (Restated) |
| | (in Baht) | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 528,360,792 | 241,387,408 | 281,629,261 | 311,028,147 |
| Dividends received | 883,012,450 | 1,057,098,900 | 4,118,521,417 | 4,569,946,070 |
| Purchases of property, plant and equipment | (192,756,235) | (383,258,977) | (61,985,614) | (331,267,299) |
| Sale of plant and equipment | 878,110,986 | 3,933,355 | 2,171,963 | 2,703,411 |
| Purchases of intangible assets | (50,562,126) | (3,124,701) | (1,177,254) | (2,667,009) |
| Net cash inflow (outflow) in current investments | (364,419,500) | 5,750,000,000 | (200,000,000) | 5,750,000,000 |
| Net cash inflow in long term investments | 101,341,120 | 3,567,240 | 100,000,000 | - |
| Cash outflow on investments in | | | | |
| securities available for sale | (146,118,658) | (1,301,460,834) | - | - |
| Decrease in short-term loans to related parties | - | 520,360,000 | 4,774,997,167 | 1,920,360,000 |
| Increase in short-term loans to related parties | - | (520,000,000) | (3,860,274,651) | (3,738,890,000) |
| Decrease in long-term loans to related parties | - | - | 6,391,382,330 | 618,881,000 |
| Increase in long-term loans to related parties | - | - | (8,278,275,000) | - |
| Cash outflow on acquisition of investments | | | | |
| in subsidiaries | (7,037,885,511) | (377,695,705) | (656,194,000) | (373,695,705) |
| Cash outflow on acquisition of investments | | | | |
| in jointly-controlled entities | (978,726,250) | (60,750,000) | (978,726,250) | (378,750,000) |
| Cash outflow on acquisition of investments | | | | |
| in associates entities | (357,062,040) | - | (357,062,040) | - |
| Cash outflow on acquisition of investments | | | | |
| in other company | - | (15,550,055) | - | (19,550,055) |
| Net cash from (used in) investing activities | (6,736,704,972) | 4,914,506,631 | 1,275,007,329 | 8,328,098,560 |
| <i>Cash flows from financing activities</i> | | | | |
| Finance costs paid | (1,744,093,471) | (677,386,473) | (23,016,411) | - |
| Proceeds from issue of ordinary shares | 30,820,000 | 3,500,000 | - | - |
| Dividend paid to equity holders of the Company | (3,262,491,690) | (3,260,970,952) | (3,262,491,690) | (3,260,970,952) |
| Proceeds from short-term loans from financial institutions | 12,174,000,000 | 5,380,000,000 | 4,600,000,000 | - |
| Repayment of short-term loans from financial institutions | (12,174,000,000) | (5,380,000,000) | (4,600,000,000) | - |
| Repayment of finance lease liability | (1,331,036) | (1,130,639) | - | - |
| Proceeds from long-term loans from related party | 96,591,300 | - | - | - |
| Proceeds from long-term loans from financial institutions | 1,200,000,000 | - | 1,200,000,000 | - |
| Repayment of long-term loans from financial institutions | (17,753,865,600) | (2,071,974,800) | - | - |
| Proceeds from issue of debentures | 19,181,303,064 | - | - | - |
| Redemption of debentures | - | (750,000,000) | - | - |
| Net cash (used in) financing activities | (2,253,067,433) | (6,757,962,864) | (2,085,508,101) | (3,260,970,952) |

Ratchaburi Electricity Generating Holding Public Company Limited its subsidiaries

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
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For the years ended 31 December 2011 and 2010

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These notes form an integral part of the financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on 13 February 2012.

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 2011 and 2010 were as follows:

| Name of the entities | Type of business | Country of incorporation | Ownership interest (%) | |
|---|---|--------------------------|------------------------|-------|
| | | | 2011 | 2010 |
| <i>Direct subsidiaries</i> | | | | |
| 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 |
| <i>Indirect subsidiaries</i> | | | | |
| 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 | 100 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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| Name of the entities | Type of business | Country of incorporation | Ownership interest (%) | |
|--|---|--------------------------|------------------------|-------|
| | | | 2011 | 2010 |
| RH International (Singapore) Corporation PTE. LTD. | Investing in the power energy business Internationally | Singapore | 100 | 100 |
| Sustainable Energy Corporation Company Limited | Investing in the power energy business | Thailand | 55.18 | 51 |
| Khao Kor Wind Power Company Limited | Generating and selling electricity | Thailand | 55.18 | 51 |
| RATCH-Australia Corporation Limited and subsidiaries | Developing and operating power plant and investing in the power energy business | Australia | 80 | - |
| <i>Jointly-controlled entities</i> | | | | |
| 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 2 Power Company Limited | Generating and selling electricity | Lao PDR | 25 | 25 |
| Nam Ngum 3 Power Company Limited | Generating and selling electricity | Lao PDR | 25 | 25 |
| Nava Nakorn Electricity Generating Company Limited | Generating and selling electricity and steam | Thailand | 40 | 40 |
| Ratchaburi World Cogeneration Company Limited | Generating and selling electricity and steam | Thailand | 40 | 10 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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| Name of the entities | Type of business | Country of incorporation | Ownership interest (%) | |
|---------------------------------------|------------------------------------|--------------------------|------------------------|------|
| | | | 2011 | 2010 |
| Solartha Company Limited | Generating and selling electricity | Thailand | 49 | - |
| Solar Power (Korat 3) Company Limited | Generating and selling electricity | Thailand | 40 | - |
| Solar Power (Korat 4) Company Limited | Generating and selling electricity | Thailand | 40 | - |
| Solar Power (Korat 7) Company Limited | Generating and selling electricity | Thailand | 40 | - |
| Songkha Biomass Company Limited | Generating and selling electricity | Thailand | 40 | - |
| <i>Associate entity</i> | | | | |
| First Korat Wind Company Limited | Generating and selling electricity | Thailand | 20 | - |
| K.R. Two Company Limited | Generating and selling electricity | Thailand | 20 | - |

2 Basis of preparation of the financial statements

(a) Statement of compliance

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

During 2010 and 2011, the FAP issued the following new and revised TFRS relevant to the Group’s/Company’s operations and effective for accounting periods beginning on or after 1 January 2011:

| TFRS | Topic |
|-----------------------|---|
| TAS 1 (revised 2009) | Presentation of Financial Statements |
| TAS 2 (revised 2009) | Inventories |
| TAS 7 (revised 2009) | Statement of Cash Flows |
| TAS 8 (revised 2009) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2009) | Events after the Reporting Period |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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| TFRS | Topic |
|------------------------------------|---|
| TAS 16 (revised 2009) | Property, Plant and Equipment |
| TAS 17 (revised 2009) | Leases |
| TAS 18 (revised 2009) | Revenue |
| TAS 19 | Employee Benefits |
| TAS 23 (revised 2009) | Borrowing Costs |
| TAS 24 (revised 2009) | Related Party Disclosures |
| TAS 27 (revised 2009) | Consolidated and Separate Financial Statements |
| TAS 28 (revised 2009) | Investments in Associates |
| TAS 31 (revised 2009) | Interests in Joint Ventures |
| TAS 33 (revised 2009) | Earnings per Share |
| TAS 34 (revised 2009) | Interim Financial Reporting |
| TAS 36 (revised 2009) | Impairment of Assets |
| TAS 37 (revised 2009) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2009) | Intangible Assets |
| FAP' s announcement no. 17/2554 | Transitional Procedures for Other Long-term Employee Benefits |

The adoption of these new and revised TFRS has resulted in changes in the Group's/Company's accounting policies. The effects of these changes are disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued during 2010 a number of other new and revised TFRS which are expected to be effective for financial statements beginning on or after 1 January 2013 and have not been adopted in the preparation of these financial statements. These new and revised TFRS are disclosed in note 34.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies

(c) Presentation currency

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.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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(d) Use of estimates and judgments

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.

| | |
|-----------|---|
| Note 4(q) | Current and deferred tax |
| Note 5 | Acquisitions of subsidiary and non-controlling interest |
| Note 15 | Deferred tax- utilisation of tax losses |
| Note 19 | Employee benefit obligations |

3 Changes in accounting policies

(a) Overview

From 1 January 2011, consequent to the adoption of new and revised TFRS as set out in note 2, the Group/Company has changed its accounting policies in the following areas

- Presentation of financial statements
- Accounting for Income tax expense
- Accounting for property, plant and equipment
- Accounting for employee benefits

Details of the new accounting policies adopted by the Group/Company and the impact of the changes on the financial statements are included in notes 3(b) to 3(f) below.

(b) Presentation of financial statements

The Group/Company has adopted TAS 1 Presentation of Financial Statements (Revised 2009). Under the revised standard, a set of financial statements comprises:

- Statement of financial position;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows; and
- Notes to the financial statements.

As a result, the Group/Company presents all owner changes in equity in the statement of changes in equity and all non-owner changes in equity in the statement of comprehensive income. Previously, all such changes were included in the statement of changes in equity.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on reported profit or earnings per share.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the years ended 31 December 2011 and 2010

(c) Accounting for Income tax expense

The Group/Company has applied TAS 12 Income taxes. The change in accounting policy has been applied retrospectively to the Company's 2010 financial statements, which are included in the Company's 2011 financial statements for comparative purposes, have been restated accordingly. The impact on the 2011 and 2010 financial statements was described in note 3(f).

(d) Accounting for property, plant and equipment

The Group/Company has adopted TAS 16 (revised 2009) Property, plant and equipment in determining and accounting for the cost and depreciable amount of 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 changes have been applied prospectively in accordance with the transitional provisions of the revised standard, except that consideration of the costs of asset dismantlement, removal and restoration, have been applied retrospectively. The changes have had no material impact on the profit and earnings per share for the years ended 31 December 2011 and 2010.

(e) Accounting for employee benefits

The Group/Company has adopted TAS 19 Employee Benefits. The change in accounting policy relates to long-term employee benefit, the Group has opted to record the entire amount of this liability as an adjustment to retained earnings as at 1 January 2011. The impact on the 2011 and 2010 financial statements was as described in note 3(f).

(f) The impact

The impact on the 2011 and 2010 financial statements was as follows :

| <i>2010 financial statements</i> | Consolidated financial statements | Separate financial statements |
|---|--|--|
| | <i>(in thousand Baht)</i> | |
| <i>Statement of financial position</i> | | |
| Equity at 1 January 2010 - as reported | 44,524,135 | 37,743,918 |
| Changes adjusted retrospectively as a result of the adoption of : | | |
| TAS 12 Deferred tax | 130,055 | 4,302 |
| TAS 19 Employee benefits - short-term benefits | (6,402) | (4,543) |
| Equity at 1 January 2010 - restated | <u>44,647,788</u> | <u>37,743,677</u> |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the years ended 31 December 2011 and 2010

| <i>2010 financial statements</i> | Consolidated financial statements | Separate financial statements |
|---|--|--|
| | <i>(in thousand Baht)</i> | |
| Statement of comprehensive income for the year ended 31 December 2010 | | |
| Profit before income tax - as reported | 6,487,574 | 3,680,501 |
| Changes before income tax expense adjusted retrospectively as a result of adoption of : | | |
| TAS 19 Employee benefits - short-term benefits | 135 | 358 |
| Profit before income tax - restated | 6,487,709 | 3,680,859 |
| Income tax expense - as reported | (1,271,907) | (2,348) |
| Changes in income tax expense as a result of the adoption of TAS 12 Deferred tax | 5,384 | (3,167) |
| Changes in income tax expense adjusted retrospectively as a result of the adoption of TAS 19 | (22) | (89) |
| Income tax expense - restated | (1,266,545) | (5,604) |
| Profit - restated | 5,221,164 | 3,675,255 |
| | | |
| Increase (decrease) in earnings per share (in Baht) | 0.0038 | (0.0020) |

| <i>2011 financial statements</i> | Consolidated financial statements | Separate financial statements |
|--|--|--|
| | <i>(in thousand Baht)</i> | |
| Statement of financial position | | |
| Equity at 31 December 2010 – as reported | 46,547,164 | 38,159,571 |
| Changes adjusted retrospectively as a result of the adoption of : | | |
| TAS 12 Deferred tax | 135,417 | 1,046 |
| TAS 19 Employee benefits - short-term benefits | (6,267) | (4,185) |
| Equity at 31 December 2010 – as restated | 46,676,314 | 38,156,432 |
| Changes adjusted prospectively as a result of the adoption of : TAS 19 Employee benefits - long- term benefits | (65,710) | (47,014) |
| Changes in income tax expense as a result of the adoption of TAS 19 | 19,713 | 14,105 |
| Equity at 1 January 2011 – as adjusted | 46,630,317 | 38,123,523 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the years ended 31 December 2011 and 2010

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses changes in 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 associated and jointly-controlled entities.

The Group/Company applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group/Company to the previous owners of the acquiree, and equity interests issued by the Group/Company. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group/Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group/Company measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

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.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non- controlling interests even if doing so causes the non- controlling interests to have a deficit balance.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Associates and Jointly-controlled entities

Associates and jointly-controlled entities are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates and jointly controlled entities are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, 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 associate.

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 associates and 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 profit or loss

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 other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

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When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, saving 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, associates and jointly-controlled entities

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

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

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

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

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

If the Group/Company 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*

Recognition and measurement

Owned assets

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

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Leased assets

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

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

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

| | |
|--|-------------|
| Power plant, substations and transmission system | 10-25 years |
| Flared gas fuelled small power plant | 8 years |
| Equipment for gas turbine power plant | 4-25 years |
| Operating and maintenance equipment and equipment for wind power plant | 5 years |
| Buildings and structures | 20-40 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.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and impairment losses.

