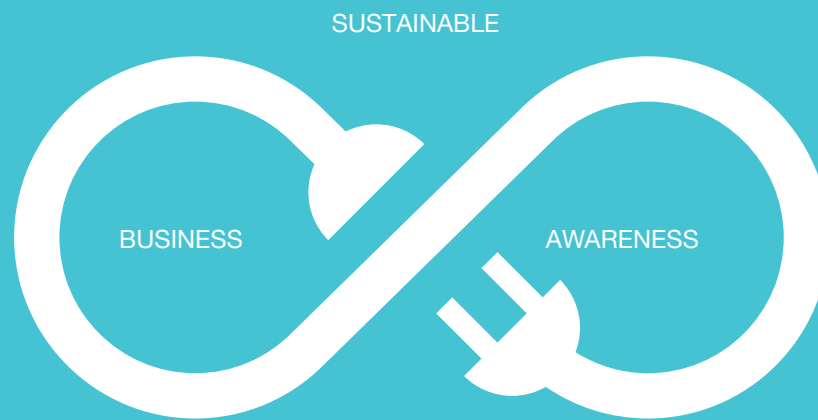


The Balance of
Economic, Social
and Environmental
Engagement



We are committed to maintaining the balance of economic, social and environmental development to drive sustainable growth and happiness for all

Sustainable development is not limited to business progress, but means development that creates harmony living of people and environment that eventually leads to ultimate happiness for all.





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ENERGY FOR
SUSTAINABLE
ECONOMY

RATCH
contributes

14%

of Thailand's
total power
generating
capacity and has
powered up
Thai economy

- Powering up economic stability -

With power being a key pillar in driving the country's economy, electricity security serves as the foundation for economic advancement. RATCH is proud to play a significant part in sourcing and supplying electricity to power up the country's economic growth and sustainability.





THE HAPPINESS
OF COMMUNITY

1,000,000

Millions of happiness
happened with
RATCH as a good
neighbor

- The power of love creates a happy society -

Being strongly committed to be a good neighbor, RATCH seriously makes valuable contribution to the building up of happy and harmonious living in the surrounding communities and the general public. We believe this is a potential way moving towards a healthy and peaceful nation.



THE ENERGY OF ENVIRONMENT



Environmental conservation projects based on RATCH's commitment and promise have eliminated more than

100,000

tons of CO₂ per year

- The power of nature, the power of life -

The Mother Nature creates lives. It is now our turn to take good care of the nature to enable it to continue nurturing lives. RATCH has campaigned for natural conservation by instilling the "green" commitment in the younger generation. We have established public awareness and respect for natural resources through our Love the Forest and the Community Project and CO₂ emission reduction activities to alleviate the Global Warming.

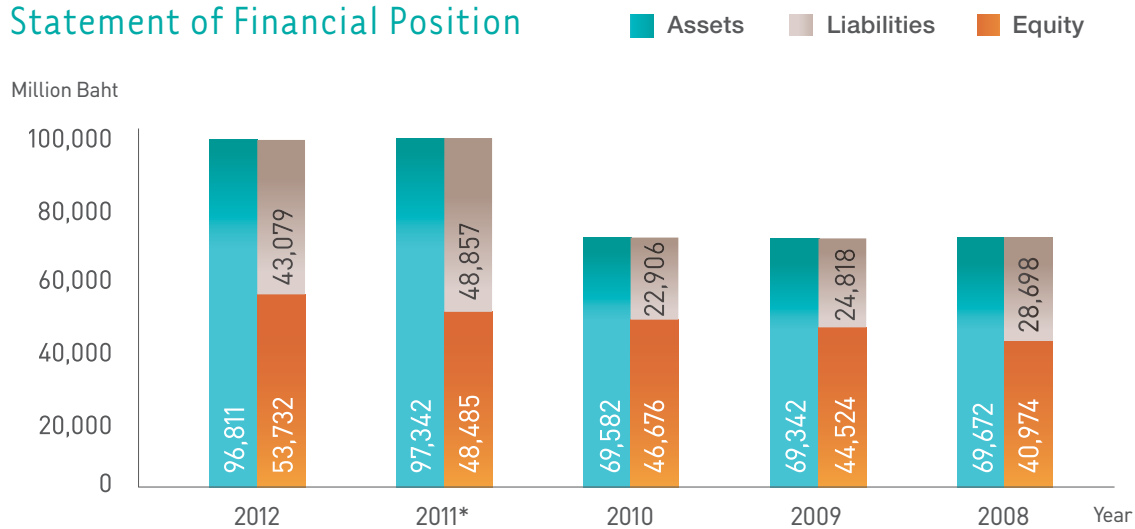




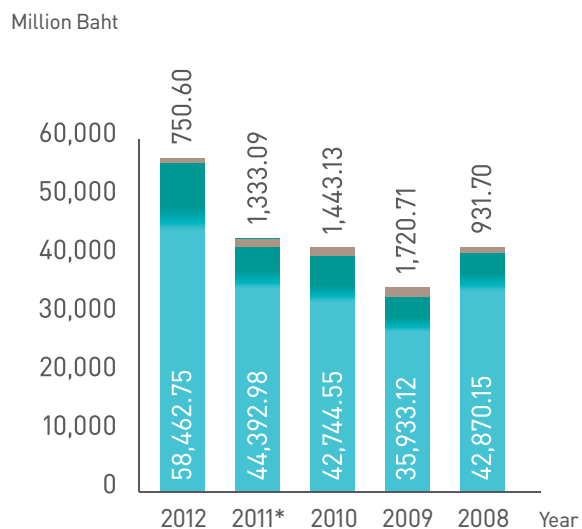
Financial Overview

Ratchaburi Electricity Generating Holding Public Company Limited (the Company) has 2012 revenue of Baht 59,213.35 million from its power plants in Thailand, Lao PDR and Australia and results in the profit of Baht 7,726.27 million. The Company's total assets as of 31 December 2012 are at Baht 96,810.76 million. (Details of the Company's power plant projects are published in Nature of Business and General Information about the Company sections.) Key financial information is summarized as follows.

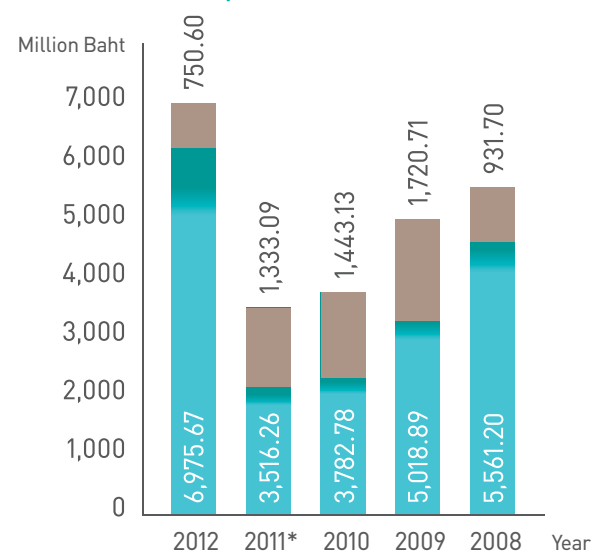
Statement of Financial Position



Revenue



Profit of the Year

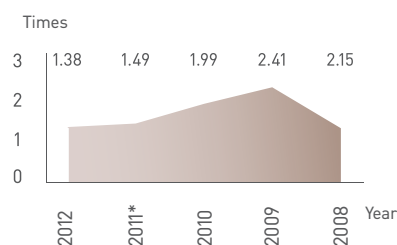


■ Revenue from the Company and its subsidiaries
 ■ Share profit of jointly-controlled and associated entities

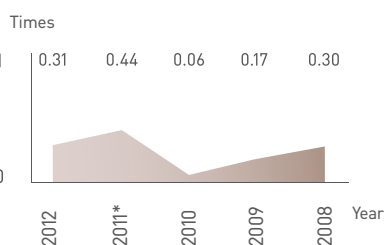
■ Profit from the Company and its subsidiaries
 ■ Share profit of jointly-controlled and associated entities

Remark : *2011 Restated

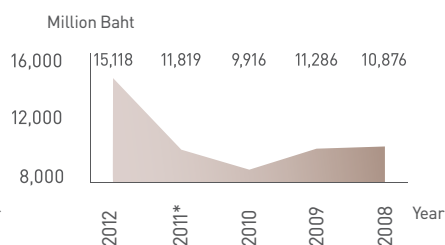
Current Ratio (Times)



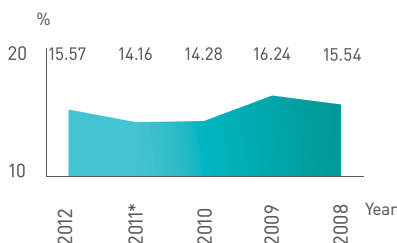
Net Debt to Equity ratio (Times)



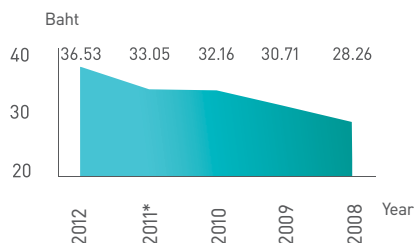
EBITDA (Million Baht)



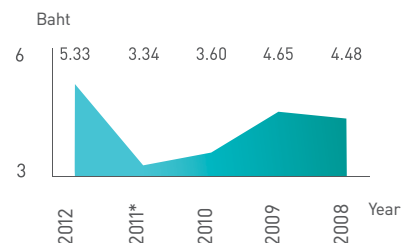
EBITDA to assets ratio (%)



Book Value per Share (Baht)



Net Profit per Share (Baht)



Financial Overview		2012	2011*	2010	2009	2008
Profit	(Million Baht)					
Total Revenues**		59,213.35	45,726.07	44,187.68	37,653.83	43,801.85
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)		15,118.11	11,818.93	9,916.30	11,285.96	10,876.44
Profit attributable to equity holders of the Company		7,726.27	4,849.35	5,225.91	6,739.60	6,492.90
Financial Position	(Million Baht)					
Total Assets		96,810.76	97,341.84	69,581.82	69,341.82	69,672.44
Total Liabilities		43,079.11	48,857.36	22,905.51	24,817.69	28,697.90
Total Shareholders' Equity		53,731.65	48,484.48	46,676.31	44,524.13	40,974.54
Information regarding to Ordinary Shares						
Book Value per Share	(Baht)	36.53	33.05	32.16	30.71	28.26
Earning per Share	(Baht)	5.33	3.34	3.60	4.65	4.48
Dividend per Share	(Baht)	2.27	2.25	2.25	2.25	2.20
Dividend Payout Ratio	(%)	42.60	67.28	62.43	48.41	49.13
Share Price at Closing Date	(Baht)	59.75	44.00	38.25	35.25	42.75
Financial Ratios						
Current Ratio	(Times)	1.38	1.49	1.99	2.41	2.15
Net Profit Margin	(%)	13.40	10.35	11.82	17.90	14.82
Return on Equity	(%)	15.32	10.26	11.47	15.77	16.55
Return on Assets	(%)	8.18	5.67	7.52	9.70	9.28
EBITDA to Assets Ratio	(%)	15.57	14.16	14.28	16.24	15.54
Net Debt to Equity Ratio	(Times)	0.31	0.44	0.06	0.17	0.30

Remark : * 2011 Restated

** Excluded gain on exchange rate



2012 Operating Performance

Ratchaburi Electricity Generating Holding Public Company Limited

has total installed capacity for the projects that already commercial operate and are under construction is 6,303 megawatts.



In 2012, Ratchaburi Electricity Generating Holding Public Company Limited (the Company) continued to expand its business from electricity generating business, both in joint investment and acquisition in and outside Thailand, to renewable energy and power generation related businesses. Its business expansion also includes investment in electricity generation business through Lao Securities Exchange, enabling the Company to sustainably and constantly grow and expand generation capacity. At present (as of December 2012), the Company's total installed capacity for the projects that already commercially operate and are under construction is 6,303 megawatts.

Electricity Generating Business

1. Domestic Projects

1.1 Small Power Producer (SPP): Ratchaburi World Cogeneration Company Limited

It operates two co-generation projects with 105

megawatts generating capacity each. The Company invests 40 per cent in this SPP, representing 84 megawatts. The project has already received approval from Office of Natural Resources and Environment Policy and Planning (ONEP) for its Environment Impact Assessment. The project has already signed a contract with the construction contractor for the plan to build the electricity generation plant and gas pipeline to the power plant.

1.2 Small Power Producer (SPP): Nava Nakorn Electricity Generating Company Limited

It operates a co-generation power plant with 122 megawatts capacity. The Company invests 40 per cent in this project, representing 48.8 megawatts. At present the project is conducting the Environment Impact Assessment for its plant and gas pipeline. The technical TOR and engineering procurement construction (EPC) document is under process. Potential contractors have already been invited to participate in the bid for the project construction.

2. Overseas Power Plant Projects

The Company and its strategic partners have continued their plans to invest in overseas power plant project. Negotiations have been conducted on main contracts, such as Power Purchase Agreement, Joint Development Agreement and Concessions Agreement, as well as financial preparation. The Company also seeks opportunities to make new investment and expand business in other countries in order to achieve its growth target as laid out in the business plan.

2.1 Hongsa Thermal Power Plant Project

The Company holds 40 per cent stake in the 1,878-megawatt power plant project. The Company's generating capacity under its shareholding proportion is 751.2 megawatts. The project is under construction in many areas, including the power plant, distribution line and high voltage station construction, coal mine ground breaking, dam which is serve as the water reserve for the project, road construction from Thailand-Laos border to the project construction site, and construction of a migrant village, and other facilities. The progress of the project is fast and ahead the schedule.

2.2 Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project

The power plant has 410 megawatts installed capacity and the Company holds 25 per cent in this project, representing 102.5 megawatts. The project has signed the Power Purchase Agreement with the Electricity Generating Authority of Thailand (EGAT) on 6 February 2013. The concession from the Laos government has already been concluded and approved by the Laos government in October 2012.

2.3 Nam Ngum 3 Hydroelectric Power Plant Project

The power plant has 440 megawatts installed capacity and the Company holds 25 per cent stake in this project, the generating capacity in proportion to its investment is 110 megawatts. The project is under negotiation on tariff structure with EGAT.



2.4 RATCH-Australia Corporation Limited (RAC)

The Company has increased its stake in the Australian-based RAC, from 56.16 per cent to 80 per cent. Its assets are carefully managed in consideration of the best returns and benefits of the Company.

At present, RAC's assets comprises six power plants in Australia, including three natural gas power plants – 243 megawatts Townsville Power Plant, 300 megawatts Kemerton Power Plant and 118 megawatts BP Kwinana Power Plant; and three wind farm projects namely 34.5 megawatts Starfish Hill



(1) Disposal of the entire 14 per cent stake in Loy Yang A Power Plant to AGL Energy Limited. RAC received 120 million Australian dollars from the sales, including 20 million Australian dollars in cash and Scheduled Payment Option Agreement for 15 years with total present value of 100 million Australian dollars.

(2) PPA variation of the Collinsville Power Plant through which the Company received AUD 99.57 million (equivalent to Baht 3,202.57 million) from the power purchaser. Currently, the Company conducts an economic feasibility study for the development of a renewable energy power plant project within the campus of the Collinsville Power Plant.

Power Plant, 21 megawatts Toora Power Plant and 12 megawatts Windy Hill Power Plant.

2.5 The Company Group Acquired More Ordinary Shares of EDL-Generation Public Company (EDL-Gen)

The acquisition was conducted through Lao Securities Exchange. As a result, the Company's stake in EDL-Gen has increased to 10.108 per cent of the total shares and its total generating capacity according to its investment proportion is 89.05 megawatts.

The Company also conducted feasibility study in other potential power plant development in Lao PDR as well as in other neighboring countries, such as Cambodia.

Renewable Energy Business

To support the government's clear policy in promoting renewable energy to replace fossil fuel which is the main source of energy, the Company has implemented various renewable energy projects, including solar power, wind power and biomass.



1. Solar Power Generation Projects

1.1 Solar Power Project: Solarta Company Limited

It operates eight projects with a combined installed capacity of 34.25 megawatts in Phra Nakhon Sri Ayutthaya, Nakhon Pathom, and Supanburi provinces. The Company holds 49 per cent stake in this company, representing 16.78 megawatts according to its shareholding proportion. In 2012, the eight projects were completed and have already begun commercial operations.

1.2 Solar Power Project: Solar Power Company Limited

It operates three projects in Nakhon Ratchasima province. The three projects are Korat 3, 4 and 7, each with 6 megawatts capacity, totaling 18 megawatts. The Company holds 40 per cent stake in this company, representing 7.2 megawatts according to its investment proportion. The three projects have already been completed and begun commercial production.

2. Wind Power Generation Projects

2.1 Huay Bong 2 Wind-Turbine Power Project: K.R. TWO Company Limited

The Project has installed capacity of 103.5 megawatts in which the Company holds 20 per cent stake, representing

20.7 megawatts. Based in Nakhon Ratchasima province, the project has 45 wind turbines, each with 2.3 megawatts capacity. The project has started its commercial operation since 8 February 2013.

2.2 Huay Bong 3 Wind-Turbine Power Project: First Korat Wind Company Limited

The project has installed capacity of 103.5 megawatts. The Company owns 20 per cent stake in this company, representing 20.7 megawatts. The project is located in Nakhon Ratchasima province. It has 45 wind turbines, each with 2.3 megawatts and it began commercial operations in 2012.

2.3 Wind Power Generation Project: Sustainable Energy Corporation Company Limited

The project has installed capacity of 60 megawatts. The Company holds 55.18 per cent stake, representing 33.11 megawatts. The project is located in Petchaboon province and has been approved on its Environment Impact Assessment from the Office of Natural Resources Policy and Planning.

3. Biomass Power Generation Project

It is operated by Songkhla Biomass Company Limited with 9.9 megawatts generating capacity and is now being under construction. The Company holds 40 per cent stake in this company, representing 3.96 megawatts. The Company also holds 40 per cent stake in Songkhla Biofuel Company Limited which supplies biomass fuel to the power plant.

Electric Power (Thailand) Company Limited, each holding 50 per cent stake. The joint venture company had a contract with Ratchaburi Power Company Limited to provide operation and maintenance for the 1,400-megawatt power plant for 14 years starting from 2008.

In 2012, Chubu Ratchaburi Electric Services Company Limited provided the services according to the power plant



Related Businesses

Power Plant Operation and Maintenance Service

RATCH-Lao Services Company Limited

The Company holds 99.99 per cent stake in RATCH-Lao Services Company Limited, which is registered in Lao PDR, providing power plant operation and maintenance service for the 615-megawatt Nam Ngum 2 Hydroelectric Power Plant for Nam Ngum 2 Power Company Limited, starting from 1 July 2009 until the end of the concession. EGAT was hired as the contractor to operate and provide maintenance service for the power plant and dam.

In September 2012, RATCH-Lao Services Company Limited signed the 7-year Major Maintenance Agreement with Nam Ngum 2 Power Company Limited.

Chubu Ratchaburi Electric Services Company Limited

The Company entered into a joint venture with Chubu

operation and maintenance contract. This has enabled Ratchaburi Power Company Limited to operate efficiently according to the power purchase agreement, maintain power availability and better optimize fuel efficiency than planned.

RATCH O&M Company Limited

The Company established RATCH O&M Company Limited in March 2012 by holding 99.99 per cent stake. RATCH O&M Company Limited provides power plant operation and maintenance service to small power plant in which the Company jointly invested.

EGAT Diamond Service Company Limited's Gas Turbine Maintenance Business

The massive flood in late 2011 seriously damaged Nava Nakorn Industrial Estate where EGAT Diamond Service Company Limited office is located. A new business plan was therefore implemented to better address new strategy, operations and direction of the company.

Management of the Businesses that the Company has Invested and Jointly Invested

The Company appointed its directors and executives to be the directors and management of the businesses in which it has invested and jointly invested both during the construction

On 19 December 2012, Ratchaburi Electricity Generating Company Limited won an award for participating in the Flagship Projects 1 - CSR-DIW Award with the Department of Industrial Works. The company attended a coaching program and was reviewed on its social responsibility standard and practice by United Analyst and Engineering Consultant Company Limited



and after commercial operations begins. This is to ensure that the subsidiaries and affiliates operate in the same direction and support the Company's investment policy.

Ratchaburi Power Plant

Ratchaburi Electricity Generating Company Limited has received the fourth renewal of its environmental management standard certificate after implementing the system since 2003. The assessment and certificate renewal were conducted by Det Norske Veritas. The existing certificate is effective until 31 July 2015.

On 14 September 2012, Ratchaburi Electricity Generating Company Limited also won the Outstanding Organization Award 2012 – Labor Relations and Remuneration, for the fifth consecutive year (2008-2012) from the Ministry of Labor.

(UAE). The company has passed the review by the Department of Industrial Works' expert team on 6 November 2012.

Ratchaburi Power's Power Plant

Ratchaburi Power Company Limited has received the OHAS 1800/TIS and the ISO 14001 certifications. MASCI assessed and issued the certifications on 27 January 2012.

Tri Energy Company Limited

On 20 July 2012, Tri Energy Company Limited successfully achieved a new milestone in workplace safety as it had operated its power plant for 1.5 million consecutive hours without Lost Time Injury. The company also won the EIA Monitoring Awards 2011 from the Office of Natural Resources Policy and Planning, the Ministry of Natural Resources and Environment on 26 September 2012 and Thailand National

Safety Award from the Labour Ministry on 9 August 2012. It has also passed the annual test for the ISO 14001 standard, which it has achieved since 2003.

Tri Energy Company Limited was also able to pay off its loans on 5 October 2012, which is eight months ahead of the



schedule. This has enabled the company to save interest payment by approximately 50,000 US dollars.

Pratu Thao Power Plant

Pratu Thao Power Plant has passed the annual 2012 assessment for ISO 9001:2008 standard, which has been received since 2011. The certification will be valid until 2013.

Sao Thian Power Plant

The Company, through its subsidiary – Ratchaburi Energy Company Limited, has invested in the electricity generating project using associated gas from Sao Thian-A Oil Rig, Sukhothai province. The project has a capacity of 3.6 megawatts and began commercial operations on 26 January 2012. The electricity produced from this project is sold to the Provincial Electricity Authority (PEA).

Nam Ngum 2 Hydroelectric Power Plant

Nam Ngum 2 Power Company Limited's initial operation date was in March 2011, according to the power purchase agreement signed with the Electricity Generating Authority of Thailand. The project has been operated and maintained by

RATCH-Lao Services Company Limited. On 26 September 2012, its power plant operation and maintenance activities were certified under the ISO 9001: 2008 standard by AJA Registrars, the appraiser and certification issuer.

Financial Management

1. The Company has been successful in the negotiation on the terms amendment of debenture in Japanese yen currency issued and offered by RH International (Singapore) Corporation Pte. Ltd. The 15,000 million yen debentures are scheduled to be matured in 2026 and the Company is the guarantor. The debentures holders allowed for the amendment by maintaining the financial ratios of the Company's Group. This enabled the Company to seek another 30,000 million baht funding to support the Company's Group's business growth while increasing funding channels and reducing risk of failure to respect the financial condition.

2. The Company has allocated approximately 10,000 million baht short-term facilities and trade finance facilities with various financial institutes in Thailand and overseas, which is sufficient to support the Company's Group operation as well as bid securities and performance securities for various projects at very good conditions when compared to other leading companies.

development and annual individual employee development plan are laid out with focus on knowledge, skills, attributes and attitude.

2. The Company's Office

The Company has built its new permanent office since



Corporate Management

1. Human Resource Management

To better support the Company's strategy, the Company has improved important human resource development plan. Major activities include the establishment of the Company's new corporate culture that supports its focus on expanding business overseas. The corporate cultures are professionalism, passion for excellence, collaboration and good governance.

A clear human resource development plan has been set with focus in promoting employees' competence and capability in order to enhance skills and competitiveness that supports the Company's business direction, strategies and goal which is to focus on expanding business both in Thailand and other countries. This enables the Company to be ready for ASEAN Economic Community integration. Systematic human resource

2011 on a plot of 9 rai-60 square wa on Ngamwongwan Road, Muang District, Nonthaburi. The project is aimed at supporting the demand for office space for the Company, its subsidiaries and jointly - controlled entities. In 2012, the construction was completed as planned.

3. Social and Environmental Responsibility

The Company has continued its social and environmental responsibility activities. The main focuses are on the management of carbon dioxide from production process in order to lower impact for the global warming, natural resources conservation and harmony living between business and environment. The summary of such activities is detailed in the social and environment responsibility section and 2012 Social and Environmental Responsibility Report which is prepared separately.



4. Awards and Accolades from Outsiders

With its commitment to strict and continual implementation of the corporate governance principles with an aim to secure sustainable growth for the Company, the Company group in 2012 received various awards and accolades as follows:

(1) Ratchaburi Electricity Generating Holding Public Company Limited received awards and accolades as follows:

- “Excellent “ rating at Corporate Governance Report of Thai Listed Companies 2012 Awards for the fifth consecutive years and was ranked in the Top Quartile of the listed companies with more than Baht 10,000 million market cap.
- “Excellent” rating and recognized as “Good Example” from the AGM assessment in 2012 arranged by the Association of Thai Investors.
- The Company received the Investors’ Choice Award from the Association of Thai Investors as it was scored 100 per cent for the fourth consecutive years (2009-2012)
- Named the winner of the “Best Senior Management IR Support” in 2012 from Alpha Southeast Asia Magazine’s survey. The awards are based on tallied votes among 460 investors, pension funds, hedge funds, equity and fixed income brokers and analysts with investment interests in the Southeast Asia region. Companies in each country were ranked on their financial management, adherence to corporate governance, CSR and investor relations’ strategy, transparency and disclosure.

- Standard & Poors (S&P) maintained the Company's credit rating at "BBB+", with "Stable" outlook. This reflects the Company's leadership as the country's largest independent power generating company. Its liquidity was upgraded to "Strong" from "Adequate" earlier, considering the Company's ability to source more revolving capital than required.
- Moody's Investors Service (Moody's) maintained the Company's credit rating at "Baa1" with "Stable" outlook, reflecting the Company's strong leadership as the country's largest independent power producer.
- TRIS Rating (TRIS) maintained the Company's credit at "AA" with "Stable" outlook, considering the Company's strong financial status provided by the large variety of power plant projects and concrete investment expansion in power plant and related business in and outside Thailand. This also credited to the Company's leadership as Thailand largest power producer.

(2) Ratchaburi Electricity Generating Company Limited received awards and recognitions as follows:

- Outstanding Organization Award 2012 – Labor Relations and Remuneration, for the fifth consecutive years from the Ministry of Labor.
- "CSR-DIW Award" 2012 from the Department of Industrial Work, under the Ministry of Industry. The project is one of the ministry's important projects and one of the top 10 flagship projects.



Message from the Chairman of the Board of Directors



Mr. Kurujit Nakornthap
Chairman of the Board of Directors

Dear investors and stakeholders,

In 2012, Ratchaburi Electricity Generating Holding Public Company Limited continued to develop its business to become a leading independent power producer in the region trusted by the public. To achieve its vision, the Company set business strategy that focuses on investment in 3 main businesses – electricity generating, renewable energy and related businesses in and outside Thailand. The strategy has been concretely implemented since 2011 and became materialized in 2012. This enables the Company to enjoy stable and constant growth despite increasing market challenges and competition. After being well established and expanding its business in Lao PDR and Australia, the Company began to enter into Cambodia and Myanmar where demand for electricity is increasing in accordance with those countries' economic and social development. There is high possibility that the Company can sell back to Thailand the electricity generated in these neighboring countries because the government has a policy to increase power purchase from neighboring countries. In 2012, the Company entered into a joint investment in K K POWER Company Limited that has been awarded the right to conduct feasibility study for the development of a 1,800-megawatt power plant in Koh Kong, Cambodia.

The Company also signed a Memorandum of Understanding with Italian Thai Development Public Company Limited to conduct feasibility study in developing a power plant in Dawei Special Economic Zone in Myanmar. The ASEAN Economic Community integration by the end of 2015 would open opportunity for the Company to overcome the limitation and challenges caused by high competition in Thailand while enjoying opportunity to grow and create greater benefits to our stakeholders, including the society and the environment.

The increasing awareness among the global community to cooperate in solving problems related to Climate Change caused by the Global Warming effect has led to worldwide efforts to reduce our dependence on fossil fuel in generating electricity. The global community is searching for approaches to increase power generation using renewable energy. In Thailand, the Ministry of Energy included the plan to develop renewable and alternative energy which will be used to replace fossil fuel by at least 25 per cent, or 9,201 megawatts within 10 years, from 2012-2021. By the end of the plan, a number of fossil fired power plants, such as coal and natural gas, will be replaced by renewable energy power plants. The Company has since 2010 adjusted its investment strategy to support the government policy and to reap the benefits from business opportunity in renewable energy that has generated incremental revenue for the Company. In the past year, the Company achieved its target of generating 100 megawatts of electricity from renewable energy, well ahead 2016 as earlier planned. The Company invested in various power generation projects using solar power, wind power and biomass as the sources of energy. The solar power generation projects comprise 11 projects with total installed capacity of 52 megawatts. Out of them, eight are the projects under joint venture in Solarta Company Limited and three in Solar Power Company Limited. All of them have already begun commercial operation and supplied electricity to the grid. The Huay Bong 2 and Huay Bong 3 wind power generation projects with total 207 megawatts generating capacity that have started commercial operation are the first wind farm in Thailand and the largest in Southeast Asia. The Songkhla Biomass Power Plant, located in Jana District, Songkhla province, is under construction and scheduled for completion and commercial operation in 2014. It will serve as the pilot project in which the local community, by the Assiddeek Savings Cooperative Ltd. has the opportunity to participate in the development and operation as project owner.

However, the Company continues to be committed to increasing power generating capacity from renewable energy. It has adjusted generating target to 200 megawatts by 2016. In addition, the Company continues to seek more investment opportunity in foreign countries, especially in Australia whose government had a policy to increase renewable energy power generation to 20 per cent of the total generating capacity by 2020. RATCH-Australia Corporation Company Limited, in which the Company holds 80 per cent stake, has invested in three wind farm projects and is conducting a feasibility study for three projects, which have combined generating capacity of 130 megawatts.

Overseas investment for stable and strong positioning

The Company has adjusted its business strategy by increasing focus on overseas investment. Through overseas business purchase and acquisition, investment through stock exchange and investment in both Greenfields and Brownfields, the Company has achieved stronger cash flow and overall financial status. Clear proven successes are the acquisition of RATCH-Australia Corporation Limited (earlier known as Transfields Service Infrastructure Fund), in which the Company holds 80 per cent stake, and the acquisition of 10.108 per cent stake in EDL-Generation through Lao Securities Exchange. In the past year, RATCH-Australia Corporation Limited (RAC) has generated additional 1,664 million baht, including profit from sales of 14 per cent stake RAC held in Loy Yang A Power Plant and received compensation from power purchase agreement variation of Collinsville Power Plant. The Company also received 188 million baht from dividend paid by EDL-Gen, and 225 million baht profit from Nam Ngum 2 Hydroelectric Power Plant in Lao PDR.

When the construction of Hongsa Thermal Power Plant Project and Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project in Lao PDR is complete and the two plants start commercial operations in 2015 and 2018 respectively, the Company will have stronger cash flow. In 2012, the two projects have achieved significant progress.

In 2012, the Company successfully maintained its profitability growth. Its main profit continues to be generated by domestic investment projects, accounting for 70 per cent of the total profit, while overseas investment projects have generated higher profit, accounting for 30 per cent. Total profit for the year was 7,726 million baht, an increase of 59 per cent from 2011. As of 31 December 2012, the Company's total assets at 96,811 million baht, while total liability at 43,079 million baht and equity at 53,732 million baht. Overall corporate credit rating was "Baa1" by Moody's, BBB+ by S&P and AA by TRIS Ratings. These reflected the Company's position as a country's leading independent power producer with strong financial status. The Company continued to have stable income while financial risks remain very low, reflecting clearly the Company's potential and capability to seek financial sources to support future investment projects.

In the past year, the Company paid 1.10 baht or a total of 1,595 million baht to its shareholders for interim dividend. It is expected that the dividend payment for 2012 will be paid at 2.27 baht, totaling 3,292 million baht, once the Shareholders' Annual General meeting approved the proposal.

Sustainable Growth Driven by Social and Environmental Responsibility

To maintain its leadership in sustainable business operations, the Company focuses on growing its business by balancing the three key pillars – economic, social and environmental development. With its responsible corporate citizenship commitment, the Company strongly adheres to the good corporate governance principles in managing and operating its business, fairly and equitably treating its stakeholders and caring for communities, society and the environment. In the past year, the Company seriously participated in activities that reduce the Global Warming impact. It has made renewable energy one of its three core businesses. In its power plant generation process, the Company upgraded technologies to further reduce energy and electricity consumption. Regular power plant maintenance was strictly introduced in order to maintain its maximum power generation efficiency. An initiative to lower carbon dioxide from the power generation process has been introduced by increasing the number of trees around the power plant, resulting in higher ability to absorb carbon dioxide. At present, more than 40 per cent of the total plant area is allocated for green belt. The Company also grows Spirulina as part of a research on Spirulina's ability to absorb carbon dioxide and it is found that the blue-green algae's carbon dioxide absorption ability is over 9 times more than that of trees. The Company is conducting a further study to further increase the impact from such research.

The Company has continued its corporate social responsibility (CSR) activities, with the "Love the Forests and the Community" as a key activity. The program is centered around community forest conservation. This is an integrated

cooperation between three parties which are the Government sector represented by Department of Forestry under the Ministry of Natural Resources and Environment, the private sector with the Company as the key player, and the public sector represented by communities and villagers that work hand in hand to conserve Community Forests. From the launch in 2008, the program has rapidly expanded from 3,000 participating communities covering an area of approximately one million rai to more than 8,500 communities covering more than three million rai in 2012. The project has already achieved its objective in the first phase (2008-2012). The Company is implementing the second phase of the project, starting from 2013 and end in 2017. This will support the country's goal of increasing forest area by establishing 21,000 community forests project around the nation.

On behalf of the Board of Directors, I wish to express my deepest appreciation for the Management, and employees for their contribution that drives the Company's sustainable growth and success in maintaining its leadership in power generation industry. I do believe that with the cooperation and support from the shareholders, governmental organizations, communities and all stakeholders, we will constantly and sustainably grow.

Sincerely yours,



(Mr. Kurujit Nakornthap)
Chairman of the Board of Directors



The Company's Directors



Mr. Surachai Tansitpong

- Director
(EGAT's Representative Director)
- Risk Management Committee
Member

Mr. Kurujit Nakornthap

- Chairman
(EGAT's Representative Director)
- Investment Committee Chairman

Mr. Trakul Winitnaiyapak

- Director
(EGAT's Representative Director)
- Human Resources and
Remuneration Committee Chairman
- Investment Committee Member



Captain Siridech Julpema

- Independent Director
- Audit Committee Chairman

Police Lieutenant General

Thavorn Chanyim

- Independent Director
- Risk Management Committee
Chairman

Mr. Weera Sriwathanatrakoon

- Independent Director
- Human Resources and
Remuneration Committee Member

**Mr. Satit Rungkasiri**

- Independent Director
- Audit Committee Member

Mr. Sutat Patmasirawat

- Director
(EGAT's Representative Director)

Mr. Wirash Kanchanapibul

- Director
(EGAT's Representative Director)
- Risk Management Committee
Member



Mr. Thana Putarungsi

- Director
(EGAT's Representative Director)
- Human Resources and
Remuneration Committee Member
- Investment Committee Member

Mr. Noppol Milinthangoon

- Director
(EGAT's Representative Director)
- Chief Executive Officer
- Secretary to the Board of
Directors

Miss Piyathida Praditbatuga

- Independent Director
- Audit Committee Member



The Company's Management and Company Secretary





- 1 Mr. Noppol Milinthangoon**
Chief Executive Officer
- 2 Mr. Prachuab Ujjan**
Deputy Chief Executive Officer
- 3 Mr. Peerawat Pumthong**
Chief Operating Officer
- 4 Mr. Wutthichai Tankuranand**
Chief Finance Officer
- 5 Mr. Kriengrit Jiajanpong**
Executive Vice President seconded to be the Managing Director of Ratchaburi Electricity Generating Company Limited
- 6 Mr. Ni-run Wongchanglor**
Executive Vice President seconded to be the Chief Financial Officer of Ratchaburi Power Company Limited
- 7 Mr. Prayut Thongsuwan**
Executive Vice President seconded to be the Managing Director of Solarta Company Limited
- 8 Mr. Somnuk Jindasup**
Executive Vice President seconded to be the President of Tri Energy Company Limited
- 9 Mrs. Sune Rajatamutha**
Executive Vice President - Finance
- 10 Mrs. Boontiva Dansamasatid**
Executive Vice President - Corporate Administration
acting Vice President - Head of Corporate Secretary Office and Company Secretary
- 11 Mr. Raluke Satayaporn**
Senior Vice President acting Executive Vice President - International Business Development
- 12 Mr. Damrong Kheochaum**
Senior Vice President acting Executive Vice President - Domestic Business Development
- 13 Mr. Sommai Pooanachakorn**
Vice President - Head of Accounting Division
- 14 Miss Raywadee Srikongyos**
Vice President - Head of Treasury Division
- 15 Mrs. Wadeerat Charoencoop**
Vice President - Head of Financial Planning and Management Division



Nature of Business

Established on 7 March 2000, the Company currently has Baht 14,500 million paid registered capital and operates as a holding company through the investment in core subsidiaries, subsidiaries, and jointly controlled companies that undertaking core business of electricity generating and related business which is 98.23 per cent of the Company's total asset (as of 31 December 2012). The Company focuses on growing both in and outside Thailand which are operated by its subsidiaries and affiliates in order to best address the rising demand for electricity. The Company is a large private power producer with a total power production capacity of 6,303 megawatts, both in commercially operated and under development projects. Its generating capacity includes:

1. Power generation for domestic consumption

Representing 14 per cent of the total production capacity in the nation. The electricity is mainly sold to the Electricity Generating Authority of Thailand (EGAT).

2. Power generation for international sales

They are entirely sold to the host countries, such as Lao PDR and Australia, etc.

The Company earned revenue mainly from dividend from investment it made in other companies. Its businesses are as follows:

1. Electricity generating business:

The Company gives high priority to having a wide variety of fuel used in power generation, such as natural gas, oil, coal and hydropower, to ensure power production stability which is considered very important to the country's infrastructure system security.

2. Renewable energy business:

The Company has a policy to search for alternative energy in order to reduce fossil fuel dependence, resulting in lower global warming effect while contributing to environmental preservation. In addition, this move supports the government's policy on alternative energy promotion. Focus is made on solar power, wind power and biomass power.

3. Related business:

The Company aims to invest in power plant operations and maintenance, coal mine and power plant gas turbine maintenance.

Details of the power plants which have already begun commercial operations and joint ventures' plants being developed appear in the General Information of the Company, Subsidiaries, Jointly-Controlled Entities and Associated Entities.

Investment in various businesses is outlined below:

	Name	Abbreviation	Type of Business	Country	Investment Ratio (%)	Installed Capacity Based on Investment/ Operation Ratio
Subsidiaries	1 Ratchaburi Electricity Generating Company Limited	RG	electricity generating business	Thailand	99.99	generating capacity: 3,645 megawatts
	2 Ratchaburi Gas Company Limited	RGAS	electricity generating business	Thailand	99.99	holding 50% stake in TECO
	3 Ratch Udom Power Company Limited	RUDOM	electricity generating business	Thailand	99.99	holding 99.99% stake in RACL
	4 Ratchaburi Alliances Company Limited	RACL	electricity generating business	Thailand	99.99	holding 25% stake in RPCL
	5 RH International Corporation Limited	RHIC	electricity generating business	Thailand	99.99	holding 100% stake in RHIM
	6 RH International (Mauritius) Corporation Limited	RHIM	electricity generating business	Mauritius	99.99	holding 100% stake in RHIS
	7 RH International (Singapore) Corporation Pte. Ltd.	RHIS	electricity generating business	Singapore	99.99	holding 80% stake in RAC and 4.307% in EDL-Gen
	8 RATCH-Australia Corporation Limited	RAC	electricity generating business	Australia	80	generating capacity: 509.52 megawatts
	9 Ratchaburi Energy Company Limited	RE	renewable energy business	Thailand	99.99	<ul style="list-style-type: none"> holding 55.18% and 51% in SEC and SE respectively generating capacity of PTO-A Power Plant and its expansion and Sao Thian-A Power Plant is 2.65 and 3.6 megawatts respectively.
	10 Sustainable Energy Corporation Company Limited	SEC	renewable energy business	Thailand	55.18	holding 99.99% in KKW
	11 Khao Kor Wind Power Company Limited	KKW	renewable energy business	Thailand	55.18	generating capacity: 33.11 megawatts
	12 RATCH-Lao Services Company Limited	RL	related business	Lao PDR	99.99	operating NN2 power plant and holding 5.801% in EDL-Gen
	13 RATCH O&M Company Limited	ROM	related business	Thailand	99.99	operating maintenance services to small power plant
	14 Sukhothai Energy Company Limited	SE	related business	Thailand	51	gas quality improvement

	Name	Abbreviation	Type of Business	Country	Investment Ratio (%)	Installed Capacity Based on Investment/ Operation Ratio	
Jointly Controlled Entities and Associated Entities	15	Tri Energy Company Limited	TECO	electricity generating business	Thailand	50	generating capacity: 350 megawatts
	16	Ratchaburi Power Company Limited	RPCL	electricity generating business	Thailand	25	generating capacity: 350 megawatts
	17	SouthEast Asia Energy Limited	SEAN	electricity generating business	Thailand	33.33	holding 75% in NN2
	18	Hongsa Power Company Limited	HPC	electricity generating business	Lao PDR	40	generating capacity: 751.20 megawatts
	19	Nam Ngum 2 Power Company Limited	NN2	electricity generating business	Lao PDR	25	generating capacity: 153.75 megawatts
	20	Nam Ngum 3 Power Company Limited	NN3	electricity generating business	Lao PDR	25	generating capacity: 110 megawatts
	21	Nava Nakorn Electricity Generating Company Limited	NNEG	electricity generating business	Thailand	40	generating capacity: 48.80 megawatts
	22	Ratchaburi World Cogeneration Company Limited	RWC	electricity generating business	Thailand	40	generating capacity: 84 megawatts
	23	Xe-Pian Xe-Namnoy Power Company Limited	PNPC	electricity generating business	Lao PDR	25	generating capacity: 102.5 megawatts
	24	K K POWER Company Limited	KK	electricity generating business	Cambodia	50	under development
	25	Solarta Company Limited	SLT	renewable energy business	Thailand	49	generating capacity: 16.78 megawatts
	26	Solar Power (Korat 3) Company Limited	KORAT3	renewable energy business	Thailand	40	generating capacity: 2.4 megawatts
	27	Solar Power (Korat 4) Company Limited	KORAT4	renewable energy business	Thailand	40	generating capacity: 2.4 megawatts

	Name	Abbreviation	Type of Business	Country	Investment Ratio (%)	Installed Capacity Based on Investment/ Operation Ratio	
Jointly Controlled Entities and Associated Entities	28	Solar Power (Korat 7) Company Limited	KORAT7	renewable energy business	Thailand	40	generating capacity: 2.4 megawatts
	29	Songkhla Biomass Company Limited	SKBM	renewable energy business	Thailand	40	accounting generating capacity: 3.96 megawatts
	30	First Korat Wind Company Limited	FKW	renewable energy business	Thailand	20	generating capacity: 20.70 megawatts
	31	K.R. TWO Company Limited	KR2	renewable energy business	Thailand	20	generating capacity: 20.70 megawatts
	32	Chubu Ratchaburi Electric Services Company Limited	CRESCO	related business	Thailand	50	operating RPCL power plant
	33	EGAT Diamond Service Company Limited	EDS	related business	Thailand	10	providing maintenance service for gas turbine of power production system
	34	Phu Fai Mining Company Limited	PFM	related business	Lao PDR	37.5	holding concession for lignite mine for HPC power plant
	35	Songkhla Biofuel Company Limited	SKBF	related business	Thailand	40	supplying biomass for SKBM power plant
Other investment	36	EDL-Generation Public Company	EDL-Gen	invest in energy business	Lao PDR	10.108	invested by RL and RHIS with generating capacity: 89.05 megawatts

The Company remains committed to investing, developing and operating power generation and related businesses in order to achieve its business objectives under the vision to become a leading independent power producer in the region trusted by the public.



Investment Portfolio





Major Shareholders

Ratchaburi Electricity Generating Holding Public Company Limited

As of 28 December 2012

No.	Shareholders	Number of Share	Percentage
1	The Electricity Generating Authority of Thailand (EGAT)	652,500,000	45.00
2	NORTRUST NOMINEES LIMITED (Grouped)	143,607,867	9.90
	NORTRUST NOMINEES LTD.	143,329,267	
	NORTRUST NOMINEES LIMITED-MELBOURNE BRANCH FUTURE FUND CLIENTS	215,900	
	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND	52,800	
	NORTRUST NOMINEES LIMITED-NT1 NON LENDING THAILAND	9,900	
3	LITTLEDOWN NOMINEES LIMITED	94,250,000	6.50
4	Social Security Office (Grouped)	67,982,600	4.69
	Social Security Office (2 sources)	58,360,560	
	Social Security Office (4 sources)	9,622,040	
5	Thai NVDR Company Limited	54,379,000	3.75
6	AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED (Grouped)	50,968,500	3.52
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-APEX	18,400,000	
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED - AIA D-PLUS	17,517,100	
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-TIGER	15,000,000	
	AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED-2 PAY 10	51,400	
7	Bangkok Life Assurance Public Company Limited	27,004,200	1.86
8	Krungsri Asset Management Company Limited (Grouped)	25,821,300	1.78
9	STATE STREET BANK (Grouped)	17,639,109	1.22
	STATE STREET BANK EUROPE LIMITED	15,066,954	
	STATE STREET BANK AND TRUST COMPANY	1,591,755	
	STATE STREET BANK AND TRUST COMPANY FOR CANADA	679,500	
	STATE STREET BANK AND TRUST COMPANY FOR LONDON FOR MAS	300,900	
10	HSBC (Grouped)	13,682,800	0.94
	HSBC (SINGAPORE) NOMINEES PTE LTD	9,627,700	
	HSBC BANK PLC-CLIENTS GENERAL A/C	3,585,100	
	HSBC SECURITIES (CANADA) INC.	370,000	
	HSBC PRIVATE BANK (SUISSE) SA, SINGAPORE BRANCH	100,000	
	Total	1,147,835,376	79.16
	Portion of Shares held by Minor Shareholders	302,164,624	20.84
	Total of Shares	1,450,000,000	100.00

Note: The Electricity Generating Authority of Thailand (EGAT) is a stated-owned enterprise that operates and co-invests with other parties in electricity power and related business. EGAT is the largest shareholder of the Company, it has 7 representatives in the Company's 12-member Board of Directors.

Share Distribution by Nationality	Number of Shareholders	Number of Share	Percentage	
Thai	16,840	1,087,500,000	75.00	** Ratchaburi Electricity Generating Holding Public Company Limited's Article of Association has forbidden the foreign shareholders not to hold the Company's shares in excess of 25 per cent from the total of shares sold.
Foreign	83	362,500,000	25.00	
Total of Shareholders	16,923	1,450,000,000	100.00	



Management Structure

The Board of Directors is responsible for formulating policy and monitoring the performances of the Management.

The Management is responsible for implementing and executing the policies and reporting performance results to the Board of Directors.



The Company's management structure comprises the Board of Directors, four committees appointed by the Board of Directors to review and scrutinize special matters as assigned. The committees are the Audit Committee, Human Resources and Remuneration Committee, Risk Management Committee and Investment Committee. The Company's Chief Executive Officer (CEO) is the top executive position in the Company. Units under the current management structure are as follows:

1. Board of Directors

As of 31 December 2012, the Company's Board of Directors consisted of 12 members whose names are listed as follows:

1. Mr. Kurujit Nakornthap
Chairman of the Board of Directors and Chairman of Investment Committee
2. Mr. Surachai Tansitpong
Director and Risk Management Committee Member
3. Mr. Trakul Winitnaiyapak
Director, Chairman of Human Resources and Remuneration Committee and Investment Committee Member
4. Captain Siridech Julpema
Independent Director and Chairman of Audit Committee
5. Police Lieutenant General Thavorn Chanyim
Independent Director and Chairman of Risk Management Committee
6. Mr. Weera Sriwathanatrakoon
Independent Director and Human Resources and Remuneration Committee Member
7. Mr. Satit Rungkasiri
Independent Director and Audit Committee Member

8. Mr. Sutat Patmasiriwat
Director
9. Mr. Wirat Kanchanapibul
Director and Risk Management Committee
10. Mr. Thana Putarungsi
Director, Human Resources and Remuneration
Committee Member and Investment Committee
Member
11. Miss Piyathida Praditbatuga
Independent Director and Audit Committee Member
12. Mr. Noppol Milinthangoon
Directors, Chief Executive Officer and Secretary to the
Board of Directors

Members of the Board of Directors are specialists with vast experience in different domains. They were appointed through the recruitment and selection process in order to ensure their ability to perform duties in formulating and supervising the company management's performance. (Profile and information about directors are published in the Profile of the Company's Directors section and the Company's website.)

2. Authorized Directors as the Company's Signatory

According to the Company's policy and in order to provide practical flexibility and independence of independent directors, the authorized directors as the Company's signatory are either the Chairman of the Board or Chief Executive Officer (CEO), with the Company's Seal; or two other directors, except Independent Directors, with joint signatures with the Company's Seal.

3. Composition of the Board of Directors

3.1 Composition of the Board of Directors

For the best efficiency and effectiveness in the Company's operations and in compliance with the enforced

regulations, the number of Directors shall be no more than 7 but not exceed 13. No more than one-third of all Directors shall be Executive Directors. No less than one-third of all Directors shall be Independent Directors with a minimum number of three Independent Directors. No less than half of all directors shall be the residents of Thailand. Chairman of the Board shall be a Non-Executive Director and not the same person as the CEO. The shareholders' meeting or the Board meeting shall appoint directors as the Chairman of the Board of Directors and the CEO.

3.2 Qualifications of Directors

A Director shall have the qualifications and shall not have prohibited qualifications by law. A Director shall not be a bankrupt person, an incapable or quasi-incompetent person, shall not have been convicted in a legal proceeding to have violated laws related to assets in a fraudulent action, never be terminated from a government or private organizations due to fraud, have never been deprived from being a director, manager, employee or an authorized executive in other organization, not be a politician, a member of the Parliament, Senator, or a member of a local administrative office or administrator, have educational and work experience or other experience as specified by the Company, devote sufficient time and full capability for the best benefits of the Company, and have duties to attend regular meetings.

