

A GREAT YEAR OF SUCCESS




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A GREAT YEAR OF SUCCESS



This year marked EGCO Group's strong growth, exhibited by its outstanding financial performances, completion of power plant construction which operated as scheduled, and a continuous increase in power generation from renewable energy to respond to the government policy and reduce global warming, together with focus on community and social development under good corporate governance which it has always adhered to.

Behind EGCO Group's success is continuous support from all stakeholders who help drive EGCO Group's growth.

Anywhere we go, we are committed to moving forward to achieve sustainable development.



Financial Success

Growth Performance





Million Baht

9,157

2016

Continuous Increase in Assets

Million Baht

2016	197,255
2015	179,812
2014	160,687
2013	131,120
2012	110,389

Investment Success in 2016

Recognition of higher earnings from “Star Energy” from electricity tariff increase on average by **40%**

8.05% additional share purchase in MPPCL making EGCO Group’s share ownership to **49%**

Share Acquisition in “Salak” and “Darajat” geothermal power plants in Indonesia



Success in Power Plant Construction





Completion of Power Project Construction



“Khanom Unit 4”

Commercial operation since June 19, 2016



“Chaiyaphum Wind Farm”

Commercial operation since December 16, 2016

Progress of Projects Under Construction

6 projects 869 MWe

Thailand

TJ Cogen 90.22%
Scheduled commercial operation : June 2017

TP Cogen and SK Cogen 85.67%
Scheduled commercial operation : October 2017

Philippines

Masinloc Unit 3 23.57%
Scheduled commercial operation : Mid 2019

San Buenaventura 28.98%
Scheduled commercial operation : October 2019

Lao PDR

Xayaburi 73.84%
Scheduled commercial operation : October 2019



Success in Renewable Energy Development



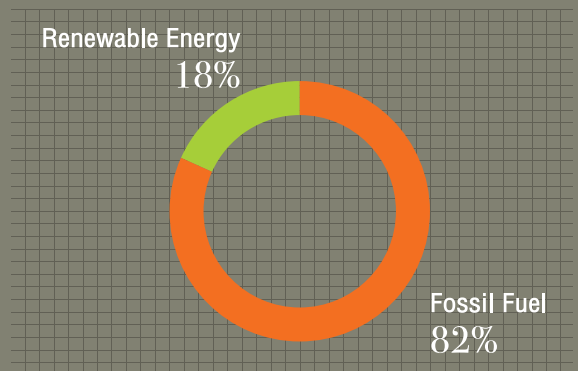


In 2016,
EGCO Group ran








16 renewable power plants | **751** MWe

accounted to

18% of EGCO Group's total equity contracted capacity.



Power Generation from Different Renewable Energy Sources

	Hydro	9.08%
	Wind	4.64%
	Solar	2.80%
	Geothermal	1.10%
	Biomass	0.40%
	Battery energy storage	0.12%
	Waste	0.08%

Reduction of

1,493,687
tons of carbon dioxide equivalents per year.



Focus on Community and Society Development





Local job creation of power plants

more than

90% of contractors and suppliers were locally hired

“Quality of Life for Community Development”
around power plants **87** projects



youth learning promotion

17

projects

skill and career development

16

projects

health promotion

21

projects

development of public utilities and other facilities

13

projects

natural resources and environmental conservation

20

projects

Promotion of learning about energy and environment for youth

Collaborated with schools and teachers to provide students with comprehensive energy and environment learning

60 schools nationwide

806 teachers

243 teaching schemes

50,580 students



EGCO Group received the “Investors’ Choice Award” for 2016 shareholders’ annual general meeting evaluation with full scores, 8th consecutive year, from Thai Investor Association.

EGCO was rated “Excellent” according to the Corporate Governance Report of Thai Listed Companies (CGR) by Thai Institute of Directors Association.



ESCO, a subsidiary of EGCO Group, was certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC).



Message from the Chairman

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EGCO Group places importance on the project selection criteria which have been set to ensure quality investment together with prudent overseas asset management to suit the business environment of the target countries including political and socio-economic policies and directions that could impact its business on a regular basis.



2016 saw an ongoing growth in the demand for electricity in the Asia Pacific region. Many countries embraced a diversified energy portfolio, shifting to investment in renewable energy power projects while maintaining a portion of their investment in coal-fired power plants to ensure power supply security. Meanwhile, there has been a growing number of business operators entering the electricity industry, originating from both the energy sector and other business sectors. This indicates that robust growth opportunities lie ahead for us, albeit with greater competition as well.

As for the local electricity industry outlook, the government has recently launched the Thailand 4.0 policy, an innovation-led economic development policy, leading to the consideration of guidelines for development and supply of energy resources to match increasing demand. However, according to the 2015 Thailand Power Development Plan, most IPP and SPP power projects already have commitments with the government for the next 10 years. Such conditions are viewed by EGCO as a headwind to domestic growth. As such, EGCO has focused on expanding its business in overseas markets, especially in 4 countries where EGCO has been able to secure a solid market position, namely Philippines, Lao PDR, Australia, and Indonesia. Thanks to its capabilities and competitive advantages that are key to its success in regional markets; its management and employees with knowledge and expertise in managing electricity power plants of various sizes and types; and its overseas investment strategy on partnership with local high-performance businesses, EGCO continues to deliver solid returns to its shareholders and generate a higher income as a leading power producer while capturing long-term growth opportunities.

2016 was another year in which EGCO achieved steady growth through its earnest and consistent implementation of 3 key strategies deployed since 2011: management of commercially operated power plants at maximum efficiency; management of in-progress projects for timely completion; and commitment to tapping into investment

opportunities, especially in countries where the Company has strong presence. Project selection criteria have been set to ensure quality investment together with prudent overseas asset management to suit the business environment of the target countries including political and socio-economic policies and directions that could impact its business on a regular basis.

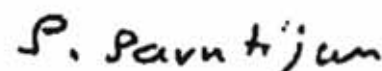
EGCO satisfactorily achieved a return on investment at a rate higher than its target for most of its commercially operated power plants while maintaining plant efficiency at the required level. The Company completed the construction of the two new projects which started their commercial operations as scheduled, being 930MW Khanom Unit 4 power plant in Nakhon Si Thammarat and 80MW Chaiyaphum Wind Farm wind power plant in Chaiyaphum.

As for its investment activities, EGCO achieved continuous success in its overseas investment through strategic partnerships with Star Energy Group Holdings Pte. Ltd. and AC Energy Holdings, Inc. in acquiring shares in “Salak” and “Darajat” geothermal power plants in Indonesia and share transfer is expected to be completed within Q1/2017. In addition, EGCO indirectly purchased additional shares in Masinloc Power Partners Co., Ltd. (MPPCL), resulting in the increase of shareholding in “Masinloc” coal-fired power plant to 49%.

Apart from its strong performance management framework, EGCO pays attention to sustainability development through achievement of a balance between economy, environment and society. In 2016, EGCO adopted an additional policy and guidelines on taxation to ensure organized taxation management in accordance with local and international laws. In supporting sustainable development of its stakeholders, EGCO extended its anti-corruption policy to cover its group companies and prepared a code of conduct for its trading partners as well as criteria for their compliance. This was to promote ethical operations among its business partners, countering of corruption, responsibility for communities and society, and occupational health, safety and environment.

All of these achievements have made EGCO widely recognized by various agencies. In 2016, EGCO received a number of awards, including the **Investors’ Choice Award** by the Thai Investors Association according to the evaluation score for its 2016 shareholders’ annual general meeting with full scores for the eighth consecutive year. EGCO was also rated **“Excellent” according to the Corporate Governance Report of Thai Listed Companies (CGR)** by the Thai Institution of Directors. The Company passed the evaluation criteria of **“Thailand Sustainability Investment (THSI)”** set by the Stock Exchange of Thailand with its outstanding performance in Environmental, Social and Governance aspects and the Company received the **2016 Sustainability Report Award at the “Outstanding” level** for the third consecutive year by the Thai Listed Companies Association in collaboration with the Office of the Securities and Exchange Commission and the Thaipat Institute.

Our success would not be realized without the continued support and trust from our shareholders, investors, business partners, customers, communities, and other stakeholders across all sectors. On behalf of EGCO’s Board of Directors, management and employees, I would like to extend my sincere thanks to all of you and promise that our Company will continue to exercise prudence in its business undertakings, adhere to the good corporate governance principle, take responsibility for its stakeholders, and strive for sustainable growth in the years to come.



Mr. Sombat Sarntijaree
Chairman of the Board of Directors





Message from the President



The Company is greatly determined to conducting business based on the principle of sustainable development. Apart from operating performance, the Company places high priority in minimizing negative impacts from business operations. This includes enhancing power system stability, supporting environmental sustainability, and strengthening the well-being of communities and society.



EGCO recorded its 2016 outstanding performance beyond expected goals. EGCO had total assets of 197,255 million baht, an increase of 17,443 million baht from 2015. The Company booked 9,157 million baht operating profits before the effects of Foreign Exchange, Deferred Tax, Lease Income and Income from Service Concession and Impairment, a rise of 1,237 million baht or 16% when compared to the previous year or 17.39 baht per share. As EGCO is strongly committed to maintaining the return on shareholders' equity (ROE) at a minimum rate of 10%, the Company's ROE for 2016 reached 11.50% which exceeded the target.

As a result of its business expansion in domestic and foreign markets, EGCO commercially operates a total of 24 power plants in Thailand and other countries with a total equity contracted capacity of 4,122 MW at the end of 2016. The Company also has a total of 6 projects under construction with total equity contracted capacity of 869 MW.

The Company is greatly determined to conducting business based on the principle of sustainable development. Apart from operating performance, the Company places high priority in minimizing negative impacts from business operations. This includes enhancing power system stability, supporting environmental sustainability, and strengthening the well-being of communities and society. One of the Company's activities in 2016 that evidenced such commitment was the completion of "Khanom Unit 4" power plant which successfully supplied electricity to the grid as scheduled to replace the retired Khanom Unit 2 and 3. Such success was derived from best support and acceptance from all parties, especially the government sector and communities surrounding the plant. Khanom IPP power plant, of which EGCO is entrusted to operate, serves as the main source of electricity supply in the south and helps strengthen the power system reliability in the region. The power plant also plays the role in supporting environmental conservation and sustainability development for the Khanom community.

EGCO will also apply such sustainability approaches to its 6 projects which are now under construction phase and expected to be completed as according to schedule, namely TJ Cogen Project, SK Cogen Project, TP Cogen Project, Xayaburi Project, Masinloc Unit 3 Project, and San Buenaventura Project.

2016 Sustainability Performance

Enhance Power System Stability

It is EGCO's commitment to maintain the power plant availability according to the system requirements in any country where the Company undertakes its business. This is beneficial not only to the Company's operations but also the stability of electricity systems in every relevant country.

In 2016, most of the power plants of EGCO in Thailand and overseas successfully yielded their availability at the higher rate than as specified in the power purchase agreements.

Support Environmental Sustainability

EGCO strives to improve its environmental performance to exceed industrial standards with the aim of becoming a socially and environmentally responsible corporation. In pursuit of this commitment, the Company adopts efficient electricity generating technology in its operations; uses environmentally friendly fuel; consistently inspects and improves machine quality; conducts air, water, waste, and noise quality management to meet standards; and plans to increase the proportion of its renewable power plant portfolio to 30% within 2026 to help reduce the environmental problems and to build a balance between achieving a business growth and conserving the environment with expected tangible outcomes.

At the end of 2016, EGCO's renewable portfolio comprises 16 operating power plants in Thailand and overseas with total equity contracted capacity of 751 MW, accounted to 18% of the Company's total equity contracted capacity. These power plants altogether **reduced 1,493,687 tons of carbon dioxide equivalents per year.**

Furthermore, EGCO continually supported the operations of the Thai Rak Pa Foundation in order to help preserve watershed forests covering 70,000 rai in Chiang Mai Province. The Foundation implemented programs and activities under the concept of "Forest Survival leading to Human Survival" so to promote community-based forest conservation. The project areas have been extended to other key areas of watershed forests in Nakhon Si Thammarat Province and Chaiyaphum Province.

Strengthen the well-being of communities and society

EGCO undertook ongoing human resource development projects, including succession plan, job rotation, individual development plan, knowledge sharing, encouraging employees to maintain safe working environments, and allowing employees to volunteer for community and social contribution services on a continuous basis.

EGCO realizes the importance of building an innovative culture in its business and society, understanding that an organization will not achieve sustainable growth without a solid base of knowledge and continuous advancement. Innovations not only make our business stand out from peers but also ensure social and environmental benefits.

In 2016, EGCO contributed approximately 376 million baht to the Power Plant Development Fund. The Company also conducted 89 community and social contribution activities by collaborating with power plants, government agencies, and local communities to ensure sustainability development. These activities were intended to improve the well-being of the communities surrounding the power plants, for example, employing more than 90% of power plant contractors and workers from local communities, developing occupational skills, promoting health, facilitating utility support and improvement, promoting learning among youths, and conducting natural resource conservation with communities.

Throughout all these years, EGCO has conducted its business with its full commitment and great support from its stakeholders in all sectors. On behalf of the management and employees of EGCO, I would like to thank each and every one of you for your continued trust, confidence, and encouragement. Together, we will continue to develop our organization for sustainable happiness and well-being in the long run.



Mr. Chanin Chaonirattisai
President

2016 Highlights

Award and Recognition

EGCO was rated **“Excellent”** in Corporate Governance Rating (CGR) by the Thai Institute of Directors Association (IOD).



EGCO received **“Best Sustainability Report Award of the year 2016”** to help elevate the list companies’ information disclosure, hosted by Thai Listed Companies Association in cooperation with the Securities and Exchange Commission as well as Thaipat Institute.



EGCO was rated **full score of 100 in AGM arrangement assessment 2016** for the 8th consecutive year. The score evaluated by Thai investors Association.



EGCO received **“Thailand Sustainability Investment award (THSI)”** for the 2nd consecutive year from the Stock Exchange of Thailand (SET) with outstanding performance in environment, social responsibility and good governance.



Roi-Et Green received **“National Safety Awards”** for the 7th consecutive year by the Ministry of Labour.

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Business Activities



Masinloc Power Partners Co. Ltd. (MPPCL) started the construction of its 335 MW expansion project (Unit 3) which is scheduled to start its commercial operation by mid-2019.

The 930 MW Khanom Unit 4 combined cycle power plant in Nakhon Si Thammarat started commercial operation in June 2016. It has entered into the Power Purchase Agreement (PPA) with EGAT for 25 years.



The 80 MW Chaiyaphum Wind Farm wind power plant in Chaiyaphum started commercial operation and supplied electricity to the national grid in December 2016. It sells its net electricity output to Electricity Generating Authority of Thailand (EGAT) under a 5-year non-firm PPA for Small Power Plant scheme which can be renewed every 5 years.



The 277 MW Star Energy geothermal power plant in Indonesia got the approval on tariff adjustment which has been increased by 40% on average from the existing tariff, enabling EGCO Group to immediately recognize additional earnings in proportion of its shares.

EGCO Group acquired 8.05% additional indirect ownership interest in Masinloc Power Partners Co. Ltd. making EGCO Group's share ownership to 49%.



EGCO Group together with Star Energy Group Holdings Pte. Ltd., and AC Energy Holdings, Inc. have entered into Share Sales and Purchase Agreements to acquire shares in geothermal power plants in Indonesia. The power plants compose of several geothermal steam and electricity generating units with the aggregate capacity of 402 MW of electricity and 235 MW equivalent of steam. They have secured long-term energy sales contracts with PT PLN (Persero), the Indonesian government-owned electricity corporation.