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Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

| | | |
|---|-------|-------|
| Software licences | 3-10 | years |
| Right to use electrical transmission line | 8 | years |
| Right to Power Purchase Agreements and Coal Supply Agreements | 20-25 | years |

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(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/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

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

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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 in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(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 profit or loss 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

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

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Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided

Post-employment benefits

The Group's/Company's obligation in respect of post-employment benefit is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating the terms of the Group's/Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

(n) Provisions

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(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.

Revenue from the sale of electricity apart from the Power Purchase Agreement is recognised in the statement of income based on the units of sales delivered at the applicable tariff rates.

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, other income and dividend

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/Company's right to receive payments is established.

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(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 occurred may calculate with minimum payment for the period of agreement if the price is adjusted.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's/Company's incremental borrowing rate.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest 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.

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(q) *Income tax*

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group/Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

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5 Acquisitions of subsidiary and non-controlling interest

On 5 July 2011, RH International (Singapore) Corporation PTE LTD., a subsidiary, invested AUD 203.03 million for 56.16% of the ordinary shares of the Fund Transfield Services Infrastructure Fund (name changed to RATCH-Australia Corporation Limited) which is incorporated in Australia. Such entity was restructured in accordance with document steps plan. Subsequent to the completion of the restructuring, the subsidiary obtained the proportion of investment at 80% or AUD 130.25 million and a loan to such entity amounting to AUD 72.78 million.

The purchase of this condition in accordance with the Financial Report No. 3 (Revised 2009) Business Combinations, which requires a record of assets, liabilities and contingent liabilities is specified at the acquisition date at fair value, including goodwill (if any). The Group has hired an independent appraiser to determine the fair value of assets and liabilities acquired at that date, however, the report on the review at the interim financial statements date has not been completed, so the net assets acquired are provisionally recorded at cost in the consolidated statements of financial position as at December 31, 2011. The result of the appraisal will be used to amend the accounting at fair value and to record the final determination of goodwill (if any) in the period that the report of the independent appraiser is received.

| | |
|--|---------------------------|
| | <i>(in thousand Baht)</i> |
| Cash and cash equivalents | 386,612 |
| Trade accounts receivable | 1,278,299 |
| Inventories | 536,743 |
| Other current assets | 147,843 |
| Long-term loans receivable | 1,639,900 |
| Investments in jointly-controlled entity | 1,205,606 |
| Other long-term investments | 606,410 |
| Property, plant and equipment | 18,646,288 |
| Intangible assets | 3,855,465 |
| Other non-current assets | 290,094 |
| Interest-bearing liabilities | (22,219,459) |
| Trade accounts payable | (400,261) |
| Deferred tax liabilities | (2,132,531) |
| Other non-current liabilities | (103,355) |
| Net identifiable assets and liabilities | 3,737,654 |
| Less non-controlling interests | (747,531) |
| Recognised value of net assets acquisition | 2,990,123 |
| Excess of consideration transferred over book value | 1,202,964 |
| Consideration paid | (4,193,087) |
| Cash paid for restructuring of RATCH-Australia Corporation Limited | (2,382,201) |
| Cash outflow | (6,575,288) |
| Cash acquired | 386,612 |
| Net cash outflow | (6,188,676) |

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6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|---|
| Electricity Generating Authority of Thailand | Thailand | Major shareholder, some common directors |
| Ratchaburi Electricity Generating Company Limited | Thailand | 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, 55.18 % 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 by a subsidiary |
| 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 |

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| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--|--|--|
| Khao Kor Wind Power Company Limited | Thailand | Subsidiary of indirect subsidiary, 100% shareholding by an indirect subsidiary |
| 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 |
| Ratchaburi World Cogeneration Company Limited | Thailand | Jointly-controlled entity of the Company, 40% shareholding |
| Solararta Company Limited | Thailand | Jointly-controlled entity of the Company, 49% shareholding |
| RATCH-Australia Corporation Limited | Australia | Indirect subsidiary, 80% shareholding by an indirect subsidiary |
| Solar Power (Korat 3) Company Limited | Thailand | Jointly-controlled entity of the Company, 40% shareholding |
| Solar Power (Korat 4) Company Limited | Thailand | Jointly-controlled entity of the Company, 40% shareholding |
| Solar Power (Korat 7) Company Limited | Thailand | Jointly-controlled entity of the Company, 40% shareholding |
| Songkha Biomass Company Limited | Thailand | Jointly-controlled entity of the Company, 40% shareholding |
| First Korat Wind Company Limited | Thailand | Associate of the Company, 20% shareholding |
| K.R.Two Company Limited | Thailand | Associate of the Company, 20% shareholding |

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| Name of entities | Country of incorporation/ nationality | Nature of relationships |
|--------------------------|--|---|
| Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company. |

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 |
| Interest expense | Contractually agreed rate |

Significant transactions for the years ended 31 December 2011 and 2010 with related parties were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|------------|--|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Major Shareholder | | | | |
| Sale of electricity | 41,237,199 | 42,137,398 | - | - |
| Purchase of fuel | 2,622,234 | 1,413,218 | - | - |
| Purchase of electricity | 173,439 | 161,263 | - | - |
| Operation and maintenance services fee | 1,283,823 | 1,118,893 | - | - |
| Management service income | 2,248 | - | - | - |
| Subsidiaries | | | | |
| Management service income | - | - | 124,026 | 14,433 |
| Dividend income | - | - | 4,810,811 | 3,684,473 |
| Interest income | - | - | 84,626 | 18,287 |

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| | Consolidated financial statements | | Separate financial statements | |
|---|--|----------------|--|---------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Jointly-controlled entities | | | | |
| Operation and maintenance services income | 114,999 | 42,255 | - | - |
| Management service income | 180,935 | 251,921 | 179,252 | 251,921 |
| Dividend income | - | - | 20,000 | - |
| Interest income | 83,588 | 22,450 | 5,052 | 22,450 |
| Other income | 34,450 | 38,063 | - | - |
| Rental income | 11,681 | 11,329 | - | - |
| Other related party | | | | |
| Interest expense | 368,799 | - | - | - |
| Key management personnel | | | | |
| Short-term employee benefits | 177,928 | 108,071 | 95,695 | 74,204 |
| Post-employment benefits | 6,318 | 4,349 | 4,071 | 2,872 |
| Long-term employee benefit | 5,610 | - | 3,387 | - |
| Total key management personnel | 189,856 | 112,420 | 103,153 | 77,076 |

Balances as at 31 December 2011 and 2010 with related parties were as follows:

| <i>Trade accounts receivable from related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------|--|----------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Major Shareholder | | | | |
| Electricity Generating Authority of Thailand | 2,330,860 | 3,331,649 | - | - |
| Related parties | | | | |
| Nam Ngum 2 Power Company Limited | 9,583 | 9,583 | - | - |
| | 2,340,443 | 3,341,232 | - | - |
| <i>Less</i> allowance for doubtful accounts | - | - | - | - |
| Net | 2,340,443 | 3,341,232 | - | - |
| Bad and doubtful debts expense for the year | - | - | - | - |

Aging analyses for trade accounts receivable were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------|--|----------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Related parties | | | | |
| Within credit terms | 2,340,443 | 3,341,232 | - | - |
| <i>Less</i> allowance for doubtful accounts | - | - | - | - |
| Net | 2,340,443 | 3,341,232 | - | - |

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The normal credit term granted by the Group is not exceeding 1 month.

| <i>Dividend receivable</i> | Consolidated | | Separate | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiary | | | | |
| Ratchaburi Electricity Generating Company Limited | - | - | 2,541,231 | 1,828,941 |
| Jointly-controlled entities | | | | |
| Tri – Energy Company Limited | 30,813 | - | - | - |
| Total | 30,813 | - | 2,541,231 | 1,828,941 |

| <i>Advances to and other receivables from related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Major Shareholder | | | | |
| Electricity Generating Authority of Thailand | 8,490 | 481 | - | - |
| Subsidiaries | | | | |
| Ratchaburi Electricity Generating Company Limited | - | - | 864 | 386 |
| Ratchaburi Energy Company Limited | - | - | 158 | 185 |
| RATCH-Lao Services Company Limited | - | - | - | 4,589 |
| RH International (Mauritius) Corporation Limited | - | - | - | 277 |
| RH International (Singapore) Corporation PTE. LTD. | - | - | 31,826 | 277 |
| Sustainable Energy Corporation Company Limited | - | - | 607 | 2,380 |
| RATCH-Australia Corporation Limited | - | - | 12,997 | - |
| Jointly-controlled entities | | | | |
| Tri Energy Company Limited | 2,419 | 2,282 | 2,419 | 2,281 |
| Ratchaburi Power Company Limited | 2,999 | 11,305 | - | - |
| Chubu Ratchaburi Electric Services Company Limited | 861 | 800 | 861 | 800 |
| SouthEast Asia Energy Limited | 18,382 | 13,145 | 18,382 | 13,145 |
| Hongsa Power Company Limited | 4,191 | 127,109 | 4,191 | 127,109 |
| Ratchaburi World Cogeneration Company Limited | 6,699 | - | 6,699 | - |
| Nava Nakorn Electricity Generating Company Limited | 3 | - | 3 | - |
| Nam Ngum 2 Power Company Limited | 168 | - | - | - |
| Songkha Biomass Company Limited | 140 | - | 140 | - |
| Great Energy Alliance Corporation Pty Limited | 60,933 | - | - | - |
| Total | 105,285 | 155,122 | 79,147 | 151,429 |

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| <i>Long-term trade account receivable from related party</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Major Shareholder | | | | |
| Electricity Generating Authority of Thailand | - | 4,951 | - | - |
| Subsidiaries | | | | |
| Ratch Udom Power Company Limited | - | - | 2,557 | 4,548 |
| RATCH-Lao Services Company Limited | - | - | 3,942 | - |
| RH International Corporation Limited | - | - | 10,277 | - |
| Total | - | - | 16,776 | 4,548 |

| <i>Loans to related parties</i> | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------|------|--|----------|--|------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | <i>(% per annum)</i> | | <i>(in thousand Baht)</i> | | | |
| Short-term loans | | | | | | |
| Subsidiaries | | | | | | |
| 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 |
| Less allowance for doubtful accounts | | | - | - | - | - |
| Short-term loans to related parties-net | | | - | - | - | 1,797,092 |

| <i>Loans to related parties</i> | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------|-------|--|----------|--|----------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | <i>(% per annum)</i> | | <i>(in thousand Baht)</i> | | | |
| Long-term loans | | | | | | |
| Subsidiary | | | | | | |
| RATCH-Lao Services Company Limited | 2.50 | 2.50 | - | - | 943,575 | - |
| Ratch Udom Power Company Limited | 3.80 | 2.05 | - | - | 236,200 | 793,900 |
| RH International Corporation Limited | 3.10 | - | - | - | 2,273,871 | - |
| Jointly-controlled entity | | | | | | |
| SouthEast Asia | | | | | | |
| Energy Limited | 8.4583 | 7.375 | 62,500 | 62,500 | 62,500 | 62,500 |
| Great Energy Alliance Corporation Pty Limited | 10 | - | 1,611,633 | - | - | - |
| | | | 1,674,133 | 62,500 | 3,516,146 | 856,400 |
| Less current portion allowance for doubtful accounts | | | (62,500) | (62,500) | (62,500) | (62,500) |
| Long-term loans to related parties-net | | | 1,611,633 | - | 3,453,646 | 793,900 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the years ended 31 December 2011 and 2010

Movements during the years ended 31 December 2011 and 2010 of loans to related parties were as follows:

| <i>Loans to related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|-----------|--|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Short-term loans to related parties | | | | |
| At 1 January | - | 360 | 1,797,092 | 360 |
| Increase | - | 520,000 | 3,860,275 | 3,738,890 |
| Decrease | - | (520,360) | (4,774,997) | (1,920,360) |
| Reclassify to long-term loans | - | - | (908,145) | - |
| Exchange rate adjustment | - | - | 25,775 | (21,798) |
| At 31 December | - | - | - | 1,797,092 |

| <i>Loans to related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Long-term loans to related parties | | | | |
| At 1 January | 62,500 | 62,500 | 856,400 | 1,475,281 |
| Reclassify from short-term loans | - | - | 908,145 | - |
| Increase from acquisition | 1,639,900 | - | - | - |
| Increase | - | - | 8,278,275 | - |
| Decrease | - | - | (6,391,382) | (618,881) |
| Exchange rate adjustment | (28,267) | - | (135,292) | - |
| At 31 December | 1,674,133 | 62,500 | 3,516,146 | 856,400 |

| <i>Investments in subsidiaries</i> | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--|------|--|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Subsidiaries | - | - | 21,179,661 | 20,523,467 |

| <i>Investments in jointly-controlled and associates entities</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|-------------------|--|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Jointly-controlled entities | 13,643,499 | 10,997,709 | 4,121,064 | 3,142,338 |
| Associates | 356,562 | - | 357,062 | - |
| | 14,000,061 | 10,997,709 | 4,478,126 | 3,142,338 |

| <i>Trade payables to related party</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|------|--|------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |

| | | | | |
|--|----------------|---------------|---|---|
| Major Shareholder | | | | |
| Electricity Generating Authority of Thailand | 152,231 | 11,833 | - | - |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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| <i>Other payables to related parties</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------|--|--------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Major Shareholder Electricity Generating Authority of Thailand | 22,099 | 30,501 | - | 1,166 |

| <i>Unearned revenue and accrued expenses-related parties</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|------|--|------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Major Shareholder Electricity Generating Authority of Thailand | 70,236 | 42,916 | - | - |
| Jointly-controlled entities | | | | |
| Ratchaburi Power Company Limited | 14,203 | 13,636 | 15,621 | 12,220 |
| Nam Ngum 3 Power Company Limited | 410 | - | - | - |
| Total | 84,849 | 56,552 | 15,621 | 12,220 |

| <i>Long-term loans from related party</i> | Interest rate | | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------|------|--|-----------------|--|-----------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | <i>(% per annum)</i> | | <i>(in thousand Baht)</i> | | | |
| Transfield Services Limited | 14.50 | - | 4,200,947 | - | - | - |
| <i>Less</i> current portion within one year | | | <u>(2,775,321)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Long-term loans from related parties | | | <u>1,425,626</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Movements during the years ended 31 December 2011 and 2010 of long-term loans from related parties were as follows:

| <i>Long-term loans from related party</i> | Consolidated financial statements | | Separate financial statements | |
|---|--|-----------------|--|-----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | - | - | - | - |
| Increase from acquisition | 4,113,357 | - | - | - |
| Increase | 96,591 | - | - | - |
| Increase from convertible accrued interest to loan | 49,332 | - | - | - |
| Decrease | - | - | - | - |
| Exchange rate adjustment | <u>(58,333)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 December | <u>4,200,947</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Significant agreements with related parties

Long-term loans to related parties

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. Until 31 December 2011, such subsidiary has made repayment to the Company totalling Baht 1,176.58 million. Consequently, as at 31 December 2011 the Company had the outstanding balance of such loans amounting to Baht 236.20 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 Company recorded such loans as loans due within one year since the loan agreement determines the repayment term of principal and interest 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 and 31 August 2011, 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 and 12 months which will be due on 4 September 2012. Therefore, the Company classified such loans as current portion as at 31 December 2011.