While in office, a Director can hold directorship in no more than five other listed companies. A Director shall not manage or make any arrangement that would conflict with the Company's interest or would provide advantages to other person or entity, and for personal or other person's benefit.

3.3 Appointment and Terms of Directors

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

re-elected. In case any Director resigns by reasons other than a rotation of office, the Board of Directors shall elect any person to replace the resigned Director. The Director so appointed shall retain his/her office during such time only as the resigned Director is entitled to retain. Directors of the Company shall remain in their offices for no more than three consecutive terms and his/her age shall not exceed 72 years old.

4. Directors' Authority and Duties

Being shareholders' representatives, the Board of Directors has a duty to ensure that all the Company's businesses strictly comply with the policies under legal framework, objectives, regulations and resolution of the Shareholders' Meeting. The Board of Directors is authorized to take action as stated in the Articles of Association and has roles, duties and responsibilities to manage the Company with integrity and avoid conflict of interest to protect the organization's benefits rather than any particular shareholder or group. The Board of Directors' duties and responsibilities are formulating strategies, business plan and budget policy; monitoring and following-up the Management's activities and checking against the target or forecast, at least every quarter; managing human resources, including appointing or removing Director or high level executives and appraising performance against the earlier agreed target which is linked with remuneration; being responsible for the completion of activities in compliance with rules and regulations, Code of Business Ethics and the corporate governance principles, with focus on effective and sufficient internal control, communicating with the stakeholders and the public by providing effective and appropriate communication channels; and establishing and setting roles and responsibilities of committees; and appraising performance of the Board of Directors, which requires self-appraisal on early basis. (The Company publishes the duty and responsibilities of the Board of Directors in the Company's regulation on the Board of Directors and on the Company's website. The Board of Directors meeting record and meeting attendance of individual

Director is provided under the Good Corporate Governance Report section.)

5. Independent Directors

The Company has clearly defined "Independent Director" in the Company's regulation on the Board of Directors that is published on the Company's website. The definition is in compliance with the Capital Market Supervisory Board, including no participation in business management; no relationship by family or by law; no business relations with the Company and its subsidiaries in a manner that may cause conflict of interest not being the auditor or professional service provider, including legal or financial advisors; and no relations with the major shareholders and no other condition that prevent them from providing independent opinion on the Company's operations. The Company's regulation on shareholding of the Company's shares is stricter than that regulated by the Capital Market Supervisory Board. Under the Company's regulation, an Independent Director can hold no more than 0.5 per cent of the total shares with voting rights of the Company, subsidiaries and joint ventures or other legal entity that may not have conflict of interest while the Capital Market Supervisory allows up to one per cent of the total shares.

To recruit an Independent Director, the Company follows the nomination procedures in recruiting directors and top executives, the details of which are described under the same topic. On 31 December 2012, the Company has five Independent Directors based on the definition described above, which accounts for more than one third of the total members (12) of the Board. They are Captain Siridech Julpema, Police Lieutenant General Thavorn Chanyim, Mr. Weera Sriwathanatrakoon, Mr. Satit Rungkasiri and Miss Piyathida Praditbatuga.

6. The Audit Committee

The Audit Committee was appointed by the Company's Board of Directors and their term is three years. The Committee members have required knowledge, experience and qualifications as designated by the SEC and SET. The Committee members are Captain Siridech Julpema who is the chairman of the committee, Mr. Satit Rungkasiri and Miss Piyathida Praditbatuga. (The three members are Independent Directors who have the knowledge and ability in auditing the Company's financial statements.) Mr. Pornchai Chamnongdet, Vice President – Head of the Internal Audit Division acts as the Committee's secretary.

The Committee reports directly to the Board of Directors. Its major duty and responsibility as assigned by the Board of Directors and that are in line with the rules and regulations of the SEC and SET. Its duties include review and ensure that the Company has accurate and adequate financial reports; review and make sure the Company has an appropriate and effective internal control system; review and ensure that the Company complies with the Securities and Exchange Commission Acts and the Stock Exchange of Thailand's rules and regulations and other laws relating to the Company's business; select and nominate independent persons to be the auditors of the Company and recommend the auditor's fee, and attend at least one meeting per year with the auditors without presence of the Management; review connected transaction or items that may have conflict of interest based on existing laws and the SET's rules and regulations; prepare the Audit Committee's report to be published in the annual report; review the Internal Audit Division's performance; consider and review audit criteria and process to ensure that they always comply with current business environment; and summarize and report the Audit Committee's tasks and movement to the Board of Directors; report issues discovered or in doubt, which may have significant impact on the Company's financial status or operating performance, to

the Board of Directors in order to correct it within the timeframe agreed by the Audit Committee. (The Company publishes the duty and responsibilities of the Audit Committee in the Company's regulation on the Audit Committee and on the Company's website. The Audit Committee's meeting record and meeting attendance of individual committee member is provided under the Corporate Governance section.)

7. Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee's term is three years. It consists of three directors who are appointed by the Board of Directors. The Committee members are Mr. Trakul Winitnaiyapak, who acts as the Committee's chairman, Mr. Weera Sriwathanatrakoon and Mr. Thana Putarungsi. Mr. Noppol Milinhanggoon, Chief Executive officer, acts as the Committee's secretary.

The Human Resources and Remuneration Committee reports directly to the Board of Directors. Its authorities and responsibilities as assigned by the Board of Directors cover the entire tasks concerning the management of human resources and remuneration of the Board of Directors, committee and top executives of the Company's group (meaning the Chief Executive Officer, Senior Executive Vice President and Executive Vice President). Its tasks include formulating the visions and strategies on human resources management of the Company's group as well as their Management Development Plan; Reviewing and ensuring that the Board of Directors of the Company's group has appropriate size and good components responsively to the changing environment; and formulating appropriate policy, criteria and procedure in nominating, selecting, removing or terminating Directors; establishing the clear, transparent and top management of the Company's group to ensure that all companies in the Company's group have management team who have appropriate qualifications,

knowledge, competency and experiences to run the group of the Company's business successfully and effectively. The Committee is also responsible for selecting and nominating persons with required qualifications to be the CEO and top executives of the Company's group; and preparing succession plan for key executive posts. It establishes a policy and strategies and compensation which include salary, meeting allowance, per diem, bonus and other benefits to Directors and top executives in the Company's Group before proposing them to the Board of Directors for further approval. Consideration and approval will be based on clear and transparent criteria in order to induce, retain and motivate highly qualified and high potential human resources. The committee at the same time formulates effective guidelines, criteria, procedures and process for assessing the performance of the Board of Directors and top executives of the Company against the target mutually agreed in advance each year. These targets shall be relevant to the Company's Business Plan and set up in order to review the Management's annual remunerations by taking duties, responsibilities, related risks and long term values to shareholders into consideration. The Committee ensures that policy related to remuneration as well as amount of remunerations for the Board of Directors and top executives are disclosed in the Company's annual report. (The Company publishes the duty and responsibilities of the Human Resources and Remuneration Committee in the Company's regulation on the Human Resources Management and Remuneration Committee and on the Company's website. The Human Resources Management and Remuneration's meeting report and meeting attendance of individual Committee member is provided under the Good Corporate Governance Report section.)

8. The Risk Management Committee

The Risk Management Committee's term is three years. Appointed by the Board of Directors, the Committee Members include Police Lieutenant General Thavorn Chanyim as the

Committee's chairman, Mr. Wirat Kanchanapibul and Mr. Surachai Tansitpong as members. Mr. Sutheep Thamrujee, Planning Director acts as the Committee's secretary.

The Committee reports directly to the Board of Directors and performs its tasks as assigned by the Board of Directors. Its responsibilities include reviewing the Company's risk management policy and framework, which would cover all the major risks, namely financial, investment and corporate reputation risks before proposing them to the Board of Directors for approval, and formulating risk management strategies and framework in compliance with the Company's risk management policy. The Committee shall assess, monitor and control the impact of risk at the appropriate level, The Committee monitors and ensures that risk management activities are in line with the Company's policy and framework approved by the Board of Directors; review the sufficiency and effectiveness risk management policy and system; and reports regularly to the Board of Directors about the management, operation, risk status, changes and areas of improvement to keep risk management in line with the Company's policy and strategy. (The scope of responsibilities of the Risk Management Committee is included in the Company's regulations on the Risk Management Committee and published on the Company's website. The reports of the Risk Management Committee's meetings and meeting attendance of individual Risk Management Committee member are published under the Good Corporate Governance Report section.)

Risk Management Working Group

The "Risk Management Working Group" was appointed by the Risk Management Committee and comprises the Chief Operating Officer who is the Chairman of the Working Group, with executives from all disciplines as the members and the Assistant Vice President – Head of Corporate Planning Division acts as the secretary. The working group is mainly responsible for

identifying nature of risks and risk factors, studying and analyzing internal and external factors that may affect the Company's operations, monitoring and studying risk management activities are in line with the guideline approved by the Risk Management Committee; and preparing the report on the Company's risk management for the Board of Directors' acknowledgement every quarter.

9. Investment Committee

The Board of Directors appointed the Investment Committee and the term is three years. The Investment Committee are Mr. Kurujit Nakornthap as the Committee's chairman, Mr. Trakul Winitnaiyapak and Mr. Thana Putarungsi as the Committee members. Mr. Peerawat Pumthong, Chief Operating Officer, acts as the Committee's secretary.

The Committee reports directly to the Board of Directors with responsibilities as assigned by the Board of Directors. Its major responsibilities include determining strategic plan, goal, investment plan, investment budget, optimum investment return and other benefits from project investment to increase the Company's generating capacity and growth; carefully reviewing and scrutinizing project investment proposed by the Management to ensure that it is consistent with the Company's policy and target stated in its investment plan with the consideration on cost-effective investment return and on management of other risk factors at acceptable level; and monitoring, following up and evaluating the approved investment project and report to the Board of Directors. (The scope of responsibilities of the Investment Committee is included in the Company's regulations on the Investment Committee and published on the Company's website. The reports of the Investment Committee's meetings and meeting attendance of individual Investment Committee are published under the Good Corporate Governance Report section.)

10. Structure of the Management

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

The CEO is the top executive position in the Management and is authorized to manage daily operations of the Company. His responsibilities are governing employees and staff members; managing, hiring, appointing, punishing and terminating employees and staff members; considering promotion or adjusting salary of employees and staff members, excluding top-level executives who are Executive Vice President and upper level; issuing management process or other operations of the Company that do not conflict with the Company's regulations and the Board of Directors' resolution; and deciding on the scope of work and work conditions for employees to strictly follow.

In terms of external affairs, the CEO is authorized to act as a signatory except in any matters that the CEO or persons who have relationship with him may have conflict of interests. Such action can be taken only when approved by the Board of Directors with the presence of Independent Directors. In such case, the CEO may authorize any other person to act on his/her behalf, except for any matter that may hold the Company's liable as a borrower, buyer or hirer engaged in more than Baht 30 million. For any contract that is wrongfully made by the CEO which breaches the resolution of the Board of Directors, the Company will not be held liable, except in case of ratification by the Board of Directors.

The Board of Directors authorized the CEO to approve projects below Baht 30 million in total value. Projects with greater

value shall be considered and approved by the Board of Directors. The CEO is authorized to approve donation of no more than Baht 200,000 each. Charitable donation of up to Baht 400,000 shall be approved by the Board of Directors' Chairman while donation exceeding Baht 400,000 shall be approved by the Board of Directors.

In case that the CEO is not available or cannot perform his duty or when the position is vacant, the Board of Directors assigned Mr. Prachuab Ujjin, Deputy Chief Executive Officer, Mr. Peerawat Pumthong, Chief Operating Officer, and Mr. Wutthichai Tankuranand, Chief Finance Officer to act as the Acting Chief Executive Officer respectively with full authority, except for CEO's responsibility as a member of the Board of Directors.

The Company's Management is divided into 4 disciplines – Portfolio Management, Planning and Business Development, Finance, and Corporate Administration. The Portfolio Management, Planning and Business Development, and Finance are led by Senior Executive Vice President. The Corporate Administration discipline is led by Executive Vice President. There are three units under Chief Executive Officer. One of which led by Executive Vice President and others are division level, namely Executive Vice President – Foreign Affairs, the Corporate Secretary Office and the Internal Audit Division. The Internal Audit Division reports directly to the Audit Committee.

As of 31 December 2012, the Company's "Management" according to the Securities and Exchange Act are as follows:

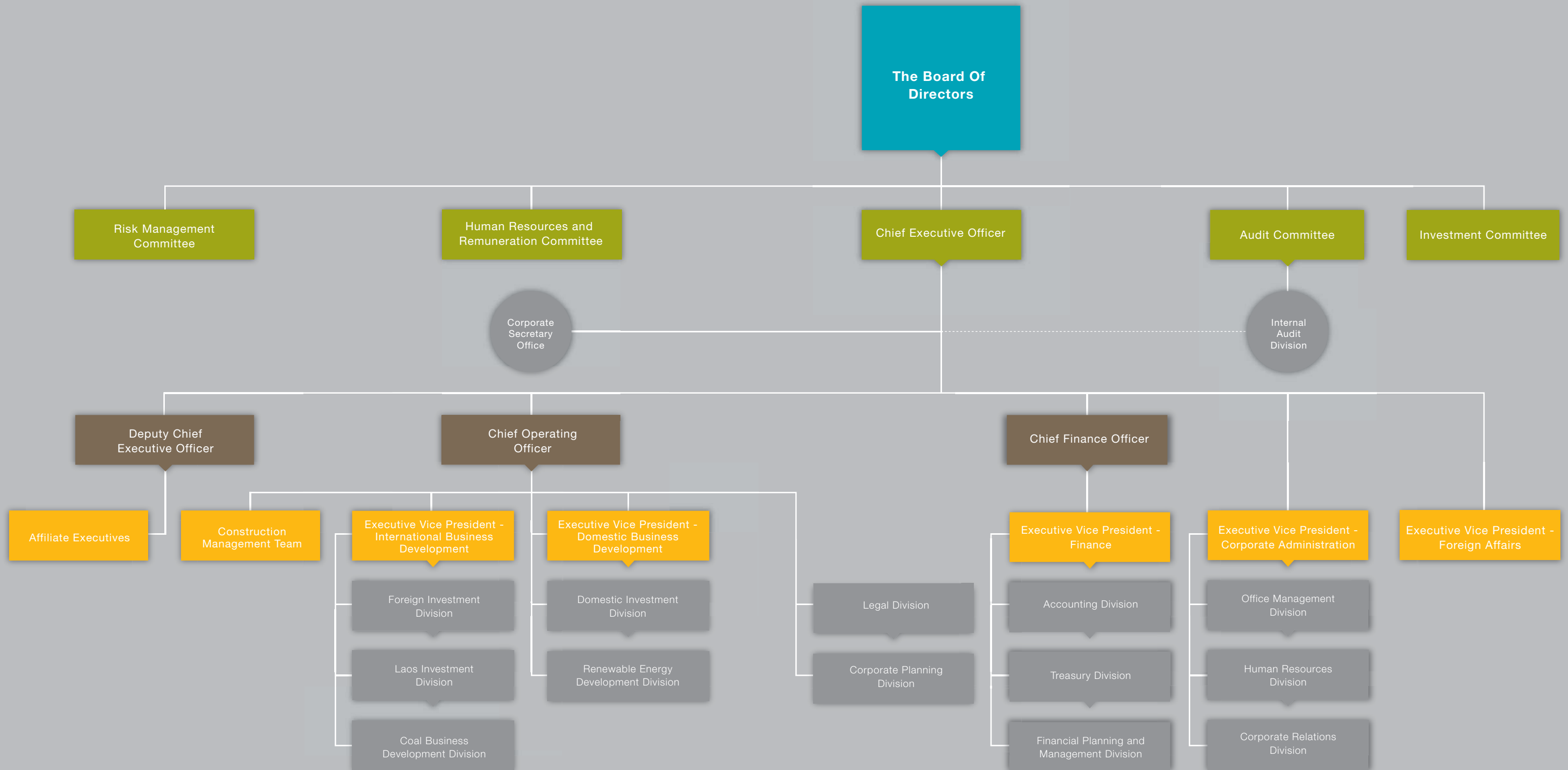
1. Mr. Noppol Milinthanggoon
Chief Executive Officer
2. Mr. Prachuab Ujjin
Deputy Chief Executive Officer
3. Mr. Peerawat Pumthong
Chief Operating Officer

4. Mr. Wutthichai Tankuranand
Chief Finance Officer
5. Mrs. Sunee Rajatamutha
Executive Vice President – Finance
6. Mrs. Boontiva Dansamasatid
Executive Vice President – Corporate Administration
7. Mr. Kriengrit Jiajanpong
Executive Vice President
8. Mr. Somnuk Jindasup
Executive Vice President
9. Mr. Prayut Thongsuwan
Executive Vice President
10. Mr. Ni-run Wongchanglor
Executive Vice President
11. Mr. Raluke Satayaporn
Senior Vice President and acting Executive Vice President - International Business Development
12. Mr. Damrong Kheochaum
Senior Vice President and acting Executive Vice President - Domestic Business Development
13. Mr. Sommai Pooanachakorn
Vice President - Head of Accounting Division
14. Miss Raywadee Srikongyos
Vice President - Head of Treasury Division
15. Mrs. Wadeerat Charoencoop
Vice President - Head of Financial Planning and Management Division

(Profile and information about executives are published in the Profile of the Company's Management and Company's Secretary Section and on the Company's Website)



Organization Chart



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

Secretary to the Board of Directors

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

Company Secretary

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

12. Recruitment and Nomination Procedures of Directors and Top Executives

12.1 Board of Directors’ Selection

The Company considers that director recruitment a very important task because directors who sit in the Board of

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

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

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

Case 2 – A Director position is vacant due to rotation of office: The Board of Directors shall propose to the shareholders’ meeting. Criteria and process are specified in the Company’s rules.

Committed to encouraging equal treatment of shareholders, the Board of Directors encourages minority shareholders to nominate a person with proper qualifications for the Board to consider and propose to the Shareholders’ Annual General Meeting. This practice has been implemented

since 2008. Details are specified in the Good Corporate Governance Report section.

12.2 Nomination and Recruitment of the Top Executives

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

The Human Resources and Remuneration Committee is assigned to recruit the Directors and top executives of the Company’s Group by reviewing the nominee’s educational background, knowledge, skills and work experiences, which should benefit their designated missions and the Company’s overall operations to support the Company’s group efficiency, effectiveness and growth. The Committee is also responsible for both internal and external recruitment.

Directors representing the major shareholders, EGAT, has been appointed after the same selection procedure. Background and qualifications that are proper and necessary in governing the Company’s business are taken into consideration. The CEO, who is EGAT’s top executive and seconded to work at the Company, has also been nominated to the Human Resources and Remuneration Committee for consideration and screening prior to the Board of Directors’ consideration and/or the shareholders’ meeting consideration according to the proper selection procedure.

13. Policy on Appointing Directors and Executives to be Directors and the Management of Other Subsidiaries and Jointly-Controlled Entities

The Company has established subsidiaries to manage and operate designated missions as well as invested in many

companies. (Information about subsidiaries and jointly-controlled entities are detailed in the General Information section.) To ensure that the Management and supervision of all companies are in line with the Company’s policy and to effectively monitor and assess operational performance of the subsidiaries and jointly-controlled entities, the Company has a policy to appoint its directors and executives to be directors and/or executives in those companies.

14. Remuneration for the Directors and Executives

14.1 Policy and Criteria on Directors and Executives’ Remuneration

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

At present, Directors receive two types of remunerations as follows:

1. Bonus – depending on the length of directorship and on the attendance to the Board of Directors' meetings. When a Director holds directorship more than one position in the Company and its subsidiaries, the Director shall receive bonus from the company that allocates the highest bonus at that point of time.

2. The retainer for the Company's Board of Directors paid on monthly basis and divided into two portions. The first 75 per cent is fixed and the remaining 25 per cent is paid for the meeting attendance. As for the Committees, the payment is made on attendance basis to the Committee's meeting. At present, the retainer as approved by the shareholders' meeting is as follows: The retainer for the Board of Directors' Chairman is Baht 50,000 and for Directors is Baht 40,000 each.

- The retainer for committee members (the Audit Committee, the Human Resources and Remuneration Committee, the Risk Management Committee and the Investment Committee): Baht 30,000 for a committee's chairman and Baht 24,000 each of a committee member.

- Executive Director does not receive fixed retainer but is entitled to receive bonus as a Director.

3. Remuneration for high level executives is in line with the criteria and policy set earlier by the Board of Directors and must be considered and screened by the Human Resources and Remuneration Committee. The remuneration is linked with the performance appraisal against the earlier mutually agreed target that was approved by the Board of Directors.



14.2 Remuneration of Directors and Top Executives

14.2.1 Ratchaburi Electricity Generating Holding Public Company Limited

(1) Remuneration for the Board of Directors and Committee Members

Unit: Baht

No.	Names	Board Retainer for 2012					2011 Bonus ¹	Total
		Company's Directors	The Audit Committee	The Human Resources and Remuneration Committee	The Risk Management Committee	The Investment Committee		
1.	Mr. Kurujit Nakornthap ^{2/6}	600,000.00				60,000.00	48,972.60	708,972.60
2.	Mr. Surachai Tansitpong ⁸	253,000.00			96,000.00			349,000.00
3.	Mr. Trakul Winitnainyaapak ^{3/10}	470,000.00		84,000.00		48,000.00	837,808.22	1,439,808.22
4.	Capt. Siridech Julpema ^{4/11}	417,586.20	150,000.00					567,586.20
5.	Pol. Lt. Gen. Thavorn Chanyim ^{5/11}	360,000.00			150,000.00			510,000.00
6.	Mr. Weera Sriwathanatrakoon ^{9/11}	470,000.00		96,000.00			837,808.22	1,403,808.22
7.	Mr. Satit Rungkasiri ^{7/11}	430,000.00	96,000.00				977,826.67	1,503,826.67
8.	Mr. Sutat Patmasirawat	460,000.00					1,100,000.00	1,560,000.00
9.	Mr. Wirat Kanchanapibul ⁸	480,000.00			144,000.00		1,100,000.00	1,724,000.00
10.	Mr. Thana Putarungsi ^{9/10}	465,483.87		72,000.00		48,000.00		585,483.87
11.	Miss Piyathida Praditbatuga ^{7/11}	360,000.00	120,000.00					480,000.00
12.	Mr. Noppol Milinhanggoon ¹²						1,100,000.00	1,100,000.00
13.	Mr. Nathi Premrasmi ^{4/10/11}	42,413.80	30,000.00				1,100,000.00	1,172,413.80
14.	Mr. Metta Banturungsuk ^{5/9/11}	120,000.00			30,000.00		1,100,000.00	1,250,000.00
15.	Mr. Atchada Kesornsook ^{3/10/11}	120,000.00					1,100,000.00	1,220,000.00
16.	Mr. Ariyawich Ek-Ularpun ⁸	177,419.35					39,178.08	216,597.43
	Total	5,225,903.22	396,000.00	252,000.00	420,000.00	156,000.00	9,341,593.79	15,791,497.01

Remarks ¹ Directors' bonus for 2011 paid in April 2012 according to the 2012 Shareholders' Annual General Meeting held on 26 March 2012.

² Chairman of the Board of Directors

³ Chairman of the Human Resources and Remuneration Committee

⁴ Chairman of the Audit Committee

⁵ Chairman of the Risk Management Committee

⁶ Chairman of the Investment Committee

⁷ Member of the Audit Committee

⁸ Member of the Risk Management Committee

⁹ Member of the Human Resources and Remuneration Committee

¹⁰ Member of the Investment Committee

¹¹ Independent Director

¹² Executive Director

In 2012, the changes in the Board of Directors and Committees are as follows:

- Mr. Kurujit Nakornthap was appointed the Chairman of the Investment Committee on 23 April 2012
- Mr. Surachai Tansitpong as appointed the Director and Risk Management Committee Member on 18 June 2012
- Mr. Trakul Winitnaiyapak was appointed the Chairman of the Human Resources and Remuneration Committee and a member of the Investment Committee on 23 April 2012
- Captain Siridech Julpema has been a member of the Audit Committee since 13 February 2012 and was appointed the committee's chairman on 23 April 2012
- Police Lieutenant General Thavorn Chanyim was appointed a Director on 27 March 2012 and Chairman of the Risk Management Committee on 23 April 2012
- Mr. Weera Sriwathanatrakoon retired from Chairman of the Audit Committee on 22 April 2012 and was appointed a member of the Human Resources and Remuneration Committee on 23 April 2012
- Mr. Satit Rungkasiri was appointed a member of the Audit Committee Member on 23 April 2012
- Mr. Wirat Kanchanapibul retired from a member of the Investment Committee on 22 April 2012 and was appointed a member of the Risk Management Committee on 23 April 2012
- Mr. Thana Putarungsi was appointed a Director on 16 January 2012 and a member of the Human Resources and Remuneration Committee and Investment Committee Member on 23 April 2012
- Miss Piyathida Praditbatuga was appointed a Director on 27 March 2012 and a member of the Audit Committee on 23 April 2012
- Mr. Nathi Premrasmi retired from Directorship, Chairman of the Audit Committee and the Investment Committee on 10 February 2012
- Mr. Metta Banturungsuk retired from Directorship, Chairman of the Risk Management Committee and the Human Resources and Remuneration Committee due to the end of the term on 26 March 2012
- Mr. Atchada Kesornsook retired from Directorship, Chairman of the Human Resources and Remuneration Committee and the Investment Committee due to the end of the term on 26 March 2012
- Mr. Ariyawich Ek-Ularnpun resigned from Directorship and retired from the Risk Management Committee on 19 May 2012

(2) The Company's Executives Remuneration

Unit: Million Baht

Remuneration	Number (persons)	Total
Salary	15	61.409
Bonus	15	36.054
Contribution to Provident Fund	15	5.197
Total		102.660

Remark: The Company has 15 executives

14.2.2 Ratchaburi Electricity Generating Company Limited

Unit: Million Baht

Remuneration	Number (persons)	Total
Directors		
Retainer	8 ¹	3.097
2011 Bonus	9 ²	7.206
Total		10.303
Executives		
Salary	3 ³	5.855
Bonus	3	2.825
Contribution to Provident Fund	3	0.500
Total		9.18

Remark: ¹ Ratchaburi Electricity Generating Company Limited has 10 Directors. During the year, 4 Directors retired and were appointed. Executive director did not receive regular remuneration according to the preset rule.

² 2 Directors were Directors of Ratchaburi Electricity Generating Holding Public Company Limited and did not receive bonus from Ratchaburi Electricity Generating Company Limited

³ 2 Directors were transferred to Ratchaburi Electricity Generating Holding Public Company Limited

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

Directors and executives of these companies are executives of the Ratchaburi Electricity Generating Holding Public Company Limited and did not receive remuneration



Power Industry and Competitions

The Company has adjusted its target by doubling its renewable power production capacity from 100 megawatts to 200 megawatts by 2016

and ensuring that its organization structure supports flexible and efficient operations to cope with changing competition.



1. Domestic Power Generation and Consumption

According to the Ministry of Energy's 2012 industry report and 2013 forecast, the total electricity consumption in 2012 is 161,548 million units, an increase of 8.5 per cent from 2011. The increase is due to the higher temperature, economic recovery from the massive flood in 2011, and more investment from the government sector which promotes electricity consumption especially in the automotive industry. It is forecast that in 2013, the country's total electricity generating capacity would increase by 5.9 per cent. The country's power demand hit its peak of 26,121 megawatts on 26 April 2012 at 14.30 hrs.

2. Overseas Power Generation and Consumption

The nuclear power plant explosion in Japan after the tsunami has amplified the global awareness on energy. Germany was the first European country to realize the danger from nuclear power plant and announced a plan to shut down all its nuclear power plants and terminated dependence on nuclear power in electricity generating activity within 2022. In Japan, more than 50 nuclear power plants were shut down, although this caused electricity shortage in the country.

Countries with high GDP growth, such as China and India have high demand for electricity, not only in the public but also agricultural and industrial sectors. Economic growth in China

and India is forecast at 8-9 per cent and 7-8 per cent respectively. In line with such trend, energy and electricity consumption is increasing. The majority of energy used in power production activities is coal and natural gas. Green energy has also become more popular in many regions

3. Cooperation on coal
4. 5-10 year energy plan
5. Alternative energy project using solar power and biomass power as energy sources



across the world as the awareness and demand for energy conservation are increasing. More efforts to reduce carbon dioxide emission have been realized through the use of more renewable and alternative energy, such as solar power, wind power, sea wave energy. There is a trend that the government sector is likely to change and amend policy and regulations related to carbon and to promote more renewable energy.

3. Power Industry and Competition in Asia

As the Southeast Asian nations are moving fast towards ASEAN Community integration in 2015, especially the ASEAN Economic Community (AEC), eight key areas related to energy industry have been raised as follows:

1. Trans-ASEAN gas pipeline
2. ASEAN Power Grid

6. Energy conservation and optimization
7. Nuclear power project
8. ASEAN power regulator network

Thanks to the country's strategic location of ASEAN, Thailand has the capability to become the region's power grid connector, both in terms of distribution and international marketing promotion. In addition, the country has capability to produce ethanol and biodiesel. On the other hand, the ASEAN Community integration may have impact on Thailand's access and ability to purchase electricity generating resources in the CLMV countries (Cambodia, Lao PDR, Myanmar and Vietnam) because of high competition with other countries outside the region, such as the United States, the European Union and some East Asian countries which are also eyeing the same resources. The Company, being Thailand's leading electricity generating company, therefore accelerates its study,

establishes or acquires business and enters into partnership with local partners in CLMV subregion. This enables the Company to increase generation capacity and supply more electricity to Thailand to support economic growth and public demand.

4. Government Policy on Imported Electricity

Thailand has established a close cooperation on power energy with neighboring countries under which Thailand has a plan to purchase electricity from five neighboring countries – Lao PDR, Myanmar, China, Cambodia and Malaysia. The Thai government has signed memorandum of understanding to purchase 7,000 megawatts from Lao PDR 3,000 megawatts from China and 1,500 megawatts from Myanmar.

Competition Situation

Thailand Power Development Plan 2010-2030 (PDP 2010: Revision 3) was aimed at achieving sustainable power supply. Under the plan, bids were called for independent power producers to build six 900-megawatt power plants, totaling 5,400 megawatts. Renewable power purchase is increased significantly to substitute power production from nuclear power plant project which is suspended. The Ministry of Energy also prepared the Alternative Energy Development Plan (AEDP) 2012-2021, 20-year Energy Efficiency Development Plan (EEDP 2011-2030) and laid out clear electricity import policy with an aim to support the government's policy and implement the country's alternative and renewable energy development plans. This encourages more private companies to enter into the power generation and renewable energy industry, resulting in higher competition. A number of private power producers had prepared to participate in the bids, studied new investment and acquisition

plans in order to increase production capacity. Following this trend, the Company has adjusted its target by doubling its renewable power production capacity from 100 megawatts to 200 megawatts by 2016 and ensuring that its organization structure supports flexible and efficient operations to cope with changing competition.

In addition, the Company continues to find new partners to support its business expansion plan in the region and the acquisition of stakes in the EDL-Generation Public Company (currently through RATCH-Lao Services Company Limited and RH International (Singapore) Corporation Pte. Ltd. at 10.108 per cent of the total shares). EDL-Generation Public Company, with Electricite du Laos as the major shareholder, operates power business in Lao PDR and is listed on Lao Securities Exchange. In other countries, the Company has signed a memorandum of understanding with Italian Thai Development Public Company Limited to jointly conduct feasibility study on the Dewei power plant project. The Company acquired ordinary shares of K K POWER Company Limited to jointly study and to develop a power plant in Cambodia. RATCH-Australia Corporation Limited the Company's subsidiary which operates infrastructure investment projects in Australia, will remain another important channel for the Company to further expand its investment and business in Australia and New Zealand.



Risks from Business Operations

Realizing the importance of effective risk management to the ability to achieve business goal,

the Company has set effective risk management direction and system in parallel to the strategic planning.



Under the current competition and market condition, all businesses have to face a lot more changes and risks, not to mention economic fluctuation in Thailand and other countries. Realizing the importance of effective risk management to the ability to achieve business goal, the Company has set effective risk management direction and system in parallel to the strategic planning. Internal and external risks factors are identified, analyzed, assessed, monitored and managed by the Board of Directors and the Risk Management Committee to maintain the risks level to the acceptable level.

The Investment Committee, which is appointed by the Board of Directors, is responsible for considering investment in both Greenfield and Brownfield projects. Risks factors are considered thoroughly based on feasibility study that covers technical, financial, legal, community, environmental and other factors that may affect or present obstacles to the project operations, as well as sensitivity analysis, management of

projects under construction and project cost control. These factors are carefully studied in order to minimize possible loss. The study report will be submitted to the Board of Directors for consideration. Risk management principles are set as follows:

1. Competition Risks

The Company has a policy to invest in power generation and related businesses in Thailand and overseas. Considering the increasing demand, more and more players are entering into this businesses. The Company considers that competition risks includes :

1.1 Impact from the Government and Regulator Policies

Under Thailand Power Development Plan – 2012-2030 (PDP 2010 : Revision 3) which was adjusted to better serve the Government's economic stimulation policy and possibility to

purchase more electricity from Independent Power Producer (IPP), a number of private companies have expressed interest in investing in power generation business. To prepare for such situation, the Company appointed a working committee, comprising a group of experts with knowledge and

to maintain competitiveness and position as Thailand's leading Independent Power Producer. The Company has studied a variety of fuel to support its power production business and diversity among coal power plants, hydro power plants, natural gas power plants and renewable energy power plants, both



related experience, to study related factors, prepare, monitor, study and assess the Company's competitiveness.

The Government's renewable and alternative energy promotion policy and efforts to reduce impact on the Global Warming have encouraged the Company to adjust its goal to double power production from renewable energy from currently 100 megawatts to 200 megawatts by 2016. At the same time, the Company is seeking opportunities to invest in projects to produce electricity from alternative energy, such as solar, wind and biomass, through new project development and partnering with various companies which already operate such businesses. This also prevents risks from project operation while enabling the Company to clearly set deadline for project completion.

1.2 Operational Adjustment to Address the Changing Situation

The Company has adjusted its strategic plan to be in line with the PDP 2010 : Revision 3 and expand production capacity target in its local and overseas operations

small and large scale. Joint investment has been made both in new projects and in existing projects. In addition, the Company is seeking opportunity to invest in related businesses, such as coal mine and power plant operation and maintenance to reduce risks related to fuel and power plant operations and maintenance costs.

1.3 Competition Situation

Being a leading Independent Power Producer, the Company's generating capacity accounts for 14 per cent of the country's total electricity generating capacity. The Government's policy to support more investment in electricity generating sector has encouraged more private companies to invest in this area, resulting in higher competition and challenges. However, the corporate analysis shows that the Company is very strong in terms of expertise, a pool of highly experienced personnel, business partners both in terms of project operations and loan sourcing, liquidity and source of capital. These encouraged the Company to be very confident in its ability to maintain competitiveness.

2. Financial Risks

2.1 Risk Related to Interest Rate

The Company has constantly studied and monitored interest rate trend to support its cash flow management and existing loan management plan. The Company also considered fixed or floating interest rates according to the nature of each project. Short and long-term loan are sought for new projects to achieve cost efficiency. Hedging instruments have been adopted to reduce risks related to interest rate fluctuation.

2.2 Risk Related to Foreign Exchange Rate

The Company considered and studied foreign exchange rate fluctuation related to the Group's income. Analysis of financial impact from foreign exchange fluctuation in different currencies has been conducted to support the right decision on hedging fund instrument selection in order to maintain risks at the acceptable level.

2.3 Risk Related to Financial Liquidity

The Company has planned and continuously adjusted capital sourcing plan as well as cash management plan. The main objective is to ensure that the Company always has sufficient capital required in different project operations. Reserves are allocated for new investment and other business activities. Good relations with Thai and international financial institutes are also maintained to create new opportunities and seek new funding sources.

3. Operational Risks

The Company's Board of Directors and Management consider operational risk management as one of the top priorities. Given the Company's investment in many projects, the Company has to closely monitor progress of business

activities handled by its subsidiaries and joint ventures in order to ensure that business goals are achieved. The Board of Directors and the Management jointly considered and appointed the Company's representatives to sit in the board of directors and management of the companies and projects in which the Company invested. Such appointment enabled the Company to participate in formulating policy, directing project development and monitoring and regularly reporting project progress to the Company's Board of Directors.

3.1 Risk of Unexpected Dividend Received from Subsidiaries

The Company has closely monitored and assessed subsidiaries' performance with emphasis on significant factors that may affect income and profit which have impact on dividend received from subsidiaries. Subsidiaries are required to prepare annual plan that best supports the Company's goal and a contingency plan for unexpected events that may affect dividend received.

3.2 Risk of Unexpected Performance of the Company and Its Subsidiaries

Close monitoring and assessment have been implemented to enable the Company to achieve its goals, including availability and efficiency of machinery, regular maintenance, fuel efficiency and emission control which must be within the legal requirement limit.

The Company has risk management in the operation and maintenance of the power plants which are commercially operating. This includes a thorough budget plan for power plant operation and maintenance and the long term agreement on power plant equipment supplies in order to maintain the confidence, the availability and readiness of the power plant, which is in line with the conditions set in the power purchase agreement made with EGAT. Through these provisions, the

Company ensures that it has no risk of being punished by EGAT while receiving Availability Payment in full and achieving efficiency in cost control that results in its ability to maintain profitability and increase cash flow.

4. Human Resource Risks

The Company realizes that employees are the most important resources that drive the Company to success and, therefore, gives high importance to the management of risks related to human resource. The Company ensures effective recruitment in order to secure qualified employees, provides incentives to maintain capable human resources, provides appropriate and fair remunerations and benefits that are within industry average range, develops people capability, and regularly reviews operational process and system to support the Company's future business expansion.

In 2012, the Company designed the new corporate core values, called "Power of RATCH", to promote strong organizational culture, shared core value and desired behaviors. These values are Professionalism, Passion for Excellence, Collaboration and Good Governance. This is to prepare its human resources for future business expansion.

5. Corporate Reputation Risks

Electricity generating business is crucial to economic development and quality of life. The lack of sufficient management of business impact on the environment and society would tarnish the company's reputation and credibility and can later become a problem to its operations and growth. The Company therefore highly values corporate reputation in order to maintain public trust. This clearly shows in its vision of "To become a leading Independent Power Producer in the region trusted by the public".

In managing risks related to corporate reputation, the Company mainly uses communications tools, corporate social responsibility activities and good community relations as the major mechanism to protect and maintain its reputation and corporate image. Good reputation would eventually lead to trust, credibility and recognition among all stakeholders.

In the past year, the Company used the three mechanisms in protecting its reputation and corporate image. Major development is as follows:

5.1 Communications:

The Company sufficiently provides information on its operations to internal and external stakeholders to create awareness and the correct understanding of the Company's business. The information, including corporate and people management, operational performance growth as well as social and environment activities, is regularly and continuously communicated to its stakeholders and the general public through print media, radio, television, online and the Company's website.

The Company also closely monitors news and information related to the Company as published in media and other sources. The information was analyzed to identify possible issue that may affect the Company's reputation and corporate image. The Company also reviewed its crisis communication plan on annual basis in order to be assured of efficient and effective management and control would be achieved when such incident happens and to prevent or minimize the adverse impact on its reputation and image. In the past year, there was no issue that may affect the Company's reputation and corporate image.

5.2 Corporate responsibility towards the society and the environment 2012:

The Company continued to run various corporate social and environmental responsibility in the past year. Such activities are significant tools to directly reach and strengthen relations with its stakeholders and demonstrate its commitment to being a responsible business. In addition to the good corporate governance, the Company has implemented various activities for the benefits of the society and environment. All activities promote public participation. For example the Love the Forest and the Community Program, which is operated in cooperation with the Department of Forestry, encourages nationwide communities to protect their own forest areas. By introducing community forest project, communities are participating in preserving the forest areas and sources of water and food, while increasing the carbon dioxide absorption capacity and reducing impact from the global warming. At the same time, such projects instill public awareness and responsibility towards forest conservation. Community energy program was also further expanded. Under this program, the Company worked closely with Energy Office in Ratchaburi province in educating communities on the use and preservation of energy as well as the correct understanding of the power plant's electricity generating activities.

All the activities and projects operated in the past year have enabled the Company to expand its network of both public and private sectors and reach wider group of stakeholders, especially communities nationwide. Such good relations has brought to the Company higher trust and better corporate reputation.

5.3 Building good relations with communities:

The Company has set a clear policy requiring its power plants and activities to live in harmony with community.

The "Good Neighbor" policy has been adopted in recognition of the fact that a successful business would be achieved only when business, communities and the public have trust on one another. In building good relations with communities, the Company regularly visits, listens to the opinions and participates in activities organized by the surrounding communities. The Company also allowed communities to monitor and learn more about its power plant operations and activities. The Company gives higher weight to complaints and concerns of surrounding communities towards its power plant operations. A systematic problem solving process was established in order to find the best possible solution in the shortest possible time in order to create trust and confidence among surrounding communities, which in the end result in good corporate image and reputation.

6. Compliance Risks

The Company operates its business by adhering strictly to the related rules, regulations and laws and giving high importance to managing environment quality in the communities surrounding its power plants in compliance with related laws and requirements under the ISO 14001 standards. The Company constantly supervises and encourages all power plants within the group to closely and strictly monitor the quality of the environment, including air, water, noise and biodiversity.

The Legal Division is assigned to supervise the operations and ensure compliance to the public listed company law and laws related to business operations. The Legal Division also participates in analyzing legal aspects in current and future investment projects. The Compliance Department is assigned to monitor the Company's operations to ensure full compliance to the regulation set by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).



Revenue Structure

Revenue Structure of the Company, Subsidiaries and Jointly-Controlled Entities in 2012

In 2012, the Company's major revenue came from electricity sales by Ratchaburi Electricity Generating Company Limited which sell to EGAT under the 25-year long-term Power Purchase Agreement ("PPA"). Revenue structure under such PPA includes two main parts as follows:

1. Availability Payment ("AP")

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

2. Energy Payment ("EP")

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

1. Fuel Payment
2. Variable Operating and Maintenance Payment

In addition to electricity sales from Ratchaburi Power Plant, in 2012 the Company also included sale revenue from RATCH-Australia Corporation Limited (RAC), which its major revenue came from the long-term Power Purchase Agreement. Such long-term power purchase agreement for Thermal power plant and wind power plant consists of:

1. Capacity Charge is set to cover total investment, maintenance cost and adjusted according to the Actual Capacity Availability in generating and distributing electricity as in the power purchase agreement

2. Energy Charge is received when electricity is generated. This includes fuel cost and variable operating and maintenance etc.

Regarding to electricity sales from RAC's wind power plant, Revenue is calculated by the total electricity generation multiply by sales per unit. Moreover, other revenue from sales and rendering services are as follows.

1. Electricity sales from the 2.65 megawatt PTO-A Power Plant and the 3.6 megawatt Sao Thaian Power Plant, which is commercial operation on 26 January 2012, are located in Kong Krailat District, Sukhothai Province. Such 2 power plants operated by Ratchaburi Energy Company Limited generate electricity from flare gas which are byproducts of oil refining and sell to EGAT.

2. Revenue from operation and maintenance services by RATCH-Lao Services Company Limited ("RL"), a subsidiary in Lao PDR. RL entered into the Operation and Maintenance Agreement in the hydroelectric power plant with Nam Ngum 2 Power Company Limited, effective from 1 July 2009 until the end of the concession period.

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

1. Tri Energy Company Limited, in which Ratchaburi Gas Company Limited holds 50 per cent stake, and Ratchaburi Power Company Limited, in which Ratchaburi Alliances Company Limited holds 25 per cent stake, are jointly-controlled entities and their sales revenue consist of availability payment and electricity payment, which are the same as the revenue structure of Ratchaburi Electricity Generating Company Limited.

2. Chubu Ratchaburi Electric Services Company Limited, the Company holds 50 per cent stake, earns revenue from

providing operation and maintenance services to the two blocks of Combined Cycle Power Plants of Ratchaburi Power Company Limited which has installed capacity at 700 megawatt per each, according to 14-year service agreement starting from commercial operation date.

3. SouthEast Asia Energy Limited, the Company holds 33.33 per cent stake, received electricity sales from Nam Ngum 2 Hydroelectric Power Plant in Lao PDR under the 25-year Power Purchase Agreement with EGAT starting from the date of commercial operation and has initial operation date on 26 March 2011.

4. Solarta Company Limited in which the Company holds 49 per cent stake operates 34.25 megawatts of eight solar power plants. It has non-firm power purchase for very small power producer with the Provincial Electricity Authority (PEA) and received adder of eight baht per unit from the Electricity Development Fund for 10 years. In 2012, the eight power plants started commercial operation and supplied electricity to PEA. Power sales income is divided into three parts as follows:

1) Energy Payment: calculated from price of electricity at the voltage of 11-33 kilowatts as EGAT sells to the Electricity Distributor.

2) Adder: this depends of the type of fuel used for electricity generating

3) Float Time (FT): calculated based on the wholesale FT

5. First Korat Wind Company Limited in which the Company holds 20 per cent stake operates a wind farm with capacity of 103.50 megawatts. It has a non-firm power purchase agreement for small power producer with EGAT and received adder of 3.5 baht per unit for 10 years from the Electricity Development Fund under the Electricity Regulatory Commission. The company started commercial operation and

supplied electricity to EGAT on 14 November 2012. Its electricity sales income includes Energy Payment, Adder and wholesale FT, similar to that of Solarta Company Limited.

6. Solar Power Company (Korat 3, Korat 4 and Korat 7) Limited, in which the Company holds 40 per cent stake, produces solar power with 18 megawatt nameplate capacity. The three power plants started commercial operation and supplied electricity to PEA on 9 March 2012, 14 May 2012 and 30 May 2012 respectively. It also has non-firm power purchase for very small power producer with PEA and received 8 baht Adder per unit from the Electricity Development Fund under the Electricity Regulatory Commission for 10 years. Its electricity sales income covers Energy Payment, Adder and wholesale FT, similar to that of Solarta Company Limited.

Revenue Structure 2012 and 2011

Types of Revenue	Generated By	Company's stake %	Revenue			
			2012		2011 (Restated)	
			Million Baht	%	Million Baht	%
Revenue from sale and rendering of services						
• AP	Ratchaburi Electricity Generating Company Limited	99.99	11,903.18	20.10	11,856.06	25.93
• AP	RATCH-Australia Corporation Limited	80.00	2,744.76	4.64	1,666.68	3.64
• EP	Ratchaburi Electricity Generating Company Limited	99.99	39,890.59	67.37	29,348.58	64.18
• EP	RATCH-Australia Corporation Limited	80.00	549.91	0.93	422.14	0.92
• EP	Ratchaburi Energy Company Limited	99.99	98.51	0.17	48.40	0.11
• O&M	RATCH-Lao Services Company Limited	99.99	178.45	0.30	115.00	0.25
Share of profit (loss) of jointly-controlled and associated entities	Ratchaburi Power Company Limited	25.00	826.71	1.40	615.07	1.35
	SouthEast Asia Energy Limited	33.33	224.57	0.38	314.49	0.69
	Solarta Company Limited	49.00	54.80	0.09	5.79	0.01
	Chubu Ratchaburi Electric Services Company Limited	50.00	32.55	0.05	16.00	0.03
	Pert Power Partnership (jointly-controlled entity of RAC)	30.00	21.01	0.04	50.37	0.11
	Solar Power (Korat 3) Company Limited	40.00	14.20	0.02	(8.39)	(0.02)
	Solar Power (Korat 4) Company Limited	40.00	10.51	0.02	(2.18)	-
	Solar Power (Korat 7) Company Limited	40.00	9.09	0.02	(0.59)	-
	Hongsa Power Company Limited	40.00	(372.62)	(0.63)	(38.48)	(0.08)
	Tri Energy Company Limited	50.00	(20.17)	(0.03)	389.63	0.85
	Sukhothai Energy Company Limited	51.00	(16.54)	(0.03)	-	-
	K.R. TWO Company Limited	20.00	(12.04)	(0.02)	(0.09)	-
	Nava Nakorn Electricity Generating Company Limited	40.00	(8.41)	(0.01)	(1.35)	-
	First Korat Wind Company Limited	20.00	(6.26)	(0.01)	(0.41)	-
	Ratchaburi World Cogeneration Company Limited	40.00	(3.62)	(0.01)	(5.51)	(0.01)
	Xe-Pian Xe-Namnoy Power Company Limited	25.00	(1.76)	-	-	-
	Songkhla Biomass Company Limited	40.00	(1.04)	-	(1.10)	-
	K K POWER Company Limited	50.00	(0.29)	-	-	-
	Phu Fai Mining Company Limited	37.50	(0.05)	-	(0.08)	-
	Nam Ngum 3 Power Company Limited	25.00	(0.03)	-	(0.08)	-
	Songkhla Biofuel Company Limited	40.00	(0.01)	-	-	-

Types of Revenue	Generated By	Company's stake %	Revenue			
			2012		2011 (Restated)	
			Million Baht	%	Million Baht	%
Management service income	Ratchaburi Electricity Generating Holding Public Company Limited		208.50	0.35	184.62	0.40
	RATCH-Lao Services Company Limited	99.99	17.44	0.03	3.93	0.01
Interest income	RATCH-Australia Corporation Limited	80.00	343.87	0.58	237.26	0.52
	Ratchaburi Electricity Generating Holding Public Company Limited		159.61	0.27	245.29	0.54
	Ratchaburi Electricity Generating Company Limited	99.99	79.05	0.13	75.17	0.16
	Ratchaburi Energy Company Limited	99.99	14.38	0.02	14.63	0.03
	Ratch Udom Power Company Limited	99.99	2.14	-	0.05	-
	RH International (Singapore) Corporation Pte. Ltd.	99.99	2.09	-	2.82	0.01
	RATCH-Lao Services Company Limited	99.99	1.05	-	0.83	-
	RH International Corporation Limited	99.99	0.93	-	0.19	-
	Ratchaburi Gas Company Limited	99.99	0.01	-	1.46	-
Dividend income	RATCH-Lao Services Company Limited	99.99	115.64	0.20	38.94	0.09
	RH International (Singapore) Corporation Pte. Ltd.	99.99	72.67	0.12	21.12	0.05
Other income	RATCH-Australia Corporation Limited	80.00	83.92	0.14	8.65	0.02
	RH International (Singapore) Corporation Pte. Ltd.	99.99	69.67	0.12	-	-
	Ratchaburi Electricity Generating Company Limited	99.99	42.51	0.07	99.53	0.22
	Ratchaburi Electricity Generating Holding Public Company Limited		26.94	0.05	1.58	-
	RATCH-Lao Services Company Limited	99.99	3.81	0.01	-	-
	Ratchaburi Energy Company Limited	99.99	-	-	0.05	-
Gain on disposal of long-term investment	RATCH-Australia Corporation Limited	80.00	783.68	1.32	-	-
Gain on termination of power purchase agreement	RATCH-Australia Corporation Limited	80.00	1,069.44	1.81	-	-
Total			59,213.35	100.00	45,726.07	100.00



Dividend Policy

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

Dividend paid to shareholders is as follows:

Year	Profit (Million Bath)	Profit after legal reserves [△] (Million Bath)	% of dividend payment	Paid Dividend (Million Bath)	No. of shares (Million)	Dividend per shares (Bath)
2001	3,060	2,907	49.9	1,450	1,450	1.00
2002	4,729	4,492	48.4	2,175	1,450	1.50
2003	5,424	5,153	49.2	2,537	1,450	1.75
2004	6,487	6,162	47.1	2,900	1,450	2.00
2005	6,066	5,763	50.3	2,900	1,450	2.00
2006	6,106	5,955	51.1	3,045	1,450	2.10
2007	5,829	5,829	52.2	3,045	1,450	2.10
2008	6,493	6,493	49.1	3,190	1,450	2.20
2009	6,740	6,740	48.4	3,263	1,450	2.25
2010	5,226	5,226	62.4	3,263	1,450	2.25
2011	4,849 [△]	4,849	67.3	3,263	1,450	2.25
2012	7,726	7,726	42.6	3,292	1,450	2.27 [△]

Remarks

[△] The Company has to deduct no less than 5 per cent of profit for legal reserve until such reserve is no less than 10 per cent of the registered capital or Baht 1,450 million. The Company has achieved this since 2006.