Activities for Community and Society



EGCO Group in collaboration with Energy Policy and Planning Office (EPPO) and Ministry of Energy, and Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education, finished the “Energy for Life...Fighting Global Warming with Sufficiency Living” Project by organizing an award presentation ceremony to 5 role model schools and 18 outstanding teachers.



Reward:

The Overseas Field Trip of “Energy for Life” in Kitakyushu city, Fukuoka prefecture, Japan was a reward for role model teachers and youths receiving outstanding youth awards to enhance their energy experiences. Kitakyushu city was an eco-town with systematic environmental management and clean technology used according to the 3Rs (Reduce, Reuse, Recycle) under tri-party cooperation of public, private, and people sectors.



Concrete Results:

- **60 Participating Schools** placed importance on integration of energy and environmental conservation into the whole teaching and learning systems of schools.
- **Network of 806 Teachers** engaging in an all-round knowledge management in energy and environmental conservation was established.
- **243 learning and teaching schemes**, which integrated the concept of “Energy for Life... Fighting Global Warming with Sufficiency Living”, were created in 8 subject groups.
- **50,580 Youths** developed analytical skill, awareness of values and behavior adjustment for sustainable use of energy, creativeness, and participation in their own community development.



EGCO together with Doi Inthanon National park and Thai Rak Pa Foundation carried out the “47th - 48th EGCO Forest Youth Camp”, at Doi Inthanon National Park, Chiang Mai, and Khao Luang National Park, Nakhon Si Thammarat, respectively. A total of 145 children participated in the project.



Khanom Power Plant in collaboration with Khanom Communities, Nakhon Si Thammarat Provincial Agriculture Office and School of Agricultural Technology, Walailak University conducted the “Organic Farming Project with Sufficiency Economy”. The project aims to create an extra income from agricultural-based occupation in sustainable way for Khanom locals. In 2016, farmers’ groups were established in 3 Tambons: Khanom, Thong Nien, Khoun Thong, with a total of 12-rai agricultural fields. The long-term goal of the project is to generate an extra income to each participant at least 10,000 Baht/Month/Rai.

Gulf Yala Green in cooperation with the land development specialists in Pattani organized the “Promotion of Knowledge on Utilization of Parawood Ashes in Palm Gardens” Project to promote occupation and utilization of surplus materials from power plants for the benefits of the community. The activity was carried out by organizing meeting activities with the community to give a lecture on guidelines for reducing agricultural production cost through the utilization of parawood ashes replacing Potassium fertilizers.

The business owners of palm gardens participated in the activity by trying out the utilization of parawood ashes in over 1,000-rai areas for three consecutive years as well as passing on experiences to the interested communities for further maximizing results.





NED organized the **“NED-CSR Center to Foster Engagement with Community” Project** which is a learning center for community people’s self-reliance regarding renewable energy towards farming, which is practical for household use. The center will subsequently be extended to be a learning center regarding renewable energy towards sufficiency economy to disseminate knowledge to local schools.

In 2016, major activities under this project were as follows:

- *Community product training* to promote supplementary occupation and self-reliance of community in product development
- *Arrangement of monthly meeting among communities, schools, and the Company*
- *Distribution of agricultural and community products*
- *Training for local trainers covering activities as listed below:*
 - > *Solar power for agriculture workshop*
 - > *Local product development skill workshop*

Quezon Power Plant teaming up with University of the Philippines Open University (UPOU), Mauban Municipality, and educational government agencies arranged the **“Teacher Development Program for Enhancement of Quality of Education for Mauban Community” Project** to develop

teaching capabilities of public elementary school teachers to upgrade education quality in Mauban Municipality and be fundamentals of sustainable development of quality of community life.

In 2016, 11 scholarships were awarded to teachers. Since the beginning of the project, a total of 177 teachers have been granted the scholarships.



Moreover, EGCO Group’s power plants continued to arrange the **“Electrical System Repair and Maintenance” Project** including the **“Mobile Medical Unit” Project** for communities nearby the power plants.

In 2016, EGCO Cogen provided 6 mobile medical unit services for communities in Map Kha subdistrict, Nikhom Pattana district, Rayong province, covering 8 villages and over 300 community people, while Roi-Et Green provided 4 mobile medical unit services for over 300 people in communities nearby the power plant.

NTPC arranged the **“Development of Community Waste Management” Project** for better quality of lives of Gnommalath community, the landfill area was arranged in line with the same quality standards of the NTPC.

2016 Highlights

Award and Recognition

EGCO

- 2016 AGM, full score of 100 for the 8th consecutive year, evaluated by Thai Investors Association.
- Being rated “Excellent” in Corporate Governance Rating (CGR) with the score of 94 out of 100 by the Thai Institute of Directors (IOD).
- Thailand Sustainability Investment (THSI) Award from the Stock Exchange of Thailand (SET) with outstanding performance in environment, social responsibility and good governance.
- Best Sustainability Report Award of the year 2016 for the 3rd consecutive year, hosted by Thai Listed Companies Association in cooperation with the The Securities and Exchange Commission as well as Thaipat Institute.

EGCO Engineering and Service Company Limited (ESCO)

- Receiving membership certification from Collective Action Coalition against Corruption (CAC).

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

- National Safety Health and Environment Award for the 7th consecutive year, at the 30th National Work Safety Week by Ministry of Labour.
- National Labour Relations and Welfare Award for the 4th consecutive year, by Ministry of Labour
- Silver Award (National) in the workplace safe, disease-free, body pleasantly by the Department of Disease Control, Ministry of Public Health

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Business Activities

A. Incorporation/Acquisition/Business Transfer/New Investment

- March 3** Masinloc Power Partners Co., Ltd (MPPCL), an EGCO affiliate, held a groundbreaking ceremony for the construction of a for the construction of a 335 MW expansion unit to be co-located at the same campus in Zambales province, the Philippines. The scheduled commercial operation date for the expansion unit will be mid-2019.
-
- June 19** Khanom Power Plant Unit 4 (KN4) of the Khanom Electricity Generating Company Limited commenced its commercial operation date to supply electricity to the national grid to be replaced Khanom Power Plant Unit 2 and Unit 3 of which power purchase agreements expired and stopped their operation. KN4 is combined cycle power plant, located in Nakhon Si Thammarat. The power plant generates electricity at contracted capacity of 465 MW for 2 units each, totaling 930 MW, to be sold to EGAT under the 25 years PPA.
-
- July 12** EGCO entered into definitive agreements to acquire an additional indirect ownership interest in Masinloc Power Partners Co., Ltd. (MPPCL) through Gen Plus B.V. from 40.95% to 49%. MPPCL owns and operates coal-fired power plant facility comprising of 2 units of 315 MW each, located in Zambales province, the Philippines.
-
- December 16** Chaiyaphum Wind Farm commenced its commercial operation to supply electricity to the grid. The power plant has an installed capacity of 80 MW, comprising 32 unit wind turbines at 2.5 MW each, and sells all of its net electricity output generated to EGAT. Its PPA was signed as a non-firm agreement under SPP scheme for 5 years which can be renewed every 5 years. Chaiyaphum Wind Farm located in Subyai district, Chaiyaphum province.
-
- December 26** EGGO, Star Energy Group Holdings Pte., Ltd, and AC Energy Holdings, Inc. entered into share sale and purchase agreements with the affiliates of Chevron Corporation in order to acquire 100% share of Chevron's geothermal operation in Indonesia. EGCO will acquire 20.07% indirect ownership in the Project which is composed of several geothermal steam and electricity generating units located in West Java, Indonesia with the aggregate capacity of 235 MW equivalent of steam and 402 MW of electricity. The Project has secured the long-term energy sales contract with PT PLN (Pasero).
-

Activities for Shareholders and Investors

A. Shareholders' Meeting

April 20	2016 Annual General Shareholders' Meeting
April 29	2015 Final Dividend Payment at 3.25 baht per share
September 16	2016 Interim Dividend Payment at 3.25 baht per share

B. Opportunity Day/Analyst Meeting

March 4	Opportunity Day/Analyst Meeting No.1/2016 to announce 2015 annual performance
May 25	Opportunity Day/Analyst Meeting No.2/2016 to announce 2016's first quarter performance
August 30	Opportunity Day/Analyst Meeting No.3/2016 to announce 2016's second quarter performance
November 23	Opportunity Day/Analyst Meeting No.4/2016 to announce 2016's third quarter performance

C. Investor Meeting

March 25	db TISCO corporate day
August 31 - September 1	Thailand Focus 2016 in Bangkok by SET & Phatra Securities
November 29	db TISCO corporate day

D. Knowledge Sharing and Site Visit

March 17	Newsletter to Shareholders & Investors
June 15	Newsletter to Shareholders & Investors
June 16 - 17	Shareholders Site Visit to BLCP Power Plant at Rayong Province
September 21	Newsletter to Shareholders & Investors
November 30 - December 1	Analysts Site Visit to Khanom Power Plant Unit 4 at Nakhon Si Thammarat Province
December 15	Newsletter to Shareholders & Investors

Activities for Employees

February 2	Communication Day# 1 between President and employees
March 15	Annual Physical Checkup for Employees
August, September, November	Happy Workplace Project “Good life Good Health”
September 13	Communication Day# 2 between President and employees
September 21	Annual fire drill
December 23	EGCO New Year Party



Shareholder Structure

EGCO is a listed company on the Stock Exchange of Thailand (SET). Details of the registered capital as of December 31, 2016 were shown below.

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

The top 10 shareholders as of September 6, 2016, the closing date of shareholders' roster for the right to receive the interim dividend payment, were as follows.

No.	Shareholders	Shares	Shares
1	Electricity Generating Authority of Thailand	133,773,662	25.41
2	TEPDIA Generating B.V.	126,054,178	23.94
3	Thai NVDR Company Limited	102,273,640	19.43
4	Bualuang LTF	7,873,400	1.50
5	Social Security Office	7,549,600	1.43
6	STATE STREET BANK EUROPE LIMITED	5,823,055	1.11
7	Bualuang LTF 75/25	5,068,400	0.96
8	CHASE NOMINEES LIMITED	4,871,700	0.93
9	Mr. Suwan Aisuriyakornthep	4,692,400	0.89
10	Bangkok Life Assurance Public Company Limited	4,573,900	0.87

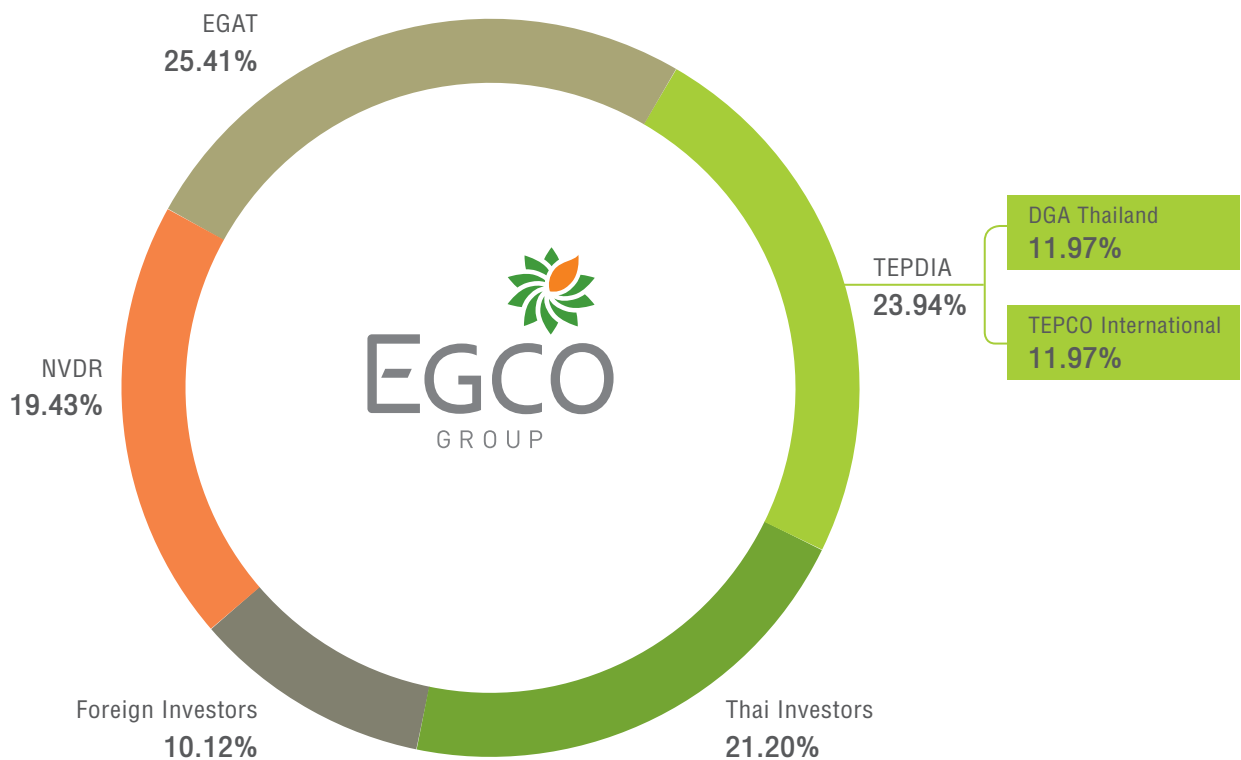
The ultimate shareholders of EGCO's major controlling shareholders are as follows:

1. **Electricity Generating Authority of Thailand ("EGAT"):** EGAT is a state utility which has the mission in generating, acquiring and sales of bulk electric energy through its transmission network. EGAT also provides the operation and maintenance services and invests in electricity related business. EGAT holds 25.41% of EGCO's outstanding shares and has 4 representative directors out of 15 directors in EGCO.