The Company granted loans to RH International Corporation Limited, a subsidiary, amounting to AUD 259 million which bear interest at the rate of 3.10 % per annum. Principle and interest will be on call as stipulated in the agreement. During the year 2011, the such subsidiary made repayment to the Company amounting to AUD 187.5 million. Consequently, as at 31 December 2011 the Company had the outstanding balance of such loans amounting to AUD 71.5 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 Ratch-Lao services Company Limited, a subsidiary, amounting to U.S.Dollars 30 million which bear interest as stipulated in the agreement. Principle and interest will be on call as stipulated in the agreement. As at 31 December 2011 the Company had the outstanding balance of such loans amounting to U.S.Dollars 30 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.

Long-term loans from related party

During year 2011, RATCH-Australia Corporation Limited, a subsidiary, had a long-term loan agreement for a 30 year term with an other related party in Australia amounting to AUD 125.93 million which bears-interest at the rate of 14.5% per annum. However, the subsidiary will make repayment of such loan amounting to AUD 86.20 million in 2012. Therefore the Company classified such amount as current portion as at 31 December 2011.

In addition, such subsidiary had also a long-term loan from related party in Australia amounting to AUD 3 million which bears interest at the rate of 14.5% per annum. The lender has no intention to recall such loans from the subsidiary within one year. Therefore, the Company classified such loan as long-term loan as at 31 December 2011.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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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 5 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, a jointly-controlled entity 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.

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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 2011, 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 2011, the Company has not provided any loans or guarantees according to the agreement.

Agreements in relation to Nam Ngum 2 Power Plant

On 26 May 2006, The Company entered into the Service Agreement with Nam Ngum 2 Power Company Limited, a subsidiary of a jointly-controlled entity for the Project development, Construction and Operation and Maintenance Agreement whereby the Company will receive management fee from Nam Ngum 2 Power Company Limited amounting to Baht 25 million per year commencing from the commercial operation date until the end of the concession period under the concession agreement.

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.

7 Cash and cash equivalents

| | Consolidated | | Separate | |
|--------------------------------------|-----------------------------|--------------------------|-----------------------------|-------------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Cash on hand | 498 | 350 | 100 | 100 |
| Cash at banks - current accounts | 46,079 | 507,134 | 59 | 2,225 |
| Cash at banks - saving accounts | 5,372,052 | 3,462,185 | 369,566 | 123,686 |
| Highly liquid short-term investments | 5,280,000 | 7,319,579 | 3,450,000 | 5,680,000 |
| Total | <u>10,698,629</u> | <u>11,289,248</u> | <u>3,819,725</u> | <u>5,806,011</u> |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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The currency denomination of cash and cash equivalents as at 31 December was as follows:

| | Consolidated | | Separate | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Thai Baht (THB) | 8,498,240 | 10,782,871 | 3,789,598 | 5,806,011 |
| United States Dollars (USD) | 168,067 | 506,179 | 30,127 | - |
| Lao Kip (LAK) | 44,713 | 198 | - | - |
| Australian Dollars (AUD) | 1,987,609 | - | - | - |
| Total | <u>10,698,629</u> | <u>11,289,248</u> | <u>3,819,725</u> | <u>5,806,011</u> |

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 2011, such reserves amounting to Baht 976 million were included in cash and cash equivalents (2010: Baht 884 million).

8 Other investments

| | Consolidated | | Separate | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Current investments</i> | | | | |
| Short-term deposits at financial institutions | 2,860,688 | 2,500,000 | 2,700,000 | 2,500,000 |
| Debt securities held to maturity | 150,000 | 101,383 | 150,000 | 100,000 |
| | <u>3,010,688</u> | <u>2,601,383</u> | <u>2,850,000</u> | <u>2,600,000</u> |
| <i>Other long-term investments</i> | | | | |
| Equity securities available for sale | 2,031,224 | 1,301,461 | - | - |
| Debt securities held to maturity | 218,000 | 368,000 | 218,000 | 368,000 |
| | <u>2,249,224</u> | <u>1,669,461</u> | <u>218,000</u> | <u>368,000</u> |
| Total | <u>5,259,912</u> | <u>4,270,844</u> | <u>3,068,000</u> | <u>2,968,000</u> |

The currency denomination of other investments as at 31 December was as follows:

| | Consolidated | | Separate | |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Thai Baht (THB) | 3,168,000 | 2,969,383 | 3,068,000 | 2,968,000 |
| Lao Kip (LAK) | 1,432,834 | 1,301,461 | - | - |
| United States Dollars (USD) | 60,688 | - | - | - |
| Australian Dollars (AUD) | 598,390 | - | - | - |
| Total | <u>5,259,912</u> | <u>4,270,844</u> | <u>3,068,000</u> | <u>2,968,000</u> |

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Movements during the years ended 31 December 2011 and 2010 of marketable equity securities were as follows:

| | Consolidated | | Separate | |
|--------------------------------------|-----------------------------|------------------|-----------------------------|----------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Available-for-sale securities</i> | | | | |
| At 1 January | 1,301,461 | - | - | - |
| Increase from acquisition | 606,410 | - | - | - |
| Purchases during the year | 173,707 | 1,301,461 | - | - |
| Exchange rate adjustment | 36,975 | - | - | - |
| Valuation adjustment | (87,329) | - | - | - |
| At 31 December | 2,031,224 | 1,301,461 | - | - |

9 Spare parts and supplies

| | Consolidated | | Separate | |
|---------------------------------|-----------------------------|------------------|-----------------------------|----------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Fuel | 709,485 | 711,049 | - | - |
| Specific spare parts | 1,996,699 | 1,437,203 | - | - |
| Common spare parts | 95 | 95 | - | - |
| Spare parts in transit | 45,434 | 43,642 | - | - |
| Total | 2,751,713 | 2,191,989 | - | - |
| Less allowance for obsolescence | (504,970) | (445,757) | - | - |
| Net | 2,246,743 | 1,746,232 | - | - |

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 2011 amounted to Baht 2,759.45 million (2010: Baht 1,588.44 million).

10 Investments in subsidiaries

| | Separate | |
|-----------------------|-----------------------------|-------------------|
| | financial statements | |
| | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | |
| <i>Subsidiaries</i> | | |
| At 1 January | 20,523,467 | 20,144,717 |
| Acquisitions | 656,194 | 378,750 |
| At 31 December | 21,179,661 | 20,523,467 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Investments in subsidiaries as at 31 December 2011 and 2010, 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 | | Dividend income | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| <i>Subsidiaries</i> | | | | | | | | | | | | |
| 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 | 4,497,811 | 3,550,093 |
| 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 | 313,000 | 134,380 |
| 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 | 640,000 | 640,000 | 640,000 | - | - | 640,000 | 640,000 | - | - |
| RATCH-Lao Services Company Limited | 99.99 | 99.99 | 77,858 | 16,664 | 77,858 | 16,664 | - | - | 77,858 | 16,664 | - | - |
| RH International Corporation Limited | 99.99 | 99.99 | 600,000 | 5,000 | 600,000 | 5,000 | - | - | 600,000 | 5,000 | - | - |
| Total | | | | | <u>21,179,661</u> | <u>20,523,467</u> | <u>-</u> | <u>-</u> | <u>21,179,661</u> | <u>20,523,467</u> | <u>4,810,811</u> | <u>3,684,473</u> |

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Increase in share capital of RH International Corporation Limited

At the annual shareholders' meeting of RH International Corporation Limited, a subsidiary, held on 18 March 2011, the shareholders approved to increase the authorised share capital from Baht 5 million (*comprising 500,000 shares at par value of Baht 10 per share*) to Baht 600 million (*comprising 60 million shares at par value of Baht 10 per share*) by issuance of new ordinary shares totaling 59.5 million shares at par value of Baht 10 per share. The Company paid for the share capital amounting to Baht 595 million, in the proportion of investment of 99.99 %.

Increase in share capital of RATCH-Lao Services Company Limited

At the extraordinary shareholders' meeting of RATCH-Lao Services Company Limited, a subsidiary, held on 9 June 2011, the shareholders approved to increase the authorised share capital from Baht 16.66 million (*comprising 500,000 shares at par value of U.S. Dollar 1 per share*) to Baht 77.86 million (*comprising 2.5 million shares at par value of U.S. Dollar 1 per share*) by issuance of new ordinary shares totalling 2 million shares at par value of U.S. Dollar 1 per share. The Company paid for the share capital amounting to Baht 61.19 million, in the proportion of investment of 99.99 %.

Dividends paid by subsidiaries

At the Board of Directors meeting of Ratchaburi Gas Company Limited, a subsidiary, held on 20 June 2011, the Board approved the appropriation of the interim dividend of Baht 6.26 per share, totalling Baht 313 million. The dividend was paid to shareholders during June 2011

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 21 November 2011, the Board approved the appropriation of the interim dividend of Baht 0.62 per share, totalling Baht 1,132.03 million will be paid to shareholders during October 2012.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 15 August 2011, the Board approved the appropriation of the interim dividend of Baht 0.77 per share, totalling Baht 1,409.20 million will be paid to shareholders during April 2012.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 23 May 2011, the Board approved the appropriation of the interim dividend of Baht 0.60 per share, totalling Baht 1,102.23 million was paid to shareholders during December 2011.

At the annual general meeting of the shareholders of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 21 March 2011, the shareholders approved the appropriation of dividends from the net profit of 2010 of Baht 2.08 per share, totalling Baht 3,808 million, after deducting the interim dividend of Baht 1.618 per share, amounting to Baht 2,953.21 million from the net profit for nine-month period ended 30 September 2010. The balance of dividends, amounting to Baht 854.35 million, was paid to shareholders during October 2011.

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 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 Baht 0.36 per share, totalling Baht 653.80 million. The dividend was paid to shareholders during August 2011.

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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 Baht 0.64 per share, totalling Baht 1,175.14 million. The dividend was 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 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 Baht 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.