[△] Year 2011 restated

[△] An agenda propose for shareholders' approval in the 2013 Shareholders'Annual General Meeting to be held on 28 March 2013. The Company paid interim dividend at Baht 1.10 per share on 14 September 2012.

Ratchaburi Electricity Generating Company Limited, the principle subsidiary, has a policy to pay dividend to the Company at 100 per cent of its net profit after legal reserve and other reserves.



2012 Social and Environmental Responsibility

Being the country's electricity generating leader, the Company is strictly committed to the corporate governance principles in its management.

With focus on collaboration with all concerned parties based on fairness, honesty, equitable treatment and responsibility.



The Company has a strong commitment to being the power producer that can best address the public need with responsibility towards the economy, society and environment.

The Company realizes that electricity is a very important infrastructure that supports the overall economic development and social development and quality of life enhancement. Domestic demand for electricity has continually increased in accordance with economic growth while concerns over the environment and social welfare are on the rise. This is a great challenge that the Company has to efficiently address while strengthening trust and confidence among the general public, which will support sustainable business development that is the Company's ultimate goal. The Company has already announced its positioning as the "responsible corporate citizen". In the past year, focus has been paid on four areas as follows:

- Community and social responsibility
- Climate change
- Environmental care
- Corporate governance and responsibility

Community and Social Responsibility

The Company aims to be a good neighbor of the surrounding communities. The Company has always provided opportunities for surrounding communities to participate directly and indirectly in monitoring its operations to enhance communities' trust and confidence in the Company. All its power plants opened the opportunities for communities to visit and study how they operate. In the past year, Ratchaburi Power Plant, which is the Company's major power plant, welcomed 3,106 visitors. The plant has always involved and sought opinions from the surrounding communities in solving problems and addressing any concerns in creative and positive ways. Prior to any project development, the Company encouraged communities to express their opinions. Public participation is an important channel for the Company to learn more about the public and community's concerns over the Company's operations. Concerns raised by the communities and public were presented to the Company for further solution and to support the Company's decision and set operations tactics that are appropriate and accepted by the communities. Ratchaburi Power Plant has implemented this through the Ratchaburi Power

Plant Environment Inspector, which is a forum for the Company and communities to efficiently and openly discuss related matters. In the past year, there was no significant conflict between the Power Plant and surrounding communities that have impact on the Company's operations.

The Company has supported various communities' quality of life development projects in order to ensure harmony living between its power plants and communities. From its previous

Management and the Board of Directors for acknowledgement on monthly basis.

Climate Change

The rising demand for electricity resulted in higher power production. Carbon dioxide emission consequently increases. Realizing this, the Company has implemented a policy to effectively manage and reduce carbon dioxide emission, which



dialogues with the communities, it is found that every community wanted the Company to help by providing educational opportunity for young children in their communities. With this insight, scholarships for children in surrounding communities are one of the main activities that have been conducted continually. The Company has given 545 scholarships per year to schools near Ratchaburi Power Plant in Ratchaburi province, Pratu Tao Power Plant and Saothien Power Plant in Sukhothai province, Samkok district and Lat Lum Kaew district in Pathum Thani province and Bang Sai district and Lat Bua Luang district in Phra Nakhon Si Ayutthaya province, as well as the Lao PDR.

The Company also realizes the importance of other stakeholders. It has cooperated with regulators in strictly complying with related rules and regulations to ensure maximum benefits to all stakeholders. In operating all projects, the Company thoroughly studied and analyzed environmental impact in order to minimize impact from its business operations on the environment and communities. Close monitoring is implemented to ensure that environmental impact reduction has been strictly implemented. Results and progress of such action are reported to the

is a major course of the global Climate Change. Since 2010, the Company has put great efforts in four areas as follows:

1. Increasing power efficiency in production process

The Company strictly follows power plant maintenance schedule to ensure that the electricity generator can always operate at its full capacity and generate sufficient electricity as specified by the power purchase agreement while consuming less energy. The Company regularly checks pollutant control equipment and management system to ensure it is in good condition and minimize carbon dioxide emission. Energy, both fuel and electricity, saving program within power plants has been continually implemented to reduce carbon dioxide emission and production cost.

2. Investing in natural gas and hydro power plant

Water and natural gas are clean energy that emits less carbon dioxide to the atmosphere compared to fossil fuel. At present, 11 out of 13 power plants in Thailand and overseas use natural gas as fuel, all have already began commercial production. The combined production capacity of the natural gas power plants

is 4,802.45 megawatts. The Company has another hydroelectric power plant with 153.75 megawatts installed capacity.

3. Alternative energy power production

The Company plans to produce 200 megawatts of electricity from alternative energy sources by 2016. Wind, solar and biomass are the key alternative energy resources. The Company currently has 15 alternative energy power plants in Thailand and overseas that have already begun commercial operation. Out of these, four are wind energy power plant and 11 solar power plants. In the past year, they produced combined electricity of 281.21 megawatts/hour, resulting in 207,995.07 tons less carbon dioxide and reduce fossil fuels that are diesel and lignite of 6 million liter and 90,000 tons per year respectively.

4. Seeking innovations that reduce emission from production process

The Company has conducted an experiment in growing Spirulina algae using carbon dioxide from the production process. The algae are used for producing biodiesel. The project is cooperation between the Company, the Department of Alternative Energy Development and Efficiency, Ministry of Energy, Bangchak Petroleum Public Company Limited and Loxley Public Company Limited.

Environmental Care

The Company emphasizes on reducing possible impact from its business operations by monitoring the environmental quality management of all its power plants. The action covers management and control of pollutants in the air, water usage, waste water treatment, waste treatment, maintenance of biodiversity, and fuel and energy usage. In addition, it has implemented various international environment quality management standards, such as ISO14001 and OHSAS18000 to ensure that the environment is well protected.

The Company has been working closely with the Department of Forestry in natural resource and environment conservation under the “Love the Forest and the Community” project. Activities under this project range from instilling forest conservation awareness and responsibility among communities and the general public, promoting community’s participation in protecting and utilizing community forests and growing trees to increase green area.

Since the program’s inauguration in 2008, more community forests have been added to the network. The number of community forests has been increasing at a very quick pace compared to that prior to the program introduction. This program has effectively maintained the country’s forest areas which are the significant sources of water, food and carbon dioxide absorption while producing oxygen to the world.

Corporate Governance and Responsibility

The Company’s Board of Directors plays an important role in overseeing corporate operations. Matters related to public policy that may have impact on the Company’s business operation have been closely monitored. The Board of Directors has also emphasized on anti-corruption practice.

Being the country’s electricity generating leader, the Company is strictly committed to the corporate governance principles in its management with focus on seamless operations and collaboration with all concerned parties based on fairness, honesty, equitable treatment and responsibility.

For its employees, the Company has provided pleasant workplace environment that is safe, promotes good health, is friendly, promotes respect among employees and appreciates employees with good practice and strong capability. The Company provides training and encourages employees’ self-development in the area of their assigned tasks to support their career path. Employees’ benefit and good remuneration are provided considering current cost of living, economic condition, knowledge, competency, performance and competitiveness in order to attract new talents and retain high competency employees.

The Company is strictly committed to operate the business that is fair to all. It respects the human right, respects individual’s rights and basic freedom of all stakeholders. The Company is committed to maintaining the environment through maintaining production process and efficiency in order to lower impact from the production process. In selecting partners and suppliers, the Company also weighs more on the environment impact.

The detail of the Company’s social and environmental responsibility is published in the 2012 Social and Environmental Responsibility Report.



Human Resource Management

The Company sets up long-term manpower plan

that best supports its business goals. The plan is reviewed every three years to ensure that the Company always has the right and sufficient manpower, in terms of both quantity and quality, to drive the Company's operations to achieve its goals.



With strong belief that human resource is a significant success factor, Ratchaburi Electricity Generating Holding Public Company Limited has continually enhanced human resource development and ensured that its human resource management is always updated and flexible. In the past year, the Company has restructured its organization to better address its activities and goals. The recruitment process has also been improved by considering the capability, experience and qualifications of the candidates of all levels, both within and outside the company, in order to ensure that highly skilled, experienced and high potential persons were recruited. Work rotation was implemented to allow executives of subsidiaries to increase management skills and experience, which is crucial to prepare them for future career advancement. Remuneration system was improved, especially for employees on overseas assignment. A campaign to raise awareness on the new shared values which

will lead to organizational culture change that supports the Company's vision and strategies.

Organization Restructuring

Management restructure was implemented from time to time to ensure that the Company's structure best suit the changing environment and business requirement. In 2012, the Company launched a restructuring by setting up a new division to be responsible for its new office management. The new unit will ensure that the new office construction and operation fully comply with related laws and international standards on occupational health, safety and environment. This will not only increase trust among its employee and surrounding communities but also enhance corporate image.

Personnel Recruitment and Selection

The Company sets up long-term manpower plan that best supports its business goal. The plan is reviewed every three years to ensure that the Company always has the right and sufficient manpower both in terms of quantity and quality, to drive the Company's operations to achieve its goals. Personnel recruitment was implemented with assistance of several tests and tools, including psychological and analytical ability tests.

High level executives are recruited from both inside and outside the Company in order to ensure that the Company always has the right candidates with the right competency, expertise and experience that will benefit the Company's operation and performance. High-level executives are recruited by the Human Resource and Remuneration Committee from the group's subsidiaries and affiliates. This is to ensure that the group has executives who have the right qualifications, knowledge, skill sets and experience that best suit the nature of work. Performance indicators were identified to appraise their performance. In the past year, key executive positions that have been recruited from outside the Company are Chief Finance Officer and Managing Director of Ratchaburi Electricity Generating Company Limited.

As of 31 December 2012, the Company, its subsidiaries and affiliates have a total of 324 employees. The total expenses related to human resources are Baht 660,593,769.55 or 44.91 per cent of the total management expenses.

Work Rotation for High-Level Executive Development

In the past year, several high-level executive positions were rotated offering staff members with high capability to learn, develop and accumulate experience in management with supervision, consultation and assessment by the top

management. The plan enables high-level executives to develop strong confidence and skills required to take higher responsibility in the future.

Overseas Posting

To accomplish its strategy to expand investment in overseas market, the Company has to assign its employees to work in other countries and take care of the Company's business and benefits as well as develop projects in Lao PDR and Australia. In 2012, the Company arranged the annual seminar in Nan province, bordering the Xayaboury Province of Lao PDR where the Hongsa Thermal Power Plant Project is located. At the event, the Company's executives and employees visited the plant and offered the opportunities for employees on assignment at the project to participate in the seminar. The Company's executives occasionally took turn to visit employees in other projects in Australia and Lao PDR, providing opportunities to learn more about project progress and problems. Such activities successfully helped boost employees' morale.

In addition, remuneration for employees on overseas assignment was partly adjusted to best reflect the changing cost of living in particular countries.

Campaign to Raise Awareness on New Core Values

In the past year, brainstorming sessions were held under the Company's commitment to promote employee participation in its operation. As a result, the new Core Values, under "Power of RATCH" theme, were introduced. This comprises four values based on the following believes and ways:

1. Professionalism

Belief: Being an expert and being trusted in one's career

Way:

- Be the expert in one's work
- Be a trusted person

- Be accountable for one's work and corporate image

2. Passion for Excellence

Belief: Commit for continuous development in order to achieve excellent outcome

Way:

- Commit to creating excellent work
- Continue to develop one's self and team competency
- Do not give up easily

3. Collaboration

Belief: Strong belief in the power of collaboration

Way:

- Live and work together in harmony
- Care and help each other as if they are family
- Trust one another, be open and sincere

4. Good Governance

Belief: Respect the good governance principles

Way:

- Be honest
- Be ethical
- Work and live with belief in the righteousness

The change in core values is aimed to create a new corporate culture that better enables the Company to achieve its mission and vision. In 2012, the Company launched a campaign to create and raise awareness on the new core values, enabling employees to embrace the new values and guiding them to have the desired actions. In ensuring concrete actions, the Board of Directors required a survey to be conducted to assess the level of awareness of the values, which became a corporate KPI for the entire Company in 2012. The awareness assessment was conducted among management and

employees. In this survey, 165 employees (out of a total of 178) or 92.69 per cent of the total employees answered the questionnaire. The result showed that 90.44 per cent of the participating employees was aware, understood, remembered and applied the new values in their routine. In the following years, the campaign will be more serious in order to strongly establish the core values among employees.

Labor Relations and Communications for Strong Relations

In 2012, the "RATCH Volunteers" Project was continued through various clubs. Employees of all levels with volunteer spirit joined those social development activities initiated by the employees. The three activities are as follows:

- "Exploring the Science World" at the Science Museum in Pathum Thani province where 23 employees participated in taking students from Ban Tako Lang School, Ratchaburi province to visit the museum.
- "Lunch and Activity Therapy" held at the Foundation for the Better Life of Children by the Health Club in cooperation with the Music and Photo Clubs. 30 employees participated in the activity.
- "Visit Temples in Ayutthaya and Library Development" activity at Wat Sam Ruen School, Phra Nakhon Si Ayutthaya Province. Under this project initiated by Buddha RH Club, a group of 49 employees joined a trip to renovate the school's library, balcony and the flag pole which were damaged by the massive flood.

There are 102 voluntarily employees participated in these three activities and other volunteer activities that the employees joined with the Company's activities are not included.

The Company also provided for regular communications

between the Management and all levels of employees, including the “CEO Meets Employees Day”. The activity opened opportunities for employees to exchange and share their views while listening directly from the Chief Executive Officer the policies and interesting information. This served as a direct channel for effective communication that will lead to a better and strong relations between the top management and employees as well as improved employees’ loyalty towards the Company.

Employee’s Health

Not only annual health check-up service and provision of good workplace environment under the occupational health and safety standard, the Company also arranged physical capability examination for all employees. The examination included body flexibility, lung capability and Body Mass Index (BMI). This provides each employee with the information about his/her own fitness, compared to the average standard. Information and knowledge about nutrition and physical and mental health care were provided to enable employees to take good care of their health.

Remuneration and Benefits

The Company has a policy to pay remuneration at a competitive level in the labor market and in the same level offered by other companies in the same industry. Remuneration was reviewed every year in comparison with the overall labour market. Annual remuneration is adjusted on yearly basis based on employee’s performance. Each employee had to take annual appraisal which has clear key performance indicator (KPI). In terms of employee’s benefits, the Company provides regular benefits required by laws, such as social security and compensation fund, as well as voluntary benefits, such as employees’ provident fund under which the Company and employees contribute equally. The progressive rate of contribution depends on employment period and the

contribution ranges from 5-10 per cent of employees’ salary. This is to promote saving and to provide employees with long-term financial security.

The Company also set up an Employees’ Benefit Committee and the Occupational Health and Safety Committee. Both comprises of representatives from employees and the Management and serve as a channel for employees to express their opinion and make recommendation that will lead to employees’ benefit and quality of life in accordance with effective laws and international standards.

Training and Development

By setting clear policy on promoting employees’ competency to support the Company’s direction, strategy and goals of expanding its business in and outside Thailand, the Company has in place human resource development system. A long-term human resource development plan and annual skill development plan including knowledge, skills and attributes and attitude development were prepared. This enhances employees’ expertise through education, development training and job rotation.

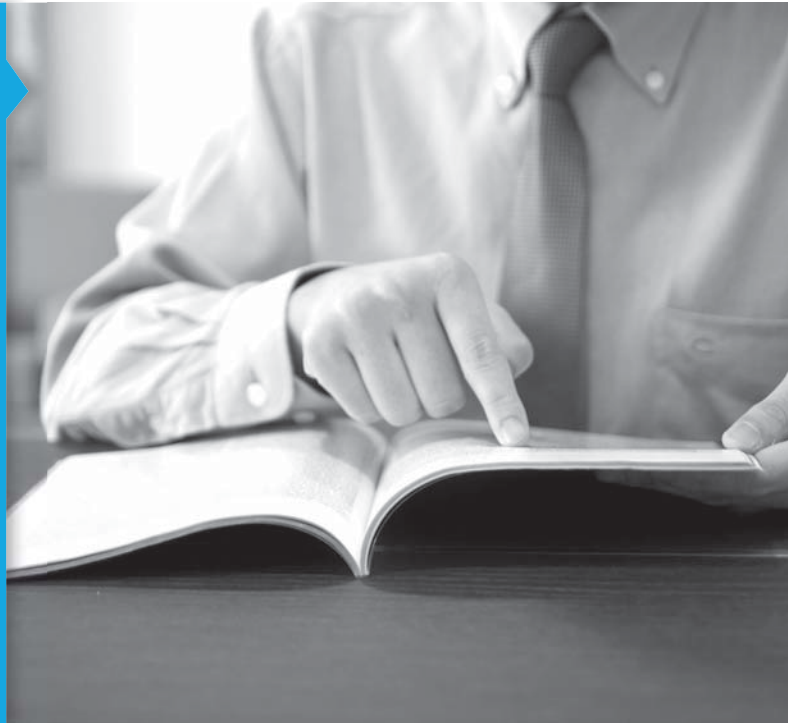
In 2012, the Company provided various human resource development courses, such as Executive Course on Energy by Thailand Academy of Energy, Advance Certificate of Public Economy for Executive Course by the King Prajadhipok Institute, Personality Development and Dining Etiquette for Executive Course, foreign language development across all skills—reading, writing and speaking, local culture training for employees on overseas assignment, computer, occupational health and safety and workplace environment, basic fire extinguishing course, fire evacuation from high-rise building and social and environment responsibility course as well as specific skill and public training.



Good Corporate Governance Report

The Company was rated as “Excellent” from the Corporate Governance Report of Thai Listed Companies

2012 Awards for the fifth consecutive years and was ranked in the Top Quartile of the listed companies with more than Baht 10,000 million market cap.



Ratchaburi Electricity Generating Holding Public Company Limited gives high priority to strengthening trust and confidence among its shareholders and stakeholders in achieving success and ultimate goal of stable and sustainable growth in parallel to community, social and environmental development. The Company has therefore been operating its business by strictly adhering to the good corporate governance principles and business ethics while promoting operational excellence improvement to meet with the international standards and to prepare for the ASEAN Economic Community integration in 2015.

1. Shareholders' Right

The Board of Directors is aware of the importance of committed to always protecting shareholders' right. It has implemented the “Shareholder's Right” in 2007 which is used

as a guideline for treating its shareholders who are the owners of the business. This reflects the Company's high respect of the basic rights of shareholders and commitment to ensuring that shareholders' basic rights are well protected. With the Board of Directors' commitment to continuously protecting the shareholders' rights, the Company has not found any event or action that suggests the infringement of shareholders' right throughout the year 2012. The Company also ensured that its policy is strictly implemented as follows:

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

The Company views that quality of the disclosure of information and significant information, both financial and non-financial, is very important. The information shall be

accurate, clear, complete, sufficient, updated, timely, transparent, and not be one-sided but include both positive and negative information. The Company has used various communication channels to enable the information to be equally accessible to all shareholders. The disclosure of information has been ensured to comply with related rules and regulations. Examples are immediate disclosure of significant information, equitable disclosure of significant information to the general public, immediate clarification in case of rumors or related news, action taken in case of irregular stock trading, no disclosure of information without reasons and insider's trading. At the same time, the information disclosure shall not create too much cost for the Company or cause the Company to lose its competitiveness.

The Company clearly appointed persons and working units to be responsible for information disclosure as follows:

- **The Persons Authorized to Disclose Information and significant information**

The Chairman of the Board, Directors, Chief Executive Officer (CEO), Chief Operating Officer (COO), Chief Finance Officer (CFO) and Deputy Chief Executive Officer.

- **The Corporate Secretary Office**

Responsible for preparing document related to information and significant disclosure through the Securities Exchange of Thailand's electronic channel and annual report (Form 56-2), and being the contact person for the Stock Exchange of Thailand and the Securities and Exchange Commission.

- **The Accounting Division**

Responsible for preparing financial information, explanation and the management analysis of the Company's operations and financial status.

- **Investor Relations Department**

Responsible for preparing the Form 56-1 and analyst meeting.

- **The Corporate Relations Division**

Responsible for the preparation of information disclosure document, media release and press conference.

The Company provides information, both in Thai and English, through its website (www.ratch.co.th), to provide additional communications channel in order that shareholders, investors, interested persons and the general public can easily access to the Company's updated information. This also provides two-way communications that will lead to good understanding between the Company and investors. The Company regularly arranges analyst meetings, local and international road shows, press conferences to announce quarterly and annual performance, distributes news and photo releases of the Company' activities to the media, arranges plant visits for institutional investors and analysts, and media relations activities.

In 2012, the Company accurately and completely followed rules, regulations, criteria, conditions and procedure related to information, significant information disclosure and other operations. There is no punishment from not submitting or late submission of document.

Details of the Company's information disclosure are as follows:

- | | | |
|-----|--|----------|
| (1) | Disclosure of periodic reports such as financial statements, quarterly financial statements, annual report and Form 56-1 | 14 times |
| (2) | Disclosure of non-periodic reports, such as the notification of 2012 Shareholders' Annual General Meeting and its resolutions, dividend payment, investment projects, and their progress | 40 times |

(3) Analyst meetings	3	times
(4) Meeting with local investors	92	persons
(5) International road shows	5	times
(6) Press conference on operational performance and social responsibility	5	times
(7) Distribution of news and photo releases about the Company's activities	45	times
(8) Shareholders' plant visit	1	time
(9) Media relations activities	2	times
(10) Exhibition, event management and interviews	17	times
(11) Website hits/pageviews for 2012 (average per month)	56,000	times

1.2 Rights to Share Ownership Registration or Transfer

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

1.3 Rights to Attend Meetings

The Board of Directors values and respects shareholders' rights by encouraging the shareholders, who are

regarded as the Company's owners, to participate in the shareholders' meeting in order that they are involved in significant decision making, updated of the Company's performance and audit the performance of the Company's Board of Directors and Management. The Company views that shareholders' meeting arrangement is a duty and responsibility to be fulfilled in accordance with related laws and the AGM Checklist prepared by Thai Investors Association, the Listed Companies Association, the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Company and its Management take this as their responsibility to ensure that the shareholders' meeting is transparent, fair and equally benefits all shareholders and stakeholders.

Shareholders' Meeting

In 2012, the Company held one shareholders' meeting – “the 2012 Shareholders' Annual General Meeting” – on Monday 26 March 2012, starting from 14.30 hrs. and ending on 17.50 hrs., at Vibhavadi Ballroom of the Centara Grand at Central Plaza Ladprao Bangkok Hotel, located at 1695 Paholyothin Road, Chatuchak, Bangkok. The meeting venue is easily accessed through public transportation system, which provides great convenience for shareholders to travel to the venue. The place has enough space to accommodate a large number of participants. The Company fully provided meeting facilities, including audio-visual equipment to support presentation on each meeting agenda, computer and barcode system that enables fast shareholder registration and accurate and transparent ballot.

At the Shareholders' Annual General Meeting registration was opened at 12.00 hrs., two hours and a half before the meeting time. Shareholders who arrived after the meeting began could register until the meeting adjourned.

The Company did not limit the shareholders' right to attend the meeting and vote on the agenda under consideration and that resolution was not yet made. The Company also provided opportunity for shareholders to decide whether to attend the entire meeting or to attend some specific sessions. Persons appointed by the Chairman of the Board were responsible for participant identification during registration process which has been set on a simple manner and required the documents as earlier informed in the meeting notice.

In the 2012 Shareholders' Annual Shareholders Meeting, 1,239 shareholders and proxies attended, accounting for 88.19 per cent of the total shares sold, which constituted a quorum according to the Company's Articles of Association. The Chairman of the Board acted as the meeting's chairman according to the Company's Articles of Association. All Directors, the Management, auditor and legal advisors participated in the meeting to provide additional information and answers questions at the meeting.

Prior to the meeting

The Company provided sufficient and timely information that assist shareholders' decision prior to the meeting. The Company informed the shareholders of the date, time, place and agenda together with details and Directors' opinions on each agenda via SET's ELCID before 9.00 hrs of 15 February 2012 (the following day after the Board of Directors resolved to call the 2012 shareholders meeting). The Company advertised the annual shareholders meeting schedule for three consecutive days and no less than three days prior to the meeting date as required by the Company's Articles of Association. (Advertisement was published in English newspapers on 16-18 March 2012 and in Thai language newspapers on 18-20 March 2012.)

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

- (1) The Company's Articles of Association related to shareholders' meeting
- (2) All documents that shareholders have to present to attend the meeting, proxy appointment, registration, and voting rules
- (3) Previous meeting report that shareholders will have to rectify
- (4) Board of Director's annual report which contains information about the Company's operation in the past year and future projects, financial statements and explanation, and authorized auditor's report. In 2012, the Company prepared a short version of annual report (containing financial statement and operational performance) for the convenience of the shareholders to quickly acknowledge and audit the Company's performance. The full version of annual report was prepared in CD Rom format and distributed to all shareholders. The printed version was delivered to the shareholders upon request. A total number of 121 shareholders requested the print version of the 2011 annual report.

- (5) Profile and brief information of nominees for director election and definition of the Company's independent directors.
- (6) The Company provided proxy appointment, all three forms as designed by the Department of Business Development, Commerce Ministry, as well as a list and information about Independent Directors and the CEO who are appointed as the alternative proxies.
- (7) Individual shareholder's registration form with barcode for convenience and speed registration.

The Company published the notice to the 2012 shareholders' meeting and the entire set of related document, which are the same as those sent to the shareholders, on its website since 21 February 2012, more than 30 days prior to the meeting date. The Company also assigned the Thailand Securities Depositories Company Limited, which is the Company's share registrar, to distribute the shareholders meeting notice to all shareholders on 12 March 2012, no less than 7 days prior to the meeting date as required by law.

The Company informed the shareholders in the meeting invitation and on its website that they were encouraged to ask questions or ask for more information about the topics stated in the meeting agenda, or provided advice and opinions that are useful for the Company's operation prior to the meeting date through post, fax or email to corporatesecretary@ratch.co.th. The Company would then clarify or provide additional information at the meeting. In the 2012 annual shareholders meeting, one shareholder sent in questions or suggestions to the Company prior to the meeting. The Company sent the clarification to the shareholder and published the document on its website (www.ratch.co.th) both in Thai and English, since 5 April 2012 in addition to the 2012 shareholders' meeting report.

The Company provided for a meeting organizing system and distributing sufficient information to support decision making at the meeting in advance as well as provided sufficient facilities for greater convenience for the shareholders. Providing sufficient information prior to the meeting and facilities are parts of the Company's attempt to encourage shareholders to exercise their basic right in participating in the shareholders' meeting. Such provision has enabled the Company to successfully organize the shareholders' meeting which attracted more and more shareholders, both individuals and proxy, attending the meeting.

During the Meeting

Before the 2012 Shareholders' Annual General Meeting began, the chairman of the meeting announced the quorum, assigned the Company Secretary to take minute and prepare the meeting report, and introduced the directors, management, auditors and legal advisors attending the meeting. The meeting chairman also declared all the meeting procedures including vote counting to meet with the shareholders meeting regulations of listed companies designed by the SET and to ensure that all shareholders clearly understand all the details as earlier informed in the meeting notice. The chairman also informed the meeting of voting rules, including separate ballots for each agenda for each shareholder that were provided upon registration. Voting process was made simple. The chairman asked the meeting to raise hands if disagree or abstain in order that the Company's staff would collect their ballots. Computerized and barcode systems were used in vote counting. The chairman informed the meeting that the Company invited a representative from its legal advisor to act as an independent inspector to ensure the meeting was transparent and complied well with the laws and the Company's rules, to check other process, including checking document presented by the shareholders or their proxies, the quorum, stakeholders who do not exercise

their voting rights and vote counting; to ensure that the vote counting process comply with the Company's rules and the rules announced by the chairman; and to ensure that all ballots were collected from all shareholders attending the meeting, especially for director appointment session, and that meeting resolutions and vote counting were corrected.

The Company realized the necessity for the shareholders to study the information before making decision and strictly adheres to a principle of not taking any action that will infringe or derogate the right of the shareholders. In all shareholders' meeting, the Company has never abruptly informed the meeting of additional significant information, added new agenda for approval, or changed significant information without prior notice. The matters proposed to the 2012 Annual General Meeting of Shareholders all complied with the legal requirement. The Chairman of the Board who acted as the chairman of the meeting controlled the meeting process in the same order as informed in the meeting notice without agenda switching.

After providing background, details and full information for each agenda, the meeting Chairman allocated appropriate, sufficient and equal time for discussions that would encourage the meeting attendants to ask questions for the Board of Directors and the Management to clarify for full understanding on related matters. The meeting chairman then asked the meeting to vote. After the vote counts, the chairman reported voting results by dividing into "agree", "disagree" and "abstention" votes. In each agenda, the Company provided ballots for each shareholder. A computerized system was used to provide convenience for vote counting. The director appointment and remuneration are prepared as two different agendas and are voted separately. For new director appointment, the voting was made one by one.

The Board of Directors allowed for other agendas (if any) in order to provide opportunities for the shareholders to propose additional issue other than those set in the meeting agenda. According to the Company's Articles of Association, to propose a new agenda for the shareholders' meeting to consider, the shareholders who propose the new agenda must represent no less than one third of the sold stocks. In the 2012 Shareholders' Annual General Meeting no other agenda was proposed for voting. Only some recommendation and questions about the Company's operations were raised as recorded in the meeting report.

The Company conducted the 2012 Shareholders' Annual General Meeting according to the order informed in the meeting notice, provided completed and sufficient information and offered full opportunity for the participants to ask questions. The Company's Board of Directors and Management clearly answered the questions. The Company ensured that the voting system and tally are convenient and transparent and conducted by independent persons who have no conflict of interest in auditing the process.

[After the Meeting](#)

The Company submitted to the SET the result of the 2012 Shareholders' Annual General Meeting including voting results of each agenda which specified in detail the agree, disagree and abstention votes, and their percentage. The results were documented and submitted to the SET by post and through the SET's ELCID before 9.00 hrs. of 27 March 2012 (the next working day after the meeting date).

The Corporate Secretary Office recorded and prepared meeting reports in writing by clearly and adequately recording essence of each agenda, questions by the shareholders and clarifications by the Board of Directors and

Management, the recommendation from the meeting, and the meeting resolutions, including detailed voting results in all categories. The Company submitted the complete report signed by the chairman of the meeting to the SET, SEC and the Registrar (the Department of Business Development) for auditing and reference. The report was published on the Company's website on 5 April 2012, before the 14-day deadline required by law, to offer opportunities for shareholders to express their opinions without waiting for the next meeting. Shareholders did not ask the Company to amend, add or adjust the report.

The Company prepared a meeting evaluation form to collect opinions and recommendations from the meeting attendees on the meeting invitation and annual report, facilitation to the shareholders, meeting arrangement and meeting report. The information collected is used for further improving the arrangement of shareholders' meeting in order to ensure more transparency, efficiency and benefits to both the Company and shareholders.

The Company received scoring of 100 points and recognized as "Excellence" in the Thai Investors Association's Annual General Meeting of Shareholders ranking of its ordinary meeting of shareholders assessment in 2012. The Thai Investors Association also presented "the Investor's Choice Award" to the Company in recognition of its ability to achieve 100 full score in the ranking for the fourth consecutive years (2009-2012).

1.4 Right to Appoint or Depose Director and Determine Directors' Remuneration

According to the Company's Articles of Association, the Board of Directors shall propose to the shareholders'

meeting the appointment of new directors to replace the vacancy caused by rotation of office and directors' remuneration. The Company strictly respects this regulation and proposed this to the ordinary shareholders' meeting every year. Details are reported under the Management Structure section.

1.5 Right to Appoint Auditor and Determine Auditor's Remuneration

The Company's Articles of Association require the Board of Directors to propose the ordinary shareholders' meeting the appointment of auditors and the determination of auditors remuneration. The Company strictly respects this regulation and proposed this to the ordinary shareholders' meeting every year.

Being considered as co-owners of the Company depending on their shareholding proportion, shareholders have the right to receiving profit share. The Company has paid dividend to shareholders considering its financial performance and dividend payment policy. (Details were published in the chapter on Dividend Payment Policy)

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

Consideration on Shareholders with the Rights to Receiving Dividend

At the 2012 Shareholders' Annual General Meeting, the Company used the "Record Date" of 29 February 2012 for shareholders to receive the right to participate in the shareholders' meeting and receive dividend. This follows the Article 225 of the Securities and Exchange of Thailand Act. Under the Record Date method, book closing took place on 1 March 2012. Shareholders whose names appeared on the book had the right to attend the 2012 Shareholders' Annual General Meeting on 26 March 2012 and receive the dividend on 11 April 2012.

2. Equitable treatment of All Shareholders

The Company has ensured that all shareholders are equitably treated and received protection on their basic right. The Company treated all its shareholders equitably without discrimination of their status as major, minor, or foreign shareholders, according to the regulations and recommendation set by the SET.

2.1 Access to the Company's Information

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

2.2 Preparation of bilingual document

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

2.3 Proposing additional agenda for the Annual General Meeting Shareholders' and nominating directors prior to the meeting

Since 2008, the Company has adopted the SET's guideline encouraging listed companies to offer opportunity for minor shareholders to propose meeting agenda and/or nominate persons for director election in advance. The Company published an invitation to the shareholders through the ELCID and the Company's website on 5 September 2011, providing clear details about criteria, method, process and channel of agenda proposing. The announcement was published for approximately three and a half months (during 15 September and 31 December 2011). However, as a result no proposal was made to the Company.

2.4 Proxy Appointment

Shareholders who cannot participate in the shareholders' meeting can appoint other persons to attend the meeting and vote on their behalf. The Company prepared and delivered proxy document to the shareholders together with the meeting notice. Proxy is available in three types as designed by the Department of Business Development. Type A is the general proxy appointment form. Type B is a proxy appointment that lists specific items for proxy appointment. Type C is the proxy appointment that is used

only when the shareholder is a foreign investor with a custodian in Thailand. Shareholders can also download the proxy document from the Company's website or use other form of proxy or prepare it themselves.

The Company nominated three independent directors and the Chief Executive Officer. Personal information of each nominated person and each person's conflict of interest status were provided on each concerned agenda for shareholders to appoint as their proxy to attend the meeting and vote on their behalf. In the meeting, 143 shareholders assigned the Company's independent directors as their proxy while 4 shareholders assigned the Chief Executive Officer as their proxy.

2.5 Ballots

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

2.6 The Company Proposed No Additional Agenda

The Board of Directors has the policy not to propose new agenda other than those informed in the meeting notice as it realizes that it is important and necessary for the shareholders to study information before making decision. Shareholders can propose additional agenda for consideration if necessary, by following the Company's Articles of Association. At the 2012 Annual General Meeting of shareholders, there was no additional agenda proposed.

2.7 Prevention of the Abuse of Inside Information

The Board of Directors has formulated and implemented measures to prevent Directors and the

Management from insider trading. Since the inception of the Company, the Board of Directors has prepared written guidelines for the Company's Board, executives and employees on internal information keeping and prevention of internal information usage for abusive self-dealing. Since 2003 it has also required its executives, Management and employees to directly report any changes in the Company's portfolio of themselves, their spouses, and children who have not become sui juris to the Chief Executive Officer within three working days after the changes happened.

2.8 The Company's Portfolio Report

The Board of Directors and the Management have the duty to report his/her shareholding of the Company's shares to the SEC. The Board of Directors required monthly reports on changes of the Company's shareholding held by its directors, executives, their spouses and children who have not reached legal age, to be included as an agenda in the Board of Directors meeting.

In 2012, there is no complaint related to inequitable treatment of shareholders or charge on directors or executives for not reporting their shareholding of the Company's shares as required, or on the use of insider information for abusive self-dealing or others' benefits.

3. Role of Stakeholders

3.1 Stakeholders Policy

When the Company announced the Corporate Governance Policy in 2003, the stakeholders care principle was incorporated into the policy for Directors, executives and employees to use as guidelines. Since 2007, the Board of Directors has also prepared and implemented specific policy for each group of stakeholders, which has been published on

the Company's internal communication channel and on its website. The policies include **the Shareholders Policy, Employees Policy, and Social and Environment Policy, the Network and Computer Usage Policy, Occupational Health and Safety Policy, and the 5S Policy (which are all published on the Company's website).**

Based on these policies, the Company took various actions in 2012 as follows:

Shareholders:

In 2012, the Board of Directors and the Management have ensured the compliance with the Shareholders' Policy related to basic rights protection; equitable treatment of shareholders; quality information disclosure; encouraging shareholders to attend shareholders' meeting to participate in decision making on significant matters and to acknowledge the Company's operation and activities, as well as to monitor the Board of Directors and the Management's performance; implementation of measures to prohibit the use of insider information for personal interest of the Board of Directors or the Management to protect shareholders' benefit; and ensuring no infringement of shareholders' rights. Details are as reported in the Shareholder's Rights and Equitable Treatment of Shareholders sections. **With clear guidelines, there was no complaint about the shareholders right infringement, Board of Directors' mistakes or abusive-self dealings by the Company's executives.**

Employees and Human Resources Management:

The Company assigned the "Human Resources Division" to be responsible for human resources development and management and other activities under the Company's employee policy. People are viewed as the most valuable resources and a significant factor enabling the Company to

achieve its goal. The Company, therefore, carefully recruits capable persons with experience and constantly develops their skills as well as retains capable persons. The Company established provident fund and consistently contributes to the fund at progressive rate dependent on employment period, and ensures appropriate employee's benefits, remuneration and good and safe work environment is provided at the same standard as industry. Such provision ensures that its employees have good security and confidence so that they are willing to make good contribution and yield good performance under their duty and responsibility. Furthermore, the Company prepared a manual for employees being assigned to work in other countries. The manual provides information about particular country, such as law, social etiquette, culture, language, dos and don'ts and emergency assistance in order to help employees settle easily in the country where they are posted.

The Company has set clear and specific policy to promote corporate competitiveness, which directly supports the Company's direction, strategy and goal to achieve sustainable growth both in Thailand and in other countries while mutual benefits of its stakeholders are taken into consideration. As for employee, the Company has prepared the position structure that includes clear career path development to help employees to grow to their full capability, and have the opportunity to further develop their knowledge and capability as well as the Company's core competence, including commitment to excellence, strategic thinking, teamwork, ethics, networking, and functional competency, such as business understanding, decision making, opportunism, risk management, collateral thinking and creativity. The Company provided specific training plan for each position, internal and external trainings, both in and outside the country. Clear succession plan for middle and high level executives is in place in order to help systematically and continuously develop

its employees and enable them to develop strong leadership and to be ready for greater responsibility in higher positions, for future tasks and the ever-changing business environment. The Company also strengthens its relationship with external organizations, both in the public and private sectors. Foreign language (English and local languages) skill development programs are available for all employees. The Company coordinates with leading language institutes in preparing long-term program to ensure continuous development.

Information technology, computer and telephone systems were developed and installed to support the relocation of the head office. A Data Center Room as well as computer and telephone system are integrated seamlessly for enhanced efficiency. A data backup center was established outside the Company to prevent risk of business interruption and to be used in case of crisis, such as flood or fire. The Financial Consolidation System was prepared to ensure the Company group's accounting related works are fast, convenient and efficient. Human Resource Information System (HRIS) has been developed to enhance efficiency in human resources operation in all process through online system. Systematic performance appraisal is in place where employees' performance is appraised every six months. Supervisor and the employee have to work together in setting goal. Appraisal result is taken into account when considering annual pay raise.

To encourage employees to participate in organizational development, the Company arranged for the election of **"Employees' Welfare Committee"** as required by law, as well as developed other internal communications channel to communicate policy and information throughout the organization while receiving opinion and useful recommendation from employees. Such channels include the Intranet which supports the e-learning and knowledge management (KM) that will be implemented later, regular

internal meetings for all level employees of different responsibilities, as well as the regular meeting between the Management and employees. The "Synergy Meeting", an informal meeting between employees from different disciplines was organized regularly as another platform for employees to share knowledge, opinions, experience, problems and solutions, operational update, and creative ideas. The Synergy Meeting also promotes team work as it allows everyone to participate in order to create synergy that helps strengthen the Company.

In terms of occupational health and safety, an area in which the Company views as very important, the Company has provided for proper control, prevention of accident, Management and employee's participation in environment, health and safety for employees in all levels. The occupational health, safety and environment as well as the 5S policy were implemented to ensure and enhance good workplace environment that is safe and healthy.

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

In 2012, the Human Resource Division formulated a policy to promote employees's capability and skills to support its direction, strategy and goal focussing on expanding and developing business in and outside Thailand as well as related business. The policy better addresses the Company's strategic

direction and strategies, current situation and business. Efficiency in management and decision making within the organization have been enhanced. Participation from employees at all levels is crucial to identify shared values, including professionalism, passion for excellence, collaboration and good governance. A plan to promote such shared values was separated into three phases. The first phase (2011) focuses on shared value and desired behavior creation and encouragement of participation in achieving the desired behaviors. The second phase (2012) emphasizes on creating awareness, understanding and encouraging activities that best match the new values. The third phase (2013-2014) will ensure consistent development of behaviors that are in line with the new values. In addition, the Company will also emphasize on change leadership development in order to support corporate culture changes.

In the past year, there was no conflict or dispute between the Company and its employees and no accident that interrupts the Company's operations. Ratchaburi Electricity Generating Company Limited received the Outstanding Organization Award 2012 – Labor Relations and Benefits for the fifth consecutive year.

Community, Society and Environment

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

In ensuring good understanding and strong relationship with communities in the area where the Company

has or plans to have business activities that are important to the Company's success, the Company follows His Majesty's **"Understand, Reach and Develop" concept in its operations.**

In 2012, the **"Love the Forest and the Community Program"** project has been continuously implemented, in cooperation with the Department of Forestry, for the fifth consecutive years. The Community Forest Contest was held, where the winners won a trophy from HRH Princess Maha Chakri Sirindhorn. In addition, the community forest leaders meetings were held to promote sharing of knowledge and learning among people in the network and exemplify the achievement of successful communities. The Klayim Youth Camps were continued to instill commitment to forest and natural resource conservation among the young generations. Communities are encouraged to survey trekking path through Community Forest to create new learning center for interested persons and further introduced the concept to the general public. "Klayim Urban Forest for Education" Program continues to recruit temples and schools with good control of environment impact into the program. The selected temples and schools are then used as learning center for the community, students and the general public. Kasetsart University was invited as the third party to conduct project performance assessment. The information collected from the assessment is then used for further project improvement to effectively address the project's objectives.

In further driving the development and instilling forest conservation awareness and responsibility among communities to achieve sustainable and efficient management and the best possible benefits to community and the country, the Company and the Department of Forestry signed the Memorandum of Understanding on the cooperation for the **"Love the Forest and the Community Program Phase 2 (2013-2017)"**. The contract covers five activities including

Community Forest Contest, Community Forest Network Expansion, Efficient Community Forest Management for Sustainable Development, public relations and other cooperation activities as agreed.

Two projects were initiated to honor Their Majesties and the royal contribution to the country's development. The "Local Plants for Community Food" book was published in celebrating Her Majesty the Queen's 80th birthday anniversary on 12 August 2012. Another project is the establishment of the Ban Huay Rai Burapa Chalerm Prakiat Community Forest Learning Center to celebrate His Royal Highness Crown Prince Vajiralongkorn's 5th cycle birthday anniversary on 28 July 2012. Both projects are a mechanism to promote knowledge on food plant and herbs as well as the value and benefits of forests as an important food and water sources for living. The community forest learning center also serves as a center where people learn about community forest management. More importantly, it is a symbol of the commitment and cooperation of all related parties in maintain the country's forest resources.

The Company's group has also participated in various public activities, such as assistance to people suffering from flood and post-flood rehabilitation, scholarship presentation to schools or educational institutes and the constant and continuous improvement of quality of life and environment in the communities in which the Company operates. The Company was also regularly involved in projects and activities initiated by its subsidiaries, local communities, local administration, governmental agencies and other organizations.

The social and environment policy was also introduced in other countries in which the Company has active business activities. The Company continued the Skill Enhancement for Career Development project in Lao PDR.

The project helps support the Education and Sports Ministry of the Lao PDR in their occupation and vocational training and skills development to serve the country's rapid development. In 2012, the Company offered 10 scholarships for vocational teachers and built training laboratories for three vocational colleges in Lao PDR including the Sappaiwicha Vocational College, Lao-German Technical School and Pak Pasak Technical College.

Last year is the third consecutive year that the Company splitted its Corporate Social and Environment Responsibility Report from the Annual Report. **With strong commitment to the Social and Environment Policy, the Company received no complaints and had no dispute related to the impact from the Company's operations on community, society and the environment in 2012.**

Network and Computer Use

The Company has introduced the "Network and Computer System Policy" since 2010. The policy draws guidelines for employees and network managers' operation to ensure smooth, efficient and most effective use of the computer network, as well as strict compliance with the Computer Crime Act. The Company also improved the efficiency, security and prevention to network harm.

Others Stakeholders

Although the Company has not yet announced specific policies on stakeholders other than stated above, such as customers, partners, shareholders, investors, creditors, competitors, independent auditor and government agencies, the Company is aware of their importance and possible impact of the Company's operations on them. As a result, the Company has ensured that all the stakeholders are treated well under the guidelines for the Management

and employees' practice which are specified as part of the Business Ethics. (Details are published online under the Company's Business Ethics topic.)

3.2 Report on Conflict of Interest of Directors and Executives

The Board of Directors has created the “**Conflict of Interest of Directors and Executives Report Form**” and required all Directors and Executives to prepare conflict of interest reports for themselves and their related persons. The report must be submitted to the Corporate Secretary for reference and further submitted to the Chairman of the Board of Directors and the Chairman of the Audit Committee. The report is used for the Board of Directors' consideration and decision on stakeholders who have or may have conflict of interest and do not have voting rights on the Company's transactions.

3.3 Guidelines for Transaction that May or May Not Have Conflict of Interest

The Company's Regulation on Directors included the transparent management of conflict of interest. The rule specified that directors who may have conflict of interest on any particular areas shall not have the rights to vote at the Board of Directors' meeting during a consideration in that area.

The Board of Directors, through the endorsement of the Audit Committee, has ensured that connected transaction between the Company and its subsidiaries are in the best benefits to the Company and its subsidiaries. Transactions between the Company and its subsidiaries are considered based on the same pricing and conditions as in transaction with other business partners. Accurate and complete disclosure of such transactions is required according to related regulations. For flexibility and convenience, the Board

of Directors authorized the Chief Executive Officer to approve within 30 million baht limit the connected transactions which are normal and supporting business, with generally practice terms and conditions,. The transaction shall be reported at the quarterly Board of Directors' meeting, according to the Article 89/12 under the Securities and Exchange Act.

3.4 Anti-Corruption Measures

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

3.5 Risk Management

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

3.6 Complaint and Report on Irregularities Clue

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

Specific channels are provided for employees to report and complain on unfair treatment according to the Company's regulations on Personnel Management under Complaint section. The Company has also provided for protection of the complainants against employment termination or punishment when they provide information, truth, fact or any evidence related to the complaints or are responsible for the sincere consideration of the complaints that eventually create adverse impact on the Company. Such provision is laid out clearly in the Human Resource Management Chapter, Lodging Complaint Section.

3.7 Community Participation

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

Ratchaburi Electricity Generating Company Limited also initiated the "**Ratchaburi Power Plant Environmental Inspector Committee**", comprising representatives from communities, community leaders, local and provincial administration. The committee is responsible for monitoring and ensuring that the power plant operations are in accordance with the Ratchaburi Power Plant's prevention and reduction of environmental impact measures stated in the environmental impact assessment and environmental quality monitoring operation plan. The committee also acts as the center for cooperating with power plants, providing information and news update or problems and possible issues that may cause problems, and recommendation shared by communities. The meeting serves as another important channel that promotes community participation in monitoring the Company's operation.

3.8 International Environment and Occupational Health Standard

The Company has encouraged its subsidiaries to adopt international standard operations. In terms of the environment, all the power plants within the groups, including the Ratchaburi Power Plant, Tri-Energy Power Plant, and Ratchaburi Power's Power Plant have implemented the ISO 14001 standard in their facilities and strictly monitored the system efficiency.

Since 2011, Ratchaburi Power Plant has received and integrated the OHSAS 18001 certification with the ISO 14001 standard. The PTO-A Power Plant Project also received the ISO 9001: 2008 certification. The Company has continually ensured that all the operations are always compliant to such standards.

In 2012, the solar power generation project, operated by Solarta Company Limited was registered as a Clean Development Mechanism (CDM) Project under the United Nations Framework Convention on Climate Change (UNFCCC).