2. **TEPDIA Generating B.V. (“TEPDIA”)**: TEPDIA is established in order to invest in EGCO comprising 2 shareholders as follows:

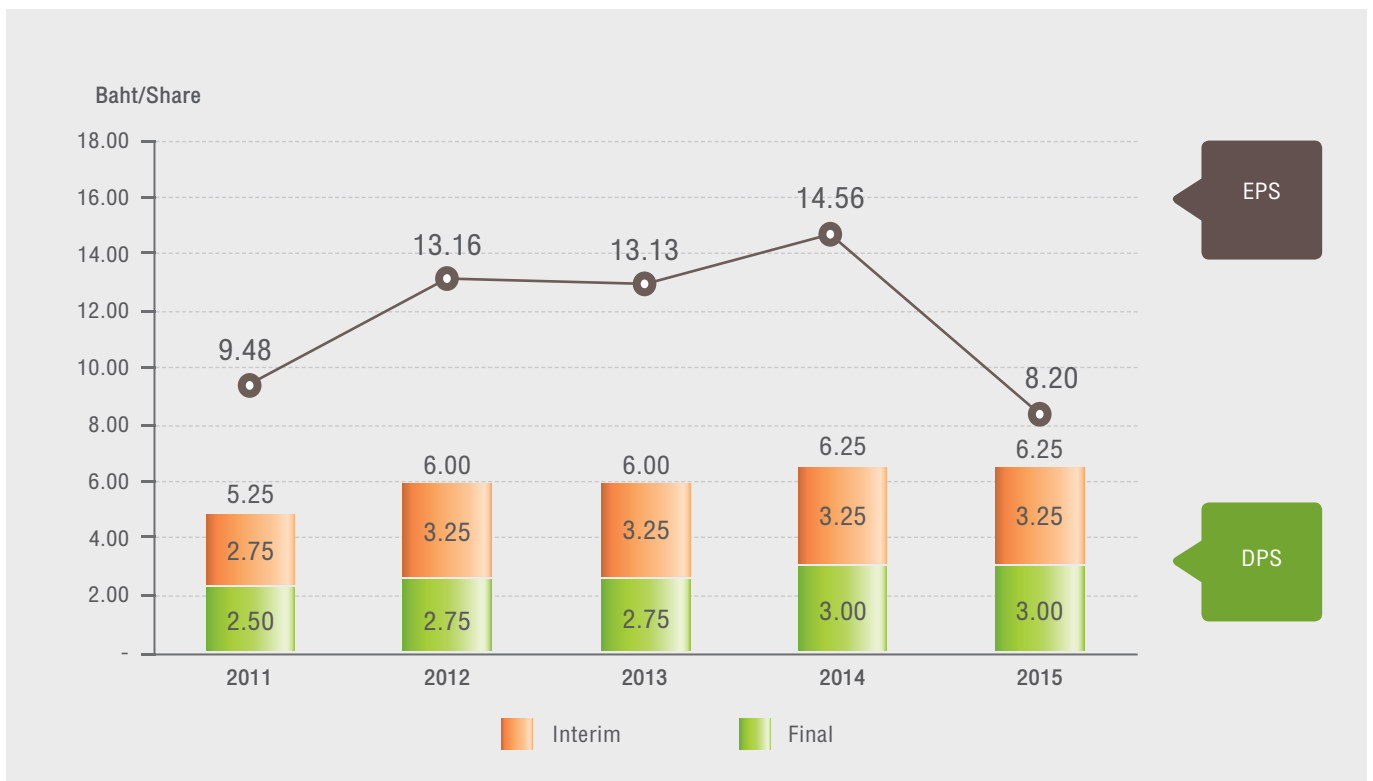
2.1 DGA Thailand B.V. (“DGA Thailand”), a wholly owned subsidiary of Mitsubishi Corporation (MC), a global integrated business enterprise that develops and operates businesses areas virtually every industry, indirectly holds 11.97% of voting right of EGCO’s outstanding shares via TEPDIA Generating B.V.. DGA Thailand has 2 representative directors out of EGCO’s 15 directors.

2.2 Tokyo Electric Power Company International B.V. (“TEPCO International”), a wholly owned subsidiary of JERA Co., Inc. (“JERA”), jointly established by TEPCO Fuel and Power, Inc. and Chubu Electric Power Co., Inc. JERA invests strategically and integrating in fuel procurement, fuel trading and thermal power plants by expanding business in Japan and overseas. TEPCO International indirectly holds 11.97% of voting right of EGCO’s outstanding shares via TEPDIA Generating B.V. TEPCO International has 2 representative directors out of EGCO’s 15 directors.



Dividend Payment

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



The comparison of the dividend payment between 2011 and 2015 is as follows:

Year	2011	2012	2013	2014	2015
Earnings per share (baht)	9.48	13.16	13.13	14.56	8.20
Dividend per share (baht)	5.25	6.00	6.00	6.25	6.25
Dividend payout Ratio (%)	55	47	46	43	76

Dividend Payment of the Subsidiaries

Since year 2007, the Board of Directors set the dividend payment policy for EGCO subsidiaries to dividend out 4 times a year at the rate of 100% of their net profits after income tax and legal reserve. The dividend payment should take into account their year-ended performance, normal operation and provision stated in the loan agreement.

Vision

To be a major sustainable Thai power company doing business in Thailand and the Asia Pacific region, with full commitment to environment protection and social development support.

Mission

- 01 To secure continuous growth in order to maximize shareholder's value.
- 02 To offer reliable power supply.
- 03 To be a good corporate citizen and be considerate to society and environment.



Khanom Power Plant,
Nakhon Si Thammarat Province



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Sustainable Business Operations



To be a leading sustainable Thai power company with full commitment to environment protection and social development, or in other words, operation with a strong and steady growth and acceptance and trust from stakeholders and the public based on good corporate governance and accountability to stakeholders.



EGCO Group's vision is to be a leading sustainable Thai power company with full commitment to environment protection and social development, or in other words, operation with a strong and steady growth and acceptance and trust from stakeholders and the public based on good corporate governance and accountability to stakeholders. Policies have clearly been established in writing and publicized on the Company's website as follows:

Sustainable Business Operation Policy

- 1) Be committed to excellent operations, covering economic, environmental, community, and social dimensions.
- 2) Reduce negative impacts and increase positive impacts on stakeholders, environment, community, and society, as well as business process of the organization.
- 3) Promote development of business and social innovations to enhance efficiency and effectiveness, together with value added to the organization and stakeholders.
- 4) Promote sustainable development of business counterparts involving ethical business operation with transparency and without fraud or corruption, respect for human rights, caring for safety and occupational health, and environmental management.

The Company has also established specific policies, including human rights policy, intellectual property policy, whistleblowing policy, anti-corruption policy, occupational health, safety and environment policy, and community and social development engagement policy.

1. Human Rights Policy

The Company requires that its directors, management and employees fully respect for the following human rights.

- The Company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information shall be kept confidential. Disclosure or transfer of personal information such as employees' biodata, health record, working experience, etc. without the permission of such employee is considered a violation of the Code of Conduct and may result in disciplinary action except when it is done in accordance with the Company's regulations or legal requirements.
- The Company does not support the violation of human rights and any frauds.
- Employees must refrain from any deliberate discrimination or harassment in word or action against others on the basis of race, gender, religion, age, and physical or mental disability.

2. Intellectual Property Policy

The Company will comply with the legal requirements on intellectual property and copyrights.

Any work or information belonging to third parties, obtained or to be used within the Company, shall be verified to ensure no infringement of intellectual property rights of others.

- Any work that is performed under EGCO Group is considered EGCO Group's intellectual property.
- All the intellectual properties which include the work in progress, innovation in all formats and so on shall be returned to EGCO Group once an employee vacates the office.
- Employees who use the Company's computers shall only use the licensed and authorized software program of the Company to avoid violating intellectual property of others.
- Employees must check beforehand that the work or information that belongs to third parties can be used within EGCO Group without infringement of intellectual property rights of others.

3. Whistleblowing Policy

The Company has made available channels for whistleblowers, including employees and other stakeholders, to report on any suspected violation of law or code of conduct or fraudulent behavior or wrongful conduct of a person in the organization. A mechanism for the protection of whistleblowers is also put in place. To ensure whistleblower trust, information obtained from whistleblowers will be kept confidential and known only among responsible parties.

4. Anti-Corruption Policy

The Company is strongly committed to preventing and countering all forms of corruption, both directly and indirectly, by insisting that "corruption is an unacceptable act in business conduct whether with the government sector and the private sector." (Details of anti-corruption policy are under the topic of Corporate Governance).

5. Occupational Health, Safety and Environment Policy

The Company is committed to setting up safety, occupational health, and environment management system with ongoing development. An operational framework is in place, covering operations of the Company's employees at all levels and those of its contractors as follows:

1. Execute and develop appropriate safety, occupational health, and environment management system in compliance with applicable laws and regulations.
2. Develop an operational framework to determine and review objectives and targets as well as monitor and assess the results of safety, occupational health, and environment operation.
3. Be aware of prevention and improvement of activities which may affect safety, occupational health, and environment operation.
4. Support appropriate use of resources for drawing up safety, occupational health, and environment management system.

6. Community and Social Development Engagement Policy

Participation in community development

1. Promote and develop quality of community life nearby power plants for their well-being by taking into account communities' participation and needs.
2. Instill and promote awareness of responsibility to the community in employees and relevant persons.



3. Consistently disseminate information on operating results to the community and the public.
4. Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

Participation in social development

1. Taking part in social development by conducting projects or activities for the society that are consistent with core competencies of the organization.
2. Encourage employees and relevant persons to be aware of, understand, and take part in operation to stimulate their participation in social development.
3. Execute projects or activities continuously to bring about actual and sustainable benefits to the society.
4. Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

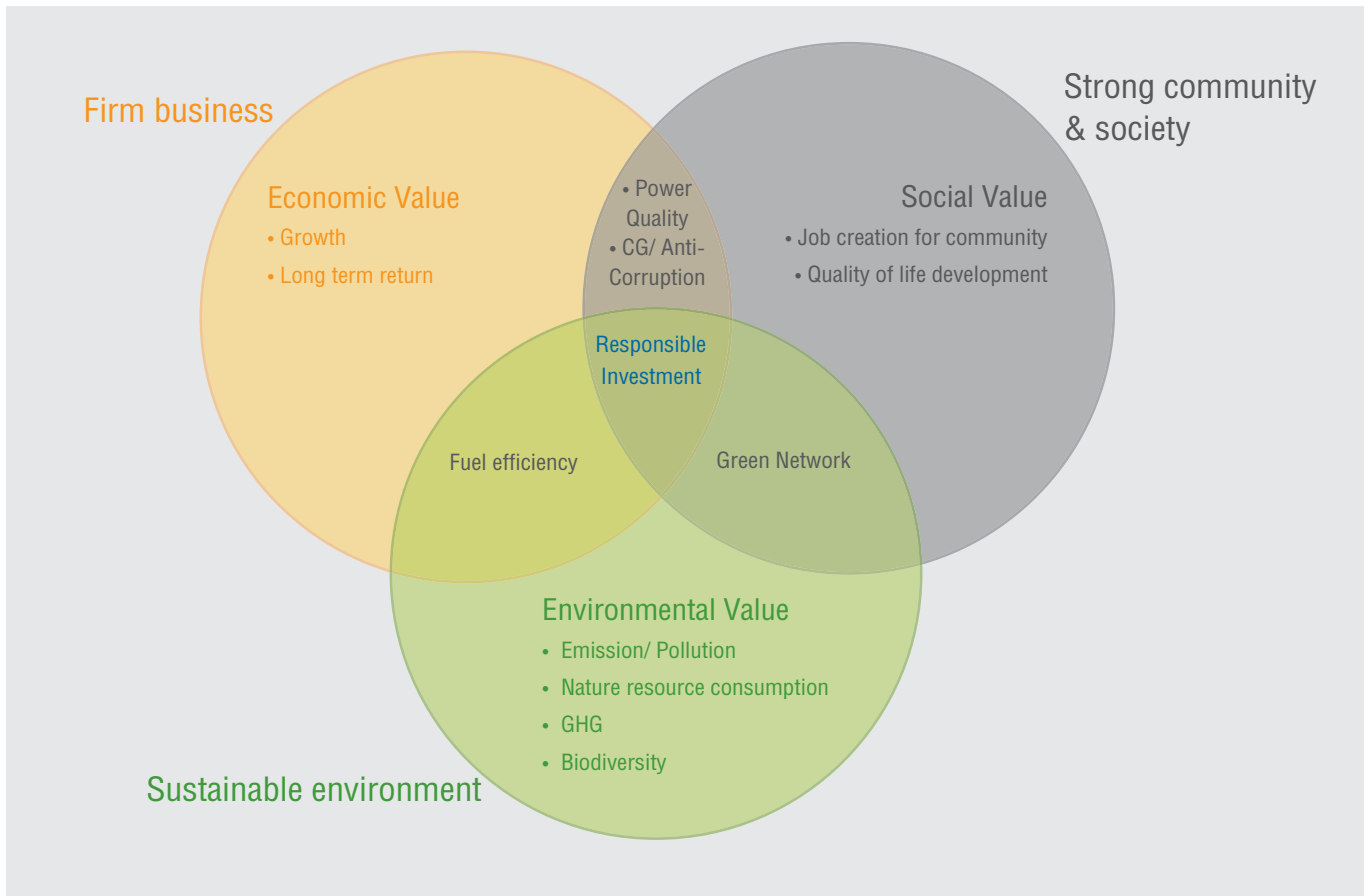
In 2016, EGCO Group established a tax policy and guidelines in writing to demonstrate that its systematic tax management was in compliance with domestic and international laws to create the maximum benefits of EGCO Group and values to the shareholders. (Details are under the topic of Corporate Governance)

Material Issues of Sustainability and Framework

EGCO Group determines its material issues of sustainability drawn from the analysis of positive and negative impacts of the organization on the stakeholders, community, and society throughout its business process. It also applies sustainable development principles in drawing up its targets of sustainable business operation, covering economic, social, and environmental dimensions to enhance stability of the electricity system, build strong community and society, and ensure environmental sustainability as follows:

Material Issues of Sustainability of EGCO Group

1. Business growth
2. Corporate governance and business ethics
3. Anti-corruption
4. Respect for human rights
5. Control of quality of products and services
6. Local employment and participation in community and social development
7. Prevention of impacts arising from production process
8. Environmental management



Target of Sustainable Business Operation

Economy

- ROE is not lower than 10%.
- Plant availability is better than specified in power purchase agreement (PPA) and target set forth.
- Fuel use efficiency is better than that in PPA.
- The Company's corporate governance is developed to be equivalent to global standards.

Society

- Local workforce employment rate, including local contractors and contracted parties, is not lower than 80%.
- Projects are carried on continuously to improve quality of life for communities nearby power plants.
- Stability of electricity system and users is enhanced with plant availability better than PPA and annual target.
- Anti-corruption efforts are extended to business partners and also made through participation in the anti-corruption network.
- Operation of Thai Rak Pa Foundation is supported continuously to create operation network with all sectors.

Environment

- Environmental quality of power plants is better than standards set by laws.
- Investments are made in renewable energy power projects.
- Abundance of ecosystem and biodiversity in all EGCO Group's power plant areas is maintained and restored.
- The Company continuously joins conservation of major watershed forests through operation of Thai Rak Pa Foundation.

EGCO Group Sustainability Operation Roadmap for 5 years (2014 - 2018)

Roadmap					
Work	2014	2015	2016	2017	2018
<ul style="list-style-type: none"> • Review of business process and impacts on stakeholders • Review of EGCO Group sustainability operation • Validation by experts • Determination of material issues of sustainability 					
<ul style="list-style-type: none"> • Establishment of a sustainable business operation policy • Designation of person in charge and review of target and plan • Improvement of method to report to top executives 					
<ul style="list-style-type: none"> • Preparation of an operation manual 					
<ul style="list-style-type: none"> • Extension to business counterpart 					
<ul style="list-style-type: none"> • Promotion of innovation development 					

In 2016, EGCO Group developed its operation manual for 3 material issues of sustainability, namely anti-corruption, occupation health, safety and environment, and participation in development of communities nearby power plants.

EGCO also extended its sustainability efforts such as anti-corruption to its business counterpart, EGCO Engineering & Service Co., Ltd. (ESCO). In 2016, ESGO participated in the anti-corruption network.

In 2016, EGCO also developed its *Code of Conduct for Business Partners and Criteria for Application of Code of Conduct for Business Partners* to promote cooperation among business counterparts to operate business with ethics in the aspects of anti-corruption, community and social responsibility, and occupational health, safety, and environment as follows:

EGCO Code of Conduct for Business partners

1. Business Ethics

□ Ethics and Transparency in Business Operations

- **Anti-corruption:** Preventing and countering all forms of corruption whether directly or indirectly. Ensuring no corruption and bribery whether with government agencies, private sector or general public.

- **Fair and equitable treatment**, transparency, and fair and equitable treatment of business partners
- **Intellectual property and confidentiality**, non-violation in intellectual property rights of others, non-disclosure of confidential information or any information of business partners without consent and for their own benefits.
- **Information disclosure**: Correct and complete information disclosure in accordance with the laws on quality standards.