11 Investments in jointly-controlled and associates entities

| | Consolidated | | Separate | |
|---|-----------------------------|--------------------------|-----------------------------|-------------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| At 1 January | 10,997,709 | 9,493,610 | 3,142,338 | 1,914,882 |
| Investments in jointly-controlled entities from acquisition | 1,205,606 | - | - | - |
| Share of net profits of investments - equity method | 1,333,095 | 1,443,133 | - | - |
| Payment for additional shares in jointly-controlled entities | 978,726 | 377,695 | 978,726 | 377,695 |
| Payment for additional shares in associate entities | 357,062 | - | 357,062 | - |
| Transferred development costs to investments | - | 849,761 | - | 849,761 |
| Dividend income | (857,273) | (1,057,099) | - | - |
| Investment in jointly-controlled entity before change of status | - | (109,391) | - | - |
| Exchange rate adjustment | (14,864) | - | - | - |
| At 31 December | <u>14,000,061</u> | <u>10,997,709</u> | <u>4,478,126</u> | <u>3,142,338</u> |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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For the years ended 31 December 2011 and 2010

Investments in jointly-controlled and associates entities as at 31 December 2011 and 2010, 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 | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | (<i>%</i>) | | (<i>in thousand Baht</i>) | | | | | | | | | | | |
| <i>Jointly-controlled entities</i> | | | | | | | | | | | | | | |
| Tri Energy Company Limited | 50 | 50 | 3,618,420 | 3,618,420 | 1,809,211 | 1,809,211 | 4,918,886 | 4,675,616 | - | - | 4,918,886 | 4,675,616 | 146,363 | 332,099 |
| Ratchaburi Power Company Limited | 25 | 25 | 7,325,000 | 7,325,000 | 1,831,250 | 1,831,250 | 3,358,393 | 3,318,318 | - | - | 3,358,393 | 3,318,318 | 575,000 | 725,000 |
| Chubu Ratchaburi Electric Services Company Limited | 50 | 50 | 20,000 | 20,000 | 10,000 | 10,000 | 95,533 | 99,538 | - | - | 95,533 | 99,538 | 20,000 | - |
| SouthEast Asia Energy Limited | 33.33 | 33.33 | 6,606,750 | 6,430,019 | 2,202,250 | 2,143,340 | 2,425,322 | 2,051,924 | - | - | 2,425,322 | 2,051,924 | - | - |
| Hongsa Power Company Limited | 40 | 40 | 2,457,793 | 2,457,793 | 983,116 | 983,116 | 808,054 | 846,538 | - | - | 808,054 | 846,538 | - | - |
| Phufai Mining Company Limited | 37.5 | 37.5 | 1,679 | 1,679 | 630 | 630 | 450 | 523 | - | - | 450 | 523 | - | - |
| Nam Ngum 3 Power Company Limited | 25 | 25 | 1,808 | 1,808 | 452 | 452 | 375 | 452 | - | - | 375 | 452 | - | - |
| Nava Nakorn Electricity Generating Company Limited | 40 | 40 | 82,000 | 2,000 | 32,800 | 800 | 31,452 | 800 | - | - | 31,452 | 800 | - | - |
| Ratchaburi World Cogeneration Company Limited | 40 | 10 | 390,000 | 40,000 | 156,000 | 4,000 | 150,492 | 4,000 | - | - | 150,492 | 4,000 | - | - |

NOTES

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Consolidated financial statements

| | Ownership interest | | Paid-up capital | | Cost method | | Equity method | | Impairment | | At equity - net | | Dividend income | |
|---|--------------------|------|---------------------------|------|------------------|------------------|-------------------|-------------------|------------|----------|-------------------|-------------------|-----------------|------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | <i>(%)</i> | | <i>(in thousand Baht)</i> | | | | | | | | | | | |
| <i>Jointly-controlled entities</i> | | | | | | | | | | | | | | |
| Solarta Company Limited | 40 | - | 1,100,000 | - | 545,960 | - | 551,747 | - | - | - | 551,747 | - | - | - |
| Solar Power (Korat 3) Company Limited | 40 | - | 162,500 | - | 65,000 | - | 56,605 | - | - | - | 56,605 | - | - | - |
| Solar Power (Korat 4) Company Limited | 40 | - | 153,315 | - | 61,326 | - | 59,143 | - | - | - | 59,143 | - | - | - |
| Solar Power (Korat 7) Company Limited | 40 | - | 113,780 | - | 45,530 | - | 44,944 | - | - | - | 44,944 | - | - | - |
| Songkha Biomass Company Limited | 40 | - | 45,000 | - | 18,000 | - | 16,899 | - | - | - | 16,899 | - | - | - |
| Perth Power Partnership (Kwinana) | 30 | - | 2,311,167 | - | 874,082 | - | 1,125,204 | - | - | - | 1,125,204 | - | 115,910 | - |
| Total | | | | | 8,635,607 | 6,782,799 | 13,643,499 | 10,997,709 | - | - | 13,643,499 | 10,997,709 | 857,273 | 1,057,099 |
| <i>Associate entities</i> | | | | | | | | | | | | | | |
| First Korat Wind Company Limited | 20 | - | 1,018,460 | - | 203,594 | - | 203,180 | - | - | - | 203,180 | - | - | - |
| K.R.Two Company Limited | 20 | - | 767,340 | - | 153,468 | - | 153,382 | - | - | - | 153,382 | - | - | - |
| | | | | | 357,062 | - | 356,562 | - | - | - | 356,562 | - | - | - |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Separate financial statements

| | Ownership interest | | Paid-up capital | | Cost method | | Impairment | | At equity - net | | Dividend income | |
|--|--------------------|-------|-----------------|-----------|-------------|-----------|-----------------------------------|------|-----------------|-----------|-----------------|------|
| | 2011 (%) | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 <i>(in thousand Baht)</i> | 2010 | 2011 | 2010 | 2011 | 2010 |
| <i>Jointly-controlled entities</i> | | | | | | | | | | | | |
| Chubu Ratchaburi Electric Services Company Limited | 50 | 50 | 20,000 | 20,000 | 10,000 | 10,000 | - | - | 10,000 | 10,000 | 20,000 | - |
| SouthEast Asia Energy Limited | 33.33 | 33.33 | 6,606,750 | 6,430,019 | 2,202,250 | 2,143,340 | - | - | 2,202,250 | 2,143,340 | - | - |
| Hongsa Power Company Limited | 40 | 40 | 2,457,793 | 2,457,793 | 983,116 | 983,116 | - | - | 983,116 | 983,116 | - | - |
| Phufai Mining Company Limited | 37.50 | 37.50 | 1,679 | 1,679 | 630 | 630 | - | - | 630 | 630 | - | - |
| Nam Ngum 3 Power Company Limited | 25 | 25 | 1,808 | 1,808 | 452 | 452 | - | - | 452 | 452 | - | - |
| Nava Nakorn Electricity Generating Company Limited | 40 | 40 | 2,000 | 2,000 | 32,800 | 800 | - | - | 32,800 | 800 | - | - |
| Ratchaburi World Cogeneration Company Limited | 40 | 10 | 390,000 | 40,000 | 156,000 | 4,000 | - | - | 156,000 | 4,000 | - | - |
| Solarta Company Limited | 49 | - | 1,100,000 | - | 545,960 | - | - | - | 545,960 | - | - | - |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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Separate financial statements

| | Ownership interest | | Paid-up capital | | Cost method | | Impairment | | At equity - net | | Dividend income | |
|---|--------------------|------|---------------------------|------|------------------|------------------|------------|----------|------------------|------------------|-----------------|----------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | (<i>%</i>) | | <i>(in thousand Baht)</i> | | | | | | | | | |
| <i>Jointly-controlled entities</i> | | | | | | | | | | | | |
| Solar Power (Korat 3) Company Limited | 40 | - | 162,500 | - | 65,000 | - | - | - | 65,000 | - | - | - |
| Solar Power (Korat 4) Company Limited | 40 | - | 153,315 | - | 61,326 | - | - | - | 61,326 | - | - | - |
| Solar Power (Korat 7) Company Limited | 40 | - | 113,780 | - | 45,530 | - | - | - | 45,530 | - | - | - |
| Songkha Biomass Company Limited | 40 | - | 45,000 | - | 18,000 | - | - | - | 18,000 | - | - | - |
| Total | | | | | 4,121,064 | 3,142,338 | - | - | 4,121,064 | 3,142,338 | 20,000 | - |
| <i>Associate entities</i> | | | | | | | | | | | | |
| First Korat Wind Company Limited | 20 | - | 1,018,460 | - | 203,594 | - | - | - | 203,594 | - | - | - |
| K.R.Two Company Limited | 20 | - | 767,340 | - | 153,468 | - | - | - | 153,468 | - | - | - |
| Total | | | | | 357,062 | - | - | - | 357,062 | - | - | - |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

The following summarized financial information on jointly-controlled and associates entities which have been accounted for using the equity method represents the percentage of ownership held by the Group as follow:

| | Ownership interest | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Total revenues | Total expenses | Profit/(loss) |
|--|--------------------|---------------------------|--------------------|--------------|---------------------|-------------------------|-------------------|----------------|----------------|---------------|
| | (%) | <i>(in thousand Baht)</i> | | | | | | | | |
| 2011 | | | | | | | | | | |
| Tri Energy Company Limited | 50 | 2,512,124 | 9,050,848 | 11,562,972 | 1,626,099 | 105,978 | 1,732,077 | 399,640 | (375,789) | 23,851 |
| Ratchaburi Power Company Limited | 25 | 8,329,124 | 20,601,868 | 28,930,992 | 4,334,986 | 13,236,533 | 17,571,519 | 4,728,105 | (4,104,095) | 624,010 |
| Chubu Ratchaburi Electric Services Company Limited | 50 | 427,111 | 10,730 | 437,841 | 246,293 | 661 | 246,954 | 502,728 | (486,585) | 16,143 |
| SouthEast Asia Energy Company Limited | 33.33 | 1,992,815 | 28,996,928 | 30,989,743 | 1,328,821 | 19,989,733 | 21,318,554 | 1,304,074 | (884,428) | 419,646 |
| Hongsa Power Company Limited | 40 | 806,805 | 20,436,236 | 21,243,041 | 1,572,462 | 17,826,335 | 19,398,797 | 53,253 | (91,736) | (38,483) |
| Phufai Mining Company Limited | 37.50 | 1,486 | - | 1,486 | 384 | - | 384 | - | (75) | (75) |
| Nam Ngum 3 Power Company Limited | 25 | 73 | 134,792 | 134,865 | 133,284 | - | 133,284 | 77 | - | 77 |
| Nava Nakorn Electricity Generating Company Limited | 40 | 79,585 | - | 79,585 | 1,005 | - | 1,005 | 80 | (1,427) | (1,347) |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

| | Ownership interest | Current assets | Non-current assets | Total assets | Current liabilities | Non-current liabilities | Total liabilities | Total revenues | Total expenses | Profit/ (loss) |
|--|-----------------------|---------------------------|-----------------------|--------------------|------------------------|----------------------------|----------------------|-------------------|--------------------|-------------------|
| | (%) | <i>(in thousand Baht)</i> | | | | | | | | |
| 2011 | | | | | | | | | | |
| Ratchaburi World Cogeneration Company Limited | 40 | 47,008 | 336,178 | 383,186 | 8,945 | - | 8,945 | 620 | (6,131) | (5,511) |
| Solartha Company Company Limited | 49 | 146,617 | 3,577,806 | 3,724,423 | 374,434 | 2,238,205 | 2,612,639 | 19,550 | (13,763) | 5,787 |
| Solar Power (Korat 3) Company Limited | 40 | 52,483 | 528,093 | 580,576 | 434,143 | - | 434,143 | 30 | (8,425) | (8,395) |
| Solar Power (Korat 4) Company Limited | 40 | 11,534 | 303,136 | 314,670 | 166,841 | - | 166,841 | 12 | (2,195) | (2,183) |
| Solar Power (Korat 7) Company Limited | 40 | 13,666 | 101,852 | 115,518 | 3,183 | - | 3,183 | 30 | (615) | (585) |
| Songkha Biomass Company Limited | 40 | 24,860 | 19,586 | 44,446 | 2,259 | - | 2,259 | - | (1,101) | (1,101) |
| Perth Power Partnership (Kwinana) | 30 | 475,995 | 2,628,368 | 3,104,363 | 163,098 | 321,287 | 484,385 | 334,954 | (282,319) | 52,635 |
| Frist Korat Wind Company Limited | 20 | 1,400,892 | 1,211,729 | 2,612,621 | 149,176 | 1,450,000 | 1,599,176 | 204 | (618) | (414) |
| K.R.Two Company Limited | 20 | 1,696,015 | 348,997 | 2,045,012 | 39,131 | 1,240,000 | 1,279,131 | 74 | (161) | (87) |
| | | 18,018,193 | 88,287,147 | 106,305,340 | 10,584,544 | 56,408,732 | 66,993,276 | 7,343,431 | (6,259,463) | 1,083,968 |

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For the years ended 31 December 2011 and 2010

| | Ownership interest (%) | Current assets | Non-current assets | Total assets | Current liabilities | Non- current liabilities (in thousand Baht) | Total liabilities | Total revenues | Total expenses | Profit/ (loss) |
|--|----------------------------------|-------------------|-----------------------|-------------------|------------------------|--|----------------------|-------------------|-------------------|-------------------|
| 2010 | | | | | | | | | | |
| 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 Company 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) |
| 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 | 37.50 | 530 | - | 530 | 64 | - | 64 | - | 73 | (73) |
| Nam Ngum 3 Power Company Limited | 25 | 282 | 188 | 470 | 30 | - | 30 | - | 12 | (12) |
| Total | | 4,812,994 | 26,975,580 | 31,788,574 | 3,905,958 | 12,123,789 | 16,029,747 | 15,699,694 | 13,621,729 | 2,077,965 |

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Payment for additional paid-up share of jointly-controlled entities

For the year ended 31 December 2011, 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 176.73 million, the Company paid for the share capital amounting to Baht 58.91 million, in the proportion of investment of 33.33%.

Investment in Nava Nakorn Electricity Generating Company Limited

On 30 May 2011, the Company entered into a Shareholder Agreement of Nava Nakorn Electricity Generating Company Limited in order to jointly develop Natural Power Plant Projects for total capacity of 122 Megawatts, in the proportion of investment of 40%. The registered capital of such company was Baht 2 million (*comprising 0.20 ordinary shares at par value of Baht 10 per share*). Such company called for the paid-up share capital at Baht 10 for 0.20 million ordinary shares. The Company paid for the share capital totalling Baht 0.80 million, in the proportion of investment of 40%.

At the extraordinary meeting of the shareholders of Nava Nakorn Electricity Generating Company Limited, jointly-controlled entities held on 27 September 2011, the shareholders approved to increase the authorised share capital from Baht 2 million (*comprising 0.20 million shares at par value of Baht 10 per share*) to Baht 82 million (*comprising 0.2 million shares and 8.0 millions at par value of Baht 100 per share*) by issuance of new ordinary shares totalling 8 million shares at par value of Baht 10 per share. Such Company called for the paid-up share capital at Baht 10 per share. The Company paid for the share capital amounting to Baht 32 million, in the proportion of investment of 40 %.