4. Disclosure of Information and Transparency

4.1 Quality of Disclosed Information

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

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

4.2 Information Disclosure Channels

The Company has clearly assigned specific persons to be responsible for the disclosure of different types of information. The SET's electronic communications channel

is used as the main channel for information disclosure. The Company also prepares website, press conference to announce its performance, analyst meeting, press release, local and international road shows and other activities as reported under the Shareholders' Right section.

4.3 Investor Relations

The Company assigned the **"Investors Relations Department"** to be the center for communicating, providing information and news, as well as fairly and equally arranging activities to create and strengthen relationship between the Company and its shareholders, institutional investors, retail investors, analyst and concerned government agencies. The department is also responsible for preparing annual investors' relations plan. The Company's Chief Executive Officer and top executives always act as the Company's spokespersons who report, provide additional information, clarify and answer questions at the analyst meeting, local and international road shows. Interested persons may contact the Investors' Relations Department by sending letter by post to the Company, or call 66 (0) 2794 9841 or fax 66 (0) 2794 9888 ext 9841 or through the Company's website www.ratch.co.th or sending emails to ir@ratch.co.th.

4.4 Disclosure of Director and Executive Remuneration Policy and Payment

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

5. The Board of Directors' Responsibility

5.1 The Board of Directors Structure

Composition and Qualification

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

According to the Company's Articles of Association, the Board of Directors shall comprise no more than 13 directors. At present the Company has 12 directors, which fits well with the Company's nature of business. Out of them, five are independent directors, representing more than one third of the total members. The number of directors representing EGAT, which is the Company's major shareholder, depends on the investment proportion.

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

Each director remains in office for no more than three consecutive 3-year terms and his/her age shall not exceed 72 years old. The directors shall have all the required qualification and shall not have legally prohibited qualifications. (Details are reported in the Management Structure)

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

Segregation of the Chairman of the Board of Directors and the Chief Executive Officer

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

The Chief Executive Officer is the only executive director of the Company.

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

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

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

Chairman of the Board's Independence

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

Secondment

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

To enable the Chief Executive Officer, who holds the top position in the Management, to fully perform his duties and have the chance to exchange experience and strengthen relationship with other companies, the Board of Directors

specified in the Company's regulations requiring the Chief Executive Officer to hold directorship in no more than five state enterprises or listed companies, not including subsidiaries, affiliates or joint ventures that the Company has to be involved in their management to protect the Company's benefit. Last year, Mr. Noppol Miliinthanggoon, Chief Executive Officer, did not hold directorship in other company than the Company's subsidiaries and joint ventures. The Company also allowed other directors to hold directorship and management positions in subsidiaries and joint ventures which are in line with their experience, knowledge and responsibilities.

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

Director Selection

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

Secretary to the Board of Directors and Corporate Secretary

The Board of Directors appointed the Chief Executive Officer as its Secretary. The **“Corporate Secretary Office”**, which reports directly to the Chief Executive Officer, is responsible for the Board of Directors’ meeting arrangement and coordination on matters related to the Board. The Board of Directors also appointed Mrs. Boontiva Dansamasatid, Executive Vice President-Corporate Administration and acting Vice President – Head of Corporate Secretary Office as the **“Corporate Secretary”** whose responsibilities and duties are according to the Securities and Exchange Act. The Chairman of the Board informed the SEC and SET of the appointment and the place where information is stored. (Details about the appointment and responsibilities of the Company’s Secretary are reported in the chapter on Management Structure).

5.2 Committees

The Board of Directors has appointed four committees as appropriate and necessary to assist it in studying information, screening work and making recommendation, which enables the Board to perform its duty more efficiently. The four committees are the Audit Committee, the Human Resources and Remuneration Committee, the Risk Management Committee and the Investment Committee. (Details of the composition and responsibilities of all committees are reported in the chapter on Management Structure.)

5.3 Roles, Duties and Responsibilities of Directors

The Board of Directors is committed to independence in decision making for the best benefits of the Company and shareholders. Each of the Company’s directors realizes the responsibility towards the shareholders who are the business

owners and have the right to appoint the directors. Fiduciary Duty covers four major responsibilities namely Duty of Care, Duty of Loyalty, Duty of Obedience and Duty of Disclosure.

Responsibility in Formulating Policy and Operation Direction

To ensure strong basis for effective and efficient management that supports the Company’s growth and sustainability, the Board of Directors has worked closely with the Management in formulating and implementing policies as already discussed under the Business Ethics and Corporate Governance Policy.

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

In formulating strategies, the Board of Directors and the Management jointly consider various information, including the nature and structure of the Company’s business, vision, mission, policies, goal, investment plan and performance result and appraisal compared to the business goals. Both also consider internal environment, namely management structure, personnel finance, strategy selection, trade partner relationship and customer information, while considering external factors, including power business structure, and electricity production capacity development plan. Other factors taken into consideration are external factors that have significant impact on the Company’s operations, such as the ASEAN Economic Community (AEC) integration, government policy, electricity demand growth, oil price, production resource

limitation (fuel and technology), economic, social and environmental limitation, competition in the power business, industry analysis, production factor and macroeconomic factors in international countries and the target selection in order to materialize the Company's vision.

Monitoring and Supervision of the Management

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

The Board of Directors requires the Management to regularly report to the Board of Directors' meeting a number of areas including monthly report (operational performance analysis, progress of the Company's investment projects, financial report on short- and long-term investment projects, cash flow, and the highest electricity generating capacity report, electricity capacity within EGAT and national systems, and energy stock prices), quarterly reports (quarterly financial report), annual reports (annual financial reports, annual operational performance compared to target) and the reports by the committees appointed by the Board of Directors.

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

In addition to reports and routine monitoring, the Company's Board of Directors uses other channels to monitor the efficiency and effectiveness of operations. Other channels

are executive meetings of the Company and its subsidiaries as well as monthly internal executive meetings, such as top executive meetings and division directors meetings. In those meetings, the Board of Directors has the opportunity to monitor, acknowledge, prevent, and solve operational problems. In addition, manager level employees are required to attend the internal management meetings every three months.

Role in Initiating Necessary Changes or Handling Issues

The Board of Directors plays a significant role in setting or initiating important changes in the organization, such as organizational structure improvement, business plan, appraisal criteria and performance indicators for the Company and its top Management. The directors and the management fully discuss all details before making decision.

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

The Board of Directors plays a significant role in providing advices on solving problems and issues raised by the Management at the Board meeting. On sensitive issues, the Board of Directors will assign directors to consider and work closely with the Management. Directors who are representatives from government sector play vital role in providing clarification on government policies, rules and regulations and related practice, enabling the Company to better understand the intention of the regulations and take proper action. Directors from private sector meanwhile help provide new ideas that promote operational efficiency. Directors provide recommendations to the Company according to their specialization, including legal, finance,

tax and engineering. Directors on secondment assignment in subsidiaries and joint ventures have supervised the operations of the subsidiaries and joint venture to be in compliance with the Board of Directors and the Company's policy.

Non-executive Director Meeting

The Board of Directors requires the non-executive directors to meet informally at least once a year to allow them opportunity to review and discuss the performance of the Board of Directors, the Management and the Company, as well as discuss administrative problems without participation of the Management. Results from the discussion are applied in order to improve the efficiency of the Board of Directors. The meeting is presented to the Chief Executive Officer after the meeting.

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

5.4 Management and Elimination of Conflict of Interest

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

5.5 Internal Control

The Board of Directors gives high priority to internal control and therefore provides for efficient operations and management.

The Board clearly specifies and documented responsibility and authority of the Management and employees in writing, ensuring sufficient internal control that is appropriated for the Company' business operations. The Company provides for sufficient control on the Company's assets and property utilization and clearly identifies scope of responsibility of every level of operational staff to create check and balance. Accurate, systematic and timely financial reports are provided for the Management and public disclosure. In addition, the Company ensures that its operations comply fully with the related laws, rules and regulations.

The **"Internal Audit Division"** was set up to be responsible for auditing all activities to ensure that the Company's operation is in accordance with the policy and guidelines set by the Management, and achieves the goals and objectives. The Internal Audit Division reports directly to the Board of Directors in order to perform its duty independently. The Internal Audit Division has assessed the sufficiency and appropriateness of internal control according to the COSO-Internal Control Integrated Framework, covering Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring in order to ensure that the Company's policy is well implemented and transparent operations is achieved. In addition, the Internal Audit Division audits the Company's operations according to the annual plan, covering all areas of businesses, including Financial Audit, Operation Audit and Compliance Audit. Report of the assessment is prepared and submitted to the Audit Committee on quarterly basis while the assessment

of sufficiency and appropriateness of the internal control system is presented to the Audit Committee once a year to achieve the desired objectives.

In 2012, the audit results and assessment of sufficiency and appropriateness of the internal control system report submitted to the Audit Committee and the Board of Directors showed that there is no irregular item and that the Company's internal control system is sufficient and appropriate for the Company's business.

5.6 Risk Management

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

5.7 The Board of Directors' Meeting

The Board of Directors' Meeting Practice

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

Meeting Schedule, Meeting Agenda and Document Preparation

The Board of Directors approved the Board's and Committees' meeting schedules for the entire year and informed every director of the schedule. In 2012, the Board of Directors' meetings were scheduled at 16.00 hrs. of every third Monday of the month.

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

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

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

[Roles of the Chairman of the Board, Directors, Management and Meeting Atmosphere](#)

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

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

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

Meeting Atmosphere and Expression of Opinions.

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

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

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

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

In considering connected transaction or items that may involve conflict of interest, the meeting will mainly consider the benefits of the Company and shareholders. The meeting will

consider the necessity and reasons for each matter the same way it does for other transactions. Correct and complete process and disclosure of information are highly weighted.

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

Meeting Report Preparation and Keeping

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

Meeting minutes are prepared in writing and cover all important details, including date and time the meeting begins and ends, venue, list of attending directors and executives, list of absent directors, summary of the matters presented in the meeting, summary of the discussed matters, opinions and observation of the directors, the resolution of the Board of Directors, and the name of the person who takes notes. Meeting minutes are completed within three days after the meeting and delivered to all directors for improvement. If there is no addition or amendment is made within seven days, the report is considered approved and submitted to the meeting's Chairman to sign. A copy of the signed meeting report is then delivered to each director for reference.

After the meeting, the Chief Executive Officer communicates the written resolution to related units for acknowledgement and/or implementation. Monitoring of the implementation is assured while the implementation result is reported to the Board of Directors later at an appropriate occasion.

The Board of Directors and Committee's Meetings

In 2012, the Board of Directors and Committees appointed by the Board of Directors organized meetings that are in line with the nature of business and assigned tasks as follows:

- The Board of Directors held (monthly) ordinary meeting 12 times
- The Audit Committee held 6 meetings
- The Human Resources and Remuneration Committee held 3 meetings
- The Risk Management Committee held 5 meetings
- The Investment Committee held 2 meetings
- The joint meeting between the Human Resources and Remuneration Committee and the Risk Management Committee held one meeting

Directors have duty to attend every meeting except when it is unavoidable. In case a director cannot attend the meeting, he/she may provide opinion on any matter in the meeting agenda which are distributed in advance. In 2012, meeting attendance of the Board of Directors, committee and working committee appointed by the Board of Directors is as follows:

Director	Board of Directors	The Audit Committee	The Human Resources and Remuneration Committee	The Risk Management Committee	The Investment Committee	The Human Resources and Remuneration Committee and the Risk Management Committee
1. Mr. Kurujit Nakornthap	12/12				2/2	
2. Mr. Surachai Tansitpong	6/7			3/3		1/1
3. Mr. Trakul Winitnaiyapak	11/12		2/2		2/2	1/1
4. Captain Siridech Julpema	10/11	5/5				
5. Pol. Lt. Gen. Thavorn Chanyim	9/9			4/4		1/1
6. Mr. Weera Sriwathanatrakoon	11/12	1/1	2/2			1/1
7. Mr. Satit Rungkasiri	7/12	5/6				
8. Mr. Sutat Patmasirawat	10/12					
9. Mr. Wirt Kanchanapiboon	12/12			5/5		1/1
10. Mr. Thana Putarungsi	12/12		2/2		2/2	1/1
11. Miss Piyathida Praditbatuga	9/9	5/5				
12. Mr. Noppol Milinhangoon	12/12					
13. Mr. Nathi Premrasmi	0/1	1/1				
14. Mr. Metta Banturungsuk	3/3		1/1	1/1		
15. Mr. Atchada Kesornsook	3/3		1/1			
16. Mr. Ariyawich Ek-Ularnpun	4/4					

Remarks:

- (1) the number before / shows the number of meetings the director attended
- (2) the number after / shows the total meetings happened while the director is in office
- (3) Mr. Thana Putarungsi was appointed to the office on 16 January 2012
- (4) Mr. Nathi Premrasmi resigned on 10 February 2012
- (5) Capt. Siridech Julpema was appointed to the office on 13 February 2012
- (6) Mr. Metta Banturungsuk and Mr. Atchada Kesornsook vacated the office at the end of the term on 26 March 2012
- (7) Pol. Lt. Gen. Thavorn Chanyim and Miss Piyathida Praditbatuga were appointed to the office on 27 March 2012
- (8) Mr. Ariyawich Ek-Ularnpun has resigned from his position since 19 May 2012
- (9) Mr. Surachai Tansitpong was appointed to the office on 18 June 2012

5.8 Performance Appraisal

Directors' Self-Assessment

The Board of Directors has implemented self-assessment measures since 2002. The factors considered include the performance of the entire Board of Directors and individual self-assessment. The assessment covers many important areas, including directors' readiness, strategy formulation and business planning, risk management and internal control, conflict of interest prevention, financial and performance report monitoring, the Board of Directors' meeting and nomination of the Board of Directors and the Management. The assessment level for the entire Board of Directors is **Excellent** and the self-assessment is **Very Good**. The Company sets assessment results in four levels – **Excellent (95% and higher)**, **Very Good (more than 85-95%)**, **Good (more than 75-85%)** and **Fair (75% and below)**.

The assessment result, observations and recommendations were considered and reviewed by the Board of Directors for further improvement.

Executive Assessment

With assistance from the Human Resources and Remuneration Committee in assessing annual operational performance of top executives, the Board of Directors adopts the performance appraisal criteria that were agreed early of the year. In 2012, the criteria comprise four areas – business planning and development, supervision of companies within the Group, financial management and organizational management. Each area has different weight and the assessment result is used to complement the remuneration of each director. In 2012, the capability and management of the Chief Executive Officer and top management were added.

Remuneration for Directors and High-level Executives

Directors' Remuneration (for the Board of Directors and Committees' members) is considered by the Human Resources and Remuneration Committee and approved by the Board of Directors before it is submitted to the annual shareholders' meeting for approval. The remuneration complies with the Company's director remuneration policy and practice. Remuneration for the directors and top executives is related to the goal and performance of the Company's Group, their responsibility, and the practice in other companies in the same industry in terms of business and size. The remuneration is also determined to motivate and retain human resources of required knowledge, capability, skills and experience that contribute to the success of the Company.

Remuneration of the top executives is in line with the policy and criteria set by the Board, and are considered and reviewed by the Human Resource and Remuneration Committee based on the annual key performance indices jointly agreed earlier. The objective and criteria are the same as consideration on directors' remuneration. In considering remuneration of the top executives, persons who may have conflict of interest did not attend the meeting. The Board of Directors approved the remuneration of the top executives which is in accordance with appraisal results. The Chairman of the Board informed the Chief Executive Officer of the resolution.

(Details of the remuneration of the top executives are published in the Management Structure section.)

5.9 New Director Orientation and the Development of Directors and Executives

The Board of Directors helps newly appointed

director by providing orientation kit. The Chief Executive Officer presents a briefing at the orientation session. Information included in the orientation kit are nature of business, details of committees, investment structure, organizational structure, financial performance and progress of investment projects, Articles of Association document, objectives, rules and regulations, policy, Code of Conduct, remuneration and benefits for directors, the manual for directors of a listed company and compliance database.

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

The Company prepared a summary report that is related to rules and regulations implemented by the government's regulatory organizations and presented to the Board of Directors' meeting for acknowledgement of the announcement, rules, regulations and memorandum, both newly issued and amended by the Securities and Exchange Commission (SEC) and SET.

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

5.10 Succession Plan for Top Executive

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

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

5.11 Allocation of Reserve for Loss from Good Faith Operations of Directors and Executives

In case there is any lawsuit, as Directors and executives perform duties as designated or by their responsibilities and authorities for the benefit of the Company, including those authorities in other companies as assigned. The Legal Division will be responsible for the defense until the case becomes final. The Company has set aside Baht 2 million a year as a reserve for loss if the duty is duly performed as a result of his/her authority whether or not such action is taking place now or was done in the past. In case it is a fraud or corruption, the Company shall not be responsible for any loss incurred and will demand all expenses resulting from defending such a case from the corrupted or fraudulent directors or executive officers.

6. Business Ethics and Corporate Governance Policy

6.1 Preparation and Implementation of Corporate Governance Policy

To enable the Ratchaburi Electricity Generating Holding Public Company Limited to maintain international operational standards that earn recognition and confidence from shareholders, investors and stakeholders, the Company's remains committed to operating the business with responsibility, fair treatment to all stakeholders, operational transparency, quality information disclosure, short and long term added value creation and promotion of quality operations, ethics of executives and employees, and responsibility towards the society and environment, which are the basis for sustainable growth. The Company prepared "**Corporate Governance Policy**" in writing since 2003 and regularly reviewed it every year to ensure that it best addresses the current situation.

The Company also announced other policies to ensure guidelines for proper treatment of all stakeholder groups. Some of the policies are the risk management, shareholders, employees, social and environment, computer and network usage policies, occupational health and safety, workplace environment and the 5S policy. (All are published on the Company's website.) The Company also studied how to prepare itself for the upcoming ASEAN Economic Community integration (AEC). Rules and regulations on listed companies in ASEAN will be later adjusted to be in the same standard across the region.

6.2 Preparation and Implementation of Business Ethics

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

6.3 Communications and Monitoring of Performance to Ensure Full Compliance with the Corporate Governance and Business Ethics Policies

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

The Company established the "**Corporate Governance Committee**", comprising executives from all units, to act as a key mechanism to communicate the corporate governance policy from the Board of Directors and top executives to all levels of employees, to listen to problems, difficulties and recommendations from all employees for further

action, and to assess the execution results and ensure that the result comply well with the policy.

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

The Internal Audit Division in addition to regular meetings with all units, is responsible for monitoring and following up with the implementation of corporate governance policy by preparing annual audit plan and a quarterly review report as well as making recommendation on solution and prevention of possible damages.

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

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

6.4 Core Value

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

- (1) Professionalism - readiness to cope with changes an ability to be an active learner for constant self-development in order to become a professional by international standard
- (2) Passion for Excellence – the commitment to working for accomplishment and benefits of the organization, including keeping promise and planning for proactive actions to effectively handle changes
- (3) Collaboration – through trust, accountability, sincerely helping others, openly listening to others and valuing individual difference

- (4) Good Governance – commitment to transparent practice, integrity and righteousness with responsibility towards the society and environment

The Company has indicated “**Integrity**” as one of the core competency. Employees whose responsibility involves the Company’s significant information are required to sign the confidentiality agreement. As a listed company, the Company has in place a rule prohibiting the use of insider information for abusive self-dealing, and requiring its executives, employees, and temporary staff to directly report any changes in the company’s portfolio and interests of themselves and concerned person, according to the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand. Other rules and regulations on procurement, accounting, budgeting, finance and personnel management are clearly established.

Throughout the year 2012, there is no event or action that is against the Company’s Business Ethics and Corporate Governance Policy.



The Human Resources and Remuneration Committee's Report



The Human Resources and Remuneration Committee considered that the Company's human resource and remuneration management are in line with the good corporate governance principles and that its Board of Directors and Management have the right composition and qualifications. Its member have proper diversity in terms of educational background, skills, experience, expertise and age, which are crucial to driving the Company to achieve its targets.

In 2012, the Human Resources and Remuneration Committee held three meetings to consider related matters in compliance with its authorities and responsibilities assigned by the Board of Directors. It considered all the matters with prudence and integrity

according to the pre-set policy, criteria, method and process, and with independence in particular in expressing opinions and making decision for the best benefits of the Company, shareholders and stakeholders. The Company also ensured that related information was disclosed accurately, completely and transparently. The Human Resources and Remuneration Committee's performance in 2012 is as follows:

Setting Key Performance Indicators for 2012 by considering significant factors that impacts the stable and sustainable growth according to the targets described in the Company's strategic plan. The performance appraisal criteria for Ratchaburi Electricity Generating Holding Public Company Limited comprises four key operating functions which are (1) Business Planning and Development which includes project development and investment in Thailand and overseas to increase generating capacity and returns in compliance with business plan; (2) Asset Management which includes the indicators reflecting financial, technical and social management of the major power plants in which the Company has invested; (3) Financial Management which covers return on investment and EBITDA margin; and (4) Organization Management comprising human resource management, corporate communications and key social and environmental responsibility activities plan.

Key Performance Indicators for Ratchaburi Electricity Generating Company Limited, which is a major subsidiary, comprise three areas reflecting efficiency and effectiveness of Ratchaburi Power Plant. They are (1) Financial Efficiency including rate of

return; (2) Generating Control Efficiency including operation availability and fuel ratio; and (3) Social Responsibility, covering quality of emissions from the power plant, community relations maintenance and quality of life enhancement in surrounding communities.

The performance appraisal have been conducted quarterly and annually to follow up the operational progress and identify problems and worked with the Management in preventing and solving possible problems.

As for the remunerations determined for the Company's top executives and Board of Directors, the Committee has ensured that the remunerations correspond to the duties and responsibilities, and linked with individual and collective performance in accordance with mutually earlier set up criteria. The remunerations are in line with good practice adopted by other businesses in the same size and industry. Directors' remunerations are presented to the Board of Directors and the shareholders' meeting for approval on yearly basis. The Committee also considered additional performance indicators for the Chief Executive officer who is at the top of the Company's Management team to address his potential and management quality.

In recruiting and nominating the Company's Directors and top executives replacing the vacancy, the Committee has ensured that members of the Company's Board of Directors and Management have proper qualifications knowledge, capabilities and experience required for the Company's operations and

enable the efficiency and targets achievement. In addition, succession plan has been in place to enhance smooth operations and equip its employees to be promptly respond to the Company's future growth.



(Mr. Trakul Winitnaiyapak)
Chairman, Human Resources
and Remuneration Committee



The Investment Committee's Report



In 2012, the Investment Committee convened two meetings to scrutinize investment projects proposed by the Management before providing opinions and presenting to the Board of Directors according to its scope of responsibility as designated by the Board. All the committee members attended every meeting.

The consideration of the Investment Committee has been made on the compliance of the investment with the Company's goals the business plan that best address the business objectives according to the vision, mission, and policies. Also being taken into consideration are return on investment both monetary and non monetary return such as corporate image, and economic benefits. The Committee reviewed all related risk factors and possible impact in terms of technical, legal, social and environmental aspects for the benefits of the Company, its shareholders and all stakeholders.

The Investment Committee deemed that the Company's investment decision was thoroughly and properly based on both in-depth and in-width analysis by internal and external experts. The decisions were also made under the good governance principles that have been strictly implemented by the Board of Directors and the Management throughout its operations. The Committee also closely audited, monitored and assessed all investment projects to ensure that the projects generated satisfactory return as planned. In addition, the Committee has prevented and solved problems that might affect project development and operations in order to ensure continuous and stable growth while being entrusted by the public as committed in its operations.

(Mr. Kurujit Nakornthap)
Chairman, Investment Committee



The Risk Management Committee's Report



The Risk Management Committee convened five times in 2012, all are joint meetings with the Company's Management. The resolution of each meeting was summarized and presented to Company's Board of Directors for acknowledgement. In the past year, the Risk Management Committee's major tasks are as follows:

- Considering and improving the Company's risk management plan to ensure it best addressed the Company's strategic plan for 2012-2016, effective from the first quarter 2012. The risk management progress report was presented to the Board of Directors every quarter for approval.

- Monitoring risk management progress in order to acknowledge significant risks and to assess related operations

in order to ensure that the Company's risk management plan is appropriate and sufficient. In case that certain risk level was high, an action plan was drawn to minimize the risk as much as possible.

- Providing necessary advices to support the preparation of appropriate risk management plan in order to improve effectiveness and criteria of the risk factors and risk management plan.

The Risk Management Committee believed that in the past year, the company has continuously improved corporate risk management system. Regular internal meetings with various divisions and departments as well as the Company's subsidiaries were held to monitor and update information related to risk factors and risk management process. Such close monitoring is to ensure that risk management continues without interruption and best addresses the changing environment. The Company's significant risk management is considered appropriate and controlled in the acceptable level.

Pol. Lt. Gen.

(Thavorn Chanyim)

Chairman, Risk Management Committee



Board of Directors' Report on Its Responsibility to Financial Report

The Public Company Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Stock Exchange Act B.E. 2535 and the Securities and Exchange Commission's Announcement regarding to the rules, conditions and procedure of Financial Information and Company Performance Disclosure require the Board of Directors to prepare financial statements to describe the Company's financial position, operating performance and cash flow in the previous year in an accurate, reasonable and transparent manner for shareholders and investors.

The consolidated and separate financial statements as at 31 December 2012 have been audited by the Auditor, KPMG Phoomchai Audit Limited. The Board of Directors supported information and documents to enable the Auditor to examine and express his opinion which appeared in Audit Report of Certified Public Accountant and Annual Report, in conformity with generally accepted auditing standards.

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

The Board of Directors has provided and maintained the appropriate and efficient internal control system to reasonably ensure that the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors agree that the overall internal control system in five areas including organizational structure and environment, risk management, control activities, information Technology and communication, and operation monitoring system of the Company is satisfactory and ensure that the consolidated and the separate financial statements for the year ended 31 December 2012 prepared in conformity with Thai Financial Reporting Standards and in compliance with law and all relevant regulations.

(Mr. Kurujit Nakornthap)

Chairman of the Board of Directors

(Mr. Noppol Milinhanggoon)

Director and Chief Executive Officer



The Audit Committee's Report



The Audit Committee of the Ratchaburi Electricity Generating Holding Public Company Limited comprises of three independent director members. Capt. Siridech Julpema is the Chairman of the Audit Committee, Mr. Satit Rungkasiri and Miss Piyathida Praditbatuga are committee members and Mr. Pornchai Chamnongdet, Vice President - Head of Internal Audit Division acts as the Committee's secretary. The Board of Directors at the meeting No. 4/2012 appointed Capt. Siridech Julpema as the Audit Committee Chairman, replacing Mr. Weera Sriwattanatrakul and Miss Piyathida Praditbatuga as a member replacing Mr. Nathi Premrasmi, effective since 23 April 2012.

All members of the Audit Committee have qualifications of Independent Directors and Audit Committee members as required in the Company's Regulations on the Company's Board of Directors 2009 and the Company's regulations on Audit

Committee 2008. Both of which are compliant with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2012, the Audit Committee convened six meetings, including one meeting between the Committee and the auditors without the presence of the Management. The Management of the Company and its subsidiaries and the auditors participated in the meetings to present information, listen to opinions and suggestions that are useful to the Management of the Company. The results of each meeting were presented to the Board of Directors of the Company and its subsidiaries for their acknowledgement.

The Significant activities last year are as follows:

- Reviewing the accuracy, completeness and reliability of quarterly and annual financial statements of the Company and its subsidiaries prior to presentation to the Board of Directors of each company
- Reviewing internal control sufficiency to ensure efficiency and effectiveness in overall operations, enabling the Company to achieve its goals
- Ensuring that the Company fully conforms with Securities and Exchange Law, rules and regulations of the Stock Exchange of Thailand, and laws related to the Company's business operations
- Reviewing items that may involve conflict of interest and ensuring that they comply with laws and regulations issued by the Capital Market Supervisory Board and


related bodies. Related transactions or items that may involve conflict of interest were reported to the Audit Committee for approval before it was forwarded to the Board of Directors for consideration. The Company's Management reported major transactions to the Audit Committee on quarterly basis.

- Reviewing the internal audit activities by approving annual audit plan, acknowledging the audit report, providing opinions on effective internal control to prevent and reduce possible risks, and making recommendations for improvement in order to secure appropriate and effective internal control activities

In summary, the Audit Committee considered that the financial statements prepared by the Company and its subsidiaries clearly and complied with generally accepted standard principles, sufficient disclose, accurate, complete and reliable, that the internal control is efficient and effective. All departments have clear segregation of roles and responsibilities. No significant weakness was found. The operations of the Company and its subsidiaries fully comply with the laws regulating the Securities and the Stock Exchange of Thailand, the Stock Exchange of Thailand's regulations or other related laws.

The Audit Committee approved and appointed Mr. Vairoj Jindamaneepitak (CPA No. 3565) or Mr. Ekkasit Choothamsathit (CPA No. 4195) or Mr. Charoen Phosamritlert (CPA No.4068) of KPMG Poomchai Audit Limited as the auditors for the Company and its subsidiaries in 2013. The certified public accounting fee is Baht 2,220,000 (including out-of-pocket expense), Baht 810,000 of which is the accounting fee for the Company.

The Audit Committee proposed the matter to the Board of Directors for further consideration and approval by the shareholders at the ordinary shareholders meeting.

Captain 
(Siridech Julpema)
Chairman, Audit Committee



Financial Statement



Independent Auditor's Report

To the Shareholders of Ratchaburi Electricity Generating Holding Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries, and of Ratchaburi Electricity Generating Holding Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2012, the consolidated and separate statements comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2012 and the financial performance and cash flows for the year 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 Thai Financial Reporting Standards.

Emphasis of Matters

Without qualifying the opinion in respect of the above financial statements, I draw attention to Note 4 to the financial statements. The Group has completed the appraisal of the fair values of net identifiable assets of the acquiree in the second quarter of 2012. Therefore, the consolidated statements of financial position as at 31 December 2011, the consolidated statement of comprehensive income and the consolidated statement of cash flows for the year ended 31 December 2011 which are included in the accompanying financial statements for comparative purposes, have been restated accordingly. I have reviewed the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied.



(Vairoj Jindamaneepitak)

Certified Public Accountant

Registration No. 3565

KPMG Phoomchai Audit Ltd.

Bangkok

18 February 2013



Statements of Financial Position

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December 2012	31 December 2011 (Restated)	31 December 2012	31 December 2011
(in Baht)					
Current assets					
Cash and cash equivalents	6	8,260,581,184	10,698,628,906	1,087,815,819	3,819,725,644
Current investments	7	5,671,598,422	3,010,688,382	4,534,598,422	2,850,000,000
Trade accounts receivable from related parties	5	3,822,870,739	2,340,443,285	–	–
Trade accounts receivable from other parties		390,058,347	313,528,317	–	–
Other receivables		175,263,035	237,274,639	64,672,920	117,564,962
Dividend receivable	5	–	30,813,300	–	2,541,230,650
Advances to and other receivables					
from related parties	5	65,436,380	105,285,611	110,586,986	79,147,184
Short-term loans to related parties	5	100,278,090	–	2,500,278,090	–
Current portion of long-term loans					
to related party	5	62,500,000	62,500,000	62,500,000	62,500,000
Other receivable from disposal of investment	7	211,164,272	–	–	–
Spare parts and supplies	8	2,174,372,626	2,246,743,321	–	–
Other current assets		100,458,888	85,768,409	70,323,132	52,324,471
Total current assets		21,034,581,983	19,131,674,170	8,430,775,369	9,522,492,911
Non-current assets					
Long-term receivable from related parties	5	–	–	1,129,408	16,776,946
Investments in subsidiaries	5, 9	–	–	24,982,160,558	21,179,660,558
Investments in jointly-controlled entities	5, 10	13,909,641,259	13,387,532,452	4,587,285,500	4,121,064,670
Investments in associates	5, 10	681,035,858	356,561,561	699,832,339	357,062,040
Investment in other company	11	50,656,049	50,656,049	50,656,049	50,656,049
Other long-term investments	7	2,879,221,390	2,249,223,988	150,000,000	218,000,000
Long-term loans to related parties	5	–	1,611,633,470	1,093,942,800	3,453,645,798
Other long term receivable from					
disposal of investment	7	3,137,921,057	–	–	–
Property, plant and equipment	12	46,227,736,053	49,842,827,311	910,858,047	465,386,853
Land for future development projects		305,389,850	305,389,850	305,389,850	305,389,850
Goodwill	13	752,913,124	1,913,618,284	–	–
Intangible assets	13	5,667,820,404	6,595,481,242	668,900,933	670,881,846
Deferred tax assets	14	129,882,869	189,628,109	13,462,696	77,847,169
Other non-current assets	15	2,033,960,411	1,707,615,152	607,659,193	484,754,920
Total non-current assets		75,776,178,324	78,210,167,468	34,071,277,373	31,401,126,699
Total assets		96,810,760,307	97,341,841,638	42,502,052,742	40,923,619,610

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



Statements of Financial Position

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2012	31 December 2011 (Restated)	31 December 2012	31 December 2011
(in Baht)					
Current liabilities					
Short-term loans from financial institution	16	900,000,000	–	–	–
Bill of exchange payables	16	1,800,000,000	–	–	–
Trade account payable to related party	5	112,257,949	152,230,650	–	–
Trade accounts payable to other parties		6,958,465,483	4,552,046,911	–	–
Other payables	5, 17	849,424,301	635,018,939	291,304,465	249,815,824
Current portion of long-term loans					
from related party	5	–	2,775,320,949	–	–
Current portion of long-term loans					
from financial institutions	16	285,981,300	288,150,121	–	–
Current portion of debentures	16	3,936,858,576	3,658,854,023	–	–
Current portion of financial lease liability	16	1,009,072	1,577,500	–	–
Income tax payable		316,666,307	499,047,920	–	–
Other current liabilities		77,385,199	281,312,235	43,556,469	17,343,729
Total current liabilities		15,238,048,187	12,843,559,248	334,860,934	267,159,553
Non-current liabilities					
Long-term loans from related party	5	1,358,280,353	1,425,625,869	–	–
Long-term loans from financial institutions	16	12,546,593,214	15,385,180,054	1,200,000,000	1,200,000,000
Debentures	16	10,972,910,967	15,788,341,233	–	–
Financial lease liability	16	943,151	1,817,140	–	–
Deferred tax liabilities	14	2,185,544,715	2,946,017,771	–	–
Employee benefit obligations	18	84,716,620	79,631,445	61,987,262	54,527,743
Other non-current liabilities		692,072,366	387,190,902	–	–
Total non-current liabilities		27,841,061,386	36,013,804,414	1,261,987,262	1,254,527,743
Total liabilities		43,079,109,573	48,857,363,662	1,596,848,196	1,521,687,296

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



Statements of Financial Position

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2012	2011 (Restated)	2012	2011
(in Baht)					
Equity					
Share capital					
Authorised share capital	19	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	20	1,531,778,000	1,531,778,000	1,531,778,000	1,531,778,000
Retained earnings					
Appropriated					
Legal reserve	20	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Unappropriated		35,134,072,841	30,670,303,222	23,423,426,546	21,920,154,314
Other components of equity		350,139,145	(225,251,224)	–	–
Total equity attributable to owners of the Company		52,965,989,986	47,926,829,998	40,905,204,546	39,401,932,314
Non-controlling interests		765,660,748	557,647,978	–	–
Total equity		53,731,650,734	48,484,477,976	40,905,204,546	39,401,932,314
Total liabilities and equity		96,810,760,307	97,341,841,638	42,502,052,742	40,923,619,610

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



Statements of Comprehensive Income

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2012	2011 (Restated)	2012	2011
(in Baht)					
Revenue from sale and rendering of services	5	55,365,398,060	43,456,858,420	-	-
Cost of sale and rendering of services	5	(47,269,494,929)	(35,920,833,965)	-	-
Gross profit		8,095,903,131	7,536,024,455	-	-
Management service income	5	225,935,138	188,547,551	296,644,247	308,643,223
Dividend income	5, 9, 10	188,314,482	60,062,641	4,952,889,395	4,830,810,682
Interest income	5	603,132,032	577,699,776	320,827,003	329,912,264
Other income	5	226,848,257	109,809,801	26,937,712	2,456,453
Gain on disposal of long-term investment	7	783,678,571	-	-	-
Gain on termination of power purchase agreement	22	1,069,442,446	-	-	-
Administrative expenses	5, 23	(1,518,068,052)	(1,328,057,697)	(730,881,407)	(852,255,209)
Gain (loss) on exchange rate		798,048,594	(35,349,295)	12,933,056	(106,031,925)
Finance costs	5, 26	(2,400,016,000)	(1,854,230,049)	(49,193,301)	(35,445,288)
Share of profit of jointly-controlled and associate entities	10	750,600,687	1,333,094,778	-	-
Profit before income tax expense		8,823,819,286	6,587,601,961	4,830,156,705	4,478,090,200
Income tax expense	27	(887,235,560)	(1,853,160,625)	(64,384,473)	62,819,649
Profit for the year		7,936,583,726	4,734,441,336	4,765,772,232	4,540,909,849

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



Statements of Comprehensive Income

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2012	For the year ended 31 December 2011 (Restated)	For the year ended 31 December 2012	For the year ended 31 December 2011
(in Baht)					
Other comprehensive income					
Foreign currency translation differences					
for foreign operations		(45,997,970)	(174,708,180)	–	–
Net change in fair value of					
available-for-sale investments	7	698,667,109	(87,329,034)	–	–
Income tax for other comprehensive income		(99,762,538)	6,127,430	–	–
Other comprehensive income for the year, net of income tax		552,906,601	(255,909,784)	–	–
Total comprehensive income for the year		8,489,490,327	4,478,531,552	4,765,772,232	4,540,909,849
Profit (loss) attributable to:					
Owner of the Company		7,726,269,619	4,849,354,697	4,765,772,232	4,540,909,849
Non-controlling interests		210,314,107	(114,913,361)	–	–
Profit for the year		7,936,583,726	4,734,441,336	4,765,772,232	4,540,909,849
Total comprehensive income attributable to:					
Owner of the Company		8,301,659,988	4,605,215,556	4,765,772,232	4,540,909,849
Non-controlling interests		187,830,339	(126,684,004)	–	–
Total comprehensive income for the year		8,489,490,327	4,478,531,552	4,765,772,232	4,540,909,849
Basic earnings per share (Baht)	29	5.33	3.34	3.29	3.13

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



Statements of Changes in Equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Consolidated financial statements

	Retained earnings			Other components of equity					Total equity attributable to owners of the Company	Non-controlling interests	Total equity	
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Income tax for other comprehensive income	Other comprehensive income				Total other components of equity
Year ended 31 December 2011												
Balance at 1 January 2011	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>	-	-	-	-	-	-	-	-	-	-	638,128,696	638,128,696
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)	638,128,696	(2,624,371,304)
Total transactions with owners, recorded directly in equity	-	-	-	(3,262,500,000)	-	-	-	-	-	(3,262,500,000)	638,128,696	(2,624,371,304)
Comprehensive income for the year												
Profit	-	-	-	4,849,354,697	-	-	-	-	-	4,849,354,697	(114,913,361)	4,734,441,336
Other comprehensive income	-	-	-	-	(162,937,537)	(87,329,034)	6,127,430	-	(244,139,141)	(244,139,141)	(11,770,643)	(255,909,784)
Total comprehensive income for the year	-	-	-	4,849,354,697	(162,937,537)	(87,329,034)	6,127,430	-	(244,139,141)	4,605,215,556	(126,684,004)	4,478,531,552
Balance at 31 December 2011	14,500,000,000	1,531,778,000	1,450,000,000	30,670,303,222	(144,049,620)	(87,329,034)	6,127,430	-	(225,251,224)	47,926,829,998	557,647,978	48,484,477,976

(in Baht)

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



Statements of Changes in Equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Consolidated financial statements

	Retained earnings		Other components of equity						Total equity attributable to owners of the Company	Non-controlling interests	Total equity	
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Fair value changes in available-for-sale investments	Income tax for other comprehensive income	Other comprehensive income				Total other components of equity
(in Baht)												
Year ended 31 December 2012												
Balance at 31 December 2011 - as reported	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
Adjustment	-	-	-	8,712,679	769,797	-	-	-	769,797	9,482,476	(136,143,160)	(126,660,684)
Balance at 1 January 2012 - restated	14,500,000,000	1,531,778,000	1,450,000,000	30,670,303,222	(144,049,620)	(87,329,034)	6,127,430	-	(225,251,224)	47,926,829,998	557,647,978	48,484,477,976
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	-	-	-	-	-	-	-	-	-	-	20,182,431	20,182,431
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)	20,182,431	(3,242,317,569)
Total transactions with owners, recorded directly in equity	-	-	-	(3,262,500,000)	-	-	-	-	-	(3,262,500,000)	20,182,431	(3,242,317,569)
Comprehensive income for the year												
Profit	-	-	-	7,726,269,619	-	-	-	-	-	7,726,269,619	210,314,107	7,936,583,726
Other comprehensive income	-	-	-	-	(23,514,202)	698,667,109	(99,762,538)	-	575,390,369	575,390,369	(22,483,768)	552,906,601
<i>Total comprehensive income for the year</i>	-	-	-	7,726,269,619	(23,514,202)	698,667,109	(99,762,538)	-	575,390,369	8,301,659,988	187,830,339	8,489,490,327
Balance at 31 December 2012	14,500,000,000	1,531,778,000	1,450,000,000	35,134,072,841	(167,563,822)	611,338,075	(93,635,108)	-	350,139,145	52,965,989,986	765,660,748	53,731,650,734

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



Statements of Changes in Equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Separate financial statements					Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Retained earnings	
	(in Baht)					
Year ended 31 December 2011						
Balance at 1 January 2011	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						
Contributions by and distributions to owners of the Company						
Dividends to owners of the Company	-	-	-	(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.



Statements of Changes in Equity

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Separate financial statements						Total equity
	Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings		Unappropriated	
Note							
	(in Baht)						
Year ended 31 December 2012							
Balance at 1 January 2012	14,500,000,000	1,531,778,000	1,450,000,000	21,920,154,314			39,401,932,314
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
Dividends to owners of the Company	-	-	-	(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	-	-	-	4,765,772,232			4,765,772,232
Other comprehensive income	-	-	-	-			-
Total comprehensive income for the year	-	-	-	4,765,772,232			4,765,772,232
Balance at 31 December 2012	14,500,000,000	1,531,778,000	1,450,000,000	23,423,426,546			40,905,204,546

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

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2011 (Restated)	For the year ended 31 December 2012	For the year ended 31 December 2011
	(in Baht)			
Cash flows from operating activities				
Profit for the year	7,936,583,726	4,734,441,336	4,765,772,232	4,540,909,849
<i>Adjustments for</i>				
Depreciation	3,498,583,455	3,020,690,376	31,299,915	26,909,468
Amortisation	336,703,950	285,840,269	2,294,744	2,136,338
Interest income	(603,132,032)	(577,699,771)	(320,827,003)	(329,912,264)
Finance costs	2,400,016,000	1,854,230,049	49,193,301	35,445,288
Provision for obsolescence of spare parts and supplies	58,982,997	70,570,697	–	–
Unrealised loss (gain) on exchange	(736,528,004)	175,366,780	(18,015,551)	109,519,785
Dividend income	(188,314,482)	(60,062,641)	(4,952,889,395)	(4,830,810,682)
Gain on disposal of long-term investment	(783,678,571)	–	–	–
Loss (gain) on disposal of plant and equipment	13,194,662	723,047	13,258,290	(874,209)
Loss on disposal of spare parts and supplies	25,487,523	–	–	–
Gain from termination of power purchase agreement	(1,069,442,446)	–	–	–
Employee benefit obligations	15,138,483	13,835,583	11,465,240	7,513,733
Shares of profit of jointly-controlled entities	(750,600,687)	(1,333,094,778)	–	–
Income tax expense	887,235,560	1,853,160,625	64,384,473	(62,819,649)
Gain from change in fair value of current investment	(1,989,810)	–	(1,989,809)	–
	11,038,240,324	10,038,001,572	(356,053,563)	(501,982,343)
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(1,482,427,453)	1,007,344,752	–	–
Trade accounts receivable from other parties	(46,312,209)	23,246,597	–	–
Advances to and other receivables from related parties	(19,235,709)	111,770,705	11,527,697	76,207,732
Other receivables	42,536,523	(144,237,850)	23,671,780	(50,617,414)
Spare parts and supplies	(172,230,298)	(29,172,195)	–	–
Other current assets and non-current assets	(270,110,120)	(572,433,717)	(125,146,287)	(236,199,075)
Trade account payable from related party	(34,056,035)	140,397,318	–	–
Trade accounts payable from other parties	2,382,174,965	(595,985,368)	–	–
Other payables	29,021,444	(278,549,533)	(8,215,054)	(450,182,239)
Other current liabilities	(224,085,433)	134,626,576	22,505,112	(707,578)
Cash generated from (used in) operating activities	11,243,515,999	9,835,008,857	(431,710,315)	(1,163,480,917)
Income tax paid	(1,642,366,367)	(1,880,977,285)	(12,548,317)	(12,303,802)
Net cash from (used in) operating activities	9,601,149,632	7,954,031,572	(444,258,632)	(1,175,784,719)

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

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2011 (Restated)	For the year ended 31 December 2012	For the year ended 31 December 2011
	(in Baht)			
Cash flows from investing activities				
Interest received	361,441,727	528,360,792	322,713,170	281,629,261
Dividends received	962,777,287	883,012,450	7,494,120,046	4,118,521,417
Purchases of property, plant and equipment	(938,250,671)	(192,756,236)	(451,026,242)	(61,985,614)
Sale of plant and equipment	218,543	878,110,986	6,830,131	2,171,963
Proceed from termination of power purchase agreement	3,167,366,428	-	-	-
Purchases of intangible assets	(7,267,209)	(50,562,126)	(313,830)	(1,177,254)
Net cash outflow in current investments	(2,805,189,113)	(364,419,500)	(1,832,608,613)	(200,000,000)
Net cash inflow in long term investments	368,000,000	101,341,120	368,000,000	100,000,000
Proceed from sale of long-term investment	643,251,000	-	-	-
Net cash outflow in long-term investments	(804,838,397)	(146,118,658)	(150,000,000)	-
Decrease in short-term loans to related parties	-	-	1,800,000,000	4,774,997,167
Increase in short-term loans to related parties	(104,191,025)	-	(4,304,191,025)	(3,860,274,651)
Decrease in long-term loans to related parties	-	-	4,410,052,940	6,391,382,330
Increase in long-term loans to related parties	-	-	(2,028,407,323)	(8,278,275,000)
Cash outflow on acquisition of investments in subsidiaries	-	(4,686,403,782)	(3,802,500,000)	(656,194,000)
Repayment of long-term loans from related party	(2,781,918,143)	(2,351,481,729)	-	-
Cash outflow on acquisition of investments in jointly-controlled entities	(507,020,830)	(978,726,250)	(466,220,830)	(978,726,250)
Cash outflow on acquisition of investments in associates	(342,770,299)	(357,062,040)	(342,770,299)	(357,062,040)
Net cash provided by (used in) investing activities	(2,788,390,702)	(6,736,704,973)	1,023,678,125	1,275,007,329

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

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2012	For the year ended 31 December 2011 (Restated)	For the year ended 31 December 2012	For the year ended 31 December 2011
	(in Baht)			
Cash flows from financing activities				
Finance costs paid	(2,412,194,763)	(1,744,093,471)	(49,326,945)	(23,016,411)
Proceeds from issue of ordinary shares	20,182,431	30,820,000	–	–
Dividend paid to equity holders of the Company	(3,262,002,373)	(3,262,491,690)	(3,262,002,373)	(3,262,491,690)
Proceeds from bills of exchange payables	2,300,000,000	–	–	–
Proceeds from short-term loans from financial institutions	14,540,000,000	12,174,000,000	3,200,000,000	4,600,000,000
Repayment of bills of exchange payables	(500,000,000)	–	–	–
Repayment of short-term loans from financial institutions	(13,640,000,000)	(12,174,000,000)	(3,200,000,000)	(4,600,000,000)
Repayment of finance lease liability	(1,433,698)	(1,331,036)	–	–
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 related party	(64,851,345)	–	–	–
Repayment of long-term loans from financial institutions	(2,542,915,200)	(17,753,865,600)	–	–
Proceeds from issue of debentures	–	19,181,303,064	–	–
Redemption of debentures	(3,663,300,000)	–	–	–
Net cash used in financing activities	(9,226,514,948)	(2,253,067,433)	(3,311,329,318)	(2,085,508,101)
Net decrease in cash and cash equivalents	(2,413,756,018)	(1,035,740,834)	(2,731,909,825)	(1,986,285,491)
Cash and cash equivalents at 1 January	10,698,628,906	11,289,247,631	3,819,725,644	5,806,011,135
Effect of exchange rate changes on balances held in foreign currencies	(24,291,704)	58,510,567	–	–
Cash of subsidiary acquired during the year	–	386,611,542	–	–
Cash and cash equivalents at 31 December	8,260,581,184	10,698,628,906	1,087,815,819	3,819,725,644

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



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 18 February 2013.

1 General information

Ratchaburi Electricity Generating Holding Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 123 Suntowers Building B, 31st Floor, Vibhavadi Rangsit Road, Chomphon, 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, jointly-controlled entities and associate entities as at 31 December 2012 and 2011 were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
Direct subsidiaries				
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
RATCH O&M Company Limited	Providing operation and maintenance services	Thailand	99.99	-
Indirect subsidiaries				
Ratchaburi Alliances Company Limited	Investing in the power energy business	Thailand	99.99	99.99
RH International (Mauritius) Corporation Limited	Investing in the power energy business internationally	Mauritius	100	100
RH International (Singapore) Corporation Pte. Ltd.	Investing in the power energy business internationally	Singapore	100	100
Sustainable Energy Corporation Company Limited	Investing in the power energy business	Thailand	55.18	55.18



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2012	2011
Khao Kor Wind Power Company Limited	Generating and selling electricity	Thailand	55.18	55.18
RATCH-Australia Corporation Limited and its subsidiaries	Developing and operating power plant and investing in the power energy business	Australia	80	80
Jointly-controlled entities				
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
Phu Fai 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	40
Solarta Company Limited	Generating and selling electricity	Thailand	49	49
Solar Power (Korat 3) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 4) Company Limited	Generating and selling electricity	Thailand	40	40
Solar Power (Korat 7) Company Limited	Generating and selling electricity	Thailand	40	40
Songkhla Biomass Company Limited	Generating and selling electricity	Thailand	40	40
K K POWER Company Limited	Generating and selling electricity	Cambodia	50	-
Songkhla Biofuel Company Limited	Providing material of Biofuel	Thailand	40	-
Sukhothai Energy Company Limited	Developing and operating in the power energy business	Thailand	51	-
Xe-Pian Xe-Namnoy Power Company Limited	Generating and selling electricity	Lao PDR	25	-
Associate entities				
First Korat Wind Company Limited	Generating and selling electricity	Thailand	20	20
K.R. TWO Company Limited	Generating and selling electricity	Thailand	20	20



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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.