☐ **Quality standards**

- **Delivery of products or services**: Strictly complying with contracts and conditions as agreed with business partners, and regulations enforced under related laws.
- **Quality of products or services**: Taking full responsibility for quality of products or services provided for business partners.

☐ **Law compliance**: Placing importance on compliance with all relevant laws, rules, and regulations.

2. Human Rights

- ☐ **Universal human rights**: Respecting for human rights and not supporting businesses violating universal human rights and in support of corrupt practices.
- ☐ **Labour freedom**: Not involving in or employing the labour that is coerced or unwilling to work under no circumstances.
- ☐ **Child labour protection**: Ensuring no employment of children below the age required by laws.

3. Treatment of Employees

- ☐ **Remuneration and fringe benefits**: Fixing remuneration and welfare for employees which are fair and appropriate according to job descriptions, work performance, and capability of the Company in remuneration payment.
- ☐ **Training and development**: Supporting employee training and development to improve work efficiency, and offering opportunities for career advancement.
- ☐ **Respect for individual rights**: Treating all employees impartially, and respecting their honour and dignity.
- ☐ **Whistleblowing**: Providing employees with communication channels to raise suggestions and make a complaint or report a grievance relating to work, all of which will be seriously considered and the solutions will be worked out.
- ☐ **Labour relations promotion**: Arranging activities on labour relations to build attachment to the organization.

4. Safety, Health, and Environment

- ☐ **Safety standard management**: Putting in place occupational health and safety management systems which are appropriate and in accordance with laws and regulations for their own and others' safety.
- ☐ **Working environment and equipment**: Providing safe and hygienic working space and environment, and personal protective equipment conforming to safety standards and appropriate for types or categories of tasks as well as establishing measures and systems of management and supervising the implementation.

5. Social Responsibility

- ☐ **Social impact management of the community**: Establishing measures for problem prevention to reduce negative impacts and increase positive impacts throughout the business process of the organization.

- ❑ **Coexistence with the community:** Being good members of and caring for the community, and coexisting with respect for customs, traditions and cultures of the community.
- ❑ **Participation in social development:** Participating in development of good quality of life for the community as well as cooperating with the community to build peaceful and secure local society depending on the organization's ability and strength.

6. Resources and Environment

- ❑ **Law compliance:** Focusing on compliance with relevant rules, regulations, and laws together with environmental standards, obtaining a licence, conducting regular assessments, and monitoring, measuring, and analyzing to ensure measurement of values within the criteria prescribed by laws.
- ❑ **Operation with environmental care:** Operating with environmental care, environmental protection, efficient and effective use of natural resources, natural resources conservation, and environmental impact mitigation.

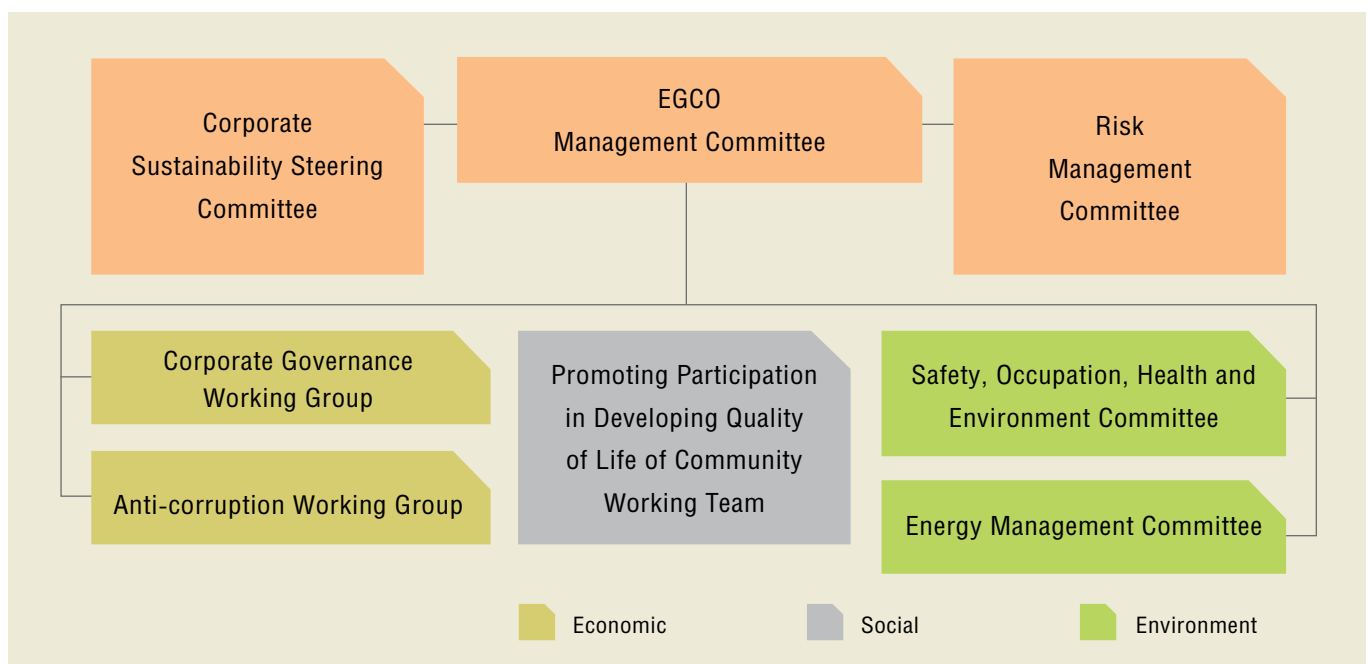
Management for Business Sustainability Operation

EGCO Group developed the management structure for business sustainability operation to monitor business operation according to guidelines and policies set forth, at both Board of Directors level and management level to ensure the Group's efficient operation with ongoing development and improvement.

At the Board level, EGCO Group established a Corporate Governance and Social Responsibility Committee as a supporting committee to monitor sustainability operation.

At the management level, operating bodies were set up for sustainability operation emphasizing on sustainable development principles in economic, social, and environmental areas, and reporting to EGCO Management Committee (EMC) chaired by President and comprising top executives at the level of Executive Vice President from all function groups as members.

In 2016, EGCO established a Corporate Sustainability Steering Committee chaired by Senior Executive Vice President - Strategy and Asset Management and comprising top executives at the level of Executive Vice President from all function groups as members to conduct an analysis of standards and practice guidelines on corporate sustainability as well as set plans and targets for improvements of work processes towards EGCO Group's sustainability. The committee reports progress and suggestions to EMC as shown in the management structure below:



Monitoring and Inspection of Sustainable Business Operation

Under sustainability management policy and guidelines, top executives in EGCO Management Committee (EMC) have primary duties to set sustainability practice guidelines with due regard to responsibilities to all stakeholders in decision-making process and business operation process of the organization, pass on such practice to each committee or working group, as well as define responsibilities and monitor operation results to ensure efficiency. Performance evaluation is conducted regularly and appropriately for operation in each area.

For companies or power plants in which EGCO has less than 50% shareholding, EGCO oversees their sustainability business operations through their boards of directors. EGCO Group top executives assigned to sit on those boards of directors have the duty to monitor and ensure their operations are in line with EGCO Group sustainability management guidelines.

Responsibility for and Participation with Stakeholders

Management Direction

EGCO realizes the importance of business operation by focusing on stakeholders, including individuals or organizations that might be affected positively or negatively by the Company's business operation. We regard it as a policy to be responsible for and treat all stakeholders fairly with importance attached to review of identification of stakeholders in line with the changing business landscape or substantial business expansion, and commitment to developing continuous participation and communication with stakeholders to ensure fairness to stakeholders in business operation. Practice guidelines on stakeholders are laid down in writing and disseminated on the Company's website for public acknowledgement.

Stakeholders of EGCO Group



Policy and Practice Guidelines on Stakeholders

1. Treatment of Shareholders Policy

The Company has respect for and strictly safeguards the basic rights of shareholders.

- Support shareholders in accessing information in an adequate and appropriate manner.
- Encourage shareholders to attend the meeting and exercise their voting rights in the shareholders' meeting.
- Do no act that infringes or derogates the rights of shareholders.
- Strive to foster growth based on actual potential or capabilities of the Company so that shareholders can receive sustainable returns from efficient performance and good operating results of the Company.

2. Treatment of Employees Policy

The Company recognizes the value of human resources and strives to ensure that employees are proud of the organization by working in a participatory atmosphere and with progress in career path on an equitable basis. Employees are developed and promoted to have knowledge and capabilities on a comprehensive and continual basis to create value and maintain business excellence.

- The Company will treat all employees with respect for honor and dignity.
- The Company will recruit personnel to various positions with fairness taking into account required qualifications for each position, educational background, experience, and other requirements necessary for the job and without discrimination based on gender, age, race or religion.
- The Company will determine remuneration and welfare of employees which are fair and appropriate for job descriptions and conditions, work performance, and capability of the Company in remuneration payment.
- The Company will encourage employees to receive training and development to enhance work efficiency and allow for progress in career path.
- The Company realizes that good communication will bring about efficiency and good relationship in working with others. Thus, the Company will facilitate employees' access to relevant news regularly at a suitable time and as best as possible.
- The Company will make available to employees communication channels through which they may raise suggestions and file grievances about work-related matters. All suggestions and grievances will be seriously considered and remedial actions worked out for the benefits of all parties and with creation of good relationship in work cooperation.

3. Provision of Service to Customers Policy

The Company will abide by its commitment to all customers by

- Strictly comply with conditions agreed upon with customers and deliver quality and reliable services.
- Deliver services according to the specified standards with efficiency and politeness.
- Give suggestions to customers regarding efficient use of electricity.

4. Procurement of Products and Services Policy

The Company intends to ensure standard procurement of products and services and is committed to maintaining and developing sustainable relationship with business partners and contract partners to deliver products and services which are worth the money, technical quality, and mutual trust. The Company will treat all trade partners and contract partners by

- Competing on the basis of equitable access to data.
- Having criteria in place for evaluation and selection of business partners and contract partners.
- Executing contracts of appropriate forms.
- Having management and monitoring systems in place to ensure complete fulfilment of contract conditions and to prevent frauds or other malpractice in all stages of the procurement process.
- Punctual payment to business partners and contract partners according to mutually agreed terms.

5. Treatment of Creditors Policy

The Company will abide by its commitment to all creditors by

- Ensuring strict compliance with loan agreements and no concealment of actual financial status.
- Take prompt action to solve problems in case where there is any situation that may affect the creditors, such as the Company's insecure financial position or possible business dissolution.

6. Treatment of Competitors Policy

The Company conducts business on a fair play basis, not seeking confidential information of competitors in a dishonest or inappropriate way, such as offering bribes to employees of competitors, and not damaging reputation of competitors by way of false allegation.

7. Community and Social Development Engagement Policy

7.1 Participation in development of communities surrounding power plants

- Promote and develop the quality of life of communities nearby power plants for their well-being taking into account community participation and needs.
- Instill and promote employees and relevant persons awareness of responsibility for the community.
- Consistently disseminate information on operating results to the community and the public.
- Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

7.2 Participation in social development

- Taking part in social development by conducting projects or activities for the society that are consistent with core competencies of the organization.
- Encourage employees and related persons to be aware of, understand, and take part in operation to stimulate their participation in social development.
- Execute projects or activities continuously to bring about actual and sustainable benefits to the society.
- Seek to regularly exchange knowledge and share experiences from working with other agencies for further improvement of operation.

8. Treatment of Business Partners Policy

The Company will abide by its commitment to all business partners by

- Operate business with accountability, transparency, fairness, and integrity in business cooperation.

- Do not disclose confidential information of business partners without their consents.
- Respect for intellectual property rights and ensure no intellectual property infringement.

9. Treatment of Contractors or Contract Partners Policy

The Company will abide by its commitment to all contractors/contract partners by

- Conduct business on an equitable, transparent, fair and honest basis.
- Ensure strict compliance with the conditions in the trade agreements in accordance with business ethics.
- Do not take and offer benefits in a dishonest or inappropriate way to contractors/contract partners in accordance with anti-corruption policy.
- Contractors/contract partners shall abide by and be aware of safety, occupational health and environment and comply with labour and human rights standards.

10. Treatment of Government Agencies Policy

The Company will abide by its commitment to all government agencies by

- Strictly comply with laws and related regulations.
- Disclose complete information as required by laws.
- Cooperate and build good relations with government agencies.

11. Treatment of Private Development Organizations Policy

The Company will abide by its commitment to all private development organizations by

- Disclose information in a complete, adequate and timely manner.

Stakeholders' Expectations and Building of Participation with Stakeholders

EGCO Group has conducted both official and unofficial surveys of each group of stakeholders to assess expectations of stakeholders. The official surveys include satisfaction surveys and channels for voicing complaints, while the unofficial ones are specific meetings, visits, or information from various media. Information derived from these sources is used for consideration in drawing up a roadmap and operation plan aiming to properly and comprehensively satisfy the expectations of each group of stakeholders.

Stakeholders	Expectations	Participation Building
1. Shareholders and Investors	<ul style="list-style-type: none"> • Sustainable return on investment • Business management under good governance policy • Risk Management • Respect for and safeguarding of rights with equitable treatment • Disclosure of genuine, complete, and sufficient information • Compliance with relevant laws 	<ul style="list-style-type: none"> • Shareholders' meeting • Annual report preparation • Power plant visits • Quarterly analyst meetings • One-on-One Meetings • Conference calls • Company's Roadshow • LIFE quarterly magazine • Acceptance of complaints through designated channels for whistleblowers

Stakeholders	Expectations	Participation Building
2. Employees	<ul style="list-style-type: none"> • Compensation and benefits compared with peers in the industry • Support of progress along the career path • Development of potential and capabilities • Job security • Good and safe working environment 	<ul style="list-style-type: none"> • Annual compensation survey of general labour markets and power plant groups • Training for enhancement of knowledge and development of skills required for work performance • Business update meetings • Communication day activities • Employee relations and team building activities • Activities for public benefits • Internal communication through various channels such as intranet, bulletin boards and posters, wire broadcasting, etc. • Employee satisfaction survey on communication within organization • Employee engagement survey
3. Customers	<ul style="list-style-type: none"> • Production and sales of electricity as specified in Power Purchase Agreements (PPAs) • Correct information provision of production and transport system • Stable plant availability • Reasonable price • Operation having no impact on the community, society, and environment 	<ul style="list-style-type: none"> • Meetings for exchange of information and opinions with Transmission Control Unit of Electricity Generating Authority of Thailand (EGAT) • EGAT Group relations building activities • Meetings with customers in industrial estates to develop a production plan in response to customers' needs
4. Creditors	<ul style="list-style-type: none"> • Strict fulfilment of conditions in loan agreements • Repayment capacity in a complete, accurate and punctual manner • No concealment of true financial status • Fair and equitable treatment of all creditors • Do not solicit, accept or give any corrupt benefits 	<ul style="list-style-type: none"> • Meetings for exchange of opinions • Power plant visits • Report of non-fulfilment of conditions in loan agreements to creditors in advance and mutual participation in the search for solutions to the problems
5. Competitors	<ul style="list-style-type: none"> • Conduct of business within the competition framework • Free, transparent, and fair competition • Strict compliance with good corporate governance principles • Conduct of business according to international standards 	<ul style="list-style-type: none"> • Receipt of information from public forum • Dissemination of information through the Company's website, annual report and other publications • Commitment to becoming one of the companies receiving public praise for compliance with good corporate governance principles