Investment in Ratchaburi World Cogeneration Company Limited

On 15 March 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Ratchaburi World Cogeneration Company Limited in order to develop Power Plant Project and steam. The registered capital of such company was Baht 40 million (*comprising 4 million ordinary shares at par value of Baht 10 per share*). The Company paid for the share capital amounting to Baht 16 million, in the proportion of investment of 40%.

At the annual general meeting of the shareholders of Ratchaburi World Cogeneration Company Limited, jointly-controlled entities, held on 7 April 2011, the shareholders approved to increase the authorised share capital from Baht 40 million (*comprising 4 million shares at par value of Baht 10 per share*) to Baht 740 million (*comprising 74 million shares at par value of Baht 10 per share*) by issuance of new ordinary shares totaling 70 million shares at par value of Baht 10 per share. Such Company called for the paid-up share capital at Baht 5 per share amounting to Baht 140 million. As at 31 December 2011, the Company had commitments for the remaining unpaid-share capital of Baht 140 million, in the proportion of investment of 40 %.

Investment in Solarta Company Limited

On 13 January 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Solarta Company Limited in order to jointly develop 8 Solar Power Plant Projects located in Phra Nakhon Si Ayutthaya, Suphanburi, and Nakhon Pathom provinces for total capacity of 34.25 Megawatts. The registered capital of such company was Baht 550 million (*comprising 5.5 million ordinary shares at par value of Baht 100 per share*). The Company paid for the share capital, amounting to Baht 269.5 million in the proportion of investment of 49%.

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At the extraordinary meeting of the shareholders of Solarta Company Limited, jointly-controlled entities held on 19 April 2011, the shareholders approved to increase the authorised share capital from Baht 550 million (*comprising 5.5 million shares at par value of Baht 100 per share*) to Baht 1,320 million (*comprising 13.2 million shares at par value of Baht 100 per share*) by issuance of new ordinary shares totalling 7.7 million shares at par value of Baht 100 per share. Such the Company called for the paid-up share capital at Baht 100 per share and Baht 45 per share for 3.7 million shares and 4 million shares, respectively. The Company paid for the share capital amounting to Baht 269.5 million, in the proportion of investment of 49%. As at 31 December 2011, the Company had commitments for the remaining unpaid-share capital of Baht 107.8 million

Investment in Solar Power (Korat 3) Company Limited

On 4 August 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Solar Power (Korat 3) Company Limited in order to jointly develop Solar Power Plant Projects located in Nakhonratchasima province for total capacity of 6 Megawatts, in the proportion of investment of 40%. The registered capital of such company was Baht 195 million (*comprising 0.01 and 19.49 million ordinary shares at par value of Baht 10 per share*). Such company called for the paid-up share capital at Baht 10 and Baht 2.5 per share for 0.01 and 19.49 million ordinary shares, respectively.

At the extraordinary meeting of the shareholders of Solar Power (Korat 3) Company Limited, jointly-controlled entities held on 10 October 2011, the shareholders approved to reduce the authorised share capital from Baht 195 million (*comprising 0.01 million and 19.49 million at par value of Baht 10 per share*) to Baht 162.5 million (*comprising 0.01 million shares and 16.4 millions at par value of Baht 10 per share*). Such Company called for the paid-up share capital at Baht 10 per share for 0.01 and 16.24 million ordinary shares, respectively. The Company paid for the share capital amounting to Baht 65 million, in the proportion of investment of 40%.

Investment in Solar Power (Korat 4) Company Limited

On 4 August 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Solar Power (Korat 4) Company Limited in order to jointly develop Solar Power Plant Projects located in Nakhonratchasima province for total capacity of 6 Megawatts, in the proportion of investment of 40%. The registered capital of such company was Baht 195 million (*comprising 0.01 and 19.49 million ordinary shares at par value of Baht 10 per share*). Such company called for the paid-up share capital at Baht 10 and Baht 3.5 per share for 0.01 and 19.49 million ordinary shares, respectively.

At the extraordinary meeting of the shareholders of Solar Power (Korat 4) Company Limited, jointly-controlled entities held on 10 October 2011, the shareholders approved to reduce the authorised share capital from Baht 195 million (*comprising 0.01 million and 19.49 million at par value of Baht 10 per share*) to Baht 175 million (*comprising 0.01 million shares and 17.49 million at par value of Baht 10 per share*). Such Company called for the paid-up share capital at Baht 10 and 8.76 Baht per share for 0.01 and 17.49 million ordinary shares, respectively. The Company paid for the share capital amounting to Baht 61.33 million, in the proportion of investment of 40%. As at 31 December 2011, the Company had commitments for the remaining unpaid-share capital of Baht 8.67 million.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Investment in Solar Power (Korat 7) Company Limited

On 4 August 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Solar Power (Korat 7) Company Limited in order to jointly develop Solar Power Plant Projects located in Nakhonratchasima province for total capacity of 6 Megawatts, in the proportion of investment of 40%. The registered capital of such company was Baht 195 million (*comprising 0.01 and 19.49 million ordinary shares at par value of Baht 10 per share*). Such company called for the paid-up share capital at Baht 10 and Baht 2.5 per share for 0.01 and 19.49 million ordinary shares, respectively.

At the extraordinary meeting of the shareholders of Solar Power (Korat 7) Company Limited, jointly-controlled entities held on 10 October 2011, the shareholders approved to reduce the authorised share capital from Baht 195 million (*comprising 0.01 million and 19.49 million at par value of Baht 10 per share*) to Baht 162.5 million (*comprising 0.01 million shares and 16.24 million at par value of Baht 10 per share*). Such Company called for the paid-up share capital at Baht 10 and 7 Baht per share for 0.01 and 16.24 million ordinary shares, respectively. The Company paid for the share capital amounting to Baht 45.53 million, in the proportion of investment of 40%. As at 31 December 2011, the Company had commitments for the remaining unpaid-share capital of Baht 19.47 million.

Investment in Songkha Biomass Company Limited

On 8 September 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Songkha Biomass Company Limited in order to jointly develop Biomass power Plant projects utilising wood slabs and roots located in Songkha province with a total capacity of 9.9 Megawatts, in the proportion of investment of 40%. The registered capital of such company was Baht 25 million (*comprising 0.01 and 0.24 million ordinary shares at par value of Baht 100 per share*). The Company paid for the share capital totalling Baht 10 million, in the proportion of investment of 40%.

At the extraordinary meeting of the shareholders of Songkha Biomass Company Limited, jointly-controlled entities held on 7 November 2011, the shareholders approved to increase the authorised share capital from Baht 25 million (*comprising 0.25 million at par value of Baht 100 per share*) to Baht 45 million (*comprising 0.45 million shares at par value of Baht 100 per share*) by issuance of new ordinary shares totalling 0.20 million shares at par value of Baht 100 per share. Such Company called for the paid-up share capital at Baht 100 Baht per share. The Company paid for the share capital amounting to Baht 8 million, in the proportion of investment of 40%.

Dividend paid by jointly-controlled entity

At the meeting of the shareholders of Chubu Ratchaburi Electric Service Company Limited, a jointly-controlled entity, held on 24 March 2011, the shareholders approved the appropriation of dividends of Baht 100 per share, amounting to Baht 20 million. The dividend was paid in 2011.

At the meeting of the shareholders of Ratchaburi Power Company Limited, a jointly-controlled entity, held on 10 March and 9 August in 2011, the shareholders approved the appropriation of dividends of Baht 15.02 and 16.39 per share, respectively. The Company received such dividend in the proportion of investment amounting to Baht 575.0 million. The dividend was paid in 2011.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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At the meeting of the shareholders of Tri Energy Company Limited, a jointly-controlled entity, held on 13 June and 13 December 2011, the shareholders approved the appropriation of dividends of Baht 6.75 and 1.80 per share, respectively. The Company received such dividend in the proportion of investment amounting to Baht 146.4 million. The dividends were partially paid in 2011 amounted to Baht 115.6 million. The remaining balance amounted to Baht 30.8 million will be paid in 2012.

Investment in First Korat Wind Company Limited

On 26 July 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of First Korat Wind Company Limited in order to jointly develop Wind Power Plant Projects located in Nakhonratchasima provinces for total capacity of 103.50 Megawatts, in the proportion of investment of 20%. The registered capital of such company was Baht 1,996.02 million (*comprising 0.1 and 199.50 million ordinary shares at par value of Baht 10 per share*). Such company called for the paid-up share capital at Baht 10 and Baht 5.1 per share for 0.1 and 199.50 million ordinary shares, respectively. The Company paid for the share capital totalling Baht 203.59 million, in the proportion of investment of 20%. As at 31 December 2011, the Company had commitments for the remaining unpaid-share capital of Baht 195.11 million.

Investment in K.R. Two Company Limited

On 23 March 2011, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of K.R. Two Company Limited in order to jointly develop Wind Power Plant Projects located in Nakhonratchasima provinces for total capacity of 103.50 Megawatts, in the proportion of investment of 20%. The registered capital of such company was Baht 350 million (*comprising 35 million ordinary shares at par value of Baht 10 per share*). Such Company called for the paid-up share capital at Baht 4.2 per share. The Company paid for the share capital amounting to Baht 29.40 million, in the proportion of investment of 20%. As at 31 December 2011, the Company had commitments for the remaining unpaid share capital of Baht 40.60 million.

At the extraordinary meeting of the shareholders held on 6 December 2011, the shareholders approved to increase the authorised share capital from Baht 350 million (*comprising 35 million at par value of Baht 10 per share*) to Baht 1,827 million (*comprising 182.70 million shares at par value of Baht 10 per share*). Such the Company called for the paid-up share capital at Baht 4.2 Baht per share for 147.70 million ordinary shares. The Company paid for the share capital amounting to Baht 124.07 million, in the proportion of investment of 20%. As at 31 December 2011, the Company had commitments for the remaining unpaid-share capital of Baht 171.33 million.

12 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 2011, the Company had commitments for the remaining unpaid-share capital of Baht 11.64 million (*As at 31 December 2010: Baht 11.64 million*).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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13 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 <i>(in thousand Baht)</i> | Furniture, fixtures and office equipment | Vehicles | Construction in progress | Total |
| Cost | | | | | | | | |
| At 1 January 2010 | 751,457 | 511,001 | 57,653,251 | 15,826 | 218,585 | 41,063 | 36,685 | 59,227,868 |
| Acquisitions through business acquisition | - | - | - | - | 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) |
| At 31 December 2010 and 1 January 2011 | 1,047,810 | 512,993 | 57,722,980 | 15,826 | 233,268 | 43,239 | 22,000 | 59,598,116 |
| Acquisitions through business acquisition | 207,837 | 301,510 | 26,114,806 | - | 792 | - | - | 26,624,945 |
| Additions | - | 3,182 | 58,418 | - | 17,826 | 6,484 | 155,087 | 240,997 |
| Disposals | - | (12,467) | (354,579) | - | (1,495) | (6,646) | - | (375,187) |
| Adjust exchange rate | (3,256) | (3,984) | (344,233) | - | (10) | - | - | (351,483) |
| At 31 December 2011 | 1,252,391 | 801,234 | 83,197,392 | 15,826 | 250,381 | 43,077 | 177,087 | 85,737,388 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

| | 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 <i>(in thousand Baht)</i> | Furniture, fixtures and office equipment | Vehicles | Construction in progress | Total |
| <i>Accumulated depreciation</i> | | | | | | | | |
| At 1 January 2010 | - | 226,064 | 21,398,715 | - | 120,207 | 26,018 | - | 21,771,004 |
| Acquisitions through business acquisition | - | - | - | - | 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) |
| At 31 December 2010 and 1 January 2011 | - | 252,452 | 24,022,432 | - | 136,219 | 22,146 | - | 24,433,249 |
| Acquisitions through business acquisition | - | 44,950 | 7,933,065 | - | 642 | - | - | 7,978,657 |
| Depreciation charge for the year | - | 29,127 | 2,815,331 | - | 28,937 | 5,950 | - | 2,879,345 |
| Disposals | - | (6,665) | (333,356) | - | (1,476) | (5,345) | - | (346,842) |
| Adjust exchange rate | - | 1,426 | 235,521 | - | (7) | - | - | 236,940 |
| At 31 December 2011 | - | 321,290 | 34,672,993 | - | 164,315 | 22,751 | - | 35,181,349 |
| <i>Net book value</i> | | | | | | | | |
| At 1 January 2010 | 751,457 | 284,937 | 36,254,536 | 15,826 | 98,378 | 15,045 | 36,685 | 37,456,864 |
| At 31 December 2010 and 1 January 2011 | 1,047,810 | 260,541 | 33,700,548 | 15,826 | 97,049 | 21,093 | 22,000 | 35,164,867 |
| At 31 December 2011 | 1,252,391 | 479,944 | 48,524,399 | 15,826 | 86,066 | 20,326 | 177,087 | 50,556,039 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

| | Separate financial statements | | | | |
|---|-------------------------------|---|------------------------------------|-----------------------------|----------------|
| | Land | Furniture, fixtures and office equipment | Vehicles (in thousand Baht) | Construction in progress | Total |
| Cost | | | | | |
| At 1 January 2010 | - | 150,609 | 22,038 | 305 | 172,952 |
| Additions | 292,040 | 10,691 | 13,718 | 5,617 | 322,066 |
| Transfers | - | 5,922 | - | (5,922) | - |
| Disposals | - | (8,555) | (8,259) | - | (16,814) |
| At 31 December 2010 and 1 January 2011 | 292,040 | 158,667 | 27,497 | - | 478,204 |
| Additions | - | 10,807 | 5,950 | 92,227 | 108,984 |
| Transfers | - | 3,193 | - | (3,193) | - |
| Disposals | - | - | (6,640) | - | (6,640) |
| At 31 December 2011 | 292,040 | 172,667 | 26,807 | 89,034 | 580,548 |
| Accumulated depreciation | | | | | |
| At 1 January 2010 | - | 73,409 | 10,660 | - | 84,069 |
| Depreciation charge for the year | - | 19,884 | 4,846 | - | 24,730 |
| Disposals | - | (8,469) | (6,736) | - | (15,205) |
| At 31 December 2010 and 1 January 2011 | - | 84,824 | 8,770 | - | 93,594 |
| Depreciation charge for the year | - | 21,669 | 5,240 | - | 26,909 |
| Disposals | - | - | (5,342) | - | (5,342) |
| At 31 December 2011 | - | 106,493 | 8,668 | - | 115,161 |
| Net book value | | | | | |
| At 1 January 2010 | - | 77,200 | 11,378 | 305 | 88,883 |
| At 31 December 2010 and 1 January 2011 | 292,040 | 73,843 | 18,727 | - | 384,610 |
| At 31 December 2011 | 292,040 | 66,174 | 18,139 | 89,034 | 465,387 |