As at 31 December 2012, the FAP has issued 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.

(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 3(q)	Current and deferred tax
Note 14	Deferred tax- utilisation of tax losses
Note 18	Employee benefit obligations

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

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

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



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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.

Jointly-controlled and Associate entities

Jointly-controlled and associate 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 jointly-controlled and associate 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



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Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 jointly-controlled and associate 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 entities

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.

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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

(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, jointly-controlled and associate 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 jointly-controlled entities in the associates and consolidated financial statements are accounted for using the equity method.

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 revalue assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. 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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 3(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

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

Subsequent expenditure

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

Amortization

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



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 measured 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.

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.



Notes to the Financial Statements

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Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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

(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.

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.



Notes to the Financial Statements

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(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.

Another 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, dividend and other income

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

(p) Expenses

Lease payments

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



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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.

(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.



Notes to the Financial Statements

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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 period.

4 Acquisitions of subsidiary and non-controlling interest

On 5 July 2011, RH International (Singapore) Corporation Pte. Ltd. ("RHIS") a subsidiary, invested AUD 130.25 million for 80% of the ordinary shares of the Transfield Services Infrastructure Fund (name changed to RATCH-Australia Corporation Limited ("RAC")) which is incorporated in Australia.

The purchase has been accounted for in accordance with the Thai Financial Reporting Standard No. 3 Business Combinations, which requires management to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date. During the measurement period, which must not exceed one year from the acquisition date, the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Finalisation of the valuation of net assets of RACL which the Company acquired on 5 July 2011 was completed in 2nd quarter 2012.



Notes to the Financial Statements

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The acquiree's net assets at the acquisition date comprised of the following:

	Book Value	Fair value adjusted	Fair Value
		<i>(in thousand Baht)</i>	
Cash and cash equivalents	386,612	–	386,612
Trade accounts receivable	1,278,299	–	1,278,299
Inventories	536,743	11,191	547,934
Long-term loans receivable	1,639,900	–	1,639,900
Investments in jointly-controlled entities	1,205,606	(259,394)	946,212
Other long-term investments	606,410	–	606,410
Property, plant and equipment	18,646,288	(915,645)	17,730,643
Intangible assets	3,855,465	2,106,803	5,962,268
Other non-current assets	437,937	(386,057)	51,880
Interest-bearing liabilities	(22,219,459)	(371,276)	(22,590,735)
Trade accounts payable	(400,261)	–	(400,261)
Deferred tax liabilities	(2,132,531)	(886,733)	(3,019,264)
Other non-current liabilities	(103,355)	–	(103,355)
Net identifiable assets and liabilities	3,737,654	(701,111)	3,036,543
Less non-controlling interests	(747,531)		(607,308)
Recognised value of net assets acquisition	2,990,123		2,429,235
Goodwill	1,202,964	561,472	1,764,436
Consideration paid	4,193,087		4,193,671



Notes to the Financial Statements

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The appraised fair values of net identifiable assets was completed in 2nd quarter 2012. Therefore the consolidated statements of financial position as at 31 December 2011 have been restated as follows:

	Increase/(Decrease)
	<i>(in thousand Baht)</i>
Statement of financial position as at 31 December 2011	
Assets and liabilities	
Investments in jointly-controlled entities	(255,967)
Property, plant and equipment	(713,212)
Goodwill	554,054
Intangible assets	1,857,899
Current portion of long-term loans from financial institutions	96,323
Long-term loans from financial institutions	566,481
Deferred tax liabilities	906,630
Equity	
Other components of equity	770
Retained earnings	8,713
Non-controlling interests	(136,143)

The impact on the statements of comprehensive income for the years ended 31 December are as follows.

	2012	2011
	<i>(in thousand Baht)</i>	
Statement of comprehensive income		
Increase in cost of sale and service	(25,060)	(40,855)
Decrease in finance cost	195,676	82,691
Increase in income tax expense	(32,383)	(30,945)
Profit for the period increase	138,233	10,891
Earnings per share		
Increase in basic earnings per share (Baht)	0.095	0.008



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5 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
RATCH O&M Company 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
Khao Kor Wind Power Company Limited	Thailand	Subsidiary of indirect subsidiary, 99.99% shareholding by an indirect subsidiary



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Name of entities	Country of incorporation/nationality	Nature of relationships
Hongsa Power Company Limited	Lao PDR	Jointly-controlled entity of the Company, 40% shareholding
Phu Fai 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
Songkhla Biomass Company Limited	Thailand	Jointly-controlled entity of the Company, 40% shareholding
Songkhla Biofuel Company Limited	Thailand	Jointly controlled entity of the Company, 40% shareholding
Sukhothai Energy Company Limited	Thailand	Jointly-controlled entity of subsidiary, 51% shareholding by a subsidiary
Xe-Pian Xe-Namnoy Power Company Limited	Lao PDR	Jointly controlled entity of the Company, 25% shareholding
K K POWER Company Limited	Cambodia	Jointly-controlled entity of the Company, 50% 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
Transfield Services Limited	Australia	Related party of indirect subsidiary, 20% shareholding in indirect subsidiary
Great Energy Alliance Corporation Pty Limited	Australia	Related party of indirect subsidiary, 14.03% shareholding by an indirect subsidiary
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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Major Shareholder				
Sale of electricity	51,829,202	41,237,199	-	-
Purchase of fuel	3,094,130	2,622,234	-	-
Purchase of electricity	155,566	173,439	-	-
Operation and maintenance services fee	1,258,249	1,283,823	-	-
Management service income	2,349	2,248	-	-
Subsidiaries				
Management service income	-	-	88,146	124,026
Dividend income	-	-	4,936,889	4,810,811
Interest income	-	-	161,222	84,626



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	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Jointly-controlled entities				
Operation and maintenance services income	178,450	114,999	–	–
Management service income	220,668	180,935	205,581	179,252
Dividend income	–	–	16,000	20,000
Interest income	7,902	83,588	7,902	5,052
Other income	27,888	34,450	–	–
Rental income	11,725	11,681	–	–
Associate entity				
Management service income	1,987	–	1,987	–
Other related party				
Interest expense	304,073	368,799	–	–
Key management personnel				
Short-term employee benefits	196,080	177,928	116,869	95,695
Post-employment benefits	9,231	6,666	5,197	4,071
Long-term employee benefit	18,941	5,262	2,814	3,387
Total key management personnel	224,252	189,856	124,880	103,153



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Balances as at 31 December with related parties were as follows:

Trade accounts receivable from related parties	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	3,798,000	2,330,860	-	-
Related parties				
Nam Ngum 2 Power Company Limited	24,871	9,583	-	-
	3,822,871	2,340,443	-	-
Less allowance for doubtful accounts	-	-	-	-
Net	3,822,871	2,340,443	-	-
Bad and doubtful debts expense for the year	-	-	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Related parties				
Within credit terms	3,822,871	2,340,443	-	-
Less allowance for doubtful accounts	-	-	-	-
Net	3,822,871	2,340,443	-	-

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



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Dividend receivable

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiary				
Ratchaburi Electricity Generating Company Limited	-	-	-	2,541,231
Jointly-controlled entities				
Tri Energy Company Limited	-	30,813	-	-
Total	-	30,813	-	2,541,231

Advances to and other receivables from related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	13,173	8,490	-	-
Subsidiaries				
Ratchaburi Electricity Generating Company Limited	-	-	41,379	864
Ratchaburi Energy Company Limited	-	-	927	158
RH International Corporation Limited	-	-	642	-
RH International (Singapore) Corporation Pte. Ltd.	-	-	12,455	31,826
Sustainable Energy Corporation Company Limited	-	-	815	607
RATCH-Australia Corporation Limited	-	-	5,067	12,997



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Advances to and other receivables from related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Jointly-controlled entities				
Tri Energy Company Limited	2,607	2,419	2,564	2,419
Ratchaburi Power Company Limited	2,576	2,999	–	–
Chubu Ratchaburi Electric Services Company Limited	859	861	859	861
SouthEast Asia Energy Limited	23,655	18,382	23,655	18,382
Hongsa Power Company Limited	4,000	4,191	4,000	4,191
Ratchaburi World Cogeneration Company Limited	2,221	6,699	2,221	6,699
Nava Nakorn Electricity Generating Company Limited	739	3	739	3
Nam Ngum 2 Power Company Limited	341	167	–	–
Songkhla Biomass Company Limited	12	140	12	140
Solarta Company Limited	2	–	2	–
Xe-Pian Xe-Namnoy Power Company Limited	13,171	–	13,170	–
Associate entities				
First Korat Wind Company Limited	1,066	–	1,066	–
K.R. TWO Company Limited	1,014	–	1,014	–
Other related party				
Great Energy Alliance Corporation Pty Limited	–	60,934	–	–
Total	65,436	105,285	110,587	79,147

Long-term trade account receivable from related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Subsidiaries				
Ratch Udom Power Company Limited	–	–	–	2,557
RATCH-Lao Services Company Limited	–	–	1,129	3,942
RH International Corporation Limited	–	–	–	10,277
Total	–	–	1,129	16,776



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Loans to related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
	(% per annum)		(in thousand Baht)			
Short-term loans						
Subsidiary						
Ratchaburi Electricity Generating Company Limited	5.50	–	–	–	2,400,000	–
Jointly-controlled entity						
Xe-Pian Xe-Namnoy Power Company Limited	7.00	–	100,278	–	100,278	–
Less allowance for doubtful accounts			–	–	–	–
Short-term loans to related parties-net			100,278	–	2,500,278	–
Long-term loans						
Subsidiaries						
RATCH-Lao Services Company Limited	2.50 and 3.65	2.50	–	–	1,093,943	943,575
Ratch Udom Power Company Limited	–	3.80	–	–	–	236,200
RH International Corporation Limited	–	3.10	–	–	–	2,273,871
Jointly-controlled entities						
SouthEast Asia Energy Limited	8.25	8.4583	62,500	62,500	62,500	62,500
Great Energy Alliance Corporation Pty Limited	–	10	–	1,611,633	–	–
			62,500	1,674,133	1,156,443	3,516,146
Less current portion within one year allowance for doubtful accounts			(62,500)	(62,500)	(62,500)	(62,500)
Long-term loans to related parties-net			–	1,611,633	1,093,943	3,453,646



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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

Loans to related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Short-term loans to related parties				
At 1 January	-	-	-	1,797,092
Increase	104,191	-	4,304,191	3,860,275
Decrease	-	-	(1,800,000)	(4,774,997)
Reclassify to long-term loans	-	-	-	(908,145)
Exchange rate adjustment	(3,913)	-	(3,913)	25,775
At 31 December	100,278	-	2,500,278	-
Long-term loans to related parties				
At 1 January	1,674,134	62,500	3,516,146	856,400
Reclassify from short-term loans	-	-	-	908,145
Increase from acquisition	-	1,639,900	-	-
Increase	-	-	2,028,407	8,278,275
Decrease	-	-	(4,410,053)	(6,391,382)
Decrease from disposals investment	(1,611,634)	-	-	-
Exchange rate adjustment	-	(28,266)	21,943	(135,292)
At 31 December	62,500	1,674,134	1,156,443	3,516,146



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Investments in subsidiaries

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	24,982,161	21,179,661

Investments in jointly-controlled and associate entities

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Jointly-controlled entities	13,909,641	13,387,532	4,587,286	4,121,064
Associates	681,036	356,562	699,832	357,062
	14,590,677	13,744,094	5,287,118	4,478,126

Trade payables to related party

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			

Major Shareholder

Electricity Generating Authority of Thailand	112,258	152,231	-	-
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Other payables to related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			

Major Shareholder

Electricity Generating Authority of Thailand	39,065	22,099	983	-
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Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Unearned revenue and accrued expenses-related parties

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Major Shareholder				
Electricity Generating Authority of Thailand	29,048	70,236	–	–
Subsidiary				
RH International (Singapore) Corporation Pte. Ltd.	–	–	2,788	2,883
Jointly-controlled entities				
Ratchaburi Power Company Limited	14,128	14,203	12,663	15,621
Nam Ngum 2 Power Company Limited	365	410	–	–
Related party				
Transfield Services Limited	79,641	–	–	–
Total	123,182	84,849	15,451	18,504

Long-term loans from related party

	Interest rate		Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011	2012	2011
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Transfield Services Limited	14.50	14.50	1,358,280	4,200,947	–	–
Less current portion within one year			–	(2,775,321)	–	–
Long-term loans from related parties			1,358,280	1,425,626	–	–



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Movements during the years ended 31 December 2012 and 2011 of long-term loans from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
At 1 January	4,200,947	-	-	-
Increase from acquisition	-	4,113,357	-	-
Increase	-	96,591	-	-
Increase from conversion of accrued interest to loan	15,070	49,332	-	-
Decrease	(2,846,770)	-	-	-
Exchange rate adjustment	(10,967)	(58,333)	-	-
At 31 December	1,358,280	4,200,947	-	-

Significant agreements with related parties

Short-term loans to related parties

As at 31 December 2012, the Company had outstanding balance of loan to Ratchaburi Electricity Generating Company Limited, a subsidiary, amounting to Baht 2,400 million which bear interest at the rate of 5.50% per annum and will be due on February 2013.

As at 31 December 2012, the Company had outstanding balance of loan to Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity, amounting to U.S. Dollars 3.3 million or equivalent to Baht 100.28 million which bear interest at the rate of 7.00% per annum. The loan agreement determines the repayment term of principal and interest upon the loan approval date from the financial institutions of the jointly-controlled entity.

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, by an issuance of promissory notes held at call. However, such subsidiary made repayment of the remaining balance brought forward from the previous year to the Company in full amount during 2012.

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, 31 August 2011 and 17 September 2012, the Company has amended the loan agreement with such jointly-controlled entity by extension of the period of repayment and its interest which will be due on 4 September 2013.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

During 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. During the year 2012, the Company granted the additional loans to a subsidiary amounting to AUD 42.75 million and U.S.Dollars 3 million which bear interest at the rate of 3.10% and 3.65% per annum respectively. Principle and interest will be on call as stipulated in the agreement. However during 2012, such subsidiary made repayment to the Company in full amount.

During 2011, The Company granted loans to Ratch-Lao Services Company Limited, a subsidiary, amounting to U.S.Dollars 30 million which bear interest at the fixed rate of 2.50% per annum. During the year 2012, the Company granted the additional loan to such subsidiary amounting to U.S.Dollars 6 million which bear interest at the fixed rate of 3.65% per annum. Principle and interest will be due as stipulated in the agreement. As at 31 December 2012, the Company had the total outstanding balance of such loans amounting to U.S.Dollars 36 million or equivalent to Baht 1,093.94 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 2011, RATCH-Australia Corporation Limited, a subsidiary, had a long-term loan agreement for a 30 year term with another related party in Australia amounting to AUD 125.93 million which bear interest at the rate of 14.5% per annum. During 2012, RH International (Singapore) Corporation Pte. Ltd., a major shareholder of such subsidiary, made a partial repayment of such loan for transferring such loan from another related party of such subsidiary amounting to AUD 86.20 million. Therefore, as at 31 December 2012, the subsidiary had the outstanding balance of the loan amounting to AUD 39.74 million or equivalent to Baht 1,262.95 million.

In addition, such subsidiary had also a long-term loan from related party in Australia amounting to AUD 3 million or equivalent to Baht 95.33 million which bear 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 2012.

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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 June 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 June 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.

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 2012, 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 2012, 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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 Services 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.

On 3 September 2012, RATCH-Lao Services Company Limited, a subsidiary, entered into the Major Maintenance Agreement with Nam Ngum 2 Power Company Limited. The contract is valid from 3 September 2012 for a period of 7 years. In consideration thereof, EGAT will act as the subcontractor for the preventive maintenance services to the core business to testing electricity generator, maintenance and consulting services while RATCH-Lao Services Company Limited will provide facilities and other management services. The initial operation and maintenance services fee are approximately Baht 459.74 million, which will be adjusted by the rates as stipulated in the agreement. On 4 September 2012, RATCH-Lao Services Company Limited entered into the Subcontract Agreement on preventive maintenance services with EGAT whereby EGAT will operate and provide preventive maintenance services to Nam Ngum 2 Power Company Limited. with initial approximate contract price of Baht 337.15 million, which will be adjusted by the rates as stipulated in the agreement.

Management Service Agreement

On 25 October 2012, the Company entered into the Management Service Agreement with Ratchaburi Electricity Generating Company Limited, a subsidiary, whereby the Company will receive management fee from such company as specified in the agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Cash on hand	498	498	100	100
Cash at banks - current accounts	186,772	46,079	418	59
Cash at banks - saving accounts	5,255,311	5,372,052	287,298	369,566
Highly liquid short-term investments	2,818,000	5,280,000	800,000	3,450,000
Total	8,260,581	10,698,629	1,087,816	3,819,725



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	6,927,058	8,498,240	955,584	3,789,598
United States Dollars (USD)	184,954	168,067	132,232	30,127
Lao Kip (LAK)	87,292	44,713	-	-
Australian Dollars (AUD)	1,061,277	1,987,609	-	-
Total	8,260,581	10,698,629	1,087,816	3,819,725

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 2012, such reserves amounting to Baht 990 million (as at 31 December 2011: Baht 976 million).

7 Other investments

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Current investments				
Short-term deposits at financial institutions	5,309,000	2,860,688	4,172,000	2,700,000
Short-term held-for-trading securities	312,598	-	312,598	-
Debt securities held to maturity	50,000	150,000	50,000	150,000
	5,671,598	3,010,688	4,534,598	2,850,000
Other long-term investments				
Equity securities available for sale	2,729,221	2,031,224	-	-
Debt securities held to maturity	150,000	218,000	150,000	218,000
	2,879,221	2,249,224	150,000	218,000
Total	8,550,819	5,259,912	4,684,598	3,068,000



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	5,821,598	3,168,000	4,684,598	3,068,000
Lao Kip (LAK)	2,729,221	1,432,834	–	–
United States Dollars (USD)	–	60,688	–	–
Australian Dollars (AUD)	–	598,390	–	–
Total	8,550,819	5,259,912	4,684,598	3,068,000

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

Short-term held-for-trading securities

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
At 1 January	–	–	–	–
Purchases during the year	310,609	–	310,609	–
Valuation adjustment	1,990	–	1,990	–
At 31 December	312,599	–	312,599	–

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
At 1 January	2,031,224	1,301,461	–	–
Increase from acquisition	–	606,410	–	–
Purchases during the year	654,838	173,707	–	–
Sales during the year	(598,391)	–	–	–
Exchange rate adjustment	(57,117)	36,975	–	–
Valuation adjustment	698,667	(87,329)	–	–
At 31 December	2,729,221	2,031,224	–	–



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Gain on sale of long-term investment

In the 2nd Quarter of 2012, RATCH-Australia Corporation Limited (“RAC”), an indirect subsidiary, has sold 14.03% of the investment in Great Energy Alliance Corporation Pty Limited (“GEAC”) which carried book value in the amount of AUD 18.58 million as well as the transfers of long-term loan and its accrued interest of GEAC in the amount of AUD 54.52 million (equivalent to Baht 1,751.71 million) to AGL Energy Limited. RAC will receive the return of AUD 120 million comprising AUD 20 million cash (equivalent to Baht 643.25 million) and 15-year tenure Scheduled Payment Option Agreement. The Group has written off the goodwill of Baht 660.15 million and recognized net gain on disposal of long-term investment in the statement of comprehensive income for the year ended period 31 December 2012 of Baht 783.68 million.

8 Spare parts and supplies

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Fuel	794,336	709,485	–	–
Specific spare parts	2,063,514	1,996,699	–	–
Common spare parts	95	95	–	–
Spare parts in transit	30,047	45,434	–	–
Total	2,887,992	2,751,713	–	–
Less allowance for obsolescence	(713,619)	(504,970)	–	–
Net	2,174,373	2,246,743	–	–

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 2012 amounted to Baht 4,499.32 million (2011: Baht 2,759.45 million).

9 Investments in subsidiaries

	Separate financial statements	
	2012	2011
	<i>(in thousand Baht)</i>	
Subsidiaries		
At 1 January	21,179,661	20,523,467
Acquisitions	3,802,500	656,194
At 31 December	24,982,161	21,179,661



Notes to the Financial Statements

Ratchaburi Electricity Generating Public Company Limited and its subsidiaries

Investments in subsidiaries as at 31 December 2012 and 2011, 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	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(in thousand Baht)											
Subsidiaries												
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	4,742,589	4,497,811
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	194,300	313,000
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	77,858	77,858	77,858	-	-	77,858	77,858	-	-
RH International Corporation Limited	99.99	99.99	4,400,000	600,000	4,400,000	600,000	-	-	4,400,000	600,000	-	-
RATCH O&M Company Limited	99.99	-	2,500	-	2,500	-	-	-	2,500	-	-	-
Total			24,982,161	21,179,661	24,982,161	21,179,661	-	-	24,982,161	21,179,661	4,936,889	4,810,811



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Investment in RATCH O&M Company Limited

On 9 March 2012, the Company registered RATCH O&M Company Limited to be responsible for the operation and maintenance services. Such Company has registered capital of Baht 10 million, comprising 1 million shares at par value of Baht 10 each. The Company paid for paid-up share capital of Baht 2.5 each in the proportion of 99.99% amounting to Baht 2.5 million. As at 31 December 2012, the Company has commitments for the remaining unpaid-share capital of Baht 7.5 million.

Increase in share capital of RH International Corporation Limited

At the extraordinary shareholders' meeting of RH International Corporation Limited, a subsidiary, held on 17 September 2012, the shareholders approved to increase the authorised share capital from Baht 600 million (comprising 60 million shares at par value of Baht 10 per share) to Baht 4,400 million (comprising 440 million shares at par value of Baht 10 per share) by issuance of new ordinary shares totalling 380 million shares at par value of Baht 10 per share. The Company paid amounting to 3,800 million for the share capital, in the proportion of investment of 99.99%.

Dividends paid by subsidiaries

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 19 November 2012, the Board approved the appropriation of the interim dividend of Baht 0.84 per share, totalling Baht 1,542.68 million, was paid to shareholders during November 2012.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 20 August 2012, the Board approved the appropriation of the interim dividend of Baht 0.91 per share, totalling Baht 1,665.86 million, was paid to shareholders during October 2012.

At the Board of Directors meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 21 May 2012, the Board approved the appropriation of the interim dividend of Baht 0.59 per share, totalling Baht 1,085.37 million, was paid to shareholders during September and October 2012.

At the annual general meeting of the shareholders of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 19 March 2012, the shareholders approved the appropriation of dividends from the net profit of 2011 of Baht 2.24 per share, totalling Baht 4,092.14 million, after deducting the interim dividend of Baht 1.99 per share, amounting to 3,643.46 million from the net profit for nine-month period ended 30 September 2011. The balance of dividends, amounting to Baht 448.68 million, was paid to shareholders during August and September 2012.

At the Board of Directors meeting of Ratchaburi Gas Company Limited, a subsidiary, held on 7 December 2012, the Board approved the appropriation of the interim dividend of Baht 3.25 per share, totalling Baht 162.30 million. The dividend was paid to shareholders during December 2012.

At the Board of Directors meeting of Ratchaburi Gas Company Limited, a subsidiary, held on 12 March 2012, the Board approved the appropriation of the interim dividend of Baht 0.64 per share, totalling Baht 32 million. The dividend was paid to shareholders during March 2012.

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. The dividend was paid to shareholders during October 2012.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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. The dividend was 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, will be 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 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 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.

10 Investments in jointly-controlled and associate entities

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
At 1 January	13,744,094	10,997,709	4,478,127	3,142,338
Fair value adjustment	–	(255,967)	–	–
Investments in jointly-controlled entities				
from acquisition	–	1,205,606	–	–
Share of net profits of investments - equity method	750,601	1,333,095	–	–
Payment for additional shares				
in jointly-controlled entities	507,021	978,726	466,221	978,726
Payment for additional shares				
in associate entities	342,770	357,062	342,770	357,062
Dividend income	(743,650)	(857,273)	–	–
Exchange rate adjustment	(10,159)	(14,864)	–	–
At 31 December	14,590,677	13,744,094	5,287,118	4,478,126



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Investments in jointly-controlled and associate entities as at 31 December 2012 and 2011, 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		
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
(in thousand Baht)																
Jointly-controlled entities																
		50	50	3,618,420	3,618,420	1,809,211	1,809,211	4,736,945	4,918,886	-	-	4,736,945	4,918,886	161,770	146,363	
	Tri Energy Company Limited															
	Ratchaburi Power Company Limited	25	25	7,325,000	7,325,000	1,831,250	1,831,250	3,735,101	3,358,393	-	-	3,735,101	3,358,393	450,000	575,000	
	Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	112,083	95,533	-	-	112,083	95,533	16,000	20,000	
	SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	2,649,895	2,425,322	-	-	2,649,895	2,425,322	-	-	
	Hongsa Power Company Limited	40	40	2,457,793	2,457,793	983,116	983,116	435,434	808,054	-	-	435,434	808,054	-	-	
	Phu Fai Mining Company Limited	37.5	37.5	1,679	1,679	630	630	394	450	-	-	394	450	-	-	
	Nam Ngum 3 Power Company Limited	25	25	1,808	1,808	452	452	345	375	-	-	345	375	-	-	
	Nava Nakorn Electricity Generating Company Limited	40	40	162,000	82,000	96,800	32,800	87,041	31,452	-	-	87,041	31,452	-	-	
	Ratchaburi World Cogeneration Company Limited	40	40	1,250,000	390,000	500,000	156,000	490,875	150,492	-	-	490,875	150,492	-	-	
	Solara Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	606,549	551,747	-	-	606,549	551,747	-	-	
	Solar Power (Korat 3) Company Limited	40	40	162,500	162,500	65,000	65,000	70,804	56,605	-	-	70,804	56,605	-	-	



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(in thousand Baht)													
Jointly-controlled entities														
Solar Power (Korat 4)	40	40	170,628	153,314	68,251	61,326	76,577	59,143	-	-	76,577	59,143	-	-
Company Limited														
Solar Power (Korat 7)	40	40	159,252	113,780	63,701	45,530	72,204	44,944	-	-	72,204	44,944	-	-
Company Limited														
Songkhla Biomass	40	40	86,250	45,000	34,500	18,000	32,355	16,899	-	-	32,355	16,899	-	-
Company Limited														
Perth Power Partnership	30	30	2,311,167	2,311,167	618,531	874,082	764,211	869,237	-	-	764,211	869,237	115,880	115,910
(Kwinana)														
K K POWER Company Limited	50	-	30,892	-	15,446	-	15,156	-	-	-	15,156	-	-	-
Company Limited														
Songkhla Biofuel	40	-	1,000	-	400	-	388	-	-	-	388	-	-	-
Company Limited														
Sukhothai Energy	51	-	71,382	-	40,800	-	24,266	-	-	-	24,266	-	-	-
Company Limited														
Xe-Plan Xe-Namnoy Power	25	-	3,116	-	779	-	(982)	-	-	-	(982)	-	-	-
Company Limited														
Total			8,887,077	8,635,607	13,909,641	13,387,532	13,909,641	13,387,532	-	-	13,909,641	13,387,532	743,650	857,273
Associate entities														
First Korat Wind	20	20	1,909,715	1,018,460	381,934	203,594	375,260	203,180	-	-	375,260	203,180	-	-
Company Limited														
K.R. TWO Company Limited	20	20	1,589,620	767,340	317,898	153,468	305,776	153,382	-	-	305,776	153,382	-	-
Company Limited														
Total			699,832	357,062	681,036	356,562	681,036	356,562	-	-	681,036	356,562	-	-



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At equity - net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	(in thousand Baht)											
Jointly-controlled entities												
Chubu Ratchaburi Electric Services Company Limited	50	50	20,000	20,000	10,000	10,000	-	-	10,000	10,000	16,000	20,000
SouthEast Asia Energy Limited	33.33	33.33	6,606,750	6,606,750	2,202,250	2,202,250	-	-	2,202,250	2,202,250	-	-
Hongsa Power Company Limited	40	40	2,457,793	2,457,793	983,116	983,116	-	-	983,116	983,116	-	-
Phu Fai 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	162,000	82,000	96,800	32,800	-	-	96,800	32,800	-	-
Ratchaburi World Cogeneration Company Limited	40	40	1,250,000	390,000	500,000	156,000	-	-	500,000	156,000	-	-
Solar Company Limited	49	49	1,100,000	1,100,000	545,960	545,960	-	-	545,960	545,960	-	-
Solar Power (Korat 3) Company Limited	40	40	162,500	162,500	65,000	65,000	-	-	65,000	65,000	-	-
Solar Power (Korat 4) Company Limited	40	40	170,628	153,315	68,251	61,326	-	-	68,251	61,326	-	-
Solar Power (Korat 7) Company Limited	40	40	159,252	113,780	63,701	45,530	-	-	63,701	45,530	-	-
Songkhla Biomass Company Limited	40	40	86,250	45,000	34,500	18,000	-	-	34,500	18,000	-	-
K K POWER Company Limited	50	-	30,892	-	15,446	-	-	-	15,446	-	-	-
Songkhla Biofuel Company Limited	40	-	1,000	-	400	-	-	-	400	-	-	-
Xe-Pian Xe-Namnoy Power Company Limited	25	-	3,116	-	779	-	-	-	779	-	-	-
Total			4,587,285	4,121,064	4,121,064	4,121,064	-	-	4,587,285	4,121,064	16,000	20,000
Associate entities												
First Korat Wind Company Limited	20	20	1,909,715	1,018,460	381,934	203,594	-	-	381,934	203,594	-	-
K.R. TWO Company Limited	20	20	1,589,620	767,920	317,898	153,468	-	-	317,898	153,468	-	-
Total			699,832	357,062	357,062	357,062	-	-	699,832	357,062	-	-



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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

	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>										
2012										
Tri Energy Company Limited	50	1,632,552	8,528,157	10,160,709	684,150	7,326	691,476	3,991,206	(4,010,267)	(19,061)
Ratchaburi Power Company Limited	25	8,224,204	19,655,482	27,879,686	4,103,937	10,809,488	14,913,425	5,108,426	(4,256,729)	851,697
Chubu Ratchaburi Electric Services Company Limited	50	560,675	4,975	565,650	340,650	870	341,520	517,964	(485,435)	32,529
SouthEast Asia Energy Company Limited	33.33	350,841	6,632,069	6,982,910	371,562	14,522	386,084	34,271	(32,868)	1,403
Hongsa Power Company Limited	40	2,348,597	33,992,519	36,341,116	3,462,707	31,910,570	35,373,277	496	(373,859)	(373,363)
Phu Fai Mining Company Limited	40	1,438	-	1,438	520	-	520	-	(59)	(59)
Nam Ngum 3 Power Company Limited	25	630,550	315	630,865	613,367	16,086	629,453	-	(29)	(29)
Nava Nakorn Electricity Generating Company Limited	40	20,616	199,642	220,258	2,705	-	2,705	405	(8,771)	(8,366)
Ratchaburi World Cogeneration Company Limited	40	386,450	1,049,530	1,435,980	215,485	831	216,316	2,579	(8,465)	(5,886)



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Ownership interest (%)	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Profit/(loss)
2012										
<i>(in thousand Baht)</i>										
Solartha Company Limited	49	380,581	4,050,795	4,431,376	310,013	2,897,739	3,207,752	143,308	(88,506)	54,802
Solar Power (Korat 3) Company Limited	40	51,798	613,334	665,132	7,122	476,080	483,202	35,637	(21,438)	14,199
Solar Power (Korat 4) Company Limited	40	29,428	637,432	666,860	45,072	430,373	475,445	28,388	(17,879)	10,509
Solar Power (Korat 7) Company Limited	40	29,247	596,365	625,612	43,583	401,545	445,128	25,824	(16,736)	9,088
Songkhla Biomass Company Limited	40	20,976	62,710	83,686	2,824	-	2,824	-	(1,979)	(1,979)
Perth Power Partnership (Kwinana)	30	582,359	2,416,334	2,998,693	412,959	312,211	725,170	707,975	(680,508)	27,467
K K POWER Company Limited	50	6,898	22,055	28,953	-	-	-	-	(290)	(290)
Songkhla Biofuel Company Limited	40	991	-	991	20	-	20	-	(12)	(12)
Sukhothai Energy Company Limited	51	8,688	129,034	137,722	34,881	55,761	90,642	33	(16,535)	(16,535)
Xe-Plan Xe-Namnoy Power Company Limited	25	264,339	115,907	380,246	384,124	-	384,124	57	(1,818)	(1,761)
Frist Korat Wind Company Limited	20	1,421,375	1,106,134	2,527,509	168,925	1,364,891	1,533,816	20,585	(22,895)	(2,310)
K.R. TWO Company Limited	20	1,666,571	285,229	1,951,800	56,582	1,146,792	1,203,374	1,031	(13,067)	(12,036)
Total		18,619,174	80,098,018	98,717,192	11,261,188	49,845,085	61,106,273	10,618,185	(10,058,178)	560,007



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	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	4,069,870	(3,680,727)	389,143
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)
Phu Fai 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 World Cogeneration Company Limited	40	47,008	336,178	383,186	8,945	-	8,945	620	(6,131)	(5,511)



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Investment in Nava Nakorn Electricity Generating Company Limited

At the Board of Directors meeting of Nava Nakorn Electricity Generating Company Limited, a jointly-controlled entity, held on 14 March 2012, the Board approved to increase the authorised share capital from Baht 82 million (comprising 8.2 million ordinary shares at par value of Baht 10 per share) to Baht 162 million (comprising 16.2 million ordinary shares at par value of Baht 10 per share) by issuance of ordinary shares totalling 8 million shares at par value of Baht 10 per share. Such the company called for the fully paid-up share capital. The Company paid for the share capital amounting to Baht 32 million, in the proportion of investment of 40%.

In additional, at the Board of Directors meeting of Nava Nakorn Electricity Generating Company Limited held on 3 October 2012, the Board approved to increase the authorised share capital from Baht 162 million (comprising 16.2 million ordinary shares at par value of Baht 10 per share) to Baht 242 million (comprising 24.2 million ordinary shares at par value of Baht 10 per share) by issuance of ordinary shares totalling 8 million shares at par value of Baht 10 per share. Such company called for the fully paid-up share capital. 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

At the Board of Directors meeting of Ratchaburi World Cogeneration Company Limited, a jointly-controlled entity, held on 9 December 2011 and 10 September 2012, the Board approved to called for additional paid-up share capital amounting to Baht 70 million and Baht 280 million, respectively. The Company paid for the additional paid-up share capital amounting to Baht 28 million and Baht 112 million, respectively, in the proportion of investment of 40%.

The extraordinary shareholders' meeting of such company held on 25 September 2012, the shareholders approved to increase the authorised share capital from Baht 740 million (comprising 74 million ordinary shares at par value of Baht 10 per share) to Baht 1,500 million (comprising 150 million ordinary shares at par value of Baht 10 per share) by issuance of ordinary shares totalling 76 million shares at par value of Baht 10 per share. Such Company called for the paid-up share capital at Baht 2.50 per share. The Company paid for the share capital amounting to Baht 76 million, in the proportion of investment of 40%. As at 31 December 2012, the Company had commitments for the remaining unpaid-share capital of Baht 228 million.

In additional, at the extraordinary shareholders' meeting of such company, held on 22 November 2012, the shareholders approved to increase the authorised share capital from Baht 1,500 million (comprising 150 million ordinary shares at par value of Baht 10 per share) to Baht 2,500 million (comprising 250 million ordinary shares at par value of Baht 10 per share) by issuance of ordinary shares totalling 100 million shares at par value of Baht 10 per share. Such Company called for the paid-up share capital at Baht 3.20 per share. The Company paid for the share capital amounting to Baht 128 million, in the proportion of investment of 40%. As at 31 December 2012, the Company had commitments for the remaining unpaid-share capital of Baht 272 million.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Investment in Solar Power (Korat 4) Company Limited

During the year ended 31 December 2012, Solar Power (Korat 4) Company Limited, a jointly-controlled entity, called for the additional paid-up share capital of 17.50 million of ordinary shares at par value of Baht 10 per share for Baht 0.989 per share. The Company paid for the share capital amounting to Baht 6.93 million, in the proportion of investment of 40%

Investment in Solar Power (Korat 7) Company Limited

During the year ended 31 December 2012, Solar Power (Korat 7) Company Limited, a jointly-controlled entity, called for the additional paid-up share capital of 16.25 million shares at par value of Baht 10 per share for Baht 2.79 per share. The Company paid for the share capital amounting to Baht 18.17 million, in the proportion of investment of 40%

Investment in Songkhla Biomass Company Limited

At the annual meeting of the shareholders of Songkhla Biomass Company Limited, a jointly-controlled entity, held on 24 February 2012, the shareholders approved to increase the authorised share capital from Baht 45 million (comprising 0.45 million ordinary shares at par value of Baht 100 per share) to Baht 210 million (comprising 2.1 million ordinary shares at par value of Baht 100 per share) by issuance of new ordinary shares totalling 1.65 million shares at par value of Baht 100 per share. Such Company called for the paid-up share capital at Baht 25 per share. The Company paid for the share capital amounting to Baht 16.5 million, in the proportion of investment of 40%. As at 31 December 2012, the Company had commitments for the remaining unpaid-share capital of Baht 49.5 million.

Investment in K K POWER Company Limited

On 17 February 2012, the Company entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of K K POWER Company Limited in order to jointly operate a power plant in Cambodia. The registered capital of such company was U.S. Dollars 1 million (comprising 1,000 ordinary shares at par value of U.S. Dollars 1,000 per share). Such Company called for the paid-up share capital at U.S. Dollar 1,000 per share. The Company paid for the share capital totalling U.S. Dollars 0.5 million, in the proportion of investment of 50%.

Investment in Songkhla Biofuel Company Limited

On 28 February 2012, the Company and the joint investor have completed the registration of Songkhla Biofuel Company Limited in order to supply the biomass fuel to Songkhla Biomass Company Limited. The registered capital of such company was Baht 1 million (comprising 10,000 ordinary shares at par value of Baht 100 per share). Such Company called for the paid-up share capital at Baht 100 per share. The Company fully paid for the share capital totalling Baht 0.4 million, in the proportion of investment of 40%.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Investment in Sukhothai Energy Company Limited

On 28 February 2012, Ratchaburi Energy Company Limited, a subsidiary, entered into a Share Purchase Agreement and Shareholder Agreement to purchase shares of Sukhothai Energy Company Limited in order to operate development plan for off Gas treatment project in Sukhothai. The registered capital of such company was Baht 0.1 million (comprising 1,000 ordinary shares at par value of Baht 100 per share). Such subsidiary paid for the share capital totalling Baht 0.05 million, in the proportion of investment of 51%.

At the extraordinary shareholders' meeting of such company, held on 26 April 2012, the shareholders approved to increase the authorised share capital from Baht 0.01 million (comprising 1,000 shares at par value of 100 baht per share) to Baht 80 million, (comprising 0.8 million ordinary shares at par value of Baht 100 per share) by issuance of new ordinary shares totalling 0.799 million shares at par value of Baht 100 per share. Sukhothai Energy Company Limited called for the paid-up shares capital at Baht 70 per each. Such subsidiary paid for the share capital totalling Baht 28.52 million, in the proportion of investment of 51%.

At the Board of Directors meeting of such company, held on 16 August 2012, the Boards approved to called for the additional paid-up at Baht 30 per each. Such subsidiary paid for the share capital totalling Baht 12.23 million, in the proportion of investment of 51%.

Investment in Xe-Pian Xe-Namnoy Power Company Limited

On 23 March 2012, the Company and the joint developer had completed the registration of Xe-Pian Xe-Namnoy Power Company Limited (a jointly-controlled entity) in order to jointly operate a power plant under the policies and laws of Lao People's Democratic Republic. The registered capital of such company was U.S. Dollars 50 million (comprising 500,000 ordinary shares at par value of U.S. Dollars 100 per share). Such jointly-controlled entity called for the paid-up shares capital of 1,000 shares at U.S. Dollars 100 per each. The Company paid amounting to U.S. Dollars 0.025 million, in the proportion of investment of 25%. As at 31 December 2012, the Company had commitments for the remaining unpaid-share capital of U.S. Dollars 12.475 million.

Investment in First Korat Wind Company Limited

During the year ended 31 December 2012, First Korat Wind Company Limited, an associate entity, partially called for the paid-up share capital. The Company paid for the share capital totalling Baht 178.34 million, in the proportion of investment of 20%.

Investment in K.R. TWO Company Limited

During the year ended 31 December 2012, K.R. TWO Company Limited, an associate entity, partially called for the paid-up share capital. The Company paid for the share capital totalling Baht 164.43 million, in the proportion of investment of 20%.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Dividend paid by jointly-controlled entity

At the Board of Directors meeting of Tri Energy Company Limited, a jointly-controlled entity, held on 15 November 2012, the Board approved the appropriation of the interim dividend of Baht 9.45 per share. Ratchaburi Gas Company Limited, a subsidiary, received such dividend in the proportion of investment amounting to Baht 161.77 million. The dividend was paid during December 2012.

At the Board of Directors meeting of Ratchaburi Power Company Limited, a jointly-controlled entity, held on 17 August 2012, the Board approved the appropriation of the interim dividend of Baht 19.79 per share. Ratchaburi Alliances Company Limited, an indirect subsidiary, received such dividend in the proportion of investment amounting to Baht 362.50 million. The dividend was paid during 2012.

At the meeting of the shareholders of Ratchaburi Power Company Limited, a jointly-controlled entity, held on 8 March 2012, the shareholders approved the appropriation of dividends of Baht 4.78 per share. Ratchaburi Alliances Company Limited, an indirect subsidiary, received such dividend in the proportion of investment amounting to Baht 87.5 million. The dividend was paid during 2012.

At the meeting of the shareholders of Chubu Ratchaburi Electric Service Company Limited, a jointly-controlled entity, held on 14 March 2012, the shareholders approved the appropriation of dividends of Baht 80 per share, amounting to Baht 16 million. The dividend was paid during 2012.

During the year ended 31 December 2012, Ratch-Australia Corporation Limited, an indirect subsidiary, has received dividend from Perth Power Partnership “Kwinana”, a jointly-controlled of such indirect subsidiary, in the proportion of investment amounting to AUD 3.6 million (equivalent to Baht 115.88 million).

During the year ended 31 December 2011, Ratch-Australia Corporation Limited, an indirect subsidiary, has received dividend from Perth Power Partnership “Kwinana”, a jointly-controlled of such indirect subsidiary, in the proportion of investment amounting to AUD 3.6 million (equivalent to Bath 115.91 million).

11 Investments in other companies

Investment in EGAT Diamond Service Company Limited

On 12 October 2009, the Company entered into the Joint Venture Agreement to establish EGAT Diamond Service Company Limited in order to provide maintenance services of gas turbine. The registered capital of such company was Baht 623 million (comprising 6.23 million ordinary shares at par value of Baht 100 per share). The Company paid for paid-up share capital of Baht 81.32 each, amounting to Baht 50.66 million, in the proportion of investment of 10%. As at 31 December 2012, the Company had commitments for the remaining unpaid-share capital of Baht 11.64 million (As at 31 December 2011: Baht 11.64 million).



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

12 Property, plant and equipment

Consolidated financial statements

	Land	Buildings and building improvements	Power plants, substation & transmission system and operating & maintenance equipment	Equipment for gas turbine power plant which has not been put in use	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
<i>(in thousand Baht)</i>								
Cost								
At 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
Fair value adjustment	86,749	(178,303)	(824,068)	-	(23)	-	-	(915,645)
Additions	-	19,613	41,695	-	17,820	6,484	175,264	260,876
Disposals	-	(12,467)	(354,579)	-	(1,495)	(6,646)	(20,176)	(395,363)
Adjust exchange rate	(4,402)	(18,059)	(316,622)	-	(4)	-	-	(339,087)
At 31 December 2011 and 1 January 2012	1,337,994	625,287	82,384,212	15,826	250,358	43,077	177,088	84,833,842
Additions	322	87	451,228	-	14,419	74	526,869	992,999
Transfers	3,953	302,369	117,116	-	272,910	-	(696,348)	-
Disposals	-	-	(283,923)	-	(53,824)	-	-	(337,747)
Adjust exchange rate	(3,802)	(1,583)	(327,500)	-	(21)	-	-	(332,906)
At 31 December 2012	1,338,467	926,160	82,341,133	15,826	483,842	43,151	7,609	85,156,188



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Consolidated financial statements

	Land	Buildings and building improvements	Power plants, substation & transmission system and operating & maintenance equipment	Equipment for gas turbine power plant which has not been put in use	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
<i>(in thousand Baht)</i>								
Accumulated Depreciation and impairment								
At 1 January 2011	-	252,452	24,022,432	-	136,219	22,146	-	24,433,249
Acquisitions through business acquisition	-	44,950	7,932,974	-	642	-	-	7,978,566
Depreciation charge for the year	-	23,905	2,964,074	-	28,932	5,954	-	3,022,865
Disposals	-	(6,665)	(333,356)	-	(1,476)	(5,349)	-	(346,846)
Adjust exchange rate	-	(645)	(96,166)	-	(8)	-	-	(96,819)
At 31 December 2011 and 1 January 2012	-	313,997	34,489,958	-	164,309	22,751	-	34,991,015
Depreciation charge for the year	-	24,238	3,434,766	-	33,447	6,151	-	3,498,602
Disposals	-	-	(283,923)	-	(33,138)	-	-	(317,061)
Adjust exchange rate	-	(521)	(129,263)	-	(10)	-	-	(129,794)
Impairment	-	1,182	884,508	-	-	-	-	885,690
At 31 December 2012	-	338,896	38,396,046	-	164,608	28,902	-	38,928,452
Net book value								
At 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 and 1 January 2012	1,337,994	311,290	47,894,254	15,826	86,049	20,326	177,088	49,842,827
At 31 December 2012	1,338,467	587,264	43,945,087	15,826	319,234	14,249	7,609	46,227,736



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Separate financial statements

	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Vehicles	Construction in progress	Total
	<i>(in thousand Baht)</i>					
Cost						
At 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 and 1 January 2012	292,040	–	172,667	26,807	89,034	580,548
Additions	–	–	4,260	–	492,551	496,811
Transfers	3,953	301,486	271,765	–	(577,204)	–
Disposals	–	–	(51,722)	–	–	(51,722)
At 31 December 2012	295,993	301,486	396,970	26,807	4,381	1,025,637
Accumulated depreciation						
At 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 and 1 January 2012	–	–	106,493	8,668	–	115,161
Depreciation charge for the year	–	659	25,280	5,361	–	31,300
Disposals	–	–	(31,682)	–	–	(31,682)
At 31 December 2012	–	659	100,091	14,029	–	114,779
Net book value						
At 1 January 2011	292,040	–	73,843	18,727	–	384,610
At 31 December 2011 and 1 January 2012	292,040	–	66,174	18,139	89,034	465,387
At 31 December 2012	295,993	300,827	296,879	12,778	4,381	910,858

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2012 amounted to Baht 2,775 million (As at 31 December 2011: Baht 2,174 million).



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

13 Intangible assets

	Consolidated financial statements					
	Right to use electrical transmission line	Software licences	License on project development	Goodwill from business acquisition (Note 4)	Right to power purchase agreement	Total
	<i>(in thousand Baht)</i>					
Cost						
At 1 January 2011	11,383	15,905	665,512	117,086	–	809,886
Additions from business acquisition	–	13,589	–	1,764,436	7,282,471	9,060,496
Additions	19,580	1,483	–	–	34,617	55,680
Disposals	–	–	–	–	(177,161)	(177,161)
Adjust exchange rates	–	(287)	–	32,096	80,941	112,750
At 31 December 2011 and 1 January 2012	30,963	30,690	665,512	1,913,618	7,220,868	9,861,651
Additions	–	7,267	–	–	–	7,267
Disposals	(1,266)	–	–	(1,206,592)	(530,275)	(1,738,133)
Adjust exchange rates	–	(1,936)	–	45,887	(88,130)	(44,179)
At 31 December 2012	29,697	36,021	665,512	752,913	6,602,463	8,086,606
Accumulated Amortisation						
At 1 January 2011	4,800	9,576	–	–	–	14,376
Additions from business acquisition	–	7,331	–	–	1,052,762	1,060,093
Amortisation charge for the year	1,422	2,743	–	–	215,958	220,123
Adjust exchange rates	–	(83)	–	–	58,043	57,960
At 31 December 2011 and at 1 January 2012	6,222	19,567	–	–	1,326,763	1,352,552
Amortisation charge for the year	3,558	5,224	–	–	327,921	336,703
Adjust exchange rates	–	(1,810)	–	–	(21,573)	(23,383)
At 31 December 2012	9,780	22,981	–	–	1,633,111	1,665,872
Net book value						
At 1 January 2011	6,583	6,329	665,512	117,086	–	795,510
At 31 December 2011 and at 1 January 2012	24,741	11,123	665,512	1,913,618	5,894,105	8,509,099
At 31 December 2012	19,917	13,040	665,512	752,913	4,969,352	6,420,734



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Separate financial statements		
	Software licences	License on project development	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 January 2011	15,905	665,512	681,417
Additions	1,177	–	1,177
At 31 December 2011 and at 1 January 2012	17,082	665,512	682,594
Additions	314	–	314
At 31 December 2012	17,396	665,512	682,908
Accumulated amortisation			
At 1 January 2011	9,576	–	9,576
Amortisation charge for the year	2,136	–	2,136
At 31 December 2011 and at 1 January 2012	11,712	–	11,712
Amortisation charge for the year	2,295	–	2,295
At 31 December 2012	14,007	–	14,007
Net book value			
At 1 January 2011	6,329	665,512	671,841
At 31 December 2011 and at 1 January 2012	5,370	665,512	670,882
At 31 December 2012	3,389	665,512	668,901



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

14 Deferred tax

Deferred tax assets and liabilities are included in the statement of financial position as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Deferred tax assets	129,883	189,628	13,462	77,847
Deferred tax liabilities	(2,185,544)	(2,946,017)	–	–

Movements in deferred tax assets and liabilities during the years ended 31 December 2012 and 2011 were as follows:

	Consolidated financial statements				At 31 December 2012
	At 1 January 2012	(Charged) / credited to:			
		Profit or loss	Other comprehensive income	Exchange differences	
	<i>(in thousand Baht)</i>				
Deferred tax assets					
Allowance for spare parts and supplies	100,994	11,744	–	–	112,738
Provision for employee benefits	16,631	590	–	–	17,221
Available-for-sale security	6,127	–	(6,127)	–	–
Losses carry forward	65,900	(65,900)	–	–	–
Finance leases liabilities	(24)	(52)	–	–	(76)
Total	189,628	(53,618)	(6,127)	–	129,883
Deferred tax liabilities					
Available-for-sale security	–	–	(93,635)	–	(93,635)
Depreciation and amortization	(3,058,169)	(199,071)	–	42,285	(3,214,955)
Deferred expenses	234,700	(81,070)	–	(2,031)	151,599
Losses carry forward	–	1,055,875	–	(13,551)	1,042,324
Others	(122,548)	78,717	(27,999)	953	(70,877)
Total	(2,946,017)	854,451	(121,634)	27,656	(2,185,544)



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Consolidated financial statements

	At 1 January 2011	Change in income tax as a result of the adoption of employee benefit	Business acquisition	Fair value adjustment	(Charged) / credited to:			At 31 December 2011
					Profit or loss	Other comprehensive income	Exchange differences	
<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								
Depreciation and amortization	-	-	(2,108,060)	(1,068,571)	74,609	-	43,853	(3,058,169)
Deferred expenses	-	-	90,199	227,200	(77,353)	-	(5,345)	234,701
Others	-	-	(114,670)	(45,362)	35,359	-	2,124	(122,549)
Total	-	-	(2,132,531)	(886,733)	32,615	-	40,632	(2,946,017)



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Separate financial statements

	At 1 January 2012	Change in income tax as a result of the adoption of employee benefit	(Charged) / credited to:		At 31 December 2012
			Profit or loss	Other comprehensive income	
<i>(in thousand Baht)</i>					
Deferred tax assets					
Provision for employee benefits	11,947	–	1,515	–	13,462
Losses carry forward	65,900	–	(65,900)	–	–
Total	77,847	–	(64,385)	–	13,462

Separate financial statements

	At 1 January 2011	Change in income tax as a result of the adoption of employee benefit	(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 carry forward	–	–	65,900	–	65,900
Total	1,046	14,104	62,697	–	77,847



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

15 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Development costs - Nam Ngum 3 Project	438,862	357,693	438,862	357,694
Development costs - Xe-Pian Xe-Namnoy Project	159,532	118,294	159,532	118,294
Development costs for wind power project	319,337	177,105	–	–
Deferred expense under contractual service agreement	1,067,920	978,911	–	–
Others	48,309	75,612	9,265	8,767
Total	2,033,960	1,707,615	607,659	484,755

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 Lao 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%.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

On 13 May 2008, the Company and Marubeni Corporation entered into a Financial Support Agreement with GMS Lao Company Limited in order to provide financial support for share capital payment for Hydro Power Plant Project, Nam Ngum 3 to GMS Lao Company Limited. The Company has committed to provide financial support in the form of collateral or guarantee and direct funding for the total initial amount of not exceeding U.S. Dollars 1.22 million. As at 31 December 2012, 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 project.