Stakeholders	Expectations	Participation Building
6. Community and Society	<ul style="list-style-type: none"> • Conduct of business with responsibility, safety, and good environment • Disclosure of factual information without concealment • Participation in the improvement of the quality of life of communities 	<ul style="list-style-type: none"> • Meetings of Tri-party Committee (only power plants under EIA) • Power Development Fund meetings • Power plant visits of students and communities • Project for development of quality of life of communities in the form of tri-party cooperation among power plants, government agencies, and communities in the areas • Sukjai quarterly magazine • Acceptance of complaints through designated channels
7. Business Partners	<ul style="list-style-type: none"> • Financial strength • Knowledge and expertise of personnel • Fair and transparent business operation • Synergy of strengths of each company 	<ul style="list-style-type: none"> • Meetings • Company visits • Doing activities together • Channels for raising complaints, opinions and suggestions
8. Contractors/ Contract Partners	<ul style="list-style-type: none"> • Operating business as good business alliance and maintaining good relationship • Fair and equitable treatment with focus on mutual benefits • Acceptable payment period • Financial stability 	<ul style="list-style-type: none"> • Meetings • Company visits • Activities for public benefits • Channels for raising complaints, opinions and suggestions
9. Government Agencies	<ul style="list-style-type: none"> • Compliance with relevant laws, rules and regulations • Environment management • Care for and support of community activities • Prevention of and resistance to corruption, and conduct of business with fairness • Disclosure of correct, complete, and sufficient information 	<ul style="list-style-type: none"> • Meetings • Company visits • Channels for raising complaints, opinions and suggestions
10. Private Development Organizations	<ul style="list-style-type: none"> • Conduct of business having the least possible impact on the environment and community • Participation in caring for the environment and development of the community • Disclosure of correct, complete, and sufficient information in a timely manner 	<ul style="list-style-type: none"> • Environmental conservation projects of Thai Rak Pa Foundation • Company visits • Channels for raising complaints, opinions, and suggestions

Business Operations in 2016

1. Shareholders and Investors

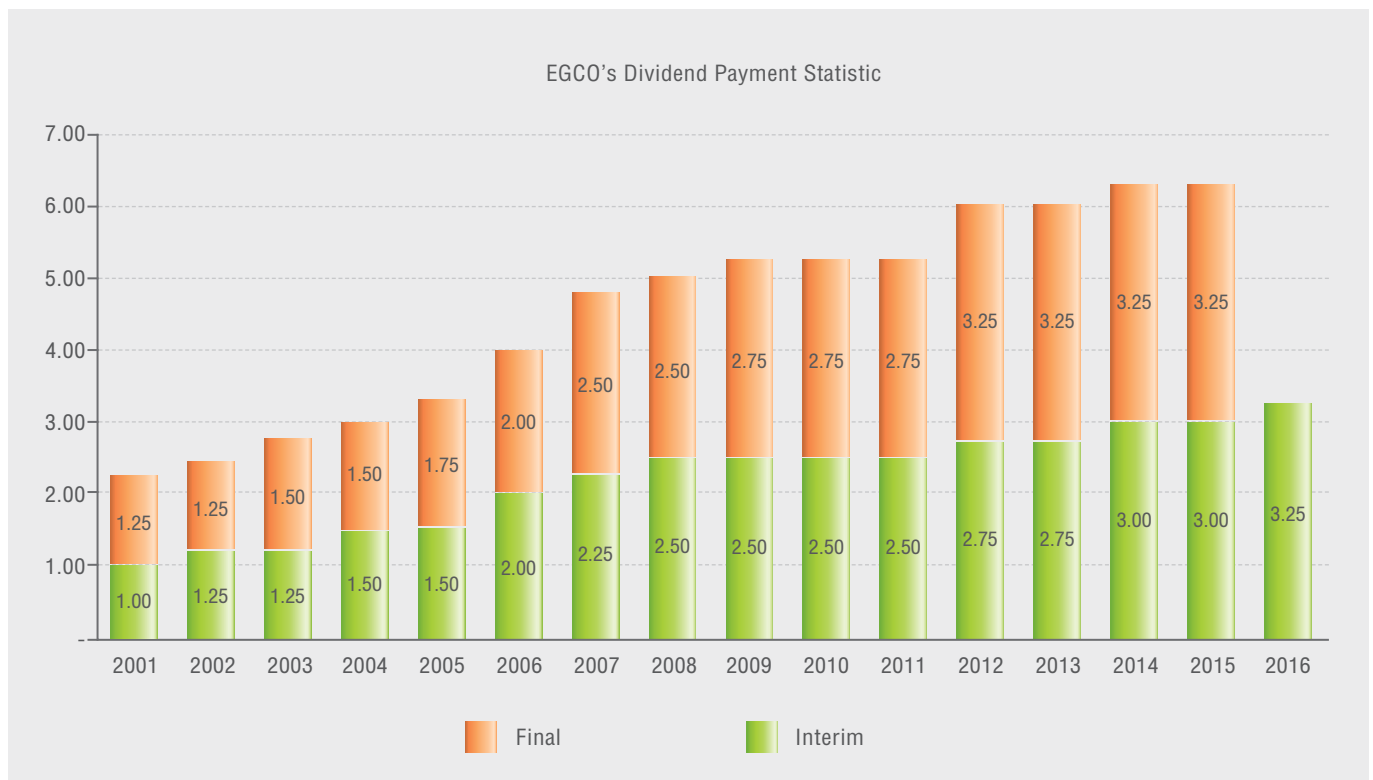
EGCO states in its code of conduct to foster growth based on genuine competencies or capabilities so that shareholders can gain sustainable returns from the effective and solid operational performance of the Company. EGCO respects the rights of shareholders and investors to equally access necessary information for their assessment of the Company, and will disclose its operating results and financial status as well as accurate supporting information as required by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

Share Price

EGCO's average share price in 2016 was 185.45 Baht per share, up from 2015 by 20%, and closing highest at 202 Baht on August 9, 2016, and lowest at 152 Baht on January 4, 5 and 14, 2016. The price-earning ratio (P/E ratio) as of December 30, 2016 was 11.61.

Dividend payment

EGCO has a policy of dividend payment to shareholders twice a year at the rate of approximately 40% of the net profits after deduction of income tax in consolidated financial statements, or in an amount that gradually increases, provided that there is no other fund utilization necessity like future business expansion through various projects or the dividend payment would not materially affect normal operation of the Company. Also, dividend payment shall not exceed retained earnings in separate financial statements.



Management of Relationship with Shareholders

EGCO has in place an investor relations unit to take charge of providing shareholders with accurate, complete, and sufficient information in a timely manner, so that shareholders, investors, and analysts can equally access information, and compiling opinions and comments from shareholders and investors on a regular basis. Shareholders and investors may directly contact Investor Relations Unit for additional information or to voice opinions at Tel. 0 2998 5147-9 or email: ir@egco.com. Moreover, EGCO has made available communication channels and activities among shareholders, investors, and top executives of the Company, as follows:

- **Investors and Executives Meeting**

EGCO has arranged a quarterly meeting for presentation of the Company's operating results to investors and analysts. The top executives, comprising President, Senior Executive Vice Presidents, and other top executives, have always been available for the meeting to provide information and answer all questions raised.

- **Power Plant Visits**

EGCO has organized EGCO Group's power plant visits for shareholders and investors to enable them to understand its business operation and meet the executives of EGCO Group. For the shareholders, registration is open for them on the day of the Annual General Meeting of Shareholders (AGM) and on EGCO Group's website within one month after the AGM. In 2016, shareholders and investors were invited to visit BLCF coal-fired power plant in Rayong Province, where presentation about the power plant was also provided. Visit of Khanom power plant in Nakhon Si Thammarat Province was also organized for analysts and institutional investors.

- **One-on-One Meeting**

EGCO has held one-on-one meetings for investors and analysts, in which top executives and Investor Relations unit regularly participate as requested by investors and analysts. In case they cannot attend in person, a conference call can be arranged with the schedule set to be convenient for all parties concerned.

- **Roadshow**

In 2016, EGCO met individual investors and institutional investors both domestic and overseas in collaboration with the SET, TISCO Securities Co., Ltd., Phatra Securities Co., Ltd., and J.P. Morgan.

- **Magazine for Shareholders**

EGCO has published "LIFE", a quarterly magazine for shareholders as a channel for providing information on operating results, activities carried out by EGCO Group together with activity calendar, and other essential information to shareholders. Shareholders can obtain the Company's news and information through E-mail Alerts on EGCO Group's website.

- **EGCO Group's Website**

EGCO has compiled information disseminated during roadshow, quarterly operating results presented to analysts, and video/audio clips from analyst meetings in both Thai and English versions on EGCO Group's website (Webcast) right after such meeting/event.

In addition, EGCO has regularly updated its website so that shareholders and investors have access to most recent information with convenience and maximum benefits. Some of the information is as below:

- 1) Updated and historical share price
- 2) List of analysts with analysis articles on EGCO share price
- 3) Analyst meeting schedule and so on

2. Employees

EGCO Group is well aware that employees are the key success factor of the organization. The Company has thus laid great emphasis on employees' well-being and potential development on a regular basis. In 2016, EGCO Group continued its human resource development roadmap with focus on enhancement of business knowledge and understanding for all employees so that they were equipped with capabilities to accommodate business expansion and had pride in being part of the organization. The Company's responsibility for employees can be classified into five major areas as below:

- **Compensation and Benefits**

EGCO Group has in place the compensation system according to duties, responsibilities, and capabilities of employees. It provides benefits and welfare for employees and family members mainly based on employees' necessity and demand and under proper rationale and principles. Annual pay increase for all levels takes into account the following two main components:

- o Organization's success, average pay increase of peers in the same industry, and economic condition in that particular year
- o Work performance and efforts of employees

The above aims to ensure that employees receive fair remuneration and to retain good and talented personnel for the organization.

In addition, EGCO Group has regularly studied, analyzed, and compared remuneration and benefits of the Group with those of peers in the same industry to ensure that employees receive remuneration, benefits, and welfare which are appropriate and competitive in the market. Every year the Company joins hands with HR Power Network consisting of 14 human resource work units of companies in the electricity business to consistently exchange ideas and information on management of human resources, especially payment of compensation and benefits to employees, and use such information for development and improvement of compensation criteria of the Group.

For the benefits of employees, the Company has set up a Welfare Committee composed of members elected by employees with a term of office of not over two years to be representatives of employees for welfare management and offer opportunity for the employees to have a communication channel to give suggestions and raise grievances relating to their work, living, and welfare. Their suggestions will be seriously considered and corrective measures will be worked out for the benefits of all parties and building of good relationship. So far, there has been no reporting or complaining of violation of human rights and unfair treatment of labour.

- **Competency development for career advancement**

Due to continued business growth of EGCO Group, employees have opportunities to grow in their career path. In addition to management of compensation and benefits for employees, the Company gives importance to employees' progress in their career path. Promotion to higher positions and levels is undertaken based on clear criteria and in accordance with the human resource management policy which is employee-based. Consideration process is in the form of committee comprising related executives to jointly and reasonably consider, select and express opinions to support consideration. In addition, the Company is committed to developing employees to have knowledge and expertise in pace with the business expansion and growth.

In 2016, the Company held training courses for employees at all levels to enhance their knowledge suitable for the business and develop their skills to boost work efficiency and effectiveness such as an activity of knowledge and experience sharing from the expert who took an overseas assignment on the topic of "Knowledge Sharing: Overseas Project Experience" and a course on the power of innovative thinking, and developed important skills for junior and senior employees such as a courses on systematic thinking and analytical thinking as well as managerial skills for executive employees such as courses on leadership 101, effective business presentation, and analytical thinking. The Company also revised and prepared an individual development plan for employees at all levels to be alert for further business growth and career advancement.

- **Employee Relations**

EGCO Group realizes the importance of individual uniqueness and teamwork, the Group thus promotes corporate values and culture for employees to accept and respect each other's differences in order to lead to good collaboration and teamwork.

EGCO Group believes that good relationship takes part in bringing happiness to employees at work. Employees who are happy at work and have capabilities as continuously trained and developed for the assigned works will be able to produce efficient and effective output to enable the organization to eventually reach the targets set forth.

In 2016, EGCO Group organized employee relations activities as follows:

- **Communication Day:** A semi-formal event held quarterly for President and all employees for updates of news, information, and movements inside and outside the organization, and as an opportunity for employees to share ideas and opinions as well as enquire about various issues with the executives.
- **Dek Doi:** A gathering of 2 batches totaling 91 employees to spend their lives at Doi Inthanon National Park, Chiang Mai Province, to foster unity, good relationship, learning capacity, and teamwork as well as raise awareness of natural resources and environmental values which were primary factors of electricity business operation.

Other activities were also arranged to strengthen internal relationship such as New Year's party, and religious and cultural activities like offering of robes to Buddhist monks off-season and after Buddhist Lent. In 2016, the Company joined merit-making ceremonies at nine temples, and supported club activities of employees, namely Photo Club, Dhamma Practice Club, Golf Club, and Sports and Recreation Club.

Moreover, in 2016, EGCO Group communicated news, information, and movements of the organization in respect of business operation, social responsibility, and internal activities to employees via diverse forms of communication channels like intranet, bulletin board, posters, and wire broadcasting. This aimed to foster a learning society and encourage employee engagement in business and activities.

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

EGCO Group is well aware of the significance of safety, occupational health, and environment operation. "EGCO Group Safety, Health and Environment Standards Manual" has been produced for EGCO and its Group power plants to follow to ensure safety, occupational health, and good working environment for employees and persons concerned. This is based on the management principles of prevention of work-related accidents, injuries, and sickness, alongside building of consciousness and understanding of safety, occupational health, and good environment at workplace among employees and persons concerned on a regular basis.

In 2016, EGCO Group organized annual health check-up for employees and rehearsal of fire drill and evacuation, safety exhibition, dissemination of data, and holding of activities to enhance safety knowledge and consciousness. The Safety, Occupational Health and Environment Committee met once a month to consistently track operation.

- **Participation in community and social development**

EGCO Group believes in employee involvement in community and social development activities as a way to develop capabilities and improve self-esteem of employees. Therefore, the Group encourages employees to join hands with communities nearby power plants to initiate and execute activities which are beneficial to the betterment of quality of life and the good environment of the community. This is done by employees being "volunteering staff" to foster the society through activities to improve the quality of life of communities nearby power plants and those to promote energy and environment learning among youths, together with conservation of watershed forests. This aims at reinforcing collaboration between EGCO Group employees and private and government agencies, as well as the communities.

In 2016, EGCO Group employees carried on social and community development activities organized continuously by the organization, namely volunteering in EGCO's Thai Rak Pa Youth Camp, volunteering in management and construction of mini-hydropower plants in communities, and being speakers as well as providing technical data on maintenance of mini-hydropower plants in "One Watershed Forest, One Source of Energy" project, and a project on Repair and Maintenance of Public Electricity System, and so on.

Besides five major areas of responsibility for employees as mentioned above, in 2016, the Company prepared an employee engagement survey to measure attachment or feeling of personnel towards the Company, that is the employees were happy and proud of the Company, and tasks were worth both mental and physical efforts at their best. The survey was conducted by experts in employee engagement to obtain true answers with 93% of interested employees. It was found that employees were much satisfied with the organization in the following areas: 1. Safety 2. Corporate image 3. Work/life balance. Employee expectations towards the organization included 1. Talent management 2. Career advancement, and 3. Learning and additional development. The Company has thus set up workshop for executives at the level of Senior Vice President to prepare an operation plan to further develop and improve things that are employee expectations.