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2011 amounted to Baht 2,174 million (As at 31 December 2010: Baht 1,712.30 million).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

14 Intangible assets

| | Consolidated financial statements | | | | | Total |
|---|--|----------------------|--------------------------------------|---|--|------------------|
| | Right to use electrical transmission line | Software licences | License on project development | Goodwill from business acquisition | Goodwill from business acquisition- transferred from the subsidiary company | |
| | <i>(in thousand Baht)</i> | | | | | |
| <i>Cost</i> | | | | | | |
| At 1 January 2010 | 10,925 | 13,238 | 665,512 | - | - | 689,675 |
| Additions | 458 | 2,667 | - | 117,086 | - | 120,211 |
| At 31 December 2010 and 1 January 2011 | 11,383 | 15,905 | 665,512 | 117,086 | - | 809,886 |
| Additional from business acquisition | - | 6,258 | - | 1,202,963 | 4,157,987 | 5,367,208 |
| Additional | 19,580 | 1,601 | - | - | - | 21,181 |
| Disposals | - | - | - | - | - | - |
| Adjust Exchange Rates | - | (83) | - | 39,515 | (54,937) | (15,505) |
| At 31 December 2011 | 30,963 | 23,681 | 665,512 | 1,359,564 | 4,103,050 | 6,182,770 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Consolidated financial statements

| | Right to use electrical transmission line | Software licences | License on project development | Goodwill from business acquisition | Goodwill from business acquisition- transferred from the subsidiary company | Total |
|--|--|----------------------|--------------------------------------|---|--|----------------|
| | <i>(in thousand Baht)</i> | | | | | |
| <i>Accumulated amortisation</i> | | | | | | |
| At 1 January 2010 | 3,430 | 7,975 | - | - | - | 11,405 |
| Amortisation charge | | | | | | |
| for the year | 1,370 | 1,601 | - | - | - | 2,971 |
| At 31 December 2010 | | | | | | |
| and at 1 January 2011 | 4,800 | 9,576 | - | - | - | 14,376 |
| Amortisation charge | | | | | | |
| for the year | 1,422 | 3,033 | - | - | 65,999 | 70,454 |
| Adjust Exchange Rates | - | (50) | - | - | 844 | 794 |
| At 31 December 2011 | 6,222 | 12,559 | - | - | 66,843 | 85,624 |
| <i>Net book value</i> | | | | | | |
| At 1 January 2010 | 7,495 | 5,263 | 665,512 | - | - | 678,270 |
| At 31 December 2010 | | | | | | |
| and at 1 January 2011 | 6,583 | 6,329 | 665,512 | 117,086 | - | 795,510 |
| At 31 December 2011 | 24,741 | 11,122 | 665,512 | 1,359,564 | 4,036,207 | 6,097,146 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

| | Separate financial statements | | |
|--|--------------------------------------|---|----------------|
| | Software licences | License on project development <i>(in thousand Baht)</i> | Total |
| <i>Cost</i> | | | |
| At 1 January 2010 | 13,238 | 665,512 | 678,750 |
| Additions | 2,667 | - | 2,667 |
| At 31 December 2010 and 1 January 2011 | 15,905 | 665,512 | 681,417 |
| Additions | 1,177 | - | 1,177 |
| At 31 December 2011 | 17,082 | 665,512 | 682,594 |
| <i>Accumulated amortisation</i> | | | |
| At 1 January 2010 | 7,975 | - | 7,975 |
| Amortisation charge for the year | 1,601 | - | 1,601 |
| At 31 December 2010 and at 1 January 2011 | 9,576 | - | 9,576 |
| Amortisation charge for the year | 2,136 | - | 2,136 |
| At 31 December 2011 | 11,712 | - | 11,712 |
| <i>Net book value</i> | | | |
| At 1 January 2010 | 5,263 | 665,512 | 670,775 |
| At 31 December 2010 and at 1 January 2011 | 6,329 | 665,512 | 671,841 |
| At 31 December 2011 | 5,370 | 665,512 | 670,882 |

15 Deferred tax

From 1 January 2011, the Group/Company has adopted TFRS 12 Deferred tax. The change in accounting policy has been applied retrospectively to the Group's/Company's 2010 financial statements. The impact of the changes is disclosed in note 3(c).

Deferred tax assets and liabilities are included in the statement of financial position as follows:

| | Consolidated | | Separate | |
|--------------------------|---------------------|---------------------------|-----------------|-------|
| | 2011 | 2010 | 2011 | 2010 |
| | | | | |
| | | <i>(in thousand Baht)</i> | | |
| Deferred tax assets | 189,628 | 135,417 | 77,847 | 1,046 |
| Deferred tax liabilities | (2,039,387) | - | - | - |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

Movements in deferred tax assets and liabilities during the years ended 31 December 2011 and 2010 were as follows:

| | Consolidated financial statements | | | | | | |
|---------------------------------|--|--|-------------------------|--------------------------------------|--------------|-------------------------|------------------------------------|
| | At 1 January 2011 | Change in income tax as a result of the adoption of employee benefit (Note 3) | Business acquisition | (Charged) / credited to: | | Exchange differences | At 31 December 2011 |
| | | | Profit or loss | Other compre hensive income | | | |
| <i>(in thousand Baht)</i> | | | | | | | |
| Deferred tax assets | | | | | | | |
| Allowance for | | | | | | | |
| spare parts and supplies | 133,727 | - | - | (32,733) | - | - | 100,994 |
| Provision for | | | | | | | |
| employee benefits | 1,670 | 19,713 | - | (4,752) | - | - | 16,631 |
| Available-for-sale | | | | | | | |
| security | - | - | - | - | 6,127 | - | 6,127 |
| Losses carry forward | - | - | - | 65,900 | - | - | 65,900 |
| Finance leases | | | | | | | |
| liabilities | 20 | - | - | (44) | - | - | (24) |
| Total | 135,417 | 19,713 | - | 28,371 | 6,127 | - | 189,628 |
| Deferred tax liabilities | | | | | | | |
| Finance leases | | | | | | | |
| liabilities | - | - | (2,153,573) | 89,221 | - | 30,430 | (2,033,922) |
| Deferred expenses | - | - | 90,199 | (51,997) | - | (2,343) | 35,859 |
| Other account receivable | - | - | (73,559) | 18,893 | - | 1,390 | (53,276) |
| Others | - | - | 4,402 | 7,443 | - | 107 | 11,952 |
| Total | - | - | (2,132,531) | 63,560 | - | 29,584 | (2,039,387) |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

| | At 1 January 2010 | Change in income tax as a result of the adoption of employee benefit (Note 3) | Consolidated financial statements (Charged) / credited to: | | At 31 December 2010 |
|---|----------------------------------|---|--|----------------------------------|------------------------------------|
| | | | Profit or loss | Other comprehensive income | |
| <i>(in thousand Baht)</i> | | | | | |
| Deferred tax assets | | | | | |
| Allowance for spare parts and supplies | 125,196 | - | 8,531 | - | 133,727 |
| Provision | 3,166 | - | (3,166) | - | - |
| Provision for employee benefits | 1,693 | - | (23) | - | 1,670 |
| Finance leases liability | - | - | 20 | - | 20 |
| Total | 130,055 | - | 5,362 | - | 135,417 |
| | | | | | |
| | At 1 January 2011 | Change in income tax as a result of the adoption of employee benefit (Note 3) | Separate financial statements (Charged) / credited to: | | At 31 December 2011 |
| | | | Profit or loss | Other comprehensive income | |
| <i>(in thousand Baht)</i> | | | | | |
| Deferred tax assets | | | | | |
| Provision for employee benefits | 1,046 | 14,104 | (3,203) | - | 11,947 |
| Losses carried forward | - | - | 65,900 | - | 65,900 |
| Total | 1,046 | 14,104 | 62,697 | - | 77,847 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
For the years ended 31 December 2011 and 2010

| | At 1 January 2010 | Change in income tax as a result of the adoption of employee benefit (Note 3) | Separate financial statements (Charged) / credited to: | | At 31 December 2010 |
|------------------------------------|-------------------------|---|---|----------------------------------|---------------------------|
| | | | Profit or loss | Other comprehensive income | |
| <i>(in thousand Baht)</i> | | | | | |
| Deferred tax assets | | | | | |
| Provision for damage Insurance | 3,166 | - | (3,166) | - | - |
| Provision for employee benefits | 1,136 | - | (90) | - | 1,046 |
| Total | 4,302 | - | (3,256) | - | 1,046 |

16 Other non-current assets

| | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------------------|----------------------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| <i>(in thousand Baht)</i> | | | | |
| Development costs - Hongsa Lignite Project | - | 15,692 | - | 15,692 |
| Development costs - Nam Ngum 3 Project | 357,693 | 182,369 | 357,694 | 182,369 |
| Development costs - Xe-Pian Xe-Namnoy Project | 118,294 | 57,381 | 118,294 | 57,381 |
| Development costs for wind power project | 177,105 | 72,592 | - | - |
| Deferred expense under contractual service agreement | 978,911 | 847,056 | - | - |
| Others | 75,612 | 9,321 | 8,767 | 8,803 |
| Total | 1,707,615 | 1,184,411 | 484,755 | 264,245 |

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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 totalling Baht 865 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.

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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.

On 23 February 2011, Hongsa Power Company Limited entered into a contract for the operation and maintenance of combined cycle power plant Hong Sa with Electricity Generating Authority of Thailand ("EGAT"), at the contract value of Baht 16,850 millions. The contract will become effective in 2013 for a period of 18 years.

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

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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.

On 15 June 2011, the Company and partners has signed an agreement between the shareholders for such projects.

17 Interest-bearing liabilities

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Current</i> | | | | |
| Current portion of long-term loans from financial institutions | | | | |
| secured | 191,827 | 3,649,005 | - | - |
| <i>Less</i> deferred financing fees within one year | - | (31,537) | - | - |
| | <u>191,827</u> | <u>3,617,468</u> | <u>-</u> | <u>-</u> |
| Debtentures secured | 3,683,621 | - | - | - |
| <i>Less</i> deferred financing fees within one year | (24,767) | - | - | - |
| | <u>3,658,854</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Finance lease liability | 1,577 | 1,475 | - | - |
| Total current interest-bearing liabilities | <u>3,852,258</u> | <u>3,618,943</u> | <u>-</u> | <u>-</u> |
| <i>Non-current</i> | | | | |
| Long-term loans | | | | |
| from financial institutions secured | 15,064,071 | 13,237,527 | 1,200,000 | - |
| <i>Less</i> deferred financing fees within one year | (245,373) | - | - | - |
| | <u>14,818,698</u> | <u>13,327,527</u> | <u>1,200,000</u> | <u>-</u> |
| Debtentures secured | 15,807,238 | - | - | - |
| <i>Less</i> deferred financing fees within one year | (18,897) | - | - | - |
| | <u>15,788,341</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Financial lease liability | 1,817 | 3,260 | - | - |
| Total non-current interest-bearing liabilities | <u>30,608,856</u> | <u>13,240,787</u> | <u>1,200,000</u> | <u>-</u> |

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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 | |
|--------------------------------------|--|--------------------------|--|-----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Within one year | 3,850,681 | 3,617,468 | - | - |
| After one year but within five years | 24,416,326 | 13,237,527 | 1,200,000 | - |
| More than five years | 6,190,713 | - | - | - |
| Total | <u>34,457,720</u> | <u>16,854,995</u> | <u>1,200,000</u> | <u>-</u> |

Finance lease liability as at 31 December were payable as follows:

| | Consolidated financial statements | | | | | |
|--------------------------------------|--|-------------------|---------------------|---------------------|-------------------|---------------------|
| | 2011 | | | 2010 | | |
| | Principal | Interest | Payments | Principal | Interest | Payments |
| | <i>(in thousand Baht)</i> | | | | | |
| Within one year | 1,577 | 179 | 1,756 | 1,475 | 281 | 1,756 |
| After one year but within five years | 1,817 | 128 | 1,945 | 3,260 | 307 | 3,567 |
| Total | <u>3,394</u> | <u>307</u> | <u>3,701</u> | <u>4,735</u> | <u>588</u> | <u>5,323</u> |

On 7 September 2011, the Company entered into a long-term loan agreement with a branch of foreign financial institution amounting to Baht 1,200 million which bears interest at the rate of 4.0% per annum. Such loan will be repayable in 2016.