On 23 March 2012, the Company and the joint developer had completed the registration of Xe-Pian Xe-Namnoy Power Company Limited, a jointly-controlled entity in order to jointly operate a power plant as detail in Note 10.

On 19 October 2012, Xe-Pian Xe-Namnoy Power Company Limited has entered into the Concession Agreement with the Government of Lao People's Democratic Republic. The concession period is 27 years and starting from the Commercial Operation Date.

Wind power projects

The Group is developing Wind Power Generating and Selling Project in Thailand and Australia.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

16 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Current				
Short-term loans from financial institutions	900,000	-	-	-
Notes payable	1,800,000	-	-	-
	2,700,000	-	-	-
Current portion of long-term loans from financial institutions secured	285,981	288,150	-	-
	285,981	288,150	-	-
Debentures - secured	3,939,900	3,683,621	-	-
Less deferred financing fees within one year	(3,041)	(24,767)	-	-
	3,936,859	3,658,854	-	-
Finance lease liability	1,009	1,577	-	-
Total current interest-bearing liabilities	6,923,849	3,948,581	-	-
Non-current				
Long-term loans from financial institutions - secured	12,595,236	15,064,071	1,200,000	1,200,000
Less deferred financing fees after one year	(48,643)	321,109	-	-
	12,546,593	15,385,180	1,200,000	1,200,000
Debentures - secured	11,012,698	15,807,238	-	-
Less deferred financing fees after one year	(39,787)	(18,897)	-	-
	10,972,911	15,788,341	-	-
Financial lease liability	943	1,817	-	-
Total non-current interest-bearing liabilities	23,520,447	31,175,338	1,200,000	1,200,000



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Within one year	6,922,840	3,947,004	-	-
After one year but within five years	18,227,934	25,003,379	1,200,000	1,200,000
More than five years	5,291,570	6,170,142	-	-
Total	30,442,344	35,120,525	1,200,000	1,200,000

As at 31 December 2012, Ratchaburi Electricity Generating Company Limited, a subsidiary, had outstanding short-term loans from financial institutions amounted to Baht 900 million which bears interest at the rate of 2.785% per annum and will be repayable February 2013

Ratchaburi Electricity Generating Company Limited, a subsidiary, is able to issue the unsecured short-term bills of exchange up to a value of Baht 5,000 million within one year from 23 August 2012 to 22 August 2013 to various financial institutions. As at 31 December 2012, such subsidiary company issued bills of exchange totalling Baht 1,800 million which bear interest at the rates ranging from 3.29% to 3.33% per annum and will be repayable within 90 to 120 days.

On 7 September 2011, the Company entered into a long-term loan agreement with a 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 for a 4-year period. The debentures are repayable on a quarterly basis starting from the 1st quarter 2012 to 1st quarter 2015. Subsequently, on 31 March 2011, the subsidiary made repayments of the existing secured borrowings and the pledges 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 but to be guarantee by the company 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 totalling AUD 500 million which bears interest at the floating rate of BBSY. Repayment of loan will be made up until 2015 (Final maturity date).



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

17 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Other accounts payable to related parties	5	39,065	22,099	983	–
Other accounts payable		449,475	398,684	262,576	221,766
Unearned revenue and accrued expense-related parties	5	123,182	84,849	15,451	15,621
Finance cost payable		237,703	129,387	12,295	12,429
Total		849,425	635,019	291,305	249,816

18 Employee benefit obligations

Employee benefit obligations as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Current (included in other payables)				
Unused vacation leave	13,940	15,131	5,326	4,530
Non current				
Post-employment benefit	84,717	79,631	61,987	54,528



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Movement in the employee benefit obligations for the years ended 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Unused vacation leave				
At 1 January	15,131	6,268	4,530	4,185
Increase (decrease)	(563)	8,863	796	345
Reversal of Provision	(532)	–	–	–
Adjust exchange rates	(96)	–	–	–
At 31 December	13,940	15,131	5,326	4,530
Post-employment benefit				
At 1 January	79,631	65,710	54,528	47,014
Benefits paid by the plan	(9,513)	(3,467)	(3,210)	(3,467)
Current service costs and interest	14,668	17,388	10,669	10,981
Adjust exchange rates	(70)	–	–	–
At 31 December	84,716	79,631	61,987	54,528

Expense recognised in administrative expense for the years ended 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
<i>(in thousand Baht)</i>				
Unused vacation leave	(592)	8,863	1,251	345
Post-employment benefit	14,668	17,388	10,669	10,980
Total	14,076	26,251	11,920	11,325



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	%			
Discount rate	3.8 and 4.2	4.2	4.2	4.2
Future salary increases	5 and 8	8	8	8

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

19 Share capital

	Par value per share	2012		2011	
		Number	Baht	Number	Baht
	<i>(in Baht)</i>	<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
At 31 December					
- ordinary shares		1,450,000	14,500,000	1,450,000	14,500,000
Issued and paid up					
At 1 January					
- ordinary shares	10	1,450,000	14,500,000	1,450,000	14,500,000
At 31 December					
- ordinary shares		1,450,000	14,500,000	1,450,000	14,500,000



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Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

20 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 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.

21 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 present 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 2012 and 2011 are as follows:



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Thailand		Australia		Others		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(in thousand Baht)</i>							
Revenue from sale and rendering of services	51,892,277	41,253,046	3,294,671	2,088,812	178,450	115,000	55,365,398	43,456,858
Cost of sale and rendering of services	(44,777,771)	(34,403,279)	(2,374,594)	(1,446,556)	(117,130)	(70,999)	(47,269,495)	(35,920,834)
Gross profit	7,114,506	6,849,767	920,077	642,256	61,320	44,001	8,095,903	7,536,024
Management service income	208,498	184,617	-	-	17,437	3,930	225,935	188,547
Dividend income	-	-	-	-	188,314	60,063	188,314	60,063
Interest income	256,124	336,786	343,866	237,266	3,142	3,648	603,132	577,700
Other income	69,448	101,165	83,921	8,645	73,479	-	226,848	109,810
Gain on disposal of available-for-sale security	-	-	783,679	-	-	-	783,679	-
Gain on termination of Power Purchase Agreement	-	-	1,069,442	-	-	-	1,069,442	-
Administrative expenses	(977,816)	(1,101,117)	(436,725)	(178,930)	(103,527)	(48,011)	(1,518,068)	(1,328,058)
Gain (loss) on exchange rate	57,315	(159,833)	(260)	23	740,994	124,460	798,049	(35,350)
Finance costs	(539,153)	(802,681)	(1,554,759)	(938,831)	(306,104)	(112,718)	(2,400,016)	(1,854,230)
Share of profit of jointly- controlled and associate entities	729,588	1,282,723	21,013	50,372	-	-	750,601	1,333,095
Profit (loss) before income tax expense	6,918,510	6,691,427	1,230,254	(179,199)	675,055	75,373	8,823,819	6,587,601
Income tax expense	(1,522,892)	(1,804,086)	647,400	(45,279)	(11,743)	(3,795)	(887,235)	(1,853,160)
Profit (loss) for the year	5,395,618	4,887,341	1,877,654	(224,478)	663,312	71,578	7,936,584	4,734,441



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

22 Gain on termination of Power Purchase Agreement

During the second quarter of 2012, RATCH-Australia Collinsville Pty Ltd (“RACPL”), a subsidiary of the Group, has received an offer from Stanwell Corporation Limited, the electrical energy and capacity buyer from Collinsville Power Plant, to terminate the Collinsville Power Station Power Purchase Agreement. RACPL received the compensation fee in total amount of AUD 99.57 million (Baht 3,202.57 million). However, the Group has been considering plans to utilize property, plant and equipment in the future. The Group has provided impairment of assets. The impact on the consolidated statement of comprehensive income for the year ended period 31 December 2012 was as follows:

	Consolidated financial statements	
	<i>(in thousand Baht)</i>	
Income from termination of Power Purchase Agreement		3,202,573
Expenses related to termination		
Impairment of plant and equipment	(885,690)	
Write-off Power Purchase Agreement	(530,275)	
Write-off goodwill	(546,445)	
Allowance for declining in value of inventories	(153,031)	
Other expenses	(17,690)	(2,133,131)
Gain on termination of Power Purchase Agreement		1,069,442

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Personnel	660,594	478,734	366,383	301,338
Administrative	428,237	303,845	155,614	137,520
Consulting and professional fees	161,848	328,807	63,017	292,825
Public relation	111,407	101,603	82,578	69,525
Premise tax	17,275	17,277	49	48
Donation	27,959	33,126	16,435	21,953
Depreciation and amortization	71,450	63,943	33,595	29,046
Loss on disposal of spare parts and equipment	39,298	723	13,210	–
Total	1,518,068	1,328,058	730,881	852,255



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Management				
Directors' remuneration	23,822	13,011	6,579	6,199
Wages and salaries	114,703	109,715	61,409	49,071
Contribution to defined benefit plans	5,697	5,368	5,196	4,071
Others	80,030	61,762	51,696	43,812
	224,252	189,856	124,880	103,153
Other employees				
Wages and salaries	311,996	176,454	137,714	116,860
Contribution to defined benefit plans	12,362	10,569	10,077	8,382
Others	89,470	82,404	73,678	59,747
	413,828	269,427	221,469	184,989
Total	638,080	459,283	346,349	288,142

The Group in Thailand 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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
Fuel costs	39,443,154	29,013,082	–	–
Depreciation and amortization	3,894,270	3,366,313	33,595	29,046
Operation and maintenance service fee	1,976,773	1,487,006	–	–
Spare parts and repair expenses	1,323,316	1,469,748	–	–
Administrative expenses	512,770	354,971	185,308	159,521
Insurance premium	297,697	217,393	–	–
Employee benefit expenses	660,594	478,734	366,383	301,338
Other costs	405,734	431,235	–	–
Consulting and professional fees	161,848	328,807	63,017	292,825
Public relation	111,407	101,603	82,578	69,525

26 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
		<i>(in thousand Baht)</i>			
Related party					
- Interest expense	5	304,073	368,799	–	–
Other parties					
- Interest expense		2,184,337	1,350,983	49,193	35,445
- Amortization of financing fees		107,282	136,589	–	–
- Amortization of fair value		(195,676)	(82,691)	–	–
- Unwinding fee		–	80,550	–	–
Total		2,400,016	1,854,230	49,193	35,445



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

27 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
<i>(in thousand Baht)</i>					
Current tax expense					
Current year		1,783,609	1,898,000	–	–
Adjustment for prior years		(95,540)	16,147	–	(123)
		1,688,069	1,914,147	–	(123)
Deferred tax expense					
	14				
Movements in temporary differences		(800,833)	(148,736)	64,384	(97,726)
Income tax reduction - deferred		–	87,750	–	35,029
		(800,833)	(60,986)	64,384	(62,697)
Total income tax expense		887,236	1,853,161	64,384	(62,820)

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2012			2011		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Available-for-sale financial assets	698,667	(99,763)	598,904	(87,329)	6,127	(81,202)
Total	698,667	(99,763)	598,904	(87,329)	6,127	(81,202)

(in thousand Baht)



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Reconciliation of effective tax rate

	Consolidated financial statements			
	2012		2011	
	Rate		Rate	
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Profit before total income tax expense		8,823,819		6,587,601
Income tax using the Thai corporation tax rate	23 and 30	2,646,075	30	2,980,385
Income tax reduction - deferred		–		87,749
Income not subject to tax		(2,523,676)		(1,462,061)
Expense not deductible for tax purposes		374,437		199,996
Under (over) provided in prior years		(95,540)		16,147
Current year losses for which no deferred tax asset was recognised		20,414		–
Derecognition of previously recognised unutilised tax losses		65,900		–
Effect from foreign jurisdictions		399,626		30,945
Total	10	887,236	28	1,853,161

	Separate financial statements			
	2012		2011	
	Rate		Rate	
	(%)	(in thousand Baht)	(%)	(in thousand Baht)
Profit before income tax expense		4,830,157		4,478,090
Income tax using the Thai corporation tax rate	23	1,110,936	30	1,343,427
Income tax reduction - deferred		–		35,029
Income not subject to tax		(1,139,165)		(1,449,243)
Expense not deductible for tax purposes		6,300		8,090
Under (over) provided in prior years		–		(123)
Current year losses for which no deferred tax asset was recognised		20,414		–
Derecognition of previously recognised unutilised tax losses		65,900		–
Total	1	64,385	–	(62,820)



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

28 Promotional privileges

Ratchaburi Energy Company Limited

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the subsidiary has been granted privileges by the Board of Investment for Flared gas fuelled small power plant project. The privileges granted include:

- (a) exemption from payment of import duty on machinery approved by the Board;
- (b) exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations (27 June 2007 for BOI no.2222(2)/2549 and 2 December 2010 for BOI no.1091(2)/2553 and 26 January 2012 for BOI no.1362(2)/2554) 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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

29 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2012 and 2011 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	
	2012	2011	2012	2011
	<i>(in thousand Baht / thousand shares)</i>			
Net profit attributable to equity holders of the Company (basic)	7,726,270	4,849,355	4,765,772	4,540,910
Number of ordinary shares outstanding	1,450,000	1,450,000	1,450,000	1,450,000
Earnings per share (basic) <i>(in Baht)</i>	5.33	3.34	3.29	3.13

30 Dividends

At the Board of Directors meeting of the Company held on 20 August 2012, 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 2012.

At the annual general meeting of the shareholders of the Company held on 26 March 2012, the shareholders approved the appropriation of dividend 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, paid to shareholders in September 2011 from the net profit for the six-month period ended 30 June 2011. The balance of dividend amounted to Baht 1,667.50 million which was paid to shareholders in April 2012.

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.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 16) is included in the availability payment as specified in the Power Purchase Agreement (note 5). 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 2012 and 2011 and the periods in which those liabilities mature or re-price were disclosed in note 5.

The effective interest rates of interest-bearing liabilities at 31 December 2012 and 2011 and the periods in which those liabilities mature or re-price were disclosed in note 16.

Foreign currency risk

At 31 December 2012 and 2011, the Group and the Company were exposed to foreign currency risk in respect of Long-term loans to related parties and debentures.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	<i>(in thousand Baht)</i>			
United States Dollars				
Short-term loans to related parties	100,278	–	100,278	–
Long-term loans to related parties	–	–	1,093,943	943,575
Australia Dollar				
Long-term loans to related parties	–	–	–	2,273,871
Japan Yen				
Debentures	5,291,570	6,170,142	–	–
Gross balance sheet exposure	5,391,848	6,170,142	1,194,221	3,217,446

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>				
2012				
Asset				
Non-current				
Equity securities available for sale	2,729,221	2,729,221	-	-
Liabilities				
Current				
Long-term loans from financial institutions	285,981	285,981	-	-
Debentures	3,964,435	3,936,859	-	-
Non-current				
Long-term loans from financial institutions	12,560,793	12,546,593	1,214,199	1,200,000
Debentures	10,854,180	10,972,911	-	-
Total	27,665,389	27,742,344	1,214,199	1,200,000
2011				
Asset				
Non-current				
Equity securities available for sale	2,031,224	2,031,224	-	-
Liabilities				
Current				
Long-term loans from financial institutions	191,827	191,827	-	-
Debentures	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
Debentures	15,179,780	15,788,341	-	-
Total	34,243,717	34,457,721	1,212,140	1,200,000



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Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

32 Commitments with non-related parties

Power Purchase Agreement

On 17 June 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.

Operation and Maintenance Agreement and Other Service Agreement

On 23 April 2012, Ratchaburi Energy Company Limited, a subsidiary, entered into an Operation and Maintenance Agreement with a service provider having operation service fee of approximately Baht 5.56 million per year. The agreement is effective for a period of one year ended 31 December 2012, which can be extended for a period of one year, with a rate of approximately 6.03 million per year.

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 six-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 on 26 January 2012.



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Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

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 U.S. Dollars 428.60 million with adjustments as conditions specified in the agreement. As at 31 December 2012, such subsidiary had outstanding commitments amounting to U.S. Dollars 249.43 million (As at 31 December 2011: U.S. Dollars 272.24 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 2012 the company had an unused letter of credit amounting to U.S. Dollars 6 million (As at 31 December 2011: U.S. Dollars 6 million)

Letter of Guarantee

As at 31 December 2012, the Company and subsidiaries had commitment from letters of guarantee issued by financial institutions on behalf of the Company, subsidiaries and jointly-controlled entities for guarantee of compliance with agreement conditions in the ordinary course of business amounting to Baht 1,072.42 million. (2011: Baht 253.02 million)

Capital commitment

As at 31 December 2012, the Company had outstanding capital commitments amounting to Baht 2.32 million (2011: Baht 415.12 million)

As at 31 December 2012, 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 of Baht 89.13 million, Swiss Franc 0.03. (As at 31 December 2011: Baht 89.29 million, Swiss Franc 0.13 million).

As at 31 December 2012, Hongsa Power Company Limited, which is the Company's jointly-controlled entity, had outstanding capital commitment under powerhouse, dam, water pipeline construction and other service agreement, which is not recognised in the consolidated financial information amounting to Baht 53,377.83 million and U.S. Dollars 1,202.62 million (As at 31 December 2011: Baht 31,601.91 million and U.S. Dollars 1,196.71 million)

Pledge of share agreement

The Group/Company has pledged all of the share certificates of Ratchaburi Power Company Limited, Tri Energy Company Limited, Hongsa Power Company Limited, Solarta Company Limited, Solar Power (Korat 3) Company Limited, Solar Power (Korat 4) Company Limited and Solar Power (Korat 7) Company Limited, as collateral for loans from such a jointly-controlled entity.

The Company has pledged all of the share certificates of First Korat Wind Company Limited and K.R. TWO Company Limited, as collateral for loans from such an associate entity.

The Company has pledged all of the share certificates of SouthEast Asia Energy Limited, a jointly-controlled entity, and such jointly-controlled entity has pledged partially of share certificates of Nam Ngum 2 Power Company Limited, a subsidiary, as collateral for its loans of Nam Ngum 2 Power Company Limited.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

33 Events after the reporting period

On 7 January 2013, the Company paid for the additional paid-up capital of EGAT Diamond Service Company Limited equivalent to 0.63 million of ordinary shares at par value of Baht 100 per share for Baht 18.69 per each. The Company paid for the share capital amounting to Baht 11.64 million, in the proportion of investment of 10%.

At the Board of Directors' meeting of Ratchaburi Electricity Generating Company Limited, a subsidiary, held on 18 February 2013, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2012 dividend payment at the rate of Baht 2.66 per share, totalling Baht 4,866.90 million, after deducting the interim dividends of Baht 2.35 per share, amounting to Baht 4,293.91 million from the net profit for nine-month period ended 30 September 2012. The balance of dividend, amounting to Baht 572.99 million, is subject to the approval of the Shareholders at the Annual General Meeting on 18 March 2013.

At the Board of Directors' meeting of Ratchaburi Energy Company Limited, a subsidiary, held on 21 January 2013, the Board approved to sell whole stake of Sukhothai Energy Company Limited by, firstly, selling the stake of 208,000 shares for Baht 100 per share, amounting to Baht 20.80 million in the proportion of 26%. In addition, the Board approved to purchase land and transfer land improvement agreement from Sukhothai Energy Company Limited, totalling Baht 27.46 million. The Company receive share capital on 6 February 2013 and paid for land and land improvement on 7 February 2013.

At the Board of Directors' meeting of the Company, held on 18 February 2013, the Board approved to submit for approval at the Annual General Meeting of the Shareholders, a full year 2012 dividend payment at the rate of Baht 2.27 per share, totalling Baht 3,291.50 million, after deducting the interim dividends of Baht 1.10 per share, amounting to Baht 1,595 million. The balance of dividend, amounting to Baht 1,696.50 million, is subject to the approval of the Shareholders at the Annual General Meeting on 28 March 2013.

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
TFRS 8	Operating Segments	2013
TFRIC 4	Determining Whether an Arrangement Contains a Lease	2014
TFRIC 12	Service Concession Arrangements	2014

Management is presently considering the potential impact of adopting and initial application of these new and revised TAS on the Group/Company's financial statements.



Notes to the Financial Statements

Ratchaburi Electricity Generating Holding Public Company Limited and its subsidiaries

35 Reclassification of accounts

Certain accounts in the 2011 financial statements have been reclassified to conform to the presentation in the 2012 financial statements as follows:

	2011					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	<i>(in thousand Baht)</i>					
Statement of financial Position						
as at 31 December						
Other account receivable	-	237,275	237,275	-	117,565	117,565
Other current assets	323,043	(237,275)	85,768	169,889	(117,565)	52,324
Goodwill	-	1,913,618	1,913,618	-	-	-
Intangible assets	8,509,099	(1,913,618)	6,595,481	-	-	-
Other account payable	-	635,019	635,019	-	249,816	249,816
Other current liabilities	916,331	(635,019)	281,312	267,160	(249,816)	17,344
		-			-	
Statement of comprehensive income						
Cost of sale and rendering						
of services	(35,814,584)	(65,395)	(35,879,979)	-	-	-
Administrative expenses	(1,393,453)	65,395	(1,328,058)	-	-	-
		-			-	

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



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

1. Significant events of the year 2012

In 2012, the Company had the progress in power plant projects and significant events which impact the financial results as follows:

1.1 Investment in K K POWER Co., Ltd. for the Power Plant Project Development in Cambodia

On February 17, 2012, the Company has purchased the ordinary shares of K K POWER Co., Ltd. ("KK"), registered in Cambodia, in the portion of 50 per cent. KK was granted by the government of Cambodia the right of developing and operating the power plant in Cambodia. Its registered capital was USD 1 million.

1.2 The Establishment of Songkhla Biofuel Co., Ltd.

On February 28, 2012, the Company and the joint investor in Songkhla Biomass Co., Ltd. ("SKBM") (the developer of 9.9-megawatt Biomass Power Plant Project) have completed the Baht 1 million registration of Songkhla Biofuel Co., Ltd. that has obligation to supply the biomass fuel for SKBM.

1.3 Investment in Sukhothai Energy Co., Ltd.

On February 28, 2012, Ratchaburi Energy Co., Ltd. ("RE"), a subsidiary, has invested in Sukhothai Energy Co., Ltd. ("SE") to improve flare gas quality in order to enhance the efficiency of Sao Thian and Pratu Tao Power Plants which have been currently operated by RE. The registered capital of SE was Baht 80 million, with the investment portion of 25 per cent.

1.4 The Establishment of RATCH O&M Co., Ltd.

On March 9, 2012, the Company has established a subsidiary named RATCH O&M Co., Ltd. ("ROM") to be responsible for the operation and maintenance services of the small power plant projects that the Company has invested. ROM has registered capital of Baht 10 million, with the investment portion of 99.99 per cent.

1.5 The Establishment of Xe-Pian Xe-Namnoy Power Co., Ltd.

On March 23, 2012, Xe-Pian Xe-Namnoy Power Co., Ltd. ("PNPC") was registered to operate the Xe-Pian Xe-Namnoy Hydroelectric Power Plant Project which is located in Lao People's Democratic Republic ("Lao PDR"). Its installed capacity is 410 megawatts and the commercial operation is scheduled in 2018. PNPC has registered capital of USD 50 million, with the Company invested in the portion of 25 per cent. PNPC has entered into the Concession Agreement with the Government of Lao PDR and has entered into the Power Purchase Agreement with Electricity Generating Authority of Thailand ("EGAT") on October 19, 2012 and February 6, 2013, respectively. Both agreements are effective since the signing date until the 27th year after the plant's commercial operation date.



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

1.6 The Commercial Operation of Korat 3, Korat 4, and Korat 7 Solar farm

The Company has invested in solar farm projects with the total of 18-megawatt installed capacity named Solar Power (Korat 3) Co., Ltd., Solar Power (Korat 4) Co., Ltd., and Solar Power (Korat 7) Co., Ltd., in a portion of 40 per cent. All 3 projects have started to supply electricity to the Provincial Electricity Authority (“PEA”) on March 9, May 14, and May 30, 2012, respectively.

1.7 The Commercial Operation of Solar Power Generation Projects of Solarta Co., Ltd.

The Company has invested in 8 solar power generation projects named Solarta Co., Ltd., in a portion of 49 per cent. In 2012, the commercial operation of 7 projects, Sai Prapa Project, Sai Tatong Project, Sai Thong Project, Sai Yai Project, Sai Yoi Project, Sai Saphan (1) Project, and Sai Saphan (2) Project, have been started, with total generating capacity of 31.25 megawatts, in addition to the previous commercial operated project, Sai Sena Project: generating capacity of 3 megawatts, that operated in 2011. As a result, the projects have total installed capacity of 34.25 megawatts.

1.8 The Commercial Operation of Huay Bong 2 and Huay Bong 3 Wind-Turbine Power Projects

The Company has invested in portion of 20 per cent in Huay Bong 2 and Huay Bong 3 Wind-Turbine Power Projects named First Korat Wind Co., Ltd. and K.R. TWO Co., Ltd., respectively, with the total generating capacity of 207 megawatts. The Commercial Operation of such projects has started to supply electricity to EGAT since February 8, 2013 and November 14, 2012, respectively.

1.9 The Subcontract Agreement on Major Maintenance Services for the Nam Ngum 2 Hydroelectric Power Plant

On September 3, 2012, RATCH-Lao Services Co., Ltd. (“RL”), a subsidiary, entered into the Major Maintenance Agreement with Nam Ngum 2 Power Co., Ltd. The contract is valid for a period of 7 years. The initial operation and maintenance services fee are approximately Baht 459.74 million. On September 4, 2012, RL entered into the Subcontract Agreement on preventive maintenance services with EGAT with initial approximate contract price of Baht 337.15 million.

1.10 Power Purchase Agreement of Songkhla Biomass Power Plant Project

The Company has invested in a portion of 40 per cent in SKBM, for development of power generating project using rubber wood residues as primary fuel with the generating capacity of 9.9 megawatts. On July 18, 2012, SKBM has signed the Non-Firm Power Purchase Agreement for Very Small Power Producer with PEA that lasts for 25 years since the plant’s commercial operation date which is expected to be in 2014.

1.11 Power Purchase Agreement of SPP Cogeneration Project of Nava Nakorn Electricity Generating Co., Ltd.

On August 20, 2012, SPP Cogeneration Project of the Nava Nakorn Electricity Generating Co., Ltd. with generating capacity of approximately 122 megawatts and steam production capacity of approximately 15 tons per hour, that the Company holds 40 per cent stake has signed the Power Purchase Agreement for Small Power Producer with EGAT and the agreement is effective since the signing date and lasts for 25 years since its commercial operation date.



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

1.12 Sale of 14 per cent stake in Loy Yang A Power Plant

On July 29, 2012, RATCH-Australia Corporation Ltd. ("RAC"), a subsidiary in Australia held by RH International (Singapore) Corporation Pte. Ltd. ("RHIS"), a subsidiary in Singapore, in a portion of 80 per cent, has sold 14.03 per cent of the investment in Great Energy Alliance Corporation Pty Ltd., shareholder of Loy Yang A Power Plant, to AGL Energy Ltd. RAC received the return of AUD 20 million cash and 15-year tenure Scheduled Payment Option Agreement and recorded gain on disposal of long-term investment in the amount of Baht 783.68 million.

1.13 Termination of Power Purchase Agreement of Collinsville Power Station

In the year 2012, RAC has accepted an offer from an electrical energy and capacity buyer of Collinsville Power Station ("CPS"), a 40-year old coal fired power with generating capacity of 180 MW locating in Australia, to terminate the CPS's Power Purchase Agreement. RAC received the compensation fee in total amount of AUD 99.57 million (equivalent to Baht 3,202.57 million) and recorded expenses relating to the termination in the amount of Baht 2,133.13 million. As a result, RAC recognized gain on the termination in the amount of Baht 1,069.44 million.

2. Operation performance according to consolidated financial statement

(Million Baht)

	2012	2011 (Restated)	Increase (Decrease)	%
Revenue	59,213.35	45,726.07	13,487.28	29.50
Less Fuel Cost	39,773.46	29,424.70	10,348.76	35.17
Revenue (excluded Fuel Cost)	19,439.89	16,301.37	3,138.52	19.25
Cost of Sales and Expenses (excluded Fuel Cost)	12,301.36	11,531.58	769.78	6.68
	7,138.53	4,769.79	2,368.74	49.66
Profit (Loss) from Exchange Rate	798.05	(35.35)	833.40	(2,357.57)
Profit for the year	7,936.58	4,734.44	3,202.14	67.64
(Profit) Loss Attributable to Non-controlling Interests	(210.31)	114.91	(325.22)	(283.02)
Profit Attributable to Equity Holders of the Company	7,726.27	4,849.35	2,876.92	59.33
Earnings per share (Baht)	5.33	3.34	1.99	59.33



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

The operating result according to the consolidated financial statements of the Company and its subsidiaries for the year 2012 showed the profit of Baht 7,726.27 million or Baht 5.33 per share, increasing by Baht 2,876.92 million or 59.33 per cent compared to the profit of Baht 4,849.35 million or Baht 3.34 per share of the year 2011 (restated). The significant operating results of the Company, its subsidiaries and jointly-controlled entities are as follow:

2.1 The Increase in Operating Result of RATCH-Australia Corporation Ltd.

On July 5, 2011, RH International (Singapore) Corporation Pte. Ltd. ("RHIS"), a subsidiary in Singapore, invested for 80 per cent of the ordinary shares of RATCH-Australia Corporation Ltd. ("RAC") which is incorporated in Australia. The significant operating result of RAC in 2012 increased from the year 2011, as follows.

2.1.1 Revenue from Availability Payment and cost of sales (excluded fuel costs)

Revenue from Availability Payment for the year 2012 was Baht 2,744.76 million, increasing by Baht 1,078.08 million from Baht 1,666.68 million in the year 2011. Cost of sales (excluded fuel costs) for the year 2012 were Baht 2,311.24 million, increasing by Baht 1,055.85 million from Baht 1,255.39 million in the year 2011.

2.1.2 Finance costs

Finance costs for the year 2012 were Baht 1,554.75 million, increasing by Baht 615.92 million from Baht 938.83 million in the year 2011.

2.1.3 Income tax expense

Income tax benefit for the year 2012 was Baht 647.40 million, increasing by Baht 692.68 million from tax expense amounting to Baht 45.28 million in the year 2011.

In addition, RAC recognized gain on disposal of long-term investment and gain on termination of Power Purchase Agreement in the amount of Baht 783.68 million and Baht 1,069.44 million, respectively, as discussed in 1.12 and 1.13.

2.2 The Increase in Operating Result of Ratchaburi Generating Co., Ltd.

In 2012, Ratchaburi Generating Co., Ltd. ("RG"), a subsidiary, generated electricity totally of 15,296.79 gigawatt-hours. The profit of the year 2012 was Baht 4,887.22 million, increased by Baht 835.97 million from Baht 4,051.25 million in the year 2011. The significant transactions are as follow.

2.2.1 Revenue from Availability Payment and cost of sales (excluded fuel costs)

Revenue from Availability Payment for the year 2012 was Baht 11,903.18 million, increasing by Baht 47.12 million from Baht 11,856.06 million in the year 2011. Cost of sales (excluded fuel costs) for the year 2012 were Baht 5,029.89 million, decreasing by Baht 122.59 million from Baht 5,152.48 million in the year 2011.



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

2.2.2 Finance costs

Finance costs for the year 2012 were Baht 578.82 million, decreasing by Baht 208.47 million from Baht 787.29 million in the year 2011 since, in the year 2011, RG recorded refinance expenses regarding debenture and bill of exchange issuance in the amount of Baht 153.05 million. In addition, interest expenses decreased by Baht 49.02 million from the year 2011 due to repayment during the year and interest rate reduction resulting from refinance.

2.2.3 Income tax expense

Income tax expense for the year 2012 was Baht 1,457.31 million, decreasing by Baht 407.61 million from Baht 1,864.92 million in the year 2011 due to income tax rate reduction from 30 per cent to 23 per cent.

2.3 Other Significant Transactions

2.3.1 Dividend income

In the year 2012, RATCH-Lao Services Co., Ltd., a subsidiary in Lao People's Democratic Republic ("Lao PDR"), and RHIS received dividend from EDL-Generation Public Company ("EDL-Gen"), in which its stocks are traded in The Lao Securities Exchange, in the total amount of Baht 188.31 million, increased by Baht 128.25 million from Baht 60.06 million in the year 2011.

2.3.2 Gain on exchange rate

The company recognized gain on exchange rate for the year 2012 of Baht 798.05 million. The currency valuation adjustment of a loan from a financial institution of RHIS resulted in gain on exchange rate in the amount of Baht 643.28 million. RHIS, also, recorded gain on the currency valuation adjustment of loan to RAC in the amount of Baht 125.34 million.

2.3.3 Share of profit of jointly-controlled and associated entities

In the year 2012, the Company recorded share of profit of jointly-controlled and associated entities in the amount of Baht 750.60 million, decreasing by Baht 582.49 million or 43.69 per cent from Baht 1,333.09 million in the year 2011. The main reasons were the profit of Tri Energy Co., Ltd., a jointly-controlled entity, decreased in the amount of Baht 409.80 million since the availability payment rate of the year 2012 decreased from the year 2011 as specified in Power Purchase Agreement. In addition, its Power Plant was shut down for the equipment repairing during March 1 to April 23, 2012. Furthermore, the share of profit of SouthEast Asia Energy Ltd., a jointly-controlled entity, decreased in the amount of Baht 89.92 million. The main reason was, in the year 2011, tropical storms increased the water level in Nam Ngum 2 Dam, as a result, the power plant significantly generated electricity, while, in the year 2012, the water level and the electricity generating are in the normal level.



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

3. Analysis of Statements of Financial Position

3.1 Analysis of Assets

As at December 31, 2012 the total assets were Baht 96,810.76 million decreasing by Baht 531.08 million from Baht 97,341.84 million as at December 31, 2011. The details are as follows:

	31 December		Increase (Decrease)	%
	2012	2011 (Restated)		
Current Assets	21,034.58	19,131.67	1,902.91	9.95
Non Current Assets	75,776.18	78,210.17	(2,433.99)	(3.11)
Total Assets	96,810.76	97,341.84	(531.08)	(0.55)

3.1.1 As at December 31, 2012 current assets were Baht 21,034.58 million increasing by Baht 1,902.91 million from Baht 19,131.67 million as at December 31, 2011. The main reasons were, trade account receivable from related party increased by Baht 1,482.43 million due to trade account receivable of RG increased in the amount of Baht 1,470.10 million since in November and December 2012, RG generated electricity more than that of the previous year. Also, cash and cash equivalent and current investments increased in the amount of Baht 222.86 million.

3.1.2 As at December 31, 2012 non-current assets were Baht 75,776.18 million decreasing by Baht 2,433.99 million from Baht 78,210.17 million as at December 31, 2011. The main reasons were as follows:

- (1) Depreciation and amortization of property plant and equipment during the year were totally of Baht 3,835.29 million.



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

- (2) Investment in jointly-controlled and associated entities increased by Baht 846.59 million due to, in 2012, the Company recorded operating result and additional investment in jointly – controlled and associated entities as follows:

Jointly-controlled entities	Increase (Decrease)	
	(Million Baht)	
Tri Energy Company Limited	(181.94)	
Ratchaburi Power Company Limited	376.71	
Chubu Ratchaburi Electric Services Company Limited	16.55	
SouthEast Asia Energy Limited	224.58	
Hongsa Power Company Limited	(372.62)	
Phu Fai Mining Company Limited	(0.06)	
Nam Ngum 3 Power Company Limited	(0.03)	
Nava Nakorn Electricity Generating Company Limited	55.59	
Ratchaburi World Cogeneration Company Limited	340.39	
Solarta Company Limited	54.80	
Solar Power (Korat 3, 4, 7) Company Limited	58.89	
Songkhla Biomass Company Limited	15.45	
Songkhla Biofuel Company Limited	0.39	
K K POWER Company Limited	15.15	
Xe-Pian Xe-Namnoy Power Company Limited	(0.98)	
Sukhothai Energy Company Limited	24.27	
Perth Power Partnership (Controlled Entity of RAC)	(105.03)	522.11
Associated Entities		
First Korat Wind Company Limited	172.08	
K.R. TWO Company Limited	152.40	324.48
		<u>846.59</u>



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

- (3) RAC sold investment in Loy Yang A (“LYA”) Power Plant and terminated Power Purchase Agreement of Collinsville Power Station (“CPS”), as specified in 1.12 and 1.13, resulted in an increase (decrease) in non-current assets and current assets as follows:

(Million Baht)

	Increase (Decrease)	
	Sale of Investment in LYA	Termination CPS's PPA
<i>Non-current assets</i>		
Long-term loans to related parties	(1,611.63)	-
Other long-term receivable from disposal of investment	3,137.92	-
Property, plant and equipment	-	(885.69)
Goodwill	(660.15)	(546.12)
Intangible assets	-	(530.28)
<i>Current assets</i>		
Other receivable from disposal of investment	211.16	-

3.2 Analysis of Liabilities and Equity

As at December 31, 2012, total liabilities and equity were Baht 96,810.76 million decreasing by Baht 531.08 million from Baht 97,341.84 million as at December 31, 2011. The details were as follows:

(Million Baht)

	31 December		Increase (Decrease)	%
	2012	2011 (Restated)		
Liabilities	43,079.11	48,857.36	(5,778.25)	(11.83)
Equity	53,731.65	48,484.48	5,247.17	10.82
Total Liabilities and Equity	96,810.76	97,341.84	(531.08)	(0.55)



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

3.2.1 Liabilities were Baht 43,079.11 million decreasing by Baht 5,778.25 million from Baht 48,857.36 million in the year 2011. The main reasons were as follows:

- (1) Long-term loans from related party decreased by Baht 2,842.66 million since, during the year 2012, RHIS made a partial repayment of RAC's long-term loan and transferred such loan from Transfield Services Ltd. amounting to AUD 86.20 million.
- (2) Trade accounts payable increased by Baht 2,406.41 million the main reason was, in November and December 2012, RG generated electricity more than in the same period of the previous year resulting in increase in fuel consumption.
- (3) Debentures decreased by Baht 4,815.43 million due to the repayment during the year in the amount of Baht 3,663.30 million and currency translation adjustment of debenture of RHIS in the amount of Baht 854.64 million.

3.2.2 Equity increased by Baht 5,247.17 million. The main reasons were as follows:

- (1) The profit of the year 2012 increased retained earnings amounting Baht 7,726.27 million.
- (2) The dividend payment in accordance with the Annual General Meeting of Shareholders on March 26, 2012 and August 20, 2012 decreased retained earnings in the amount of Baht 3,262.50 million
- (3) Other components of equity increased by Baht 575.39 million. The main reason was the increase in fair value adjustment of investment in EDL-Gen in the amount of Baht 698.67 million.
- (4) Non-controlling interests increased by Baht 208.01 million.

4. Analysis of Cash Flows

	2012	2011 (Restated)	Increase (Decrease)
			(Million Baht)
Net cash from (used in) operating activities	9,601.15	7,954.03	1,647.12
Net cash from (used in) investing activities	(2,788.40)	(6,736.70)	3,948.30
Net cash from (used in) financing activities	(9,226.51)	(2,253.07)	(6,973.44)
	(2,413.76)	(1,035.74)	(1,378.02)
Effect of exchange rate on balances held on foreign currencies	(24.29)	58.51	(82.80)
Cash and cash equivalents at beginning of period	10,698.63	11,289.25	(590.62)
Cash of subsidiary acquired during the year	-	386.61	(386.61)
Cash and cash equivalents at end of period	8,260.58	10,698.63	(2,438.05)



Management Discussion and Analysis

Ratchaburi Electricity Generating Holding Public Company Limited
For the Year Ended December 31, 2012

Cash and cash equivalents of the Company and its subsidiaries as at December 31, 2012 were Baht 8,260.58 million decreased by Baht 2,438.05 million from Baht 10,698.63 million on December 31, 2011. The details were summarized below:

- 4.1 The increase in net cash from operating activities increased cash flow in the amount of Baht 1,647.12 million. The main reasons were due to the increase in the operating result during the year 2012 and the changes in operating assets and liabilities which increased in net cash in the total amount of Baht 1,647.12 million.
- 4.2 The decrease in net cash used in investing activities increased cash flow in the amount of Baht 3,948.30 million. The main reason was, on July 5, 2011, RHIS invested in share capital of RAC in a portion of 80 per cent in the amount of Baht 4,686.40 million.
- 4.3 The increase in net cash used in financing activities decreased cash flow in the amount of Baht 6,973.44 million. The main reasons were as follows;
 - (1) In the year 2012, finance costs were paid increased in the amount of Baht 668.10 million.
 - (2) In August 2011, RHIS entered into an underwriting agreement with a foreign financial institution to issue debenture amounting to JPY 15,000 million (equivalent approximately Baht 5,895.30 million)

5. Significant Financial Ratios

Ratios		2012	2011 (Restated)
1)	Current Ratio	(Times) 1.38	1.49
2)	Net Profit Ratio	(%) 13.40	10.35
3)	Return on Equity	(%) 15.32	10.26
4)	Return on Assets	(%) 8.18	5.67
5)	EBITDA	(Million Baht) 15,118	11,819
6)	EBITDA to Total Assets	(%) 15.57	14.16
7)	Debt to Equity Ratio	(Times) 0.80	1.01
8)	Debt Service Coverage Ratio	(Times) 1.57	1.65
9)	Book Value per Share	(Baht) 36.53	33.05
10)	Earning per Share	(Baht) 5.33	3.34



Related Parties' Transactions

Ratchaburi Electricity Generating Holding Public Company Limited
 Related Parties' Transactions
 For the Year Ended 31 December 2012

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
Ratchaburi Electricity Generating Holding Public Company Limited			
1. Management Service Agreements			
1.1 Providing services in internal audit, legal, secretariat to the Board of Directors, information technology and financial management <ul style="list-style-type: none"> • In 2012, service income is Baht 38.54 million • As at 31 December 2012, other receivables-accrued service is Baht 3.43 million 	Ratchaburi Electricity Generating Co., Ltd. (agreement signed on 2 December 2011)	38.54	Ratchaburi Electricity Generating Co., Ltd. does not have employees with these skills while the Company does. Service fee is charged in actual hours spent based on market rate.
1.2 Providing service on the preparation for the Independent Power Producer (IPP) bidding <ul style="list-style-type: none"> • In 2012, service income is Baht 9.48 million • As at 31 December 2012, other receivables-accrued service is Baht 2.87 million 	Ratchaburi Electricity Generating Co., Ltd. (agreement signed on 25 October 2012)	9.48	Ratchaburi Electricity Generating Co., Ltd. does not have employees with these skills while the Company does. Service fee is charged at Baht 2 million per annum (excluding VAT) and is increased 8 per cent per annum plus office supplies usage at Baht 0.20 million per month and other actual expenses based on the market rate.
1.3 Providing service on the management and operation for PTO A Power Plant and its expansion <ul style="list-style-type: none"> • In 2012, service income is Baht 10.86 million • As at 31 December 2012, other receivables-accrued service is Baht 0.93 million 	Ratchaburi Energy Co., Ltd. (agreement signed on 28 November 2011)	10.86	Ratchaburi Energy Co., Ltd. does not have employees with these skills while the Company does. Service fee is charged at Baht 0.91 million per annum (excluding VAT) plus other actual expenses based on the market rate.

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
<p>1.4 Providing service by secondment 3 executives to take position as the Managing Director, Accounting and Finance Manager, and Administration and Agreement Manager at Tri Energy Co., Ltd.</p> <ul style="list-style-type: none"> • In 2012, service income is Baht 27.94 million • As at 31 December 2012, other account receivables – accrued service is Baht 2.56 million 	<p>Tri Energy Co., Ltd. (Agreement signed on 14 November 2003)</p>	27.94	<p>Tri Energy Co., Ltd., requested for the service and the Company has experts in this area. Service is charged at market rate, starting from Baht 1.42 million (excluding VAT) according to the agreement and is increased 6 per cent per annum.</p>
<p>1.5 Providing service by secondment 2 executives to take position as the Managing Director and Administration and Finance Manager at Chubu Ratchaburi Electric Services Co., Ltd.</p> <ul style="list-style-type: none"> • In 2012, service income is Baht 9.77 million • As at 31 December 2012, other account receivables – accrued service is Baht 0.86 million 	<p>Chubu Ratchaburi Electric Services Co., Ltd. (agreement signed on 1 January 2006)</p>	9.77	<p>Chubu Ratchaburi Electric Services Co., Ltd. requested for the service and the Company has experts in this area. Service charge is based on market rate.</p>
<p>1.6 Providing service by secondment an executive to take position as Finance Director at Ratchaburi Power Co., Ltd.</p> <ul style="list-style-type: none"> • In 2012, service income is Baht 4.80 million 	<p>Ratchaburi Power Co., Ltd. (agreement signed on 1 March 2007)</p>	4.80	<p>Ratchaburi Power Co., Ltd., requested the Company to provide the service as the Company has experts in this area. Service is charged at market rate of Baht 0.371 million per month (excluding VAT).</p>
<p>1.7 Providing service by secondment 2 executives to take position at SouthEast Asia Energy Ltd. to work in the engineering and finance departments</p> <ul style="list-style-type: none"> • In 2012, service income is Baht 7.61 million • As at 31 December 2012 other account receivables – accrued service is Baht 0.68 million 	<p>SouthEast Asia Energy Ltd. (agreement signed on 10 April 2006)</p>	7.61	<p>SouthEast Asia Energy Ltd. requested for the Company to provide the service as the Company has experts in this area. Service is charged at market rate of Baht 0.42 million per month (excluding VAT) and is increased 7 per cent per annum.</p>

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
1.8 Providing internal audit, legal, tax, secretariat to the Board of Directors, information technology, financial management and human resource management services <ul style="list-style-type: none"> • In 2012, service income is Baht 4.06 million 	RATCH- Lao Services Co., Ltd. (agreement signed on 1 December 2009)	4.06	RATCH- Lao Services Co., Ltd. requested for the Company to provide the service as the Company has experts in this area. Service is charged at market rate of Baht 0.335 million per month (excluding VAT).
1.9 Management Agreement with Ratchaburi Power Co., Ltd. <ul style="list-style-type: none"> • In 2012, service income is Baht 76.95 million • As at 31 December 2012, unearned revenue is Baht 12.66 million 	Ratchburi Power Co., Ltd. (agreement signed on 27 February 2004)	76.95	The Company provides media relations and technical consult on the construction, operation and maintenance for the power plant. The Company receives USD 625,000 per quarter, which is regularly paid in advance every three months, starting from the first commercial operation date of the first unit (1 March 2008). Agreement term is 25 years and 3 months.
1.10 Providing technical, financial, accounting, legal and office rental services (Sun Towers) <ul style="list-style-type: none"> • In 2012, service income is Baht 6.97 million • As at 31 December 2012, other account receivables – accrued service is Baht 0.81 million 	Sustainable Energy Corporation Co., Ltd. (agreement signed on 1 March 2012)	6.97	Sustainable Energy Corporation Co., Ltd. requested the Company to provide the service as the Company has experts in technical, financial, accounting and legal services. Service charge is based on market rate. For office rental, monthly fee is Baht 0.34 million (excluding VAT).