The Company also enhanced access to new generations by initiating a EGCO Group site visit for engineering students to provide guidelines on engineering career and profession so that they could select an appropriate one.

3. Customers

EGCO Group is proud of its roles, duties, and responsibilities as a power producer and distributor to the Electricity Authority of Thailand (EGAT) and industrial estate users, and as an energy service provider in terms of plant operation, maintenance, engineering, and construction, as well as provision of training for power plants and industrial plants both domestically and internationally by jointly delivering quality and reliable products and services at fair prices and with promotion of good relationship. In 2016, its operations in relation to customers included:

Power Business: EGCO Group continues to produce and distribute quality electricity according to electricity system standards in the volume and period specified by EGAT and industrial estate customers to ensure plant availability to sufficiently serve the public and use in activities. EGCO Group power plants in overall have maintained supply availability higher than target set in the PPAs. Following the requirements of the quality management system standard ISO 9001, the Company conducted an annual survey of customers' satisfaction with its products and services and the results showed that customers were satisfied with EGCO Group's power plant operations at 95% on the average.

Energy service business: Satisfaction with EGCO Group's service provision has been maintained at an excellent level. According to a survey of customers' satisfaction with its maintenance business, customers have been satisfied with EGCO Group employees' service provision and operations at 94.51%.

4. Creditors

EGCO Group fulfills its obligations to all creditors by strictly complying with the provisions in loan agreements and not concealing its true financial status. In 2016, EGCO Group traveled to meet and exchange viewpoints as well as answering questions of creditor executives and teams. It strictly observed conditions and made loan repayments as scheduled. No dispute or event of default was reported.

The creditors were also invited to visit EGCO Group's power plants which were under construction and commercially operated and distributed electricity as follows:

- Participated in the official commercial operation ceremony and visited Khanom Power Plant Unit 4, Nakhon Si Thammarat Province
- Visited the under-construction Chaiyaphum Wind Farm, Chaiyaphum Province
- Visited the under-construction TJ Cogen Power Plant (Klongluang Utilities Co., Ltd.), Pathum Thani Province
- Visited the under-construction SK Cogen and TP Cogen Power Plants (Banpong Utilities Co., Ltd.) Ratchaburi Province, for example



5. Competitors

EGCO Group operates its business on a fair play basis, without taking advantage of its competitors in a wrongful way. It provides beneficial opinions concerning regulations and standard operation procedures for common standard in operation. No access to information of trade partners and competitors is made in a dishonest way, nor is trade partners' and competitors' reputation tarnished with false accusation. In 2016, EGCO Group had no dispute with any competitors.

6. Community and Society

EGCO Group gives priority to living in harmony with the community, thus emphasizing on participation in promotion and development of quality of life of communities surrounding the power plants and with due regard to corporate participation in and demand from communities, covering the following areas:

- Local employment
- Promotion of learning among children and youth in the communities
- Development of skills beneficial to occupation
- Promotion of sanitation
- Support of development of public utilities
- Conservation of natural resources and environment

In 2016, EGCO Group carried out operations on responsibility for community through local employment. Over 90% of contractors and contract partners are labour in the locality. The Group also developed and implemented 87 projects for the betterment of the quality of life of communities nearby power plants in Thailand and overseas. They comprised 17 projects on promotion of learning among the youth, 16 projects on development of skills beneficial to occupation, 21 sanitation promotion projects, 13 projects on development of public utilities and others, and 20 projects on natural resources and environment preservation.

For social responsibility, EGCO Group promoted learning about energy and environment among the youth, as they are in the early ages suitable for learning and growing a sense of goodness, which will contribute to sustainable growth in the future. Particularly, they should be taught to be aware of value of natural resources which are primary factor of energy. EGCO Group thus launched 2 corporate social responsibility projects including EGCO Forest Youth Camp, which has been held since 1997 and Energy for Life...How to Fight Global Warming with Sustainable Living, the Project in collaboration with Energy Policy and Planning Office (EPPO), Ministry of Energy, and Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education, to encourage Thai youths to learn about energy in a comprehensive way, with a project operating period during 2012 - 2015.

In 2016, the Project was concluded and completed with honoring 5 energy for life model schools and 18 teachers as role models for source of knowledge which had been selected among 60 participating schools all over the country that demonstrated concrete and continuous success throughout the 3-year project as well as 7 outstanding schools for the year 2015 that could systematically integrate teaching and learning about energy and environment by adopting the philosophy of sufficiency economy and harmoniously linking knowledge, academic work, and local wisdom which led to school practices to raise awareness of energy and environmental conservation among youths. Throughout the project period originated the network of 806 teachers who managed learning about all-round energy and environment from 60 schools all over the country, creation of 243 learning and teaching plans which integrated the concept of “Energy for Life...Fighting Global Warming with Self-Sufficiency” in 8 subject groups, and 50,580 youths who gained correct knowledge of all-round energy and environment and could analyze the source of energy consumption derived from daily routines, and lived an environmentally-friendly lifestyle which would lead to a change in energy consumption behavior.

7. Business Partners

To be a good business partner, EGCO Group operates business based on fairness, transparency, and accountability by strictly observing the agreements entered into between parties and takes no advantage of partnership through wrongful acts. In 2016, EGCO Group held meetings and paid visits to its partners’ businesses to continuously exchange opinions and accept complaints and suggestions. The Company also organized activities to strengthen participation with its business partners such as field trips, sports, and so on. In 2016, EGCO Group had no dispute with any business partners.

8. Contractors / Contract Partners

EGCO Group places importance on good business partnership, and ensure equality and fairness for contractors/contract partners. Meetings with contractors/contract partners are held before starting operations to develop an understanding of scope of operations, work handover, and term of payment agreed upon by both parties, during the operations to ensure conformity to the contracts, and after the operations to conclude and hand over work as well as develop future joint operations. Throughout the operation period, EGCO Group is also open and responsive to opinions and suggestions for the achievement of goals as specified in the contracts. In 2016, EGCO Group had no dispute with any contractors/contract partners.

9. Government Agencies

EGCO Group strictly abides by relevant laws and regulations, discloses complete information as required by laws as well as cooperates and establish good relationship with government agencies at both national and local levels.

At national level, the Company supports joint operations in various areas such as arrangement of activities with the Ministry of Energy to diffuse knowledge in the field of power business and promote public benefits, cooperation with the Royal Forest Department and Department of National Parks, Wildlife and Plant Conservation under the Ministry of natural Resources and Environment in environmental conservation and restoration, and preservation of religious events with the Ministry of Energy and Ministry of Science and Technology.

For the operation with government agencies at local level in 2016, EGCO Group always holds a meeting with government agencies at local level. The meeting is run by the Community Participation Committee (Tri-party Committee) comprising government agencies, community leaders, company representatives with the following meeting issues:

- Follow-up of progress of construction projects and power plant operations
- Environment
- Community development
- Community voices and opinions

In addition, the Company invited government agencies, community leaders, and general public to visit 2 construction sites of cogeneration power plants, namely Banpong Utilities Co., Ltd., Banpong District, Ratchaburi Province

and Klongluang Utilities Co., Ltd., Klongluang District, Pathum Thani Province, and 1 wind power plant at Chaiyaphum Wind Farm, Subyai District, Chaiyaphum Province.

A visit of the commercially-operated EGCO Cogeneration Power Plant in Rayong Province was also arranged to develop an understanding of commercial operation of power plant among government agencies, community leaders, and general public living in the areas nearby the construction of power plant.

The Company has made available channels for raising complaints, opinions and suggestions from government agencies at the local level via telephone number and e-mail as announced in each area as well as via Community Relations Department at telephone number 0 2998 5670-4 or also e-mail: CR@egco.com which was later added in 2016.

10. Private Development Organizations

EGCO Group conducts business in full compliance with all applicable laws and regulations, and the least possible impact on the environment and community and takes part in caring for the environment and development of community as well as discloses information in a correct, complete, adequate and timely manner.

In 2016, private development organizations cooperated with Thai Rak Pa Foundation which was a charity organization founded and supported by EGCO to undertake projects on watershed forest conservation such as a watershed network project and a reforestation project to generate revenues in the areas of Chiang Mai Province.

Channels for raising complaints, opinions and suggestions are made available at the headquarters.

Moreover, EGCO considers the media instrumental to communication with or passing on information to stakeholders and general public. The Company thus attaches importance to and gives cooperation by disseminating to the media news and information of the Company on a fact-based, equitable and timely basis and responding to the needs of the media. It also cooperates with the media in enhancing knowledge and understanding about electricity industry and business among the public on a consistent basis. EGCO Group's responsibility for and participation with the media is in three perspectives as below:

- **Dissemination of the organization's news and movements**

In 2016, EGCO held 3 sessions of press conference on its operating results, business direction and corporate social responsibility project, 5 sessions of press interview and meeting with top executives, 1 power plant visit for the media, and 25 pieces of published public relations news and articles. Issues and target groups of communication are, for instance, dissemination of information on operations to shareholders, investors, and the public; dissemination of corporate social responsibility information, especially sharing of electric power knowledge with youths in different regions; and instilling consciousness among youths of energy and environment value and participation in conservation efforts thereof. In 2016, 567 pieces of news were released, of which 481 pieces were business-related, and 86 pieces were related to corporate social responsibility.

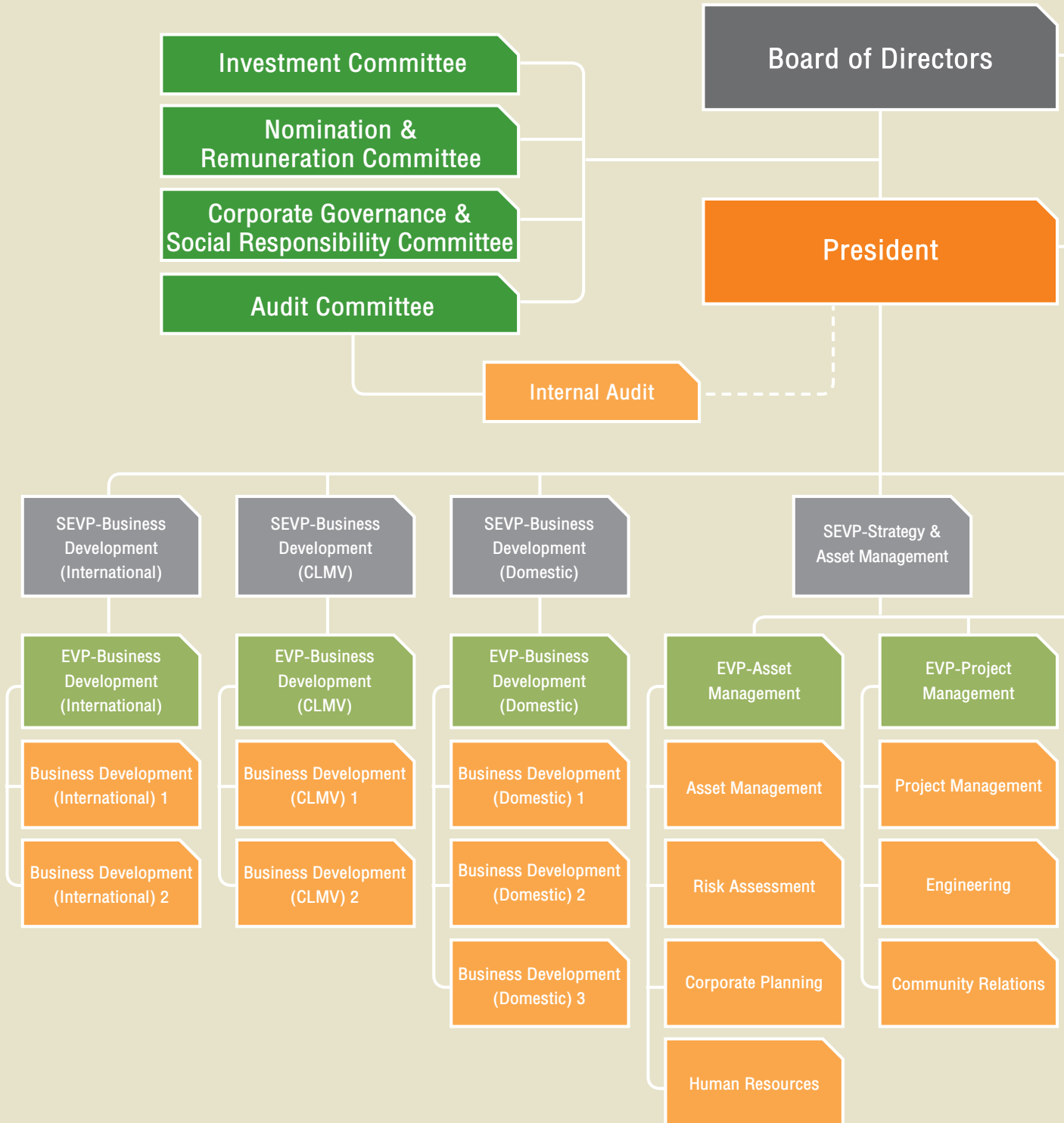
- **Media relations**

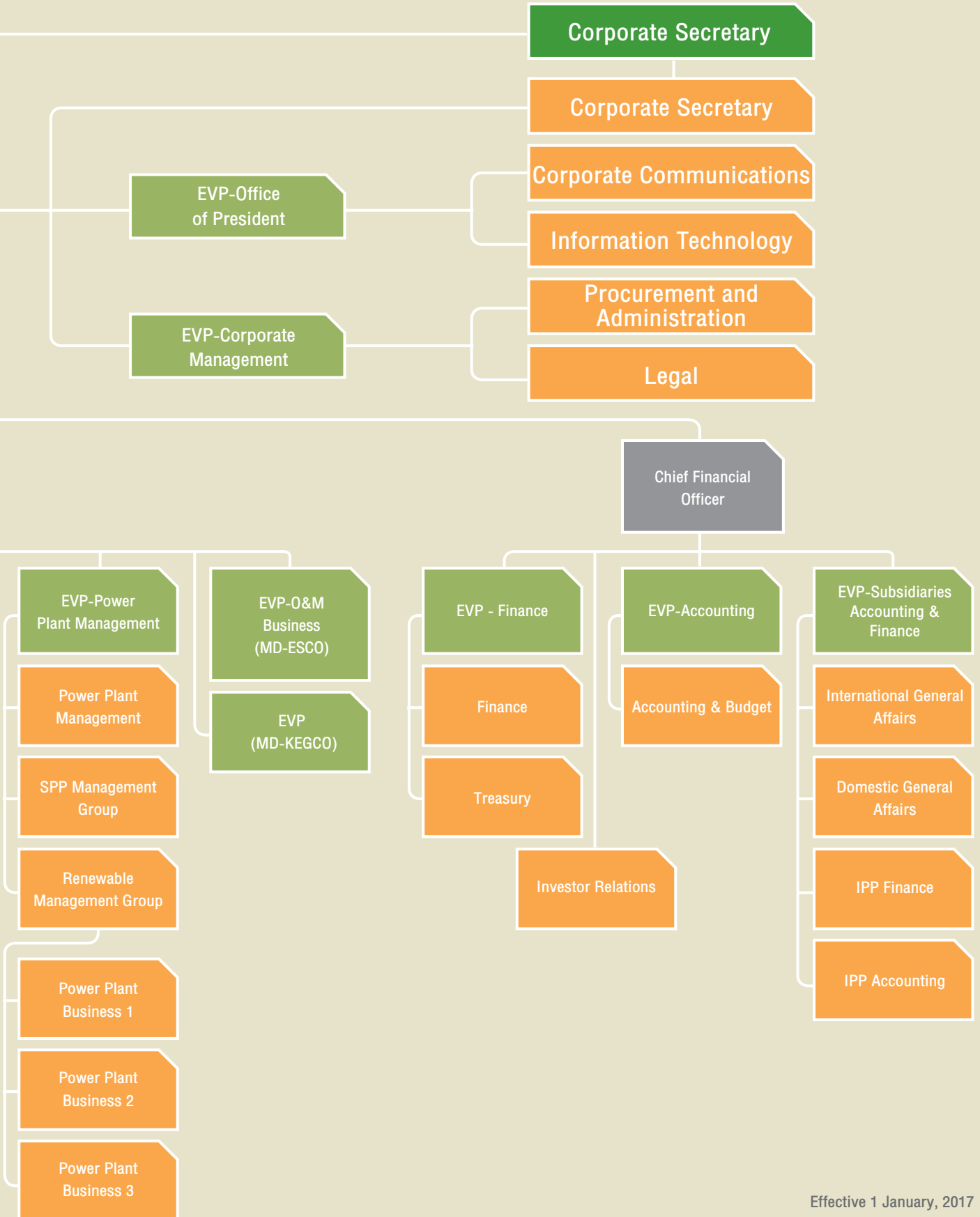
EGCO Group believes that good relationship will help gain trust, acceptance, and good cooperation. In 2016, EGCO Group promoted relationship between the organization and the media through various activities, such as participating in New Year's party with the media, congratulating the media on their anniversary celebration occasions, and joining hands with the media in public contribution activities like charity golf tournament, etc.