On 18 March 2011, Ratchaburi Electricity Generating Company Limited, a subsidiary, entered into an underwriting agreement with a financial institution to issue the bill of exchange and debentures totalling Baht 16,110 million to repay the full amount of the existing loans. Such credit facilities comprised bill of exchange Baht 2,824 million and debentures of Baht 13,286 million which bear interest at the rates as stipulated in each tranche. Such debentures are unsubordinated, unsecured, and with the non-holder representative. The debentures are repayable on a quarterly basis starting from the 1st quarter 2012 and to 1st quarter 2015. Subsequently, on 31 March 2011, the subsidiary made repayments of the existing secured borrowings and the changes over the buildings, power plant and equipment which had been used as collateral were redeemed during April 2011. The unwinding fee of Baht 80.55 million and the remaining balance of deferred financing fee of the existing loans of Baht 72.50 million were recognised as finance costs for the year ended 31 December 2011.

On 9 August 2011, RH International (Singapore) Corporation PTE.,Ltd, a subsidiary, entered into an underwriting agreement with a foreign financial institution to issue debentures amounting to JPY 15,000 million for a 15-year period which bears interest at the rate of 2.72% per annum. Such debentures are unsubordinated, unsecured and will be due in 2026.

RATCH-Australia Corporation Limited, a subsidiary, had a long-term loan agreement with a foreign financial institution for facilities totaling AUD 500 million which bear interest at the floating rate of BBSY. Repayment of loan will be made up until 2015 (Final maturity date).

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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18 Other current liabilities

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|----------------|----------------------------------|----------------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | <i>(in thousand Baht)</i> | | | |
| Other accounts payable to related parties | 6 | 22,099 | 30,501 | - | 1,166 |
| Other accounts payable | | 2,937 | 8,951 | - | - |
| Unearned revenue and accrued Expense-related parties | 6 | 84,849 | 56,552 | 15,621 | 12,220 |
| Dividend Payable | | - | - | - | 10,700 |
| Value added tax payable | | 258,874 | 124,675 | - | - |
| Accrued license fee on project development | | - | 508,978 | - | 508,978 |
| Others | | 547,572 | 224,059 | 251,538 | 122,080 |
| Total | | 916,331 | 953,716 | 267,159 | 655,144 |

19 Employee benefit obligations

The Group/Company has adopted TAS 19 Employee Benefits. The change in accounting policy has been applied retrospectively to the Group's/Company's 2010 financial statements for short-term employee benefit obligations. For long-term employee benefit, the Group/Company has opted to record the entire amount of this liability as an adjustment to retained earnings as at 1 January 2011. The impact on the 2011 and 2010 financial statements was as described in note 3(f).

Employee benefit obligations as at 31 December 2011 as follows:

| | Consolidated financial statements | Separate financial statements |
|---|---|-------------------------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Current (included in other current liabilities)</i> | | |
| Unused vacation leave | 15,131 | 4,530 |
| <i>Non current</i> | | |
| Post-employment benefit | 79,631 | 54,528 |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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Movement in the Employee benefit obligations for the years ended 31 December 2011 as follows:

| | Consolidated financial statements | Separate financial statements |
|---|--|--|
| | <i>(in thousand Baht)</i> | |
| <i>Unused vacation leave</i> | | |
| At 1 January 2011 | 6,268 | 4,185 |
| Increase | 8,863 | 345 |
| At 31 December 2011 | 15,131 | 4,530 |
| <i>Post-employment benefit</i> | | |
| Defined benefit obligations at 1 January 2011 | 65,710 | 47,014 |
| Benefits paid by the plan | (3,467) | (3,467) |
| Current service costs and interest | 17,388 | 10,981 |
| At 31 December 2011 | 79,631 | 54,528 |

Expense recognised in profit or loss for the years ended 31 December 2011 as follows:

| | Consolidated financial statements | Separate financial statements |
|-------------------------|--|--|
| | <i>(in thousand Baht)</i> | |
| Unused vacation leave | 8,863 | 345 |
| Post-employment benefit | 17,388 | 10,980 |
| Total | 26,251 | 11,325 |

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| | Consolidated financial statements | Separate financial statements |
|-------------------------|--|--|
| | <i>(%)</i> | |
| Discount rate | 4.2 | 4.2 |
| Future salary increases | 8 | 8 |

Assumptions regarding future mortality are based on published statistics and mortality tables, discount rate of long-term government bond.

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
Notes to the financial statements
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20 Share capital

| | Par value per share (in Baht) | Number | 2011 Baht (thousand shares / thousand Baht) | 2010 Number | Baht |
|---------------------------|-------------------------------------|-------------------------|---|-------------------------|--------------------------|
| <i>Authorised</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 10 | <u>1,450,000</u> | <u>14,500,000</u> | <u>1,450,000</u> | <u>14,500,000</u> |
| At 31 December | | | | | |
| - ordinary shares | | <u>1,450,000</u> | <u>14,500,000</u> | <u>1,450,000</u> | <u>14,500,000</u> |
| <i>Issued and paid up</i> | | | | | |
| At 1 January | | | | | |
| - ordinary shares | 10 | <u>1,450,000</u> | <u>14,500,000</u> | <u>1,450,000</u> | <u>14,500,000</u> |
| At 31 December | | | | | |
| - ordinary shares | | <u>1,450,000</u> | <u>14,500,000</u> | <u>1,450,000</u> | <u>14,500,000</u> |

21 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.

22 Segment reporting

The Group is operating in generating and selling electricity to government and industrial sector, both within and outside the country, and providing operation and maintenance service relating to the power plant. The Group does not presented the information of the service segment because the revenue from service segment is less than 5% of total revenues.

The Group presents financial information by geographic segment. The primary format for reporting geographical segment is based on the management system and internal reporting structure of the Group as the basis for the division.

Revenues and operating results of the geographic area in the consolidated financial statements for the years ended 31 December 2011 and 2010 are as follows:

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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| | Thailand | | Australia | | Others | | Eliminate transaction | | Total | |
|---|---------------------------|-------------------------|-------------------------|-----------------|-----------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | | | | | | | |
| Revenue from sale and rendering of services | 41,253,046 | 42,138,866 | 2,088,812 | - | 115,000 | 42,255 | - | - | 43,456,858 | 42,181,121 |
| Cost of sale and rendering of services | <u>(34,403,279)</u> | <u>(36,154,148)</u> | <u>(1,340,305)</u> | <u>-</u> | <u>(70,999)</u> | <u>(28,950)</u> | <u>-</u> | <u>-</u> | <u>(35,814,583)</u> | <u>(36,183,098)</u> |
| Gross profit | 6,849,767 | 5,984,718 | 748,507 | - | 44,001 | 13,305 | - | - | 7,642,275 | 5,998,023 |
| Management service income | 308,643 | 271,381 | - | - | 3,930 | - | (124,026) | (12,717) | 188,547 | 258,664 |
| Dividend income | - | - | - | - | 60,063 | - | - | - | 60,063 | - |
| Interest income | 469,058 | 267,490 | 237,266 | - | 236,753 | - | (365,377) | (35,113) | 577,700 | 232,377 |
| Other income | 101,165 | 87,108 | 8,645 | - | 127,345 | 65 | (127,345) | (14,780) | 109,810 | 72,393 |
| Administrative expenses | <u>(1,102,044)</u> | <u>(824,849)</u> | <u>(256,925)</u> | <u>-</u> | <u>(52,262)</u> | <u>(19,049)</u> | <u>17,778</u> | <u>(7,683)</u> | <u>(1,393,453)</u> | <u>(851,581)</u> |
| Gain (loss) on exchange rate | <u>(161,611)</u> | <u>32,378</u> | <u>23</u> | <u>-</u> | <u>124,477</u> | <u>(10,576)</u> | <u>1,761</u> | <u>27,420</u> | <u>(35,350)</u> | <u>49,222</u> |
| Finance costs | <u>(893,162)</u> | <u>(711,584)</u> | <u>(1,339,483)</u> | <u>-</u> | <u>(226,163)</u> | <u>(557)</u> | <u>521,887</u> | <u>(2,380)</u> | <u>(1,936,921)</u> | <u>(714,521)</u> |
| Share of profit of jointly-controlled and associated entity | <u>1,282,723</u> | <u>1,443,132</u> | <u>50,372</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,333,095</u> | <u>1,443,132</u> |
| Profit (loss) before income tax expense | 6,854,539 | 6,549,774 | (551,595) | - | 318,144 | (16,812) | (75,322) | (45,253) | 6,545,766 | 6,487,709 |
| Income tax expense | <u>(1,804,110)</u> | <u>(1,266,545)</u> | <u>(14,334)</u> | <u>-</u> | <u>(3,795)</u> | <u>-</u> | <u>23</u> | <u>-</u> | <u>(1,822,216)</u> | <u>(1,266,545)</u> |
| Profit (loss) for the year | <u>5,050,429</u> | <u>5,283,229</u> | <u>(565,929)</u> | <u>-</u> | <u>314,349</u> | <u>(16,812)</u> | <u>(75,299)</u> | <u>(45,253)</u> | <u>4,723,550</u> | <u>5,221,164</u> |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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23 Administrative expenses

| | Consolidated | | Separate | |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Personnel | 478,734 | 331,216 | 301,338 | 245,689 |
| Administrative | 303,854 | 233,116 | 137,520 | 132,894 |
| Consulting and professional fees | 328,797 | 78,832 | 292,825 | 77,689 |
| Public relation | 101,604 | 75,355 | 69,525 | 48,488 |
| Premise tax | 17,277 | 17,274 | 48 | 35 |
| Donation | 33,126 | 28,800 | 21,953 | 20,403 |
| Depreciation and amortisation | 129,338 | 60,528 | 29,046 | 26,330 |
| Loss on disposal of spare parts and fixed assets | 723 | 26,460 | - | 75 |
| Total | <u>1,393,453</u> | <u>851,581</u> | <u>852,255</u> | <u>551,603</u> |

24 Employee benefit expenses

| | Consolidated | | Separate | |
|---------------------------------------|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Management</i> | | | | |
| Directors' remuneration | 13,011 | 9,549 | 6,199 | 6,434 |
| Wages and salaries | 109,715 | 50,555 | 49,071 | 34,896 |
| Contribution to defined benefit plans | 6,318 | 4,349 | 4,071 | 2,872 |
| Others | 60,812 | 47,967 | 43,812 | 32,874 |
| | <u>189,856</u> | <u>112,420</u> | <u>103,153</u> | <u>77,076</u> |
| <i>Other employees</i> | | | | |
| Wages and salaries | 176,454 | 130,870 | 116,860 | 99,927 |
| Contribution to defined benefit plans | 9,619 | 9,114 | 8,382 | 7,130 |
| Others | 83,354 | 59,056 | 59,747 | 48,332 |
| | <u>269,427</u> | <u>199,040</u> | <u>184,989</u> | <u>155,389</u> |
| Total | <u>459,283</u> | <u>311,460</u> | <u>288,142</u> | <u>232,465</u> |

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.

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25 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 | | Separate | |
|---------------------------------------|-----------------------------|------------|-----------------------------|---------|
| | financial statements | | financial statements | |
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht)</i> | | | |
| Fuel costs | 29,013,082 | 31,027,158 | - | - |
| Depreciation and amortisation | 3,276,694 | 2,685,630 | 29,046 | 26,330 |
| Operation and maintenance service fee | 1,487,006 | 1,079,689 | - | - |
| Spare parts and repair expenses | 1,518,511 | 1,027,996 | - | - |
| Administrative expenses | 354,980 | 305,650 | 159,570 | 153,407 |
| Insurance premium | 217,393 | 208,951 | - | - |
| Employee benefit expenses | 478,734 | 331,216 | 301,338 | 245,689 |
| Other costs | 431,235 | 214,201 | - | - |
| Consulting and professional fees | 328,798 | 78,832 | 292,823 | 77,689 |
| Public relation | 101,634 | 75,355 | 69,525 | 48,488 |

26 Finance costs

| | <i>Note</i> | Consolidated | | Separate | |
|-----------------------------------|-------------|-----------------------------|-----------------------|-----------------------------|-----------------|
| | | financial statements | | financial statements | |
| | | 2011 | 2010 | 2011 | 2010 |
| | | <i>(in thousand Baht)</i> | | | |
| Related party | | | | | |
| - Interest expense | 6 | 368,799 | - | - | - |
| Other parties | | | | | |
| - Interest expense | | 1,350,983 | 677,344 | 35,445 | - |
| - Amortisation of financing fees. | | 136,589 | 37,177 | - | - |
| - Unwinding fee | | 80,550 | - | - | - |
| Total | | <u>1,936,921</u> | <u>714,521</u> | <u>35,445</u> | <u>-</u> |

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries
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27 Income tax expense

Income tax recognised in profit or loss

| | Note | Consolidated financial statements | | Separate financial statements | |
|---|------|--------------------------------------|-------------------------|----------------------------------|---------------------|
| | | 2011 | 2010 | 2011 | 2010 |
| <i>(in thousand Baht)</i> | | | | | |
| Current tax expense | | | | | |
| Current year | | 1,898,000 | 1,276,841 | - | 2,499 |
| Adjustment for prior years | | 16,147 | (4,933) | (123) | (151) |
| | | <u>1,914,147</u> | <u>1,271,908</u> | <u>(123)</u> | <u>2,348</u> |
| Deferred tax expense | 15 | | | | |
| Movements in temporary differences | | (179,680) | (5,362) | (97,726) | 3,256 |
| Income tax reduction – deferred | | 87,749 | - | 35,029 | - |
| Recognition of previously unrecognised tax losses | | - | - | - | - |
| | | <u>(91,931)</u> | <u>(5,362)</u> | <u>(62,697)</u> | <u>3,256</u> |
| Total income tax expense | | <u>1,822,216</u> | <u>1,266,546</u> | <u>(62,820)</u> | <u>5,604</u> |