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
1.11 Providing technical, financial , accounting and legal services <ul style="list-style-type: none"> • In 2012, service income is Baht 16.42 million • As at 31 December 2012, other account receivables – accrued service is Baht 4.00 million 	Hongsa Power Co., Ltd.	16.42	Hongsa Power Co., Ltd. requested the Company to provide the service as the Company has experts in this area. Service charge is based on market rate.
1.12 Providing technical, financial, accounting, and Energy Complex building rental space services <ul style="list-style-type: none"> • As of 2012, service income is Baht 11.34 million • As at 31 December 2012, other account receivables – accrued income is Baht 2.22 million 	Ratchaburi World Cogeneration Co., Ltd.	11.34	Ratchaburi World Cogeneration requested for the Company to provide 6.60 x 7.37 metres office rental space at market rate.
1.13 Service Agreement with Nam Ngum 2 Power Co., Ltd. <ul style="list-style-type: none"> • In 2012, service income is Baht 25.00 million 	Nam Ngum 2 Power Co., Ltd. (agreement signed on 26 May 2006)	25.00	Nam Ngum 2 Power Co., Ltd. has a service agreement with the Company. The Company receives Baht 25 million service income per annum (excluding VAT).
1.14 Securing loan and loan guarantee service <ul style="list-style-type: none"> • In 2011, service income is Baht 12.55 million • As at 31 December 2012, related transactions are as follows: Account receivables – accrued service is Baht 12.46 million Unearned revenue is Baht 2.79 million 	RH International (Singapore) Corporation Pte. Ltd. (agreement signed on 30 November 2011)	12.55	RH International (Singapore) Corporation Pte. Ltd. requested the Company to provide the services as the Company has employees with the required skills to secure loan and loan guarantee. Service charge is based on market rate.

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
1.15 Providing human resource management, financial, accounting, legal and project development services <ul style="list-style-type: none"> • In 2012, service income is Baht 5.26 million • As at 31 December 2012, Account receivables – accrued service is Baht 0.01 million 	Songkhla Biomass Co., Ltd. (agreement signed on 1 November 2011)	5.26	Songkhla Biomass Co., Ltd. requested the Company to provide the services as the Company has employees with the required skills. Service charge is based on market rate.
1.16 Providing service by secondment 3 executives to take position as Managing Director, Deputy to Managing Director and Manager at Nava Nakorn Electricity Generating Co., Ltd. <ul style="list-style-type: none"> • In 2012, service income is Baht 8.63 million • As at 31 December 2012 other account receivables – accrued service is Baht 0.74 million 	Nava Nakorn Electricity Generating Co., Ltd. (agreement signed on 1 July 2012)	8.63	Nava Nakorn Electricity Generating Co., Ltd. requested the Company to provide the service as the Company has experts in this area. Service is charged at market rate of Baht 0.69 million per month (excluding VAT).
1.17 Providing service on the Pre-Construction Works of Xe-Pian Xe-Namnoy Hydroelectric Power Plant <ul style="list-style-type: none"> • In 2012, service income is Baht 11.86 million • As at 31 December 2012 other account receivables – accrued service is Baht 10.50 million 	Xe-Pian Xe-Namnoy Co., Ltd. (agreement signed on 9 August 2012)	11.86	According to the terms and conditions stated in the Shareholder Agreement (SHA) of Xe-Pian Xe-Namnoy Project the Company has the right to control the 9-month Pre-Construction works of the project valuing USD 365,000. (equivalent to Baht 10.95 million).
1.18 Providing services on legal, secretariat to the Board of Directors, accounting, budgeting, financial and tax management <ul style="list-style-type: none"> • In 2012, service income is Baht 0.60 million • As at 31 December 2012 other account receivables – accrued service for is Baht 0.64 million 	RH International Corporation Ltd. (agreement signed on 26 January 2012)	0.60	RH International Corporation Ltd. requested the Company to provide the service as the Company has experts in this area. Service is charged at market rate of Baht 0.60 million per month (excluding VAT).

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
1.19 Providing management service of the Huay Bong 2 Wind Power Project <ul style="list-style-type: none"> • In 2012, service income is Baht 0.99 million • As at 31 December 2012, other account receivables – accrued service is Baht 1.01 million 	K.R. TWO Co., Ltd.	0.99	K.R. TWO Co., Ltd. requested the Company to provide the service as the Company has experts in this area. Service is charged at market rate of Baht 0.08 million per month (excluding VAT).
1.20 Providing management service of the Huay Bong 3 Wind Power Project <ul style="list-style-type: none"> • In 2012, service income is Baht 1.00 million • As at 31 December 2012 other account receivables – accrued service is Baht 1.07 million 	First Korat Wind Power Co., Ltd.	1.00	First Korat Wind Power Co., Ltd. requested the Company to provide the service and the Company has experts in this area. Service is charged at market rate of Baht 0.08 million per month (excluding VAT).
1.21 The Company hires EGAT to conduct the feasibility study on the electricity transmission and grid connection for the Independent Power Producer (IPP) bidding <ul style="list-style-type: none"> • In 2012, expense – transmission consultancy fee is Baht 0.92 million • As at 31 December 2012 other account payables of controlled entity – EGAT is Baht 0.99 million 	EGAT (agreement signed on 29 November 2012)	0.92	EGAT has experts in this area and is the only party who has complete information on the transmission system and high voltage stations therefore the Company entrusts EGAT to conduct the feasibility study on the electricity transmission and grid connection for the IPP project.

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
2. Loan to subsidiaries/jointly controlled entities			
2.1 Loan to Ratch Udom Power Co., Ltd. in promissory notes format at Baht 151.60 million and the principal repayment is completed in 2012. <ul style="list-style-type: none"> • In 2012, interest received is Baht 4.70 million 	Ratch Udom Power Co., Ltd. (Board of Directors' resolution 2/2006)	4.70	The loan allows Ratchaburi Alliances Co., Ltd. to invest in Ratchaburi Power Co., Ltd. Interest rate is based on 1-year Fixed deposit rate for corporate of Siam Commercial Bank Plc. Plus 1 per cent, which is considered appropriate.
2.2 Loan to SouthEast Asia Energy Ltd.'s Vientiane branch in the form of Shareholders' Loan Agreement. Total loan as at 31 December 2012 is Baht 62.50 million. <ul style="list-style-type: none"> • In 2012, interest received is Baht 5.23 million • As at 31 December 2012, other account receivables – accrued interests receivable is Baht 22.98 million 	SouthEast Asia Energy Ltd. (agreement signed on 4 September 2007)	5.23	The loan is to support the feasibility study of the Nam Bak I – II Project. Baht 250 million loan was sought from shareholders at the average MLR rate of Krung Thai Bank, TMB and Siam City Bank plus 1 per cent, which is considered an appropriate rate.
2.3 Loan to Xe-Pian Xe-Namnoy Co., Ltd. in the form of Shareholders' Loan Agreement. Total loan as at 31 December 2012 is USD 3.3 million <ul style="list-style-type: none"> • In 2012, interest received is Baht 2.67 million • As at 31 December 2012, other account receivables – accrued interest receivable is Baht 2.67 million 	Xe-Pian Xe-Namnoy Co., Ltd. (agreement signed on 15 May 2012)	2.67	The loan is granted in order to use as the project development expense through loaning from shareholders in the total of USD 50 million and interest rate of 7 per cent per annum.

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
2.4 Loan to RH International Corporation Ltd. through loan agreement of USD 301.75 million and the principal repayment is completed in 2012. <ul style="list-style-type: none"> • In 2012, interest received is Baht 59.69 million 	RH International Corporation Ltd. (agreement signed on 22 June 2011)	59.69	The loan is proposed for the acquisition of Transfield Services Infrastructure Fund (TSIF) in Australia which later changed its name to RATCH-Australia Corporation Ltd. at 3.10 per cent interest per annum, which is considered appropriate.
2.5 Loan to Ratchaburi Electricity Generating Co., Ltd. in promissory notes format. Total loan as at 31 December 2012 is Baht 2,400 million <ul style="list-style-type: none"> • In 2012, interest received is Baht 68.54 million • As at 31 December 2012, other account receivables – accrued interest receivable is Baht 35.08 million 	Ratchaburi Electricity Generating Co., Ltd. (The Board of Directors' Resolution on 11/2005, 6/2006 and 1/2012)	68.54	The loan is for dividend payment to the company and for natural gas expenses paid to PTT because in some month income from power sales to EGAT was received later than natural gas payment to PTT. The interest rate is 5.50 per cent per annum which equals to financial cost and management expense.
2.6 Loan to RATCH-Lao Services Co., Ltd. through loan agreement at USD 30 million and USD 43 million (total amount of USD 73 million). Total loan as at 31 December 2012 is USD 36 million <ul style="list-style-type: none"> • In 2012, interest received is Baht 28.60 million • As at 31 December 2012, other account receivables – accrued interest receivable is Baht 1.13 million 	RATCH-Lao Services Co., Ltd. (agreement signed on 17 December 2010 and 16 February 2012)	26.80	The loan is proposed for subscription of shares offered by EDL-Generation Public Company (EDL-Gen) which is traded in Lao Securities Exchange. The interest rates are 2.50 per cent and 3.65 per cent per annum, respectively.

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
2.7 Loan to RH International Corporation Ltd. through loan agreement of USD 16 million and the principal repayment is completed in 2012. <ul style="list-style-type: none"> In 2012, interest received is Baht 1.50 million 	RH International Corporation Ltd. (agreement signed on 8 March 2012)	1.50	The loan is proposed for subscription of shares offered by EDL-Generation Public Company (EDL-Gen) which is traded in Lao Securities Exchange. The interest rate for the loan is 3.65 per cent per annum,

RH International Corporation Ltd.

1. RH International Corporation Ltd. lend to RH International (Mauritius) Corporation Ltd. in form of loan agreement at USD 301.75 million and the principal repayment is completed in 2012. <ul style="list-style-type: none"> In 2012, interest received is Baht 59.69 million 	RH International (Mauritius) Corporation Ltd. (agreement signed on 22 June 2011)	59.69	The loan is for acquiring securities in the Transfield Services Infrastructure Fund in Australia which later changed its name to RATCH- Australia Corporation Ltd.
2. RH International Corporation Ltd. lend to RH International (Mauritius) Corporation Ltd. in form of loan agreement at USD 16 million and principal repayment is completed in 2012. <ul style="list-style-type: none"> In 2012, interest received is Baht 1.50 million 	RH International (Mauritius) Corporation Ltd. (agreement signed on 8 March 2012)	1.50	The loan is for acquiring securities in EDL-Generation Public Company (EDL-Gen) in Lao Securities Exchange at interest rate of 3.65 per cent per annum.

RH International (Mauritius) Corporation Ltd.

1. RH International (Mauritius) Corporation Ltd. lend to RH International (Singapore) Pte. Ltd. in form of loan agreement at USD 301.75 million and the principal repayment is completed in 2012. <ul style="list-style-type: none"> In 2012, interest income is Baht 59.69 million 	RH International (Singapore) Pte. Ltd. Corporation (agreement signed on 22 Jun 2011)	59.69	The loan is for acquiring securities in the Transfield Services Infrastructure Fund in Australia which later changed its name to RATCH- Australia Corporation Ltd.
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Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
<p>2. RH International (Mauritius) Corporation Ltd.</p> <p>lend to RH International (Singapore) Pte. Ltd. in form of loan agreement at USD 16 million and the principal repayment is completed in 2012.</p> <ul style="list-style-type: none"> In 2012, interest income is Baht 1.50 million 	<p>RH International (Singapore) Pte. Ltd. Corporation (agreement signed on 8 March 2012)</p>	1.50	<p>The loan is for acquiring securities in EDL-Generation Public Company (EDL-Gen) in Lao Securities Exchange at interest rate of 3.65 per cent per annum.</p>

Ratch Udom Power Co., Ltd.

<p>1. Ratch Udom Power Company Limited</p> <p>lend to Ratchaburi Alliances Company Limited in promissory notes format at Baht 151.60 million and the principal repayment is completed in 2012.</p> <ul style="list-style-type: none"> In 2012, interest income is Baht 4.70 million 	<p>Ratch Alliances Co., Ltd. (The Board of Directors' Resolution on 2/2006)</p>	4.70	<p>The loan allows Ratchaburi Alliances Co., Ltd. lend to invest in Ratchaburi Power Co., Ltd. Interest rate is based on 1-year Fixed deposit rate for corporate of Siam Commercial Bank Plc. plus 1 per cent, which is considered appropriate.</p>
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Ratchaburi Electricity Generating Co., Ltd.

<p>1. Power Purchase Agreement - Ratchabui Power Plant</p> <p>1.1 Power Purchase Agreement – Ratchaburi Power Plant Ratchaburi Electricity Generating Co., Ltd. entered into the 25-year power purchase agreement with EGAT</p> <ul style="list-style-type: none"> In 2011, revenue from sales is Baht 51,793.76 million As at 31 December 2012, related transactions are as follows: Trade account receivables Baht 3,794.39 million Accrued income Baht 12.31 million 	<p>EGAT (agreement signed on 9 October 2000)</p>	51,793.76	<p>Ratchaburi Electricity Generating Co., Ltd. has to supply power from its plant to EGAT and will receive income from EGAT according to the Power Purchase Agreement according to the normal business practice.</p>
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Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
<p>1.2 Fuel oil supply agreement: EGAT supplies fuel oil to Ratchaburi Electricity Generating Co., Ltd.</p> <ul style="list-style-type: none"> In 2012, expenses are Baht 3,094.13 million As at 31 December 2012, total trade payable is Baht 100.07 million 	<p>EGAT (agreement signed on 9 October 2000)</p>	<p>3,094.13</p>	<p>EGAT supplies fuel oil at market price according to Power Purchase Agreement.</p>
<p>2. Station service power and power for water supply system</p> <ul style="list-style-type: none"> In 2012, expense is Baht 155.56 million As at 31 December 2012, related transactions are as follows: Account payable – Nov 2012 Baht 10.85 million Accrued expenses – December 2012 Baht 19.13 million 	<p>EGAT (agreement signed on 24 July 2001)</p>	<p>155.56</p>	<p>Ratchaburi Electricity Generating Co., Ltd. had to buy electricity from EGAT to maintain its station service power and electricity for water supply system. The power price is the same as other companies buying electricity from EGAT.</p>
<p>3. Power Plant Operation and Maintenance Agreement</p> <p>Ratchaburi Electricity Generating Co., Ltd., commissioned EGAT to provide power plant operation and major and general maintenance services</p> <ul style="list-style-type: none"> In 2012, total expenses is Baht 1,141.12 million, including: Monthly retainer of Baht 1,001.81 million Other expenses of Baht 139.31 million As at 31 December 2012, related transactions are as follows: Account payables Baht 25.97 million Accrued expenses Baht 9.91 million 	<p>EGAT (agreement signed on 7 January 2009)</p>	<p>1,141.12</p>	<p>EGAT has experience and expertise in power plant operations and maintenance. Initial service fees according to the agreement are Baht 16,608 million and are adjusted according to Thailand's annual consumer price index, which is a normal practice in business standard.</p>

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
<p>4. Management service agreement</p> <p>4.1 Ratchaburi Electricity Generating Co., Ltd., lease to Ratchaburi Power Co., Ltd., a plot of 143 rai of land.</p> <ul style="list-style-type: none"> • In 2012, income is Baht 11.56 million • As at 31 December 2012, unearned revenue is Baht 0.48 million 	<p>Ratchaburi Power Co., Ltd. (agreement signed on 7 June 2004)</p>	11.56	<p>Ratchaburi Power Plant has comprehensive facilities and infrastructure that support power generating business. Ratchaburi Electricity Generating Co., Ltd., charges Baht 10.90 million per annum for the lease which will be increased every 5 years in accordance to Thailand's consumer price index, which is a normal business practice standard.</p>
<p>4.2 Ratchaburi Electricity Generating Co., Ltd. leases to Ratchaburi Power Co., Ltd., a plot of 2 rai land for national gas receiving station</p> <ul style="list-style-type: none"> • In 2012, income is Baht 0.16 million • As at 31 December 2012, unearned revenue is Baht 0.01 million 	<p>Ratchaburi Power Co., Ltd. (agreement signed on 21 October 2005)</p>	0.16	<p>Ratchaburi Power Plant has comprehensive facilities and infrastructure that support power generating business. Ratchaburi Electricity Generating Co., Ltd., charges Baht 0.15 million per annum for the lease which will be increased every 5 years in accordance to Thailand's consumer price index, which is a normal business practice standard.</p>

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
<p>4.3 Common Facility Agreement</p> <ul style="list-style-type: none"> In 2012, total income is Baht 27.70 million, including Environmental services Baht 3.19 million Diesel oil tank rental Baht 2.12 million Infrastructure services Baht 22.39 million As at 31 December 2012, related transactions are as follows: <ul style="list-style-type: none"> Other account receivables is Baht 2.58 million Accrued income is Baht 1.47 million 	<p>Ratchaburi Power Co., Ltd. (agreement signed on 25 November 2005)</p>	27.70	<p>Ratchaburi Electricity Generating Co., Ltd., has comprehensive infrastructure and facilities to support power generating business. Services fees are as follows:</p> <ul style="list-style-type: none"> Environmental service is Baht 2.67 million per annum (excluding VAT) Diesel oil tank is Baht 2.00 million per annum, increasing every five years according to Thai CPI which is a normal business standard Infrastructure service charge based on the previously agreed agreement, which is a normal business standard
<p>5. Environmental Service Agreement</p> <p>5.1 Environment quality monitoring for Ratchaburi Power Plant 2011-2012</p> <ul style="list-style-type: none"> In 2012, total expense is Baht 4.62 million As at 31 December 2012, prepaid expense is Baht 0.23 million 	<p>EGAT (agreement signed on 20 January 2011 and 14 February 2012)</p>	4.62	<p>Ratchaburi Electricity Generating Co., Ltd., does not have employees with this skill while EGAT has specialists in this area. Service fee is Baht 4.50 million and 4.67 million per annum (excluding VAT) according to the agreement, which is a normal business practice standard.</p>

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
5.2 Environmental quality monitoring for bunker oil supply system for 2011-2012 <ul style="list-style-type: none"> • In 2012, expense is Baht 0.89 million • As at 31 December 2012, prepaid expense is Baht 0.90 million 	EGAT (agreement signed on 20 January 2011 and 14 January 2012)	0.89	Ratchaburi Electricity Generating Co., Ltd. does not have employees with this skill while EGAT has specialists in this area. Service fee is Baht 0.87 million and 0.90 million per annum (excluding VAT) according to the agreement, which is a normal business practice standard.
5.3 Environment monitoring for waste water treatment system agreement at Ratchaburi Power Plant for 2011-2012 <ul style="list-style-type: none"> • In 2012, total expense is Baht 0.23 million • As at 31 December 2012, prepaid expense is Baht 0.01 million 	EGAT (agreement signed on 20 January 2011 and 14 February 2012)	0.23	Ratchaburi Electricity Generating Co., Ltd. does not have employees with this skill while EGAT has specialists in this area. Service fee is Baht 0.22 million and 0.23 million per annum (excluding VAT) according to the agreement, which is a normal business practice standard.

Ratchaburi Energy Co., Ltd.

1. Power Purchase Agreement

Ratchaburi Energy Co., Ltd. entered into a power purchase agreement with EGAT to supply electricity from PTO-A Associated Gas Power Plant which has 1.75 megawatts installed capacity

- In 2012, revenue from sale is Baht 35.34 million
- As at 31 December 2012, trade account receivables is Baht 3.61 million

EGAT
 (agreement signed on 3 December 2008)

35.34

Ratchaburi Energy Co., Ltd., has to supply electricity generated from the PTO-A Associated Gas Power Plant in Sukhothai province to EGAT and receive income from EGAT as stated in the power purchase agreement, which is a normal business practice standard.

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
RATCH-Lao Services Co., Ltd.			
<p>1. O&M Agreement for Nam Ngum 2 Hydroelectric Power Plant</p> <p>RATCH-Lao Services Co., Ltd. signed agreement to provide operation and maintenance services to Nam Ngum 2 Hydroelectric Power Plant and dam including building and facility maintenance and management service</p> <ul style="list-style-type: none"> In 2012, service income is Baht 118.44 million As at 31 December 2012, related trade account receivable is Baht 9.87 million 	<p>Nam Ngum 2 Power Co., Ltd. (agreement signed on 25 June 2009)</p>	118.44	<p>RATCH-Lao Services Co., Ltd. provides operation and maintenance service for the power plant and dam, including building and facility and management service for 27 years. Service charge for the operational phase (1 November 2010 until the end of the concession period) is Baht 115 million per annum, which will be increased 3 per cent per annum, which is a normal business practice standard.</p>
<p>2. Subcontract O&M Agreement for the Nam Ngum 2 Hydroelectric Power Plant</p> <p>RATCH-Lao Services Co., Ltd. signed a subcontract agreement with EGAT to provide operation and maintenance service to Nam Ngum 2 Hydroelectric Power Plant and dam</p> <ul style="list-style-type: none"> In 2012, total service is Baht 73.12 million As at 31 December 2012, related trade account payable is Baht 6.09 million 	<p>EGAT (agreement signed on 26 June 2008)</p>	73.12	<p>RATCH-Lao Services Co., Ltd. does not have employees with this skill while EGAT has specialists in this area. RATCH-Lao Services Co., Ltd., therefore signed the subcontract agreement with EGAT with service fee for the operation phase (1 November 2010 until the end of the concession period) is Baht 5.92 million per month and increased at three per cent per annum, which is a normal business practice standard.</p>

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
3. Providing extra work security service under the O&M Agreement for Nam Ngum 2 Hydroelectric Power Plant			
3.1 Security service under operation and maintenance agreement of Nam Ngum 2 Hydroelectric Power Plant RATCH-Lao Services Co., Ltd. signed an agreement to provide security service at Nam Ngum 2 Hydroelectric Power Plant by army officials (Ministry of Defence)	Nam Ngum 2 Power Co., Ltd.	1.11	RATCH-Lao Services Co., Ltd. provides security service for the power plant and dam.
<ul style="list-style-type: none"> • In 2012, other service income is Baht 1.11 million • In 2012, prepaid service income is Baht 0.36 million 			
3.2 Providing service contract, repair and maintenance the power plant under the purchase order	Nam Ngum 2 Power Co., Ltd.	13.40	RATCH-Lao Services Co., Ltd. provides additional service or extra work based on the purchase order.
<ul style="list-style-type: none"> • In 2012, other service income is Baht 13.40 million • As at 31 December 2011, related transactions are as follows: Other account receivables is Baht 0.26 million Accrued income is Baht 5.80 million 			
3.3 Fuel supply and other services	Nam Ngum 2 Power Co., Ltd.	0.58	RATCH-Lao Services Co., Ltd. provides fuel supply for automobile usage in Nam Ngum 2 Hydroelectric Power Plant and other services that is not covered in O&M agreement.
<ul style="list-style-type: none"> • In 2012, other service is Baht 0.58 million • As at 31 December 2012, related trade account payable is Baht 0.08 million 			
4. Outsource Service Agreement on technicians, administrative officers, drivers and cleaning services for the Nam Ngum 2 Hydroelectric Power Plant project under the purchase order			
	EGAT	2.35	RATCH-Lao Services Co., Ltd. provides service to supply technicians, administrative officers, drivers as well as cleaning service for Nam Ngum 2 Power Plant operation and maintenance project under the purchase order from EGAT.
<ul style="list-style-type: none"> • In 2012, service income is Baht 2.35 million • As at 31 December 2012, account receivable of controlled entity-EGAT is Baht 0.27 million 			

Related Transactions	Related Parties	Value (Million Baht)	Necessities and Reasons
<p>5. Agreement on Major Maintenance Service (MMA) RATCH-Lao Services Co., Ltd. signed the Subcontract Agreement on Major Maintenance Services of Nam Ngum 2 Hydroelectric Power Plant.</p> <ul style="list-style-type: none"> In 2012, service income is Baht 60 million As at 31 December 2012, related trade account payable is Baht 15 million 	<p>Nam Ngum 2 Power Co., Ltd. (agreement signed on 3 September 2012)</p>	60.00	<p>RATCH-Lao Services Co., Ltd. provides 7-year period of major maintenance service (MMA) to Nam Ngum 2 Hydroelectric Power Plant.</p> <ul style="list-style-type: none"> First year service fee (3 September 2012 – 31 December 2012) is Baht 60.00 million 2nd-7th year period service fee (January 2013 – December 2018) is Baht 61.80 million per annum and increased at three per cent per annum which is a normal business practice standard.
<p>6. Subcontract Agreement on Major Maintenance Service (MMA) RATCH-Lao Services Co., Ltd. signed the Subcontract Agreement on Major Maintenance Services of Nam Ngum 2 Hydroelectric Power Plant with EGAT.</p> <ul style="list-style-type: none"> In 2012, service income is Baht 44 million 	<p>EGAT (agreement signed on 4 September 2012)</p>	44.00	<p>RATCH-Lao Services Co., Ltd. signed subcontract of 7-year period of major maintenance service to Nam Ngum 2 Hydroelectric Power Plant.</p> <ul style="list-style-type: none"> First year service fee (4 September 2012 – 31 December 2012) is Baht 44.00 million 2nd-7th year period service fee (January 2013 – December 2018) is Baht 45.32 million per annum and increased at three per cent per year which is a normal business practice standard.

Relationship between parties engaged in related transactions is as follows:

- 1. The Company and Ratchaburi Electricity Generating Company Limited**
 - 1.1 The Company holds 99.99 per cent in Ratchaburi Electricity Generating Company Limited
 - 1.2 Some of the Company's executives are directors of Ratchaburi Electricity Generating Company Limited
- 2. The Company and Ratchaburi Energy Company Limited**
 - 2.1 The Company holds 99.99 per cent in Ratchaburi Energy Company Limited
 - 2.2 Some of the Company's executives are directors of Ratchaburi Energy Company Limited
- 3. The Company and Tri Energy Company Limited**
 - 3.1 Ratchaburi Gas Company Limited which is a subsidiary of the Company holds 50.00 per cent stake in Ratchaburi Gas Company Limited
 - 3.2 Some of the Company's executives are directors of Tri Energy Company Limited
- 4. The Company and Chubu Ratchaburi Electric Service Company Limited**
 - 4.1 The Company holds 50.00 per cent in Chubu Ratchaburi Electric Service Company Limited
 - 4.2 Some of the Company's executives are directors of Chubu Ratchaburi Electric services
- 5. The Company and Ratchaburi Power Company Limited**
 - 5.1 Ratchaburi Alliances Company Limited which is the Company's subsidiary holds 25.00 per cent in Ratchaburi Power Company Limited
 - 5.2 Some of the Company's executives are directors of Ratchaburi Power Company Limited
- 6. The Company and SouthEast Asia Energy Limited**
 - 6.1 The Company holds 33.33 per cent in SouthEast Asia Energy Limited
 - 6.2 Some of the Company's executives are directors of SouthEast Asia Energy Limited
- 7. The Company and RATCH-Lao Services Company Limited**
 - 7.1 The Company holds 99.99 per cent in RATCH-Lao Services Company Limited
 - 7.2 Some of the Company's executives are directors of RATCH-Lao Services Company Limited
- 8. The Company and Sustainable Energy Corporation Company Limited**
 - 8.1 Ratchaburi Energy Company Limited, which is the Company's subsidiary, holds 55.18 per cent stake in Sustainable Energy Corporation Company Limited
 - 8.2 Some of the Company's executives are directors of Sustainable Energy Corporation Company Limited

9. The Company and Ratch Udom Power Company Limited

9.1 The Company holds 99.99 per cent in Ratch Udom Power Company Limited

9.2 Some of the Company's executives are directors of Ratch Udom Power Company Limited

10. The Company and Ratchaburi Alliances Company Limited

10.1 Ratch Udom Power Company Limited which is the Company's subsidiary, holds 99.99 per cent in of Ratchaburi Alliances Company Limited

10.2 Some of the Company's executives are directors in Ratchaburi Alliances Company Limited

11. The Company and Hongsa Power Company Limited

11.1 The Company holds 40.00 per cent stake in Hongsa Power Company Limited

11.2 Some of the Company's executives are directors of Hongsa Power Company Limited

12. The Company and EGAT

12.1 EGAT holds 45.00 per cent stake in the Company.

12.2 Some of EGAT directors and executives are directors of the Company

13. The Company and RH International Corporation Limited

13.1 The Company holds 99.99 per cent in RH International Corporation Limited

13.2 Some of the Company's executives are directors of RH International Corporation Limited

14. The Company and Ratchaburi World Cogeneration Company Limited

14.1 The Company holds 40 per cent stake in Ratchaburi World Cogeneration Company Limited

14.2 Some of the Company's executives are directors of Ratchaburi World Cogeneration Company Limited

15. The Company and Nava Nakorn Electricity Generating Company Limited

15.1 The Company holds 40 per cent stake in Nava Nakorn Electricity Generating Company Limited

15.2 Some of the Company's executives are directors of Nava Nakorn Electricity Generating Company Limited

16. The Company and Xe-Pian Xe-Namnoy Power Company Limited

16.1 The Company holds 25 per cent stake in Xe-Pian Xe-Namnoy Power Company Limited

16.2 Some of the Company's executives are directors of Xe-Pian Xe-Namnoy Power Company Limited

17. The Company and K.R. TWO Company Limited

- 17.1 The Company holds 20 per cent stake in K.R. TWO Company Limited
- 17.2 Some of the Company's executives are directors of K.R. Two Company Limited

18. The Company and First Korat Wind Company Limited

- 18.1 The Company holds 20 per cent stake in First Korat Wind Company Limited
- 18.2 Some of the Company's executives are directors of First Korat Wind Company Limited

19. The Company and Nam Ngum 2 Power Company Limited

- 19.1 SouthEast Asia Energy Limited which is the Company's controlled entity, holds 75.00 per cent in of Nam Ngum 2 Power Company Limited
- 19.2 Some of the Company's executives are directors in Nam Ngum 2 Power Company Limited

20. The Company and Songkhla Biomass Company Limited

- 20.1 The Company holds 40 per cent stake in Songkhla Biomass Company Limited
- 20.2 Some of the Company's executives are directors of Songkhla Biomass Company Limited

21. Ratchaburi Electricity Generating Company Limited and EGAT

- 21.1 The Company holds 99.99 per cent stake in Ratchaburi Electricity Generating Company Limited

21.2 EGAT holds 45 per cent stake in the Company

21.3 Some of EGAT's executives are directors of Ratchaburi Electricity Generating Company Limited

22. Ratchaburi Electricity Generating Company Limited and Ratchaburi Power Company Limited

- 22.1 The Company holds 99.99 per cent in Ratchaburi Electricity Generating Company Limited
- 22.2 Ratchaburi Alliance Company Limited, which is a subsidiary of the Company, holds 25 per cent stake in Ratchaburi Power Company Limited
- 22.3 Some of the Company's directors and executives are directors of Ratchaburi Power Company Limited

23. RH International Corporation limited and RH International (Mauritius) Corporation Limited

- 23.1 The Company holds 99.99 per cent stake in RH International Corporation limited
- 23.2 RH International Corporation Limited which is a Company's subsidiary holds 100 per cent stake in RH International (Mauritius) Corporation Limited
- 23.3 Some of the Company's executives are directors of RH International (Mauritius) Corporation Limited

24. RH International (Mauritius) Corporation Limited and RH International (Singapore) Corporation Pte. Ltd.

- 24.1 RH International Corporation limited which is a subsidiary of the Company, holds 100 per cent stake in RH International (Mauritius) Corporation Limited

24.2 RH International (Mauritius), which is a subsidiary of the Company, holds 100 per cent stake in RH International (Singapore) Corporation Pte. Limited

24.3 Some of the Company's executives are directors of RH International (Singapore) Corporation Pte. Limited

25. Ratchaburi Energy Company Limited and EGAT

25.1 EGAT holds 45 percent stake in the Company

25.2 The Company holds 99.99 per cent stake in Ratchaburi Energy Company Limited

26. RATCH-Lao Services Company Limited and Nam Ngum 2 Company Limited

26.1 The Company holds 99.99 per cent stake in Ratch-Lao Services Company Limited

26.2 SouthEast Asia Energy Limited, which is a jointly-controlled entity of the Company, holds 75 per cent stake in Nam Ngum 2 Company Limited.

27. RATCH-Lao Services Company Limited and EGAT

27.1 EGAT holds 45 per cent stake in the Company

27.2 The Company holds 99.99 per cent stake in RATCH-Lao Services Company Limited



Auditor's Remuneration

Audit Fee

The Company and its subsidiaries consist of Ratchaburi Electricity Generating Co., Ltd., Ratchaburi Energy Co., Ltd., Ratchaburi Gas Co., Ltd., Ratch Udom Power Co., Ltd., Ratchaburi Alliances Co., Ltd., RH International Corporation Ltd., RATCH-Lao Services Co., Ltd. and RATCH O&M Co., Ltd. recorded the audit fee at Baht 2,100,000 (excluding out-of-pocket expenses not exceeding Baht 60,000) to the auditor's office in the previous year. This included Baht 800,000 for the Company's audit fee and Baht 1,300,000 (excluding out-of-pocket expenses not exceeding Baht 60,000) for audit fee of its subsidiaries who was responsible for their own fee. The Company did not pay audit fee to the auditor or any related parties to the auditor and the auditor's office in the previous year.

Non Audit Fee

In the previous year, the Company paid Baht 400,000 to related party of the auditor's office, for consultancy service on specific purpose.

The engagement of the related party to the auditor's office to provide the non-audit work, reported to the Audit Committee, was not involved the conflict of interest of the audit work which would interfere the independence and judgment of the auditor.



Profile of the Company's Directors

Mr. Kurujit Nakornthap

Chairman of the Board of Directors

Investment Committee Chairman

(EGAT's Representative Director)

Age 57 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Ph.D. in Petroleum Engineering, University of Oklahoma, U.S.A.
- Master of Science in Petroleum Engineering, University of Oklahoma, U.S.A.
- Bachelor of Science (with Special Distinction) in Petroleum Engineering, University of Oklahoma, U.S.A.
- Certificate, Senior Executive Development Program (Visionary Leadership) Class 46, Office of the Civil Service Commission
- Senior Executive Program (SEP 60), London Business School, U.K.
- Diploma, The National Defence Course, (Class 51), National Defence College (2008 – 2009)
- Certificate, Top Executive Program in Commerce and Trade Program (Class 3)
- Certificate, Director Accreditation Program (DAP 64/2007), Thai Institute of Directors Association
- Certificate, Audit Committee Program (ACP 32/2010), Thai Institute of Directors Association
- Certificate, Role of Compensation Committee (RCC 12/2011), Thai Institute of Directors Association
- Certificate, Senior Executive Program on Administrative Justice, (Class 2), Institute of Administrative Justice Development (2011)
- Certificate, Capital Market Academy Executive Program (CMA), (Class 13), Capital Market Academy (2011)

- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), (Class 1), Thailand Energy Academy (2012)

Previous Working Experiences

- 2008 - 2010 Director-General of the Department of Mineral Fuels, Ministry of Energy
- 2006 - 2008 Deputy Permanent Secretary, Ministry of Energy
- 2006 Deputy Director-General of the Department of Mineral Fuels Ministry of Energy
- 2000 - 2004 Chief Executive Officer, Malaysia-Thailand Joint Authority (MTJA)

Other Positions at Present

- 2011 – Present Board of Directors Member, The Electricity Generating Authority of Thailand (EGAT) ⁽¹⁾
- 2010 - Present Deputy Permanent Secretary, Ministry of Energy
- 2007 – Present Board of Directors Member, Esso (Thailand) Public Company Limited

Mr. Surachai Tansitpong

Director

Risk Management Committee Member

(EGAT's Representative Director)

Age 64 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Master of Public Administration, The National Institute of Development Administration (NIDA)
- Bachelor of Engineering (Civil Engineering), Chulalongkorn University
- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- Certificate, Director Accreditation Program (DAP 73/2008), Thai Institute of Directors Association
- Diploma, The National Defence Course, National Defence College
- Certificate, Senior Executive Development Program, Office of the Civil Service Commission

Previous Working Experiences

2008 - 2009	Permanent Secretary, Ministry of Transport
2009	Board of Directors Chairman, Thai Airways International Public Company Limited
2006 - 2008	Deputy Permanent Secretary, Ministry of Transport
2005	Board of Directors Chairman, The Transport Company Limited

2004	Board of Directors Chairman, Expressway Authority of Thailand
2003 - 2006	Director-General of the Department of Rural Roads, Ministry of Transport
2002 - 2003	Deputy Director-General of Department of Public Works and Town, Ministry of Interior

Other Positions at Present

2009 - Present	Board of Directors Member, The Commission for Judicial Service
2012 - Present	Board of Directors Member, The Electricity Generating Authority of Thailand (EGAT) ⁽¹⁾
2012- Present	Board of Directors Member, TCC Engineering Services Company Limited
2012 - Present	Board of Directors Member, Dhanasindhi Company Limited
2012 - Present	Board of Directors Member, Bodhi Tree Landscape Company Limited
2012 - Present	Board of Directors Member, Vana Belle Tree Company Limited

Mr. Trakul Winitnaiyapak

Director

Human Resources and Remuneration Committee Chairman

Investment Committee Member

(EGAT's Representative Director)

Age 62 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
2	None	None	None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Master of Law, School of Law, Tulane University, U.S.A.
- Barrister at Law, Bar Institute of Thailand, Thailand
- Bachelor of Law, Thammasat University
- Diploma, National Defence Course for the Joint State-Private Sector (Class 17), National Defence College
- Certificate, Politics and Governance in Democratic Systems for Executive Course (Class 11), King Prajadhipok's Institute
- Certificate, Crime Prevention and Treatment of Offender, United Nations for Asia and Far East Institute, Japan
- Certificate, Training in Child Abuse Prosecutors and Investigators, American Prosecutor Research Institute, U.S.A.
- Certificate, Children's Rights, British Council International Seminar, Oxford University, U.K.
- Certificate, The 2000 Executive Leadership, Georgetown University, U.S.A.
- Certificate, Senior Criminal Justice Executive Program, International Law Enforcement Academy (ILEA), Thailand
- Certificate, Senior Crisis Management, Maryland University, U.S.A.
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Capital Market Academy Leader Program (CMA), Class 13, Capital Market Academy (2011)

Previous Working Experiences

- 2006 - 2011 Inspector General, Office of the Attorney General
- 2005 - 2006 Director general, Advisory Department, Office of the Attorney General
- 2003 - 2005 Director general, International Affairs Department, Office of the Attorney General

Other Positions at Present

- 2011 - Present Deputy Attorney, General Office of the Attorney General
- 2011 - Present Board of Directors, Member The Electricity Generating Authority of Thailand (EGAT) ⁽¹⁾

Captain Siridech Julpema

Independent Director

Audit Committee Chairman

Age 62 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	None

Education and Training

- Master of Public Administration, The National Institute of Development Administration (NIDA)
- International Aviation Management Training Institute for Aviation Manager at Montreal, Canada
- Bachelor of Science (Electrical), Royal Thai Air Force Academy
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Advance Audit Committee Program, Thai Institute of Directors Association
- Monitoring Fraud Risk Management Course, Thai Institute of Directors Association
- Monitoring the Internal Audit Function Course, Thai Institute of Directors Association
- Monitoring the Quality of Financial Reporting Course, Thai Institute of Directors Association
- Monitoring the System of Internal Control and Risk Management Course, Thai Institute of Directors Association

Previous Working Experiences

- Committee of Nonthaburi Flood Disaster
- Committee of Risk Management, Metropolitan Electricity Authority (MEA)
- Committee of MEA Policy Plan, MEA
- Committee of MEA's Governor Policy Plan and Performance Appraisal, MEA
- Committee of Provident Fund, Thai Airways International Public Company Limited
- Pilot Training Department Manager, Thai Airways International Public Company Limited

Other Positions at Present

- Counselor of Deputy Prime Minister (Dr. Plodprasop Suraswadi)
- Sub-Committee Chairman of Monitoring and Evaluating Project, Water and Flood Management Commission (WFMC)
- Board of Directors, Metropolitan Electricity Authority (MEA)

Police Lieutenant General Thavorn Chanyim

Independent Director

Risk Management Committee Chairman

Age 62 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	None

Education and Training

- Master of Public Administration, The National Institute of Development Administration
- Bachelor of Public Administration, Police Cadet Academy
- Command and Staff Army College
- Joint Staff College
- Diploma, The National Defence Course (Class 41), National Defence College
- Certificate, Senior Command Course, Institute of Police Administration Development
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

- Assistant General Commissioner, Royal Thai Police
- Director and Chairman Audit Committee, Provincial Electricity Authority
- Special Branch Commissioner, Royal Thai Police
- Deputy Border Patrol Police Commissioner, Royal Thai Police

Other Positions at Present

- Board of Directors Member Liquor Distillery Organization, Excise Department, Ministry of Finance

Mr. Weera Sriwathanatrakoon

Independent Director

Human Resources and Remuneration Committee Member

Age 57 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	None

Education and Training

- Master of Public Administration, National Institute of Development Administration
- Bachelor of Political Science, Thammasat University
- Certificate, School of Sheriff (Class 32)
- Certificate, School of Administration (Class 34)
- Diploma, The National Defence Course (Class 49), National Defence College
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

- 2012 Audit Committee Chairman, Ratchaburi Electricity Generating Holding Public Company Limited
- 2008 Vice Governor of Petchaburi Province, Petchaburi Province
- 2007 Vice Governor of Surin Province, Surin Province
- 2006 Vice Governor of Ratchaburi Province, Ratchaburi Province
- 2005 Vice Governor of Chumporn Province, Chumporn Province
- 2004 Deputy Governor of Chumporn Province, Chumporn Province
- 2004 Deputy Governor of Ranong Province, Ranong Province

Other Positions at Present

- 2009 - present Governor of Prachuapkhirikhan Province, Prachuapkhirikhan Province

Mr. Satit Rungkasiri

Independent Director

Audit Committee Member

Age 53 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	None

Education and Training

- Doctor of Arts in Financial and Banking, Honoris Causa, Siam University	2009 - 2010	Board of Directors Member, Government Pension Fund
- Ph.D. (Honorary Degree) in Economics, Maejo University	2009 - 2010	Board of Directors Member, Credit Information Protection Commission
- Master of Economics, Atlanta University, U.S.A. (Scholarship & Outstanding Student Award from the National Deans' Lists of America)	2009 - 2010	Board of Directors Member, Capital Market Supervisory Board, Securities and Exchange Commission
- Bachelor of Science (Economics), Kasetsart University	2009 - 2010	Director-General Fiscal Policy Office, Ministry of Finance
- Certificate, Advanced Management Program, Harvard Business School, U.S.A.	2009	Deputy Permanent-Secretary, Ministry of Finance
- Certificate, Executive Program (Class 2), Capital Market Academy	2009	Board of Directors Member, ACL Bank Public Company Limited
- Diploma, The National Defence Course, National Defence College	2009	Board of Directors Member, Provincial Electricity Authority
- Certificate, the Civil Service Executive Program for Senior Civil Servants (Class 39), Office of the Civil Service Commission.	2008	Principal Advisor on Strategic Tax Administration, and Spokesperson Revenue Department, Ministry of Finance
- Diploma on Taxation, France, by ACTIM Scholarship	2007	Board of Directors Member, Small Business Credit Guarantee Corporation
- Certificate, EDI Taxation Technology, University of Canberra, Australia	2005	Board of Directors Member, State Railway of Thailand
- Certificate, Tax Authorities' Use of the Internet, University of New South Wales, Australia	2004	Board of Directors Member, Liquor Distillery Organization, Excise Department, Ministry of Finance
- Certificate, Director Certification Program, Thai Institute of Directors Association		

Previous Working Experiences

2009 - 2011	Board of Directors Member, Securities and Exchange Commission
2009 - 2010	Board of Directors Member, Bank of Thailand
2009 - 2010	Vice Chairman Financial Institution Development Fund

Other Positions at Present

2012 - Present	Board of Directors Member, National Credit Bureau Company Limited
2011 - Present	Board of Directors Member, TOT Public Company Limited
2010 - Present	Director-General Revenue Department, Ministry of Finance

Mr. Sutat Patmasiriwat

Director

(EGAT's Representative Director)

Age 59 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University
- Certificate, Advanced Management Program, Harvard Business School, U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, Creating Value Through Product Management and Customer Profitability, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

- 2010 - 2011 Board of Directors Chairman, EGAT Diamond Service Company Limited ⁽³⁾
- 2009 - 2010 Board of Directors Member, EGAT International Company Limited ⁽⁴⁾
- 2008 - 2009 Deputy Governor-Generation, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2007 - 2008 Assistant Governor-Generation Administration, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2006 - 2007 Assistant Governor-Operation and Maintenance Business, The Electricity Generating Authority of Thailand ⁽¹⁾

Other Positions at Present

- 2011 - Present Board of Directors Chairman, EGAT International Company Limited ⁽⁴⁾
- 2010 - Present Board of Directors Chairman, Ratchaburi Electricity Generating Company Limited ⁽²⁾
- 2010 - Present Board of Directors Chairman, Ratchaburi Power Company Limited ⁽³⁾
- 2009 - Present Board of Directors Member, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2009 - Present Governor, The Electricity Generating Authority of Thailand ⁽¹⁾

Mr. Wirash Kanchanapibul

Director

Risk Management Committee Member

(EGAT's Representative Director)

Age 60 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
2	7,306	None	None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- Certificate, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Certificate, Senior Executive Development Program-1, GE Co.,Ltd., U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Positioning Utility Executives for Change, University of Idaho, U.S.A.
- Certificate, Finance of Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

- 2009 - 2012 Deputy Governor-Administration, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2009 - 2010 Board of Directors Member, EGAT International Company Limited ⁽⁴⁾
- 2009 - 2010 Board of Directors Member, District Cooling System and Power Plant Company Limited
- 2008 - 2009 Deputy Governor-Corporate Social Responsibility, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2006 - 2008 Assistant Governor-Transmission System Operation, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2005 - 2006 Assistant Governor-Demand Side Management, The Electricity Generating Authority of Thailand ⁽¹⁾

Other Positions at Present

None

Mr. Thana Putarungsi

Director

Human Resources and Remuneration Committee Member

Investment Committee Member

(EGAT's Representative Director)

Age 57 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Master of Engineering (Electrical Engineering), Kasetsart University
- Bachelor of Engineering (Electrical Engineering), Kasetsart University
- Certificate, Political Government in Democracy Regime Program for Senior Executive (Class 14), King Prajadhipok's Institution
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, Senior Executive Development Program-2, Australia
- Certificate, Masterful Coaching Workshop, Hay Group
- Certificate, Finance for Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, Financial Statements for Directors, Thai Institute of Directors Association
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA), (Class 1), Thailand Energy Academy (2012)

Previous Working Experiences

- 2008 - 2010 Assistant Governor-Transmission System Operation, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2003 - 2008 Director, Demand Side Management Implementation Division, The Electricity Generating Authority of Thailand ⁽¹⁾

Other Positions at Present

- 2010 - Present Deputy Governor-Transmission System Operation, The Electricity Generating Authority of Thailand ⁽¹⁾

Miss Piyathida Praditbatuga

Independent Director

Audit Committee Member

Age 42 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
1	None	None	None	None	None

Education and Training

- Doctor of Business Administration, The University of South Australia, Australia
- Master of Business Administration, International Business, The University of Birmingham, U.K.
- Postgraduate Diploma in Business Administration, International Business, The University of Birmingham,
- Bachelor of Science: Medical Technology, Chulalongkorn University
- Developing Relationships among Executives' course (Batch 9), Directorate of Civil Affairs, The Royal Thai Army
- Stock Trading Sale License, The Stock Exchange of Thailand

Previous Working Experiences

-

Other Positions at Present

- 2008 - present Program Director, M.S. in Management, School of Business Administration, College of Internet Distance Education, Assumption University
- 2007 - present Lecturer, M.S. in Management, School of Business Administration, College of Internet Distance Education, Assumption University
- 2007 - present Thesis/Dissertation Defense Committee and Chairperson, M.S. in Management, School of Business Administration, College of Internet Distance Education, Assumption University
- 2007 - present Thesis/Dissertation Adviser, M.Sc. in Management, School of Business Administration, College of Internet Distance Education, Assumption University
- 2007 - present Managing Director, Isariya Property Company Limited

Mr. Noppol Milinthangoon

Director,

Chief Executive Officer,

Secretary to the Board of Directors

(EGAT's Representative Director and Executive Director)

Age 58 years

Current Position in Office	RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
3	None	None	None	Executive Director	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Master of Engineering (Nuclear Engineering), Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering) Honor, Chulalongkorn University
- Certificate, Executive Program on Energy Literacy for a Sustainable Future (TEA.), (Class 1), Thailand Energy Academy
- Certificate, Advanced Security Management Program (Class 2), The National Defence College Association of Thailand
- Certificate, Capital Market Academy Leader Program (CMA.), Class 9, Capital Market Academy
- Diploma, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Diploma in Public Law and Management, King Prajadhipok's Institute
- Certificate, Finance for Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Senior Executive Development Program-1, GE Co., Ltd., U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Senior Command Course, Class 22, Institute of Police Administration Development
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

- 2007 - 2008 Assistant Governor-Thermal Power Plant Construction, The Electricity Generating Authority of Thailand ⁽¹⁾
- 2005 - 2007 Assistant Governor-Power Plant, The Electricity Generating Authority of Thailand ⁽¹⁾

Other Positions at Present

- 2012 - Present Board of Directors Member, K K POWER Company Limited ⁽³⁾
- 2011 - Present Board of Directors Chairman, RATCH-Australia Corporation Limited ⁽²⁾
- 2011 - Present Secretary to the Human Resources and Remuneration Committee, Ratchaburi Electricity Generating Holding Public Company Limited
- 2010 - Present Board of Directors Member, Navanakorn Electricity Generating Company Limited ⁽³⁾
- 2010 - Present Engineer Level 14 (Equivalent to Deputy Governor) The Electricity Generating Authority of Thailand ⁽¹⁾
- 2009 - Present Board of Directors Chairman, Hongsa Power Company Limited ⁽³⁾
- 2009 - Present Board of Directors Chairman, Phu Fai Mining Company Limited ⁽³⁾
- 2009 - Present Board of Directors Member, Ratchaburi Electricity Generating Company Limited ⁽²⁾
- 2009 - Present Board of Directors Member, Tri Energy Company Limited ⁽³⁾
- 2009 - Present Board of Directors Member, Ratchaburi Power Company Limited ⁽³⁾
- 2009 - Present Board of Directors Member, SouthEast Asia Energy Limited ⁽³⁾
- 2009 - Present Board of Directors Member, Nam Ngum 2 Company Limited ⁽³⁾



Profile of the Company's Management and Company Secretary

Mr. Noppol Milinthangoon

Chief Executive Officer

Age 58 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	Executive Director	Connected Transactions with EGAT, a Major Shareholder, as disclosed in Related Parties' Transactions section and the Connected Person did not participate in the consideration and he has no right to vote in the transaction.