- **Engagement in developing the community and society**

Under the concept that each individual plays a role in creating good community and society, EGCO Group supports social contribution activities initiated and undertaken by the media. In 2016, the Company supported 1 educational activity, 1 public utility contribution activity for communities in remote areas, and 1 activity for knowledge and competency development.

EGCO' s Organization Structure







Management Structure

EGCO's organization structure comprises the Board of Directors, standing committees, President and the top management as follows:

1. Structure of the Board of Directors

(1) Board of Directors

The Board of Directors ("Board") has main responsibility to conduct business in a way that will benefit EGCO, shareholders and stakeholders including employees and communities where EGCO operates its business. Additionally, the Board works with the Management in formulating EGCO's vision and policy and approving corporate budget. The Board also monitors the Management's performance and suggests sound resolutions to problems.

EGCO's Board comprises not less than 5 and not exceeding 15 members as stipulated in the Company's Articles of Association. The appropriate number of the directors will be periodically reviewed to align with their responsibilities. The change in the number of directors needs the approval of the shareholders with the votes of not less than four-fifth of the shareholders present and entitled to vote.

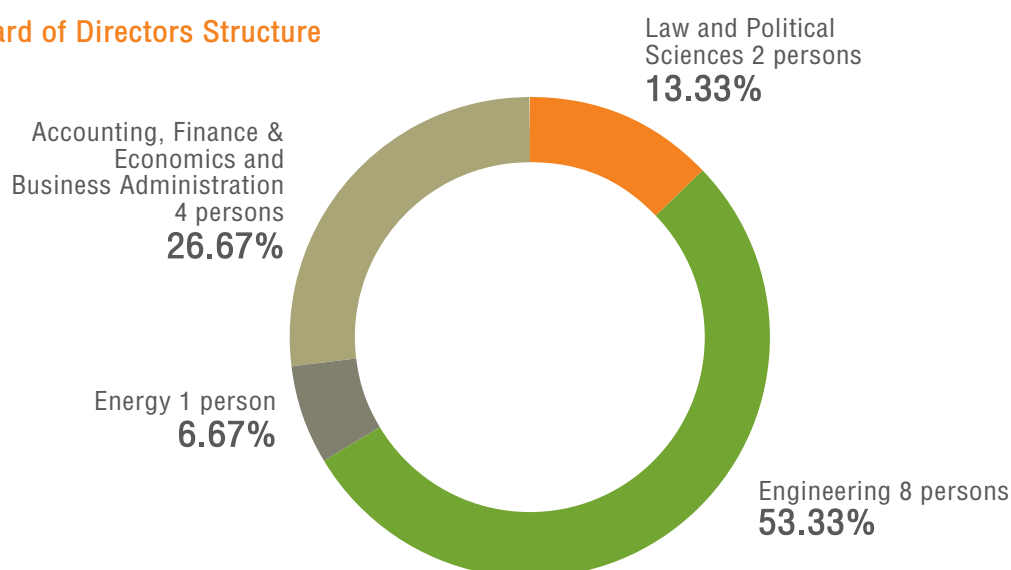
As of December 31, 2016, EGCO's Board comprises 15 directors as follows:

- 14 non-executive directors, 93% of total directors, comprising:
 - o 6 independent directors, 43% of total directors,
 - o 8 representative directors, 50% of total directors, and
- President, the only executive member, 7% of total directors.

The composition is based on the diversity of gender, individual's skills and experiences that would contribute to the balance of board composition and benefit to Company's business as follows:

	Number	Percentage
Gender		
- Male	13	86.67
- Female	2	13.33
Total	15	100.00
Expertise and experiences		
- Engineering	8	53.33
- Accounting, Finance & Economics and Business Administration	4	26.67
- Law and Political Sciences	2	13.33
- Energy	1	6.67
Total	15	100.00

EGCO's Board of Directors Structure



The Board and their share ownership in EGCO as of December 31, 2016 are as listed below:

Name	Appointment Date	No. of shares		
		Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2015 - Dec 31, 2016)
1. Mr. Sombat Sarntijaree Chairman	Apr 21, 2015	-	-	-
2. Mr. Thanapich Mulapruck Independent Director	Apr 21, 2015	-	-	-
3. Mr. Pongstorn Kunanusorn Independent Director	Apr 21, 2015	-	-	-
4. Ms. Jaruwan Ruangswadipong Independent Director	Apr 20, 2016	-	-	-
5. Mr. Chotchai Charoengnam Independent Director	Apr 21, 2015	-	-	-
6. Mr. Somphot Kanchanaporn Independent Director	Dec 16, 2013	-	-	-
7. Mr. Bandhit Sothipalalit Independent Director	Apr 23, 2014	-	-	-
8. Mr. Kornrasit Pakchotanon Director	Apr 20, 2016	-	-	-
9. Mr. Saharath Boonpotipukdee Director	Apr 20, 2016	-	-	-
10. Mrs. Puangthip Silpasart Director	Apr 21, 2015	-	-	-

Name	Appointment Date	No. of shares		
		Director	Spouse/ Minor Child	Increase/ Decrease (Dec 31, 2015 - Dec 31, 2016)
11. Mr. Hiromi Sakakibara Director	Aug 1, 2016	-	-	-
12. Mr. Ken Matsuda Director	Jul 1, 2015	-	-	-
13. Mr. Shunichi Tanaka Director	Apr 20, 2016	-	-	-
14. Mr. Yasuo Ohashi Director	Apr 23, 2014	-	-	-
15. Mr. Chanin Chaonirattisai President	Apr 20, 2016	-	-	-

The list of directors who retired and resigned in 2016 - March 31, 2017 and their share ownership in EGCO are as shown below:

Name	Resigning/ Retiring Date	No. of shares		
		Director	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2016 - Mar 31, 2017)
1. Mr. Prapas Vichakul Director	Jan 1, 2016	-	-	-
2. Mr. Sahust Pratuksukul Director	Jan 1, 2016	1,890	-	-
3. Pol. Gen. Pansiri Prapawat Independent Director	Apr 20, 2016	-	-	-
4. Mr. Tomitake Maruyama Director	Aug 1, 2016	-	-	-

(2) Independent Director

EGCO's Corporate Governance Principle determines the number of independent directors at one-third of all directors in compliance to the laws. Presently, EGCO's board of directors comprises 6 independent directors which are more than one-third of total directors. The independent director could serve the company not more than 2 terms or 6 years, starting from the 2016 annual general meeting. None of independent director stays in the office more than the term limit. Also, they can schedule their own meeting as necessary.

Moreover, the independent directors are competent, independent and do not possess the prohibited qualifications as regulated by the law. They fulfill all qualifications of independent directors as defined by the Company as follows:

1. Holding shares not more than 0.5% of the paid-up capital with the voting right of EGCO, parent company, subsidiary company, associated company or any legal entity that may have the conflict of interest (including the connected persons as stipulated in section 258 of securities laws),
2. Not being or having been a director who takes part in the management (executive director, director who has the same responsibility as management and authorized director, except the case of joint signing with other directors for transactions approved by the Board), an employee, or an advisor who receives regular salary, or a controlling

person of EGCO, parent company, subsidiary, associate or fellow subsidiary (two or more subsidiaries of the same holding company) or any entity that may have a conflict of interest during the period of two years before his/her appointment,

3. No relationship by family or by law with the management, major shareholders, controlling persons of EGCO or its subsidiaries, or those being nominated.
4. No business relationship with EGCO, parent company, subsidiary, associate company and not being a major shareholder, non-independent director or management of any entity that may have a conflict of interest in a way that would affect the giving of independent opinions for at least two years before the filing date.
5. Not being an auditor or a major shareholder, director, management or partner of the audit firm that provides auditing services to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest for at least two years before the filing date.
6. Not being a professional service provider, including legal and financial consultant to EGCO, parent company, subsidiary company, associate company or any entity that may have the conflict of interest, with the fee higher than 2 million baht per year, or being a major shareholder, non-independent director, management or partner of such company for at least two years before the filling date,
7. Not being EGCO's representative director of its director, majority shareholders or shareholders who are related to EGCO's majority shareholders, and
8. Not having any constraint that would affect the performance of giving independent judgment on EGCO.

Meanwhile, independent director can hold EGCO shares not more than 0.5%, which is stricter than the regulation of the Capital Market Supervisory Board which allows 1% shareholding.

During the year, the independent directors provided the independent judgement and recommendations when considering and making decision on significant issues such as investment projects, organization structure, and other issues related to the corporate governance, for the best interest of the Company. They also were concerned about all stakeholders and prevented any actions which caused conflicts of interest among the Company, executives, directors and major shareholders.

(3) Chairman

Mr. Sombat Santijaree, a representative director of the Electricity Generating Authority of Thailand ("EGAT") is appointed to be the Chairman with his proven knowledge and experiences in energy sector for a long time as EGAT Governor and his leadership to lead EGCO towards the corporative vision, mission and strategic plan to benefit all shareholders. Although the Chairman is not an independent director, the Board performs its duties with fairness and transparency and makes independent decisions with due care and responsibility to all shareholders equally through the following mechanisms:

1. The Chairman is a non-executive director, not the same person as the President and has no relations with the management. There is a clear distinction between oversight and day-to-day business administrative roles. The Chairman takes the lead role in conducting board meetings to be effective and efficient by encouraging involvement by all directors and providing recommendations and supports to the Management via the President. The Board does not intervene in any routine activities under the President's responsibilities.
2. Most of the Board members are non-executive directors and the Board's seats are allocated to major shareholders who have expertise in Company's business comprising 4 EGAT representative directors, 4 TEPDIA representative directors, and 6 independent directors. This indicates a proper balance of power.
3. The Board has assigned the sub-committees to oversee tasks where there may be a potential for transactions with conflict of interest and to balance the need of each stakeholder. With respect to this, the Audit Committee is entrusted for the oversight and review of the accuracy of financial and non-financial reports as well as related matters. The Nomination and Remuneration Committee is assigned to take care of selection of the Board members and key executives and their remuneration on a transparent basis.

The result of the Board's performance appraisal in 2016 indicated that the Chairman was excellent in leading the meeting and encouraging directors to participate in the discussion around the Board table.

(4) Authorized Directors

EGCO determines that the authorized directors comprise the Chairman or the President to sign and affix the company's seal independently, or any two directors to sign jointly and affix the company's seal. Such authorized directors shall exclude (1) independent directors to maintain their independence under the good corporate governance principle, (2) directors who are senior government officers, and (3) directors who are also directors of the financial institutions to avoid the limitation that such financial institutions cannot provide future financial service to EGCO.

(5) Board of Directors' Duties and Responsibilities

The duties and responsibilities of the Board of Directors are prescribed below:

1. Duties to EGCO

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

2. Duties to Shareholders

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

3. Duties to Creditors

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

4. Duties to other Stakeholders

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

5. Due Diligence

- Attend all Board meetings, or give apology in advance when meeting attendance is not possible
- Acquire knowledge about EGCO business including statutory laws and regulations affecting the discharge of duties as director, and well aware of the business environment
- Be provided substantial information in advance to allow adequate time to analyze; then make thorough judgment
- Consider and make independent judgment; In case of dissent from Board's resolution, directors can request the record of objection in the Minutes of Meeting.

- Ensure that the communication system is established for directors to be provided regular and timely information to enable the thorough and careful judgment.
- Encourage the open communication between the Board of Directors and auditors and that the auditors can work independently and efficiently with the full co-operation from the management and internal auditors.
- Ensure that EGCO complies with the governing laws, rules, regulations and business standard and ethics.
- Directors and sub-committee member can seek advice from EGCO's advisors or engage independent advisors for the governance benefits such as legal advisors, financial advisors, HR advisors, and other professional advisors on EGCO's expenses.

Board of Directors' Authority

The Board has the authority to approve the following matters:

1. Approve and revise the Company's vision, mission and policies
2. Approve both short-term and long-term strategic plans; including action plans, annual budget and manpower to be in line with the strategic plans
3. Make a decision for the interest of the Company, shareholders, stakeholders; and to monitor the Management's performance and provide suggestions to solve the problems appropriately
4. Establish and amend the sub-committees' charters
5. Establish and amend the Company's regulations
6. Establish and revise the organization structure of EGCO and the subsidiaries in which EGCO holds more than 50% of stake
7. Elect and appoint directors in the Board of Directors to replace resigning directors during the year.
8. Appoint, remove and change members in the sub-committees.
9. Establish a new sub-committee during the year and determine its remuneration when considered as appropriate
10. Determine, establish and revise the Company's Table of Authority
11. Establish, amend or change the binding agreements of investment/ joint venture/ bids under EGCO's commitment including any divestment with the value exceeding 3,000 million baht
12. Approve the interim dividend payment for the shareholders
13. Approve the change in significant accounting policy and compliance with new accounting standards
14. Approve the issuance of debt securities (excluding debentures), borrowing, refinancing and rescheduling with the value exceeding 3,000 million baht
15. Approve the guarantee, loan to group companies and other financial supports in the amount exceeding 500 million baht
16. Approve the revision of annual budget with the increased amount exceeding 15% of the approved budget
17. Approve the disposal of materials with the value exceeding 10 million baht per time
18. Approve hiring, employment, appointment, termination and compensation required by law for the President, top executives and Corporate Secretary
19. Evaluate the President's performance and approve the salary increase for the President
20. Consider the disciplinary action for the President
21. Approve the Company's salary structure, wages, compensation and benefits
22. Approve the succession plan for the position of Executive Vice President upwards

23. Endorse the following matters before proposing for the shareholders' approval:

- Acquisition or sale of important assets or any related transaction as outlined by the laws and the Capital Market Supervisory Board
- Sale or transfer of EGCO enterprises or its components to other entities
- Purchase or acquisition of enterprises on behalf of EGCO
- Making addendums or changes to EGCO's Memorandum or Articles of Association
- Increase or decrease of the registered capital
- Issuance of securities for sales to the public, except for common shares
- Dissolution of EGCO or merging it with another company
- Announcing annual dividends
- Sundry other activities as mandated by laws or EGCO's Articles of Association to seek approval from shareholders' meeting

2. Standing Committee

In order to well perform its responsibilities to the shareholders, the Board considers and put in place essential business policy and schedule its meeting monthly except in some circumstances the Board shall call a meeting as a special case or assign the following 4 standing committees (1) Audit Committee, (2) Investment Committee (3) Nomination and Remuneration Committee, and (4) Corporate Governance and Social Responsibility Committee.

Each Board committee has its own charter which prescribes functions, composition, term of office, responsibilities and meeting conduct. The committee's charter, which is approved by the Board, would be reviewed as deemed appropriate. Each committee can retain outside counsels, experts and professional advisors, as deemed appropriate at EGCO's expense. All committees shall report their activities (if any) to the Board. In 2015, the Board has revised the Audit Committee Charter and the Charter of Corporate Governance and Social Responsibility Committee to be in line with EGCO's Anti-Corruption Policy and Measures.

In 2016, the Board and all sub-committees had reviewed their charters and opined that their charters covered all facets of the committees' responsibilities so the revision of charters was not necessary.

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

1. Review the accuracy and adequacy of EGCO's financial reporting,
2. Review the appropriateness and effectiveness of internal control systems, and internal audit functions and determine the Internal Audit Division's independence,
3. Approve the appointment, rotation and removal of the Chief Internal Audit,
4. Monitor EGCO's compliance with Securities and Exchange Acts and Regulations of the SET and any other laws relevant to EGCO's business,
5. Recommend to the Board of Directors the appointment and removal of an independent person to be EGCO's auditor, removal of the auditor and audit fees,
6. Consider non-audit services performed by the auditors which may lead to the auditors' non independence,

7. Consider and endorse the significant change in accounting policy of EGCO and subsidiaries prior to proposing to the Board of Directors for approval,
8. Meet with the auditor exclusively at least once a year.
9. Consider the connected transactions or any transactions that may cause conflict of interest complying with rules and regulations of SET to ensure that such transactions are reasonable and create highest benefit to EGCO,
10. Review EGCO's regulations on internal audit prior to proposing to the Board of Directors for approval,
11. Approve the internal audit plan as well as budget and personnel,
12. Review the internal audit report of internal audit division,
13. Review with the Management the preparation of the Management's Discussion and Analysis or MD&A and the disclosure in Annual Report,
14. Review with the Management the risk management policy, the practice compliance with such policy, EGCO's risk management guidelines, as well as consider potential risks and preventive measures of relevant risks,
15. Prepare a report that describes the Audit Committee's activities and responsibilities. This report shall be signed by the Chairman of the Audit Committee and published in the annual report to the shareholders. The Audit Committee's Report shall consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - (b) an opinion on the adequacy of the Company's internal control system,
 - (c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - (d) an opinion on the suitability of an auditor,
 - (e) an opinion on the transactions that may lead to conflicts of interests,
 - (f) the number of the Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors,
16. Inspect any suspiciousness reported by the company's auditor, that the President, the Management or any person responsible for the company's operation commits an offence under the Securities and Exchange Act (No. 4) B.E. 2551 and report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within thirty days after being informed by the auditor,
17. Oversee the Company's practice to ensure that the Company follows the Anti-Corruption measures, review the related measures and internal control,
18. Review reported concerns about fraud or corruption,
19. Review the Audit Committee Charter and conduct the self - assessment at least once a year,
20. Perform any other act as assigned by the Board of Directors with approval of the Audit Committee

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

Nomination and Remuneration Committee: comprises 5 non-executive directors, 3 of whom are independent directors. NRC appointed Mr. Shunichi Tanaka, representative from TEPDIA, the major shareholder, as the Chairman of the Committee for his knowledge and experiences in strategy and human resources management as well as international corporate governance. His expertise supports the Company's strategy to penetrate its business into international markets. Although the NRC Chairman is not an independent director, the Board ensures that NRC has its due process of directors and senior management's selection which is in line with the best practices, taking recommendations from all shareholders. Directors and senior management's remuneration is considered under transparent and clear guidelines, comparable to those of peer companies and aligned with the long term benefit of EGCO and the shareholders. The responsibilities of the Nomination and Remuneration Committee are detailed below:

1. Propose for the Board's consideration the structure and composition of the Board of Directors and Committees together with the qualifications of their members,
2. Recommend the director nominees for the approval of the Shareholders' Meeting and the Board in case of vacancies by rotation and casual vacancies respectively,
3. Appoint EGCO representative directors in subsidiaries and joint venture companies based on the equity proportion or shareholders' agreements,
4. Propose the prospective nominees for the President position in case of vacancy for the Board's consideration,
5. Appoint, promote, rotate and remove the Senior Executive Vice Presidents ("SEVP") and Executive Vice Presidents ("EVP") of EGCO,
6. Propose the prospective nominees to be the Corporate Secretary for the Board's approval,
7. Appraise EGCO President's performance and propose for the Board's approval,
8. Approve the President's proposal on the performance appraisal of SEVPs and EVPs,
9. Endorse the remuneration structure of the directors of EGCO and its subsidiaries including meeting allowances, bonus, welfare and other benefits for the Board's consideration,
10. Endorse the remuneration structure and other benefits of EGCO employees for presentation the Board's approval,
11. Recommend the remuneration structure and other benefits of the employees of EGCO's subsidiaries to the representative directors,
12. Consider the corporate performance indicators, evaluate and approve the corporate achievements to determine the bonus and annual salary increase,
13. Endorse the management succession plan of EGCO's EVP upward for the Board's approval,
14. Approve in principle of the early retirement program for the employees of EGCO and subsidiaries,
15. Review risks associated with human resource management and the preventive measures.
16. Consider other issues assigned by the Board.

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

1. Endorse EGCO's and wholly owned subsidiaries' reorganization (SVP upwards) for presentation to the Board of Directors for approval.
2. Endorse the increase or reduction in the registered capital for the Board's consideration prior to proposing for shareholders' approval.
3. Endorse the Company's regulations establishment and amendment for the Board's consideration.
4. Endorse the revision of the Company's Table of Authority for the Board's consideration.
5. Approve or endorse for the Board's consideration the acquisition, investment, divestment and funding of EGCO and its wholly owned subsidiaries as stated in the Company's regulations and Table of Authority.
6. Review risks associated with investment, financial and related issues as well as the preventive measures.
7. Approve or endorse for the Board's approval EGCO's and its wholly owned subsidiaries' financial management, profit allocation, financial risk management and financial transactions as stated in the Company's regulations and Table of Authority.
8. Approve the financial investment outside the Treasury Management Guidelines.
9. Endorse the Company's annual budget and manpower plan for the Board's approval.
10. Approve or endorse for the Board's approval the procurement and material disposal as stated in the Company's regulations and Table of Authority.
11. Consider other issues as delegated by the Board and as stipulated in the Company's regulations.

Corporate Governance and Social Responsibility Committee: comprises 5 members having 3 independent directors, 1 non-executive director and the President. The Chairman of the Committee shall be an independent director. The Corporate Governance and Social Responsibility Committee "CC Committee" has the responsibility to endorse the corporate governance principles and the frameworks, policies relating to corporate social responsibility and environmental matters that affect shareholders and other key stakeholders, for the Company's sustainable growth. The CC Committee is entrusted to the following responsibilities.

1. Corporate Governance

Corporate Governance here means the compliance to Corporate Governance Principles regulated by the Stock Exchange of Thailand, Criteria for Corporate Governance by Institute of Thai Directors and ASEAN CG Scorecard.

- 1.1 Endorse corporate governance policy and anti-corruption policy and measures for consideration and adoption by the Board,
- 1.2 Monitor compliance with that policy and to review and adopt such policy on a continual basis as appropriate,
- 1.3 Promote and encourage the compliance of directors, management and employees to the Good Corporate Governance Policy and the Anti-Corruption Policy,
- 1.4 Review and revise the Good Corporate Governance Policy, the Anti-Corruption Policy and the anti-corruption measures as deemed appropriate for the Board's approval.

2. Social Responsibility

- 2.1 Endorse the policy, project framework and activities of the Group companies in relation to corporate social responsibility to be proposed to the Board for approval,
- 2.2 Approve the master plan and annual in relation to corporate social responsibility.

Table: Meeting Attendance of the Board of Directors

Name	Meeting Attendance in 2016 (number of times)				
	Board Meeting 13 times	Audit Committee 14 times	Investment Committee 11 times	Nomination and Remuneration committee 7 times	Good Corporate Governance and Corporate social Responsibilities Committee 5 times
1. Mr. Sombat Sarntijaree	13/13		11/11		
2. Mr. Thanapich Mulapruk	12/13	14/14			
3. Mr. Pongstorn Kunanusorn	13/13	4/4		5/5	3/3
4. Ms. Jaruwan Ruangswadipong ^{/1}	9/9	10/10			
5. Mr. Chotchai Charoenngam	13/13			7/7	5/5
6. Mr. Somphot Kanchanaporn	13/13	14/14			
7. Mr. Bandhit Sothipalalit	13/13			7/7	4/5
8. Mr. Kornrasit Pakchotanon	12/13		9/11		
9. Mr. Saharath Boonpotipakdee	13/13			7/7	
10. Mrs. Puangthip Silpasart	13/13				5/5
11. Mr. Hiromi Sakakibara ^{/2}	5/5				
12. Mr. Ken Matsuda	13/13		11/11		
13. Mr. Shunichi Tanaka	12/13			7/7	
14. Mr. Yasuo Ohashi	13/13		11/11		
15. Pol.Gen. Pansiri Prapawat ^{/3}	4/4			2/2	2/2
16. Mr. Tomitake Maruyama ^{/4}	7/7				
17. Mr. Chanin Chaonirattisai	13/13		11/11		5/5

Remarks : ^{/1} Appointed on April 20, 2016

^{/2} Appointed on August 1, 2016

^{/3} Retired on April 20, 2016

^{/4} Resigned on August 1, 2016

In 2016, the Board held 13 meetings, 12 scheduled meetings and 1 strategic meeting with 97% of the Board of Directors attending. Individually, each director attended more than 97% of the total number of meetings.

3. Management Structure

EGCO's organization structure with the President as the head of management team, approved by the Board in the meeting no. 10/2016 with effect on January 1, 2017, comprises 6 groups as shown below:

- Business Development - (International):** this group is headed by a Senior Executive Vice President - Business Development (International) (SEVP-BDI). Under the SEVP-BDI1, there is one Executive Vice President (EVP) supervising the international business development.
- Business Development - (CLMV):** this group is headed by a Senior Executive Vice President - Business Development - CLMV (SEVP-CLMV). Under the SEVP-CLMV, there is one Executive Vice President (EVP) supervising the international business development covering Cambodia, Lao PDR, Myanmar and Vietnam.

3. **Business Development - (Domestic):** this group is headed by a Senior Executive Vice President - Business Development Domestic (SEVP-BDD). Under the SEVP-BDD, there is one Executive Vice President (EVP) supervising the domestic business development.
4. **Accounting and Finance Group:** this group is headed by a Chief Finance Officer (CFO) with 3 EVPs to supervise accounting, finance and subsidiaries accounting and finance.
5. **Strategy and Asset Management Group:** this group is headed by a Senior Executive Vice President - Strategy and Asset Management (SEVP-SAM) with 5 EVPs namely managing director of ESCO, managing director of KEGCO, head of asset management group, head of project management group and head of power plant management group.
6. **President's Direct Report Groups:** there are 2 EVPs under this group (1) EVP-Office of President supervises Corporate Communications Division and Information Technology Division and (2) EVP-Corporate Management supervises Legal Division and Procurement and Administration Division. Additionally, there are 2 divisions under the President's supervision, namely Internal Audit and Corporate Secretary. The Internal Audit reports directly to the Audit Committee, but functionally to the President. The Corporate Secretary Division reports directly to the Board, but functionally to the President.

Roles and Responsibilities of Management

President as the head of top Management team was appointed among the directors as stated in the Company's Articles of Association. The Management led by the President has the following duties and responsibilities.

1. Manage EGCO's day-to-day business to be in line with the corporate policies, plans, and objectives, Articles of Association and obligatory rules and regulations,
2. Operate the business in according to corporate strategy, business plan and budget as approved by the Board,
3. Monthly Report to the Board the Company's performance and the implemented actions following the Board's resolution to ensure the Board that all actions have been taken as planned or remedied if there are some mismatches between actions and plans.
4. Develop and support the employee's career path advancement.

Management

The list of the Management team and their share ownership in EGCO in accordance with SEC notification as at December 31, 2016 is as follows:

Name	Title	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2016 - Dec 31, 2016)
1. Mr. Chanin Chaonirattisai	President	-	-	-
2. Mr. John Palumbo	Senior Executive Vice President - Business Development - (International)	-	-	-
3. Mr. Niwat Adirek	Senior Executive Vice President - Business Development - (CLMV)	-	-	-
4. Mr. Voravit Potisuk	Senior Executive Vice President - Business Development - (Domestic)	-	-	-

Name	Title	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2016 - Dec 31, 2016)
5. Mr. Sakul Pochanart	Senior Executive Vice President - Strategy & Asset Management	-	-	-
6. Mr. Piya Jetanon	Chief Financial Officer	-	-	-
7. Mr. Suvapan Chomchalem	Executive Vice President - Accounting	-	-	-
8. Ms. Somsiri Yoosuk	Executive Vice President - Finance	-	-	-
9. Mr. Thongchai Chotkajornkiat	Executive Vice President - Subsidiaries Accounting & Finance	-	-	-
10. Ms. Sirobon Danudomkit	Senior Vice President - Accounting and Budget	-	-	-
11. Ms. Ploy Suksrisomboon	Senior Vice President - International General Affairs Management	-	-	-
12. Ms. Sudrudee Lertkasem	Senior Vice President - Domestic General Affairs Management	-	-	-

The list of Management who retired in 2016.

Name	Title	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Jan 1 - Dec 31, 2016)
1. Mr. Narong In-Eav	Senior Executive Vice President - Operation	-	-	-

4. Corporate Secretary

The Board appointed Ms. Kulkanok Leongsoithong as the Corporate Secretary with the duties and responsibility as prescribed in the Securities and Exchange Act (No. 4) B.E. 2551, Section 89/5 and Section 89/16. She was also appointed as Board's secretary to support Board activities such as Board Meetings, Board Orientation, including provide important information, rules, regulations to the Board as well as to coordinate subsequent actions under the Board's resolution. The Corporate Secretary directly reports to the Board while the Nomination and Remuneration Committee is delegated to appraise the performance of the Corporate Secretary.

In 2016, the Corporate Secretary has attended training seminars and discussions in various topics, arranged by regulators which oversee listed companies and the Thai Institute of Directors Association (IOD), in order to improve and increase efficiency of the Corporate Secretary's performance and corporate governance.

5. Director and Management Remuneration

EGCO sets the policy to reward directors and management with appropriate remuneration. In this regards, the Nomination and Remuneration Committee is entrusted to review the appropriate rate that takes into account the responsibility and the company's financial status while being in line with the peer practices.

(1) Director remuneration

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

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

In 2016, the shareholders' Meeting resolved the directors' remuneration as shown below.

1. Monthly retainer fee of 30,000 baht and meeting allowance of 10,000 baht each. Members who do not attend the meeting will not receive the meeting allowance. The Chairman and the Vice Chairman of the Board received 25% and 10% additional remuneration respectively