Income tax recognised in other comprehensive income

| | Consolidated financial statements | | | | | |
|-------------------------------------|-----------------------------------|-------------------------------------|------------------------|-----------------|-------------------------------------|-----------------|
| | Before tax | 2011 Tax (expense) benefit | Net of tax | Before tax | 2010 Tax (expense) benefit | Net of tax |
| <i>(in thousand Baht)</i> | | | | | | |
| Available-for-sale financial assets | (87,329) | 6,127 | (81,202) | - | - | - |
| Total | <u>(87,329)</u> | <u>6,127</u> | <u>(81,202)</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Reconciliation of effective tax rate

| | Rate (%) | Consolidated financial statements | |
|--|-----------|-----------------------------------|-----------------------------------|
| | | 2011 <i>(in thousand Baht)</i> | 2010 <i>(in thousand Baht)</i> |
| Profit (loss) for the year | | 4,723,550 | 5,221,163 |
| Total income tax expense | | 1,822,216 | 1,266,546 |
| Profit before total income tax expense | | <u>6,545,766</u> | <u>6,487,709</u> |
| Income tax using the Thai corporation tax rate | 30 | 2,980,385 | 2,443,283 |
| Income tax reduction - deferred | | 87,749 | - |
| Income not subject to tax | | (1,462,061) | (1,155,068) |
| Expense not deductible for tax purposes | | 199,996 | (16,736) |
| Under (over) provided in prior years | | 16,147 | (4,933) |
| Total | 28 | <u>1,822,216</u> | <u>1,266,546</u> |

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| | Rate (%) | Separate financial statements | |
|--|-------------|-------------------------------|-------------------------------|
| | | 2011 (in thousand Baht) | 2010 (in thousand Baht) |
| Profit (loss) for the year | | 4,540,910 | 3,675,255 |
| Total income tax expense | | (62,820) | 5,604 |
| Profit before total income tax expense | | <u>4,478,090</u> | <u>3,680,859</u> |
| Income tax using the Thai corporation tax rate | 30 | 1,343,427 | 25 |
| Income tax reduction - deferred | | 35,029 | - |
| Income not subject to tax | | (1,449,243) | (921,118) |
| Expense not deductible for tax purposes | | 8,090 | 6,658 |
| Under (over) provided in prior years | | (123) | (151) |
| Total | - | <u>(62,820)</u> | <u>0.1</u> |

Income tax reduction - deferred

On 11 October 2011, the Cabinet announced the change in the corporate income tax rate to 23% for accounting periods ending 31 December 2012, and to 20% for accounting periods ending 31 December 2013 onward. The effect of this change in tax rate resulted in a decrease in the deferred tax assets of the Group/Company as at 31 December 2011 of approximately of Baht 87.7 million and 35 million, respectively, and decrease in profit of the Group/Company for the year ended 31 December 2011 by the same amount.

28 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:

- exemption from payment of import duty on machinery approved by the Board;
- 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:

- exemption from payment of import duty on machinery approved by the Board;
- 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.

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Summary of revenues from promoted and non-promoted businesses:

| | Consolidated financial statements | | | | | |
|-----------------------|-----------------------------------|--------------------------------|-------------------|------------------------|--------------------------------|-------------------|
| | 2011 | | | 2010 | | |
| | Promoted businesses | Non- promoted businesses | Total | Promoted businesses | Non- promoted businesses | Total |
| | <i>(in thousand Baht)</i> | | | | | |
| Revenue | 48,404 | 41,386,926 | 41,435,330 | 8,056,301 | 34,189,533 | 42,245,834 |
| Total revenues | 48,404 | 41,386,926 | 41,435,330 | 8,056,301 | 34,189,533 | 42,245,834 |

29 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2011 and 2010 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 | |
|---|---|------------------|----------------------------------|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Net profit attributable to equity holders of the Company (basic) | 4,840,642 | 5,225,910 | 4,540,910 | 3,675,255 |
| Number of ordinary shares outstanding | 1,450,000 | 1,450,000 | 1,450,000 | 1,450,000 |
| Earnings per share (basic) (in Baht) | 3.34 | 3.60 | 3.13 | 2.53 |

30 Dividends

At the Board of Directors meeting of the Company held on 15 August 2011, 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 2011.

At the annual general meeting of the shareholders of the Company held on 28 March 2011, the shareholders approved the appropriation of dividend of Baht 2.25 per share, totalling Baht 3,262.50 million, from the net profit of 2010 after deducting the interim dividends of Baht 1.10 per share, totalling Baht 1,595 million, paid to shareholders in September 2010 from the net profit for the six-month period ended 30 June 2010. The balance of dividend amounted to Baht 1,667.50 million which was paid to shareholders in April 2011.

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 six-month period ended 30 June 2009. The balance of dividend amounted to Baht 1,667.50 million which was paid to shareholders in April 2010.

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31 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 and debenture (note 17) is included in the availability payment as specified in the Power Purchase Agreement (note 6). Therefore, the Group does not enter into a hedging agreement to protect against such risk.

The effective interest rates of loans to and loans from related parties at 31 December 2011 and 2010 and the periods in which those liabilities mature or re-price were disclosed in note 6.

The effective interest rates of interest-bearing liabilities at 31 December 2011 and 2010 and the periods in which those liabilities mature or re-price were disclosed in note 17.

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Foreign Currency Risk

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of Long-term loans to related parties and debentures.

| | Consolidated financial statements | | Separate financial statements | |
|-------------------------------------|--|----------|--|------------------|
| | 2011 | 2010 | 2011 | 2010 |
| <i>United States Dollars</i> | <i>(in thousand Baht)</i> | | | |
| Long-term loans to related parties | - | - | 943,575 | 1,797,092 |
| <i>Australia Dollar</i> | | | | |
| Long-term loans to related parties | - | - | 2,273,871 | - |
| <i>Japan Yen</i> | | | | |
| Debentures | 6,170,142 | - | - | - |
| Gross balance sheet exposure | 6,170,142 | - | 3,217,446 | 1,797,092 |

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 has concentrations of credit risk since most of its revenues are contracted under long-term agreements with a small number of parties. However counterparties are generally government authorities and large public or private corporations and the risk perceived is low.

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.

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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 |
| | <i>(in thousand Baht)</i> | | | |
| 2011 | | | | |
| Asset | | | | |
| Non-current | | | | |
| Equity securities available for sale | <u>2,031,224</u> | <u>2,031,224</u> | <u>-</u> | <u>-</u> |
| Liabilities | | | | |
| Current | | | | |
| Long-term loans from financial institutions | 191,827 | 191,827 | - | - |
| Bonds | 4,041,272 | 3,658,854 | - | - |
| Non-current | | | | |
| Long-term loans from financial institutions | 14,830,838 | 14,818,699 | 1,212,140 | 1,200,000 |
| Bonds | <u>15,179,780</u> | <u>15,788,341</u> | <u>-</u> | <u>-</u> |
| Total | <u>34,243,717</u> | <u>34,457,721</u> | <u>1,212,140</u> | <u>1,200,000</u> |
| 2010 | | | | |
| Asset | | | | |
| Non-current | | | | |
| Equity securities available for sale | <u>1,301,461</u> | <u>1,301,461</u> | <u>-</u> | <u>-</u> |
| Liabilities | | | | |
| Current | | | | |
| Long-term loans from financial institutions | 3,479,422 | 3,617,468 | - | - |
| Non-current | | | | |
| Long-term loans from financial institutions | <u>11,003,814</u> | <u>13,237,527</u> | <u>-</u> | <u>-</u> |
| Total | <u>14,483,236</u> | <u>16,854,995</u> | <u>-</u> | <u>-</u> |

32 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 by subject to the provision either party giving of written notice to the counterparty.

On 8 February 2011, Ratchaburi Energy Company Limited, a subsidiary, entered into the 3.6 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 by to the provision of either party giving written notice to the counterparty.

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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 2.85 million per year. The agreement is effective for a period of one year. On April 1, 2553 both parties agreed to extend the term of the agreement until December 31, 2554, with a rate of approximately 2.07 million per year contract.

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.

On 29 June 2011, 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 3.6 Megawatts power plant project (STN-A) with the initial price of Baht 29.50 per 1 million B.T.U. for eight years from the date of commencement of commercial operation.

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 2011, such subsidiary had outstanding commitments amounting to U.S. Dollars 272.24 million (*As at 31 December 2010: U.S. Dollars 296.80 million*).

In addition, in accordance with the agreement, the subsidiary is required to open a letter of credit amounting to U.S. Dollars 6 million. As at 31 December 2011 the company had an unused letter of credit amounting to U.S. Dollars 6 million (*As at 31 December 2010: Nil*).

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Letter of Guarantee

As at 31 December 2011, The subsidiaries had commitment from letters of guarantee issued by a financial institution for compliance with agreement conditions in the amount of Baht 75.42 million. (As at 31 December 2010: Baht 76.92 million).

Capital commitment

As at 31 December 2011, the Company had outstanding capital commitments amounting to Baht 415.12 million (As at 31 December 2010: Baht 0.56 million).

As at 31 December 2011, a subsidiary of SouthEast Asia Energy Limited, which is the Company's jointly-controlled entity, had an 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 89.29 million, Swiss Franc 0.13 million which are under construction. (As at 31 December 2010: Baht 49.20 million, Swiss Franc 0.3 million, and U.S. Dollars 0.07 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 the share certificates of Ratchaburi Power Company Limited, a jointly-controlled entity, held by such subsidiary as collateral for loans.

Ratchaburi Gas Company Limited has pledged all of the 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.

33 Events after the reporting period

On 20 January 2012, the Company paid for the additional paid-up capital of Ratchaburi World Cogeneration Company Limited, a jointly controlled entity, equivalent to 70 million of the new shares at par value of Baht 10 per share. The jointly controlled entity called for the paid-up share capital at 1 Baht. The company paid for the share capital amounting to Baht 28 million, in proportion to its investment of 40%.

At the Board of Directors' meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 13 February 2012, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2011 dividend payment at the rate of Baht 2.24 per share, totalling Baht 4,092.14 million, from the net profit of 2011 after deducting the interim dividends of Baht 1.99 per share, totalling Baht 3,643.46 million. The remaining balance of dividend amounting to Baht 448.68 million. This dividend is subject to the approval of the Shareholders at the Annual General Meeting on 19 March 2012.

At the Board of Directors' meeting of held on 13 February 2012, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2011 dividend payment at the rate of Baht 2.25 per share, totalling Baht 3,262.50 million, from the net profit of 2011 after deducting the interim dividends of Baht 1.10 per share, totalling Baht 1,595 million. The remaining balance of dividend amounting to Baht 1,667.50 million. This dividend is subject to the approval of the Shareholders at the Annual General Meeting on 26 March 2012.

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34 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group/Company 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 expected to become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table.

| TFRS | Topic | Year effective |
|-----------------------|--|----------------|
| TAS 21 (revised 2009) | The Effects of Changes in Foreign Exchange Rates | 2013 |

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 consolidated and separate / 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 21 (revised 2009) – The effects of changes in foreign exchange rates

The principal change introduced by TAS 21 is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21. Foreign currencies are defined by TAS 21 as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht. Accordingly, the adoption of TAS 21 from 1 January 2013 is not expected to have a significant impact on the Company's reported assets, liabilities or retained earnings.

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35 Reclassification of accounts

Certain accounts in the 2010 financial statements have been reclassified to conform to the presentation in the 2011 financial statements as follows:

| | 2010 | | | | | |
|---|--------------------------------------|----------|-------------------|----------------------------------|----------|-------------------|
| | Consolidated financial statements | | | Separate financial statements | | |
| | Before reclass. | Reclass. | After reclass. | Before reclass. | Reclass. | After reclass. |
| | <i>(in thousand Baht)</i> | | | | | |
| <i>Statement of financial Position</i> | | | | | | |
| Investment in joint-controlled Entity | 10,993,709 | 4,000 | 10,997,709 | 3,138,338 | 4,000 | 3,142,338 |
| Investment in other-related parties | 54,656 | (4,000) | 50,656 | 54,656 | (4,000) | 50,656 |
| Trade accounts payable to related party | 5,917 | 5,916 | 11,833 | - | - | - |
| Dividend payable | 10,699 | (10,699) | - | 10,699 | (10,699) | - |
| Other current liabilities | 948,933 | 4,783 | 953,716 | 644,445 | 10,699 | 655,144 |
| | | <u>-</u> | | | <u>-</u> | |
| <i>Statement of comprehensive income</i> | | | | | | |
| Other income | 133,460 | (61,068) | 72,392 | 60,598 | (46,277) | 14,321 |
| Gain from exchange rate | - | 49,222 | 49,222 | - | 46,277 | 46,277 |
| Administrative expense | (788,194) | (63,387) | (851,581) | (474,527) | (77,076) | (551,603) |
| Management personnel | (112,420) | 112,420 | - | (77,076) | 77,076 | - |
| Finance cost | (677,334) | (37,187) | (714,521) | - | - | - |
| | | <u>-</u> | | | <u>-</u> | |

The reclassifications have been made because in the opinion of management, the new classification is more appropriate to the Group's business.