Education and Training

- Master of Engineering (Nuclear Engineering), Chulalongkorn University
- Bachelor of Engineering (Electrical Engineering) Honor, Chulalongkorn University
- Certificate, Energy Literacy for a Sustainable Future (TEA.), Class 1, Thailand Energy Academy
- Certificate, Advanced Security Management Program (Class 2), The National Defence College Association of Thailand
- Certificate, Capital Market Academy Leader Program (CMA.), Class 9, Capital Market Academy
- Diploma, Management of Public Economy for Executive Program, King Prajadhipok's Institute
- Diploma in Public Law and Management, King Prajadhipok's Institute
- Certificate, Finance for Executive Decision Program, Continuing Education Center, Chulalongkorn University
- Certificate, Senior Executive Development Program-1, GE Co., Ltd., U.S.A.
- Certificate, Senior Executive Development Program-2, Foundation for International Human Resource Development
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, Senior Command Course, Class 22, Institute of Police Administration Development
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

The Electricity Generating Authority of Thailand

- 2007 - 2008 Assistant Governor - Thermal Power Plant Construction
- 2005 - 2007 Assistant Governor - Power Plant

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

The Electricity Generating Authority of Thailand

- Engineer Level 14 (Equivalent to Deputy Governor)

Mr. Prachuab Ujjin

Deputy Chief Executive Officer

Age 61 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
45,500	None	None	None	None

Education and Training

- Master of Science (Electrical Engineering), University of Missouri-Columbia, U.S.A.
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University
- Certificate, Advanced Management Program, Harvard Business School, Boston MA, U.S.A.
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Director Certification Program, Thai Institute of Directors Association

Previous Working Experiences

- [Ratchaburi Electricity Generating Holding Public Company Limited](#)
 - Senior Executive Vice President - Planning and Portfolio Management
- [Ratchaburi Electricity Generating Company Limited](#)
 - Board of Directors Member and Managing Director
- [Chubu Ratchaburi Electric Services Company Limited](#)
 - Board of Directors Chairman
- [The Electricity Generating Authority of Thailand](#)
 - Director, Ratchaburi Power Plant Division
 - Director, Efficiency Control Division
 - Assistant Director, Efficiency Control Division

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Peerawat Pumthong

Chief Operating Officer

Secretary to the Investment Committee

Age 54 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Business Administration, Monash University, Australia (Certificate of Merit (Highest score) in International Business)
- Master of Engineering, Asian Institute of Technology (Germany Government Scholarship)
- Bachelor of Engineering (2nd Class Honor), Khonkaen University
- Certificate, Advanced Course in Public Economics (Class 8), King Prajadhipok's Institute
- Certificate, Director Certification Program, Thai Institute of Directors Association
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasart University
- Certificate, Mini MBA, Chulalongkorn University
- Certificate, Electric Power Development from Swedish Board of Investment and Technical Support, Sweden
- Certificate, ASEAN Executive Program, General Electric International Operation Company, Inc., U.S.A.
- Certificate, Hydro Electric Power from Japan International Cooperation Agency, Columbo Plan, Japan
- Certificate, Thermal and Hydro Power Project Planning from Snowy Mountain Engineering Cooperation, Columbo Plan, Australia

Previous Working Experiences

- [Ratchaburi Electricity Generating Holding Public Company Limited](#)
 - Senior Executive Vice President - Business Development
 - Executive Vice President - Business Development
 - Senior Director, Business Management Division
- [Sustainable Energy Corporation Limited](#)
 - Board of Directors Chairman
- [Khao Kor Wind Power Company Limited](#)
 - Board of Directors Chairman
- [Yanhee Solar Power Company Limited](#)
 - Board of Directors Chairman
- [The Electricity Generating Authority of Thailand](#)
 - Chief, Business Venture Group, Portfolio Management Division
 - Chief, Contract Negotiation and Management Group, Domestic Power Purchase Division
 - Chief, Engineering and Project Implementation Group, Business Venture Division

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Wutthichai Tankuranand

Chief Finance Officer

Age 46 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Business Administration, University of Michigan, U.S.A.
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University

Previous Working Experiences

TrueMove Company Limited

- Deputy Chief Financial Officer

Government Pension Fund

- Vice President, Business Development

CIMB Thai Bank Public Company Limited

- Vice President, Capital Market Department

Bangkok Bank Public Company Limited

- Vice President, Project Lending Group

Kasikornbank Public Company Limited

- Assistant Vice President, Manufacturing and Service Industry Credit Department

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Kriengrit Jiajanpong

Executive Vice President seconded to be the

Managing Director - Ratchaburi Electricity Generating Company Limited

Age 57 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
7,500	None	None	None	None

Education and Training

- Bachelor of Science (Electrical Engineering), King Mongkut's Institute of Technology Thonburi Campus
- Excellence in Situation Management Program
- Coal Combustion Technology & Ash Forming
- Flue Gas Desulfurization Design & Testing Standard, Germany
- Pollution Control Technology (JAPIC), Japan
- Power Plant Availability Workshop, Canada
- Electrostatic Precipitation Technology, Japan
- Steam Turbine Operation & Maintenance, Japan

Previous Working Experiences

The Electricity Generating Authority of Thailand

- Assistant Governor-Operation and Maintenance Business Project
- Director, Maintenance Division, Mae Moh Power Plant
- Assistant Director, Operating Division, Mae Moh Power Plant
- Chief, Flue Gas Desulfurization System Operation Department, Mae Moh Power Plant

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Ni-run Wongchanglor

Executive Vice President seconded to be the
Chief Financial Officer - Ratchaburi Power Company Limited

Age 52 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Management, Asian Institute of Management, Philippines
- Bachelor of Arts - Accounting, Thammasat University
- Certificate Program, Chief Financial Officer, Federation of Accounting Professions
- Certificate, ASEAN Executive Development Program, Thammasat Business School, Thammasat University
- Certificate, The Job of the Chief Financial Officer, New York Salomon Center & Singapore Institute of Management, Singapore
- Certificate, Managerial Skills Enhancement, SASIN Graduate Institute of Business Administration, Chulalongkorn University

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Executive Vice President - Planning and Portfolio Management
- Senior Director, Portfolio Management Division
- Senior Director, Finance Division
- Senior Director, seconded to be the Director-Finance & Accounting, Tri Energy Company Limited

Banpu Public Company Limited Group

- Vice President level 11, seconded to be the Director – Finance and Accounting, Tri Energy Company Limited
- Senior Manager - Investment Division
- Senior Manager - Finance Division

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Prayut Thongsuwan

Executive Vice President seconded to be the
Managing Director - Solarta Company Limited

Age 54 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Public and Private Management, the National Institute of Development Administration
- Bachelor of Political Sciences (Public Administration), Thammasat University
- Certificate, ASEAN Executive Program, General Electric International Operation Company, Inc., U.S.A.
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Advanced Mini MBA, Chulalongkorn University

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Executive Vice President, seconded to be Board of Directors Member and Managing Director, Ratchaburi Energy Company Limited
- Executive Vice President - Corporate Administration
- Director, General Administration Division
- Director, Ratchaburi Power Plant Communication Center

The Electricity Generating Authority of Thailand

- Chief - Procurement and General Services Department, Demand Side Management and Planning Division

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Somnuk Jindasup

Executive Vice President seconded to be the
President - Tri Energy Company Limited

Age 54 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
7,300	None	None	None	None

Education and Training

- Master of Engineering (Electrical Engineering), Chulalongkorn University
- Bachelor of Science (Electrical Engineering) (2nd Class Honor), King Mongkut's Institute of Technology North Bangkok Campus
- Certificate, ASEAN Executive Program, General Electric International Operation Company, Inc., U.S.A.
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Advanced Mini MBA, Chulalongkorn University
- Graduate Diploma in Public Law and Management, King Prajadhipok's Institute
- Certificate, Executive Development Program, Thai Listed Company Association

Previous Working Experiences

Ratchaburi Electricity Generating Company Limited

- Executive Vice President, seconded to be the Deputy Managing Director
- Director, Operating Division

The Electricity Generating Authority of Thailand

- Chief, Plant Maintenance Department Wang-Noi Power Plant
- Head, Thermal Power Plant Operating Section, South Bangkok Thermal Power Plant
- The Cogen (SPP) Operation Project Team Leader, South Bangkok Thermal Power Plant

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mrs. Sunee Rajatamutha

Executive Vice President - Finance

Age 54 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Accounting, Thammasat University
- Master of Business Administration, Chulalongkorn University
- Bachelor of Accounting (2nd Class Honor), Chulalongkorn University
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Chief Financial Officer , Federation of Accounting Professions
- Certificate, Modern Management Program, Chulalongkorn University

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Senior Vice President, acting Executive Vice President - Finance
- Senior Director, seconded to be Chief Financial Officer, Ratchaburi Power Company Limited
- Director, Finance Division
- Senior Manager, seconded to be the Director - Finance & Accounting, Tri Energy Company Limited
- Manager, Finance Department
- Manager, Management Accounting and Budgeting Department

The Electricity Generating Authority of Thailand

- Chief, Management Accounting Financing and Budgeting Department

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mrs. Boontiva Dansamasatid

Executive Vice President - Corporate Administration

Acting Vice President - Corporate Secretary Office

Company Secretary

Age 52 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Business Administration, Kasetsart University
- Bachelor of Arts (English) (2nd Class Honor), Chulalongkorn University
- Certificate, Mini MBA, Kasetsart University
- Certificate, Company Secretary Program, Thai Institute of Directors Association
- Certificate, Business Laws Program, Thammasat University
- Certificate, The Leadership Grid, and The Supervisory Grid

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Senior Vice President, Head of Corporate Secretary Office, acting Executive Vice President - Corporate Administration and Company Secretary
- Senior Vice President, Corporate Secretary Office
- Senior Manager, Board of Directors Secretariat Department
- Manager, Board of Directors Secretariat Department
- Manager, Administration and Human Resource Department

The Electricity Generating Authority of Thailand

- Administration Officer Level 10, acting Chief of Administration Affairs, Training Division

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Raluke Satayaporn

Senior Vice President

Acting Executive Vice President - International Business Development

Age 53 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Engineering (Civil Engineering), Asian Institute of Technology
- Bachelor of Engineering (Civil Engineering), Kasetsart University
- Certificate, Senior Executive Program (SEP), SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Project Management, the Engineering Institute of Thailand

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Senior Vice President - Head of Laos Investment Division
- Senior Vice President - Foreign Investment Division, seconded to be the Deputy Managing Director, SouthEast Asia Energy Limited
- Senior Vice President, seconded to be the Deputy Managing Director, SouthEast Asia Energy Limited
- Vice President, Project Management

Ratchaburi Energy Company Limited

- Director, Engineering and Contract Management

The Electricity Generating Authority of Thailand

- Head, Engineering Division: Lam Tha Khong pumped storage Hydropower Plant
- Engineer Level 10

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Damrong Kheochaum

Senior Vice President

Acting Executive Vice President - Domestic Business Development

Age 57 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
7,095	None	None	None	None

Education and Training

- Bachelor of Science (Mechanical Engineering), King Mongkut's Institute of Technology Thonburi Campus

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Senior Vice President seconded to be the Deputy Managing Director - Power Plant, Hongsa Power Company Limited

The Electricity Generating Authority of Thailand

- Engineer Level 10

District Cooling System and Power Plant Company Limited

- Planning & Generating Department Manager

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mr. Sommai Poosanachakorn

Vice President - Head of Accounting Division

Age 48 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Public and Private Management, the National Institute of Development Administration
- Bachelor of Accounting, Thammasat University
- Certificate, Chief Financial Officer, Federation of Accounting Professions
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Manager, seconded to be the Finance Manager, SouthEast Asia Energy Limited
- Manager - Management Accounting and Budgeting Department
- Manager - Treasury Department

Solarta Company Limited

- Deputy Managing Director

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Miss. Raywadee Srikongyos
Vice President - Head of Treasury Division
Age 54 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Public and Private Management, the National Institute of Development Administration
- Bachelor of Business Administration (Finance) (1st Class Honor), Thai Chamber of Commerce University
- Certificate, Senior Executive Program, SASIN Graduate Institute of Business Administration, Chulalongkorn University
- Certificate, Fixed Income Primer Program, Lehman Brothers

Previous Working Experiences

Ratchaburi Electricity Generating Holding Public Company Limited

- Vice President - Office Management
- Manager, Compliance Department
- Manager, Financial Planning and Management Department

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266

Mrs. Wadeerat Charoencoop

Vice President - Head of Financial Planning and Management Division

Age 38 years

RATCH Shareholding	Prohibited Qualifications/ Dishonestly Committed an Offence	Close Relatives to Management	Participation in Management, Business Relations, Professional Service Provider to RATCH Group in Previous Year	Conflict of Interest in Previous Year
None	None	None	None	None

Education and Training

- Master of Business and Administration, University of Washington, U.S.A.
- Bachelor of Business Administration (Finance) (2nd Class Honor), Chulalongkorn University

Previous Working Experiences

- [Ratchaburi Electricity Generating Holding Public Company Limited](#)
- Manager, Financial Planning and Management Department

Other Positions at Present

- Information about the Directorship in Subsidiaries, Jointly-Controlled Entities and Associated Entities is published on page 266



Information about Directorship and Executives in the Company, Subsidiaries, Jointly-Controlled Entities and Associated Entities of the Company's Directors, Executives and Its Controller

As of 31 December 2012

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26			
		Mr. Kurujit Nakomthap	Mr. Surachai Tansitpong	Mr. Trakul Winitnalyapak	Captain Sirdetch Julpema	Police Lieutenant General Thavorn Chanyim	Mr. Weera Srivathanatraikoon	Mr. Sattit Rungkasiri	Mr. Surat Patmasirawat	Mr. Wirash Kanchanapibul	Mr. Thana Putarungsri	Miss Piyathida Praditbatuga	Mr. Noppol Milinthangsoon	Mr. Prachuab Ujjan	Mr. Peerawat Pumthong	Mr. Wuttichai Tankuranand	Mr. Kriengrit Jajanpong	Mr. Ni-run Wongchanglor	Mr. Prayut Thongsuwan	Mr. Somnuk Jindisup	Mrs. Sunee Rajatanutha	Mrs. Boontiva Dansamasatid	Mr. Raluke Satayaporn	Mr. Damrong Kheochaum	Mr. Sommai Poosanachakorn	Miss Raywadee Srikongyos	Mrs. Wadeerat Charoencoop			
Ratchaburi Electricity Generating Holding Public Company Limited		RATCH	DD, VV	D, R	D, HH, V	I, AA	I, RR	I, H	I, A	D	D, R																			
The Controller: Electricity Generating Authority of Thailand		EGAT	D	D	D					D, Deputy Governor																				
Subsidiaries	Power Generation	1. Ratchaburi Electricity Generating Company Limited	RG							DD																				
		2. Ratchaburi Gas Company Limited	RGAS																											
		3. Ratch Udom Power Company Limited	RUDDOM																											
		4. Ratchaburi Alliances Company Limited	RACL																											
		5. RH International Corporation Limited	RHIC																											
		6. RH International (Mauritius) Corporation Limited	RHIM																											
		7. RH International (Singapore) Corporation Pte. Ltd.	RHIS																											
		8. RATCH-Australia Corportation Limited	RAC																											
	Renewable Energy	9. Ratchaburi Energy Company Limited	RE																											
		10. Sustainable Energy Corporation Company Limited	SEC																											
		11. Khao Kor Wind Power Company Limited	KKW																											
	Related Business	12. RATCH-Lao Services Company Limited	RL																											
		13. RATCH O&M Company Limited	ROM																											
		14. Sukhothai Energy Company Limited	SE																											
Jointly-Controlled Entities and Associated Entities	Power Generation	15. Tri Energy Company Limited	TECO																											
		16. Ratchaburi Power Company Limited	RPCL																											
		17. SouthEast Asia Energy Limited	SEAN																											
		18. Hongsa Power Company Limited	HPC																											
		19. Nam Ngum 2 Power Company Limited	NN2																											
		20. Nam Ngum 3 Power Company Limited	NN3																											
		21. Nava Nakorn Electricity Generating Company Limited	NNEG																											
		22. Ratchaburi World Cogeneration Company Limited	RWC																											
	Renewable Energy	23. K K POWER Company Limited	KK																											
		24. Xe-Pian Xe-Namnoy Company Limited	PNPC																											
		25. Solarta Company Limited	SLT																											
		26. Solar Power (Korat 3) Company Limited	KORAT 3																											
		27. Solar Power (Korat 4) Company Limited	KORAT 4																											
		28. Solar Power (Korat 7) Company Limited	KORAT 7																											
		29. Songkhla Biomass Company Limited	SKBM																											
	Related Business	30. First Korat Wind Company Limited	FKW																											
		31. K.R. TWO Company Limited	KR2																											
		32. Chubu Ratchaburi Electric Services Company Limited	CRESCO																											
		33. EGAT Diamond Service Company Limited	EDS																											
34. Phu Fai Mining Company Limited		PFM																												
35. Songkhla Biofuel Company Limited	SKBF																													

DD = Chairman of the Board of Directors
 I = Independent Director
 A = Audit Committee Member
 H = Human Resources and Remuneration Committee Member
 R = Risk Management Committee Member
 V = Investment Committee Member
 D = Director
 AA = Chairman of the Audit Committee
 HH = Chairman of the Human Resources and Remuneration Committee
 RR = Chairman of the Risk Management Committee
 VV = Chairman of the Investment Committee

CEO = Chief Executive Officer
 COO = Chief Operating Officer
 RPCL: CFO = Chief Financial Officer
 VP = Vice President
 DMD = Deputy Managing Director
 AMD = Acting Managing Director
 Deputy CEO = Deputy Chief Executive Officer
 RATCH: CFO = Chief Finance Officer
 EVP = Executive Vice President
 MD = Managing Director
 P = President



General Information about the Company, Subsidiaries, Jointly-Controlled Entities and Associated Entities

Ratchaburi Electricity Generating Holding Public Company Limited

Head office	: 123 Sun Towers Building B, 31 st Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand
Branch office	: 8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand
Tel.	: 66 (0) 2794 9999
Fax	: 66 (0) 2794 9998
Website	: www.ratch.co.th
Email	: contactinfo@ratch.co.th
Registration No.	0107543000031
Type of business	: Investing, developing and operating electricity generating and related businesses
Registered capital	: Baht 14,500 million
Par value	: Baht 10
Paid-up Capital	: Baht 14,500 million
Status	:

1. The Company's total installed capacity is 6,303 megawatts comprising

1.1 11 commercially operated power plants and from other capital investments namely

- Ratchaburi Power Plant accounting for the Company's 3,645 megawatts
- Tri Energy Power Plant accounting for the Company's 350 megawatts
- Ratchaburi Power's Power Plant accounting for the Company's 350 megawatts
- Nam Ngum 2 Hydroelectric Power Plant accounting for the Company's 153.75 megawatts
- RATCH-Australia Corporation Limited's Power Plant accounting for the Company's 509.52 megawatts

- PTO-A and Expansion Associated Gas Power Plant Project; the Non-Firm SPP Power Plant that has installed capacity of 2.65 megawatts
- Sao Thian-A Power Plant has installed capacity of 3.6 megawatts
- Solar Farm Project of Solarta Company Limited accounting for the Company's 16.78 megawatts
- Solar Farm Project of Solar Power Company Limited (3 projects) accounting for the Company's 7.2 megawatts
- Huay Bong 2 Wind-Turbine Power Project, Nakorn Ratchasima Province accounting for the Company's 20.7 megawatts
- Huay Bong 3 Wind-Turbine Power Project, Nakorn Ratchasima Province accounting for the Company's 20.7 megawatts
- The proportion of investment in generating capacity of EDL-Generation Public Company Lao PDR accounting for the Company's 89.05 megawatts

1.2 The developing projects in Thailand and Lao PDR.

Projects in Thailand are

- SPP Cogeneration Project of Ratchaburi World Cogeneration Company Limited accounting for the Company's 84 megawatts
- SPP Cogeneration Project of Nava Nakorn Electricity Generating Company Limited accounting for the Company's 48.8 megawatts
- Khao Kor Wind Farm Project, Petchaboon Province accounting for the Company's 33.11 megawatts
- Songkla Biomass Company Limited Power Plant Project accounting for the Company's 3.96 megawatts.

Projects in Lao PDR are

- Hongsa Thermal Power Plant Project accounting for the Company's 751.2 megawatts
- Nam Ngum 3 Hydroelectric Power Project accounting for the Company's 110 megawatts
- Xe-Pian Xe-Namnoy Hydroelectric Power Project accounting for the Company's 102.5 megawatts

2. The Company has 14 subsidiaries as follows.

1. Ratchaburi Electricity Generating Company Limited
2. Ratchaburi Gas Company Limited
3. Ratch Udom Power Company Limited
4. Ratchaburi Alliances Company Limited
5. Ratchaburi Energy Company Limited
6. RATCH-Lao Services Company Limited
7. RH International Corporation Limited
8. RH International (Mauritius) Corporation Limited
9. RH International (Singapore) Corporation Pte. Ltd.
10. RATCH-Australia Corporation Limited
11. Sustainable Energy Corporation Company Limited
12. Khao Kor Wind Power Company Limited
13. Ratch O&M Company Limited
14. Sukhothai Energy Company Limited

and also has 21 jointly - controlled entities and associated entities that are

1. Tri Energy Company Limited
2. Ratchaburi Power Company Limited
3. SouthEast Asia Energy Limited
4. Nam Ngum 2 Power Company Limited
5. Chubu Ratchaburi Electric Services Company Limited
6. EGAT Diamond Service Company Limited
7. Hongsa Power Company Limited
8. Phu Fai Mining Company Limited
9. Nam Ngum 3 Power Company Limited
10. Solarta Company Limited
11. Ratchaburi World Cogeneration Company Limited
12. Nava Nakorn Electricity Generating Company Limited

13. First Korat Wind Company Limited
14. K.R. TWO Company Limited
15. Solar Power (Korat 3) Company Limited
16. Solar Power (Korat 4) Company Limited
17. Solar Power (Korat 7) Company Limited
18. Songkhla Biomass Company Limited
19. Songkhla Biofuel Company Limited
20. Xe-Pian Xe-Namnoy Power Company Limited
21. K K POWER Company Limited

The Company has also made capital investment in

1. EDL-Generation Public Company (EDL-Gen)

Subsidiaries

Company	Detail
<p>1. Ratchaburi Electricity Generating Company Limited</p> <p>128 Moo 6, Phikunthong Subdistrict, Muang District, Ratchaburi 70000, Thailand Registration No. 0125543002288 Tel. : 66 (0) 2978 5111-9 66 (0) 3236 5740 ext 3210 Fax : 66 (0) 2978 5110 66 (0) 3236 5740 ext 3204</p>	<p>Company's shareholding (%) : 99.99 Type of business : Electricity generating business Registered capital : Baht 18,275 million Par value : Baht 10 Paid-up Capital : Baht 18,275 million</p> <ul style="list-style-type: none"> Supervising the operations of Ratchaburi Power Plants, including 2 units of thermal power plant with 735 megawatts each, and 3 blocks of combined cycle plant with 725 megawatts each. It has 25-year power purchase agreement with EGAT.
<p>2. Ratchaburi Gas Company Limited</p> <p>8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0105539137646 Tel. : 66 (0) 2794 9999 Fax : 66 (0) 2794 9998</p>	<p>Company's shareholding (%) : 99.99 Type of business : Investing in electricity generating business Registered capital : Baht 500 million Par value : Baht 10 Paid-up Capital : Baht 500 million</p> <ul style="list-style-type: none"> Holding 50 per cent stake in Tri Energy Company Limited, which oversees the operations of the 700 megawatts Tri Energy Power Plant.
<p>3. Ratch Udom Power Company Limited</p> <p>8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0105546140266 Tel. : 66 (0) 2794 9999 Fax : 66 (0) 2794 9998</p>	<p>Company's shareholding (%) : 99.99 Type of business : Investing in electricity generating business Registered capital : Baht 420.90 million Par value : Baht 10 Paid-up Capital : Baht 420.90 million</p> <ul style="list-style-type: none"> Holding 99.99 per cent in Ratchaburi Alliances Company Limited
<p>4. Ratchaburi Alliances Company Limited</p> <p>8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0105547004145 Tel. : 66 (0) 2794 9999 Fax : 66 (0) 2794 9998</p>	<p>Company's shareholding (%) : 99.99 (held by Ratch Udom Power Company Limited) Type of business : Investing in electricity generating business Registered capital : Baht 420.20 million Par value : Baht 10 Paid-up Capital : Baht 420.20 million</p> <ul style="list-style-type: none"> Holding 25 per cent in Ratchaburi Power Company Limited which oversees the operations of the 1,400 megawatts Combined Cycle Power Plants.

Company	Detail
<p>5. Ratchaburi Energy Company Limited 8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0105544085845 Tel. : 66 (0) 2794 9999 Fax : 66 (0) 2794 9998</p> <p>Branch I and II Office 32-32/1 Ban Tham Mai Krai Village Moo 11 Kong Subdistrict, Kong Krilat District, Sukhothai Province 64170, Thailand Tel. : 66 (0) 5560 1104 Fax : 66 (0) 5560 1104</p> <p>Branch III Office 143 Ban Nong Sao Thian Village Moo 11 Kri Nai Subdistrict, Kong Krilat District, Sukhothai Province 64170, Thailand Tel. : 66 (0) 5561 5309 Fax : 66 (0) 5561 5308</p>	<p>Company's shareholding (%) : 99.99 Type of business : Investing in electricity generating business using alternative energy and in related businesses Registered capital : Baht 640 million Par value : Baht 10 Paid-up Capital : Baht 640 million</p> <p>(1) Overseeing the operations of PTO Power Plant and its expansion with total installed capacity of 2.65 megawatts. The project generates power using flare gases which are by products from the PTO A oil rig located at Ban Tham Mai Krai, Kong Subdistrict, Kong Krilat District, Sukhothai Province. (2) Jointly invest 55.18 per cent in developing wind farm project in Khao Kor District in Petchaboon Province. (3) Overseeing Sao Thian-A Power Plant with the installed capacity of 3.6 megawatts which generate electricity by using the associated gas from Sao Thian-A Oil Rig and has started the commercial operation on 26 January 2012. (4) Holding 51 per cent stake in Sukhothai Energy Company Limited</p>
<p>6. RATCH-Lao Services Company Limited 187 Unit 12, Ban Phon Sa-at, Xaysettha, Vientiane, Lao PDR Tel. : (856 21) 454 074 Fax : (856 21) 454 075</p>	<p>Company's shareholding (%) : 99.99 Type of business : Providing operation and maintenance services to power plant, investing and operating other activities related to the Company's investment in Lao PDR Registered capital : USD 2.5 million Par value : USD 1 Paid-up Capital : USD 2.5 million</p> <p>(1) Providing the operation and maintenance services for Nam Ngum 2 Hydroelectric Power Plant with EGAT as the subcontractor throughout the period of the power purchase agreement with EGAT. (2) Holding 5.801 per cent stake in EDL-Generation Public Company</p>

Company	Detail
<p>7. RH International Corporation Limited 8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0105552116711 Tel. : 66 (0) 2794 9999 Fax : 66 (0) 2794 9998</p>	<p>Company's shareholding (%) : 99.99 Type of business : Investing, developing and operating electricity and related businesses overseas Registered capital : Baht 4,400 million Par value : Baht 10 Paid-up Capital : Baht 4,400 million • Holding 100 per cent stakes in RH International (Mauritius) Corporation Limited.</p>
<p>8. RH International (Mauritius) Corporation Limited 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Mauritius</p>	<p>Company's shareholding (%) : 99.99 (held by RH International Corporation Limited) Type of business : Investing, developing and operating electricity and related businesses overseas Registered capital : USD 139.13 million Par value : USD 1 Paid-up Capital : USD 139.13 million • Holding 100 per cent stakes in RH International (Singapore) Corporation Pte. Ltd.</p>
<p>9. RH International (Singapore) Corporation Pte. Ltd. 8 Marina Boulevard #05-01 Marina Bay Financial Centre Tower 1 Singapore 018981</p>	<p>Company's shareholding (%) : 99.99 (held by RH International (Mauritius) Corporation Limited) Type of business : Investing, developing and operating electricity and related businesses overseas Registered capital : USD 138.83 million or equivalent Par value : USD 1 Paid-up Capital : USD 138.83 million or equivalent (1) Holding 80 per cent stake in RATCH-Australia Corporation Limited. (2) Holding 4.307 per cent stake in EDL-Generation Public Company.</p>

Company	Detail
<p>10. RATCH – Australia Corporation Limited Level 7, 111 Pacific Highway North Sydney NSW 2060, Australia Tel. : (61) 2 8913 9400 Fax : (61) 2 8913 9423</p>	<p>Company's shareholding (%) : 80 (held by RH International (Singapore) Corporation Pte. Ltd.)</p> <ul style="list-style-type: none"> Doing business in infrastructure in Australia. Its assets comprise 6 power plants located nationwide in Australia. The fuel usage in the power plants is diverse from natural gas, coal and wind farms.
<p>11. Sustainable Energy Corporation Company Limited 123 Sun Towers Building B 31st Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Registration No. 0105551036692 Tel. : 66 (0) 2978 5300 Fax : 66 (0) 2978 5333</p>	<p>Company's shareholding (%) : 55.18 (held by Ratchaburi Energy Company Limited)</p> <p>Type of business : Investing and developing electricity generating businesses</p> <p>Registered capital : Baht 440 million</p> <p>Par value : Baht 10</p> <p>Paid-up Capital : Baht 285.25 million</p> <p>(1) Overseeing a non-firm small power producer wind farm project that is located in Petchaboon Province.</p> <p>(2) Shareholders comprise Wind Energy Holding Company Limited holding 34.16 per cent stake, other minor shareholders holding aggregate 10.66 per cent stake and Ratchaburi Energy Company Limited.</p>
<p>12. Khao Kor Wind Power Company Limited 123 Sun Towers Building B, 31st Floor, Vibhavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Registration No. 0105552030574 Tel. : 66 (0) 2978 5300 Fax : 66 (0) 2978 5333</p>	<p>Company's shareholding (%) : 55.18 (held by Sustainable Energy Corporation Company Limited)</p> <p>Type of business : Electricity generating businesses</p> <p>Registered capital : Baht 950 million</p> <p>Par value : Baht 10</p> <p>Paid-up Capital : Baht 252.485 million</p> <ul style="list-style-type: none"> Overseeing the operations of the Wind-Turbine Power Project that is located in Khao Kor District, Petchaboon Province with the installed capacity of 60 megawatts.

Subsidiaries

Company	Detail
<p>13. RATCH O&M Company Limited 8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0105555038525 Tel. : 66 (0) 2794 9999 Fax : 66 (0) 2794 9998</p>	<p>Company's shareholding (%) : 99.99 Type of business : Providing operation and maintenance services to SPP projects that the Company invests. Registered capital : Baht 10 million Par value : Baht 10 Paid-up Capital : Baht 2.5 million</p> <ul style="list-style-type: none"> • Providing operation and maintenance services to SPP projects that the Company invests.
<p>14. Sukhothai Energy Company Limited 184/156 Forum Tower Building, 25th Floor, Ratchadaphisek Road, Huay Khwang, Bangkok 10400, Thailand Registration No. 0105555027698 Tel. : 66 (0) 2645 2230 Fax : 66 (0) 2645 2231</p>	<p>Company's shareholding (%) : 51 (held by Ratchaburi Energy Company Limited) Type of business : Providing flare gas quality improvement Registered capital : Baht 80 million Par value : Baht 100 Paid-up Capital : Baht 80 million</p> <ul style="list-style-type: none"> • Providing flare gas quality improvement to enhance the efficiency of Sao Thian Power Plant and Pratu Tao Power Plant that Ratchaburi Energy Company Limited operates in Sukhothai Province.

Jointly-Controlled Entities and Associated Entities

Company	Detail
1. Tri Energy Company Limited	
1550 Thanapoom Tower, 16 th Floor, New Petchaburi Road, Makkasan, Ratchthewi, Bangkok 10400, Thailand Registration No. 0105538029882 Tel. : 66 (0) 2207 2700-14 Fax : 66 (0) 2207 0315-16	Company's shareholding (%) : 50 (held by Ratchaburi Gas Company Limited) Type of business : Electricity generating business Registered capital : Baht 3,423.80 million Par value : Baht 100 Paid-up Capital : Baht 3,423.80 million (1) Overseeing the operations of Tri Energy Power Plant in Ratchaburi Province which is the combined cycle power plant with one unit of 700 megawatts installed capacity. (2) Shareholders comprise Chevron Thailand Energy Company I holding 50 per cent stake and Ratchaburi Gas Company Limited.
2. Ratchaburi Power Company Limited	
1828 Sukhumvit Road, Bang Chak, Pra Khanong, Bangkok,10260, Thailand Registration No. 0105539081349 Tel. : 66 (0) 2311 5111 Fax : 66 (0) 2332 3882	Company's shareholding (%): 25 (held by Ratchaburi Alliances Company Limited) Type of business : Electricity generating business Registered capital : Baht 7,325 million Par value : Baht 100 Paid-up Capital : Baht 7,325 million (1) Overseeing the operations of Ratchaburi Power Company Limited's plant located in the premise of Ratchaburi Power Plant. It has a 25-year Power Purchase Agreement with EGAT. There are two units of 700 megawatts combined cycle, totaling 1,400 megawatts. (2) Shareholders comprise PAI International Power (Mauritius) Ltd. holding 25 per cent stake, Chubu Electric Power International B.V. holding 15 per cent stake, PTT Public Company Limited holding 15 per cent stake, Saha-Union Public Company Limited holding 10 per cent stake, Toyota Tsusho Corporation holding 10 per cent stake and Ratchaburi Alliances Company Limited.

Company

Detail

3. SouthEast Asia Energy Limited

587 Viriyathavorn Building, 20th Floor,
Suthisarn Vinichai Road, Din Daeng,
Bangkok, 10400, Thailand
Registration No. 0105547063036
Tel. : 66 (0) 2275 4873
Fax : 66 (0) 2691 8307

Company's shareholding (%) : 33.33
Type of business : Investing, developing and operating
electricity generating businesses
in Lao PDR
Registered capital : Baht 6,606.75 million
Par value : Baht 10
Paid-up Capital : Baht 6,606.75 million

- (1) SouthEast Asia Energy Limited (holding 75 per cent stake) and the Lao PDR's government holding 25 per cent stake) jointly invested in Nam Ngum 2 Power Company Limited which oversees the construction of the 615 megawatts Nam Ngum 2 Hydroelectric Power Plant in Lao PDR.
(2) Shareholders comprise CK Power Limited holding 38 per cent stake, Bangkok Expressway Public Company Limited holds 16.67 per cent stake, other shareholders hold 12 per cent stake and the Company.

4. Nam Ngum 2 Power Company Limited

215 Lanexang Avenue, Bann Siag Yuen,
Chantabouly, Vientiane, Lao PDR
Tel. : (856 21) 223 215
Fax : (856 21) 215 500

Company's shareholding (%) : 25 (held by SouthEast Asia Energy Limited)
Type of business : Electricity generating businesses
Registered capital : Baht 8,809 million
Par value : Baht 10
Paid-up Capital : Baht 8,809 million

- (1) Overseeing the construction of the Nam Ngum 2 Hydroelectric Power Plant in Lao PDR with installed capacity of 615 megawatts.
(2) Shareholders comprise the Lao PDR government holding 25 per cent stake and SouthEast Asia Energy Limited holding 75 per cent stake.

5. Chubu Ratchaburi Electric Services Company Limited

128 Moo 6, Phikunthong Subdistrict,
Muang District, Ratchaburi 70000, Thailand
Registration No. 0705548000938
Tel. : 66 (0) 2978 5180
66 (0) 2978 5740 ext 3210
Fax : 66 (0) 2978 5126
66 (0) 3236 5740 ext 3204

Company's shareholding (%) : 50
Type of business : Operating and providing power
plant maintenance services
Registered capital : Baht 40 million
Par value : Baht 100
Paid-up Capital : Baht 20 million

- (1) Providing operation and maintenance services for Ratchaburi Power Company Limited's Plant for 14-year period starting from the plant's commercial operation date in June 2008.
(2) Shareholders comprise the Company and Chubu Electric Power (Thailand) Company Limited equally hold 50 per cent stake.

Company	Detail
<p>6. EGAT Diamond Service Company Limited 56/25 Moo 20, Klong Nueng, Klong Luang, Pathumthani, 12120, Thailand Registration No. 0125552017292 Tel. : 66 (0) 2529 0808 Fax : 66 (0) 3529 0900</p>	<p>Company's shareholding (%) : 10 Type of business : Investing in power plants' gas turbine maintenance service Registered capital : Baht 623 million Par value : Baht 100 Paid-up Capital : Baht 506.56 million (1) Established to operate power generating system's gas turbine maintenance workshop covering various countries in Asia. It is located in Navanakorn Industrial Promotion Zone. (2) Shareholders comprise EGAT holding 45 per cent stake Mitsubishi Heavy Industries, Ltd. holding 30 per cent, Mitsubishi Corporation holding 15 per cent stake and the Company.</p>
<p>7. Hongsa Power Company Limited Sikhottabong, Vientiane, Lao PDR Tel. : (856 21) 223 911 Fax : (856 21) 222 089</p>	<p>Company's shareholding (%) : 40 Type of business : Electricity generating business Registered capital : USD 76,000,000 Par value : USD 10 Paid-up Capital : USD 76,000,000 (1) Established in Lao PDR to operate the electricity generating concession under the Hongsa Thermal Power Plant Project located in Xayaboury, Lao PDR with generating capacity of 1,878 megawatts and uses lignite as primary fuel. (2) Shareholders comprise the Company and Banpu Power Company Limited equally holding 40 per cent stake and Lao Holding State Enterprise holding 20 per cent stake.</p>
<p>8. Phu Fai Mining Company Limited Sikhottabong, Vientiane, Lao PDR Tel. : (856 21) 223 911 Fax : (856 21) 222 089</p>	<p>Company's shareholding (%) : 37.5 Type of business : Lignite Mining Registered capital : USD 50,000 Par value : USD 10 Paid-up Capital : USD 50,000 (1) Established in Lao PDR to operate lignite mining concession project. Lignite from this project is used for electricity generation at Hongsa Thermal Power Plant. (2) Shareholders comprise the Company and Banpu Power Company Limited equally holding 37.5 per cent stake and Lao Holding State Enterprise holding 25 per cent stake.</p>

Company	Detail
9. Nam Ngum 3 Power Company Limited	
No.218, Unit 12 Ban Thongkang, Sokpaluang Road, Sisattanak District, Vientiane, Lao PDR	Company's shareholding (%) : 25
Tel. : (856 21) 412 639	Type of business : Electricity generating business
Fax : (856 21) 412 644	Registered capital : USD 300,000
	Par value : USD 100
	Paid-up Capital : USD 60,000
	(1) Established to operate Nam Ngum 3 Hydroelectric Power Plant with the installed capacity of 440 megawatts.
	(2) Shareholders comprise GMS Lao Company Limited holding 27 per cent stake, Marubeni Corporation holding 25 per cent stake, Lao Holding State Enterprise holding 23 per cent stake and the Company.
10. Solarta Company Limited	
8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand	Company's shareholding (%) : 49
Registration No. 0105553085861	Type of business : Electricity generating business
Tel. : 66 (0) 2978 5200	Registered capital : Baht 1,320 million
Fax : 66 (0) 2978 5080 ext 5200	Par value : Baht 100
	Paid-up Capital : Baht 1,100 million
	(1) Operating 8 Non-firm VSPP solar power generation projects located in Phra Nakhon Si Ayutthaya Province, Suphan Buri Province and Nakhon Pathom Province with total installed capacity of 34.25 megawatts.
	(2) Shareholders comprise Yanhee Solar Power Company Limited holding 51 per cent stake and the Company.
11. Ratchaburi World Cogeneration Company Limited	
110 Moo 9, Don Sai Subdistrict, Photaram District, Ratchaburi 70120, Thailand	Company's shareholding (%) : 40
Registration No. 0105552116967	Type of business : Electricity generating business
Tel. : 66 (0) 3237 5869	Registered capital : Baht 2,506 million
Fax : 66 (0) 3237 5870	Par value : Baht 10
	Paid-up Capital : Baht 1,250 million
	(1) Operating 2 Firm, SPP Cogeneration Projects with total installed capacity of approximately 210 megawatts, located in Ratchaburi Industrial Estate, Ratchaburi Province.
	(2) Shareholders comprise Thai World Power Company Limited holding 60 per cent stake and the Company.

Company	Detail
12. Nava Nakorn Electricity Generating Company Limited	
Head Office	
999 Moo 13, Phaholyothin Road, Klong Nueng, Klong Luang, Pathumthani 12120, Thailand	Company's shareholding (%) : 40 Type of business : Electricity and Steam Generating Registered capital : Baht 242 million Par value : Baht 10 Paid-up Capital : Baht 242 million (1) Operating 1 Firm, SPP Cogeneration Project with installed capacity of approximately 122 megawatts, located in Nava Nakorn Industrial Promotion Zone, Pathumthani Province. (2) Shareholders comprise PTT Public Company Limited and Nava Nakorn Public Company Limited equally hold 30 per cent stake and the Company.
Branch Office I	
8/8 Moo 2, Bang Khen District, Muang Nonthaburi, Nonthaburi 11000, Thailand Registration No. 0135553000881 Tel. : 66 (0) 2978 5283 Fax : 66 (0) 2978 5080	
13. First Korat Wind Company Limited	
87 MThai Tower Building, 27 th Floor, All Seasons Place, Lumpinee, Pathumwan, Bangkok 10330, Thailand Registration No. 0105552056166 Tel. : 66 (0) 2654 1155-8 Fax : 66 (0) 2654 1159	Company's shareholding (%) : 20 Type of business : Electricity generating business Registered capital : Baht 1,996.02 million Par value : Baht 10 Paid-up Capital : Baht 1909.71 million (1) Operating Huaybong 3 Wind-Turbine Power Project with the installed capacity of 103.5 megawatts. It is located in Nakorn Ratchasima Province and has been awarded a non-firm power purchase agreement for small power producer from the Electricity Generating Authority of Thailand with 10-year subsidy of Baht 3.50 per unit adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission. (2) Shareholders comprise Aeolus Power Company Limited holding 60 per cent stake, Chubu Electric Power Korat, BV holding 20 per cent stake and the Company.

Company**Detail****14. K.R. TWO Company Limited**

87 MThai Tower Building, 27th Floor, All seasons Place,
Lumpinee, Pathumwan, Bangkok 10330, Thailand
Registration No. 0105552072412
Tel. : 66 (0) 2654 1155-8
Fax : 66 (0) 2654 1159

Company's shareholding (%) : 20
Type of business : Electricity generating business
Registered capital : Baht 1,827 million
Par value : Baht 10
Paid-up Capital : Baht 1,589.62 million
(1) Operating Huaybong 2 Wind-Turbine Power Project with the installed capacity of 103.5 megawatts. It is located in Nakorn Ratchasima Province and has been awarded a non-firm power purchase agreement for small power producer from the Electricity Generating Authority of Thailand with 10-year subsidy of Baht 3.50 per unit adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission.
(2) Shareholders comprise Aeolus Power Company Limited holding 60 per cent stake, Chubu Electric Power Korat, BV holding 20 per cent stake and the Company.

15. Solar Power (Korat 3) Company Limited

333/22 United Tower, 16th Floor,
Soi Sukhumvit 55 (Thonglor), Sukhumvit Road,
Klongton Nua, Wattana, Bangkok 10110, Thailand
Registration No. 0105553043106
Tel. : 66 (0) 2712 7374-6
66 (0) 2185 2342-3
Fax : 66 (0) 2712 7378
66 (0) 2185 2344

Company's shareholding (%) : 40
Type of business : Electricity generating business
Registered capital : Baht 162.5 million
Par value : Baht 10
Paid-up Capital : Baht 162.5 million
(1) Operating the Solar Power Generation Project installed capacity of 6 megawatts. It is located in Nakorn Ratchasima Province with non-firm power purchase agreements for very small power producer with the Provincial Electricity Authority with 10-year subsidy of Baht 8 per unit adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission.
(2) Shareholders comprise Solar Power Company Limited holding 60 per cent stake and the Company.

Company	Detail
<p>16. Solar Power (Korat 4) Company Limited 333/22 United Tower, 16th Floor, Soi Sukhumvit 55 (Thonglor), Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110, Thailand Registration No. 0105553043599 Tel. : 66 (0) 2712 7374-6 66 (0) 2185 2342-3 Fax : 66 (0) 2712 7378 66 (0) 2185 2344</p>	<p>Company's shareholding (%) : 40 Type of business : Electricity generating business Registered capital : Baht 175 million Par value : Baht 10 Paid-up Capital : Baht 170.63 million (1) Operating the Solar Power Generation Project installed capacity of 6 megawatts. It is located in Nakorn Ratchasima Province with non-firm power purchase agreements for very small power producer with the Provincial Electricity Authority with 10-year subsidy of Baht 8 per unit adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission. (2) Shareholders comprise Solar Power Company Limited holding 60 per cent stake and the Company.</p>
<p>17. Solar Power (Korat 7) Company Limited 333/22 United Tower, 16th Floor, Soi Sukhumvit 55 (Thonglor), Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110, Thailand Registration No. 0105553043637 Tel. : 66 (0) 2712 7374-6 66 (0) 2185 2342-3 Fax : 66 (0) 2712 7378 66 (0) 2185 2344</p>	<p>Company's shareholding (%) : 40 Type of business : Electricity generating business Registered capital : Baht 162.5 million Par value : Baht 10 Paid-up Capital : Baht 159.25 million (1) Operating the Solar Power Generation Project installed capacity of 6 megawatts. It is located in Nakorn Ratchasima Province with non-firm power purchase agreements for very small power producer with the Provincial Electricity Authority with 10-year subsidy of Baht 8 per unit adder from the Power Department Fund Management Division, Office of the Energy Regulatory Commission. (2) Shareholders comprise Solar Power Company Limited holding 60 per cent stake and the Company.</p>

Company

Detail

18. Songkhla Biomass Company Limited

1842 Bangkok-Nonthaburi Road,
Bangsue, Bangkok 10800, Thailand
Registration No. 0105552090909
Tel. : 66 (0) 2910 9700
Fax : 66 (0) 2910 9713

Company's shareholding (%) : 40
Type of business : Electricity generating business
Registered capital : Baht 210 million
Par value : Baht 100
Paid-up Capital : Baht 86.25 million

- (1) Operating Songkhla Biomass Power Plant Project has 9.9 megawatts electricity generating capacity and uses rubber wood residues as primary fuel. It is located in Chana District, Songkhla Province.
- (2) Shareholders comprise Precise Power Producer Company Limited holding 40 per cent stake, Assiddeek Savings Cooperative Limited holding 20 per cent and the Company.

19. Songkhla Biofuel Company Limited

1842 Bangkok-Nonthaburi Road,
Bangsue, Bangkok 10800, Thailand
Registration No. 0105555032454
Tel. : 66 (0) 2910 9700
Fax : 66 (0) 2910 9713

Company's shareholding (%) : 40
Type of business : Supply of biomass fuel to Songkhla Biomass Power Plant
Registered capital : Baht 1 million
Par value : Baht 100
Paid-up Capital : Baht 1 million

- (1) Provide biomass fuel supply to Songkhla Biomass Company Limited. It is located in Chana District, Songkhla Province.
- (2) Shareholders comprise Precise Power Producer Company Limited holding 40 per cent stake, Assiddeek Savings Cooperative Limited holding 20 per cent and the Company.

20. Xe-Pian Xe-Namnoy Power Company Limited

Capital Tower, 6th Floor, No. 23, Singha Road,
Nongbone Village, Xaysettha District,
Vientiane Capital, Lao PDR
Tel. : (856 21) 455 025
Fax : (856 21) 455 025

Company's shareholding (%) : 25
Type of business : Electricity generating business
Registered capital : USD 50,000,000
Par value : USD 100
Paid-up Capital : USD 100,000

- (1) Established in Lao PDR to operate Xe-Pian Xe-Namnoy Hydroelectric Power Plant that has installed capacity of 440 megawatts.
- (2) Shareholders comprise SK Engineering & Construction Company Limited holding 26 per cent, Korea Western Power Company Limited holding 25 per cent, the government of Lao PDR holding 24 per cent and the Company.

Company	Detail
21. K K POWER Company Limited Cambodia	Company's shareholding (%) : 50 Type of business : Electricity Generating Registered capital : USD 1,000,000 Par value : USD 1,000 <ul style="list-style-type: none"> • Established to develop and operate power plant in Cambodia.

Other Capital Investment

1. EDL-Generation Public Company (EDL-Gen) Nongbone Road, Fai Village, P.O.Box 2392 Vientiane Capital LAO PDR 7 th Floor Room No. 507 Tel. : (856 21) 454 401 Fax : (856 21) 454 400 Website : www.edlgen.com.la	Company's shareholding (%) : 10.108 (held by RATCH-Lao Services Company Limited and RH International (Singapore) Corporation Pte. Ltd.) Type of business : Electricity generating business Registered capital : Kip 4,904,867,060,000 Par value : Kip 4,000 Paid-up Capital : Kip 4,904,867,060,000 <ul style="list-style-type: none"> • Operating the electricity generating in Lao PDR of which 75 per cent stake held by the Electricite du Laos. EDL-Gen is the first security being traded in Lao Securities Exchange. The dividend policy is to pay not less than 50 per cent of its net profit.
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Reference Persons

Registrar

: Thailand Securities Depository (Thailand) Company Limited
 The Stock Exchange of Thailand Building
 62 Ratchadapisek Road, Khlong Toey,
 Bangkok 10110, Thailand
 Tel. 66 (0) 2229 2800
 Fax. 66 (0) 2359 1259

Auditor

: KPMG Phoomchai Holdings Company Limited
 95 Empire Tower, 48th Floor
 South Sathorn Road, Bangkok 10120, Thailand
 Tel. 66 (0) 2677 2000
 Fax. 66 (0) 2677 2222

Legal Advisor

: Baker and McKenzie Company Limited
 25th Floor, Abdulrahim Place,
 990 Rama IV Road, Bangkok 10500, Thailand
 Tel. 66 (0) 2636 2000
 Fax. 66 (0) 2636 2111
 Linklaters (Thailand) Limited
 20th Floor, Capital Tower, All Seasons Place, 87/1
 Wireless Road, Bangkok 10330, Thailand
 Tel. 66 (0) 2305 8000
 Fax. 66 (0) 2305 8010

Corporate Secretary

: Mrs. Boontiva Dansamasatid
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 Tel. 66 (0) 2794 9510
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RATCH



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ELECTRICITY GENERATING
HOLDING PCL.

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Vibhavadi Rangsit Road, Chomphon,
Chatuchak, Bangkok 10900, Thailand

Branch office

8/8 Moo 2, Bang Khen District, Muang Nonthaburi,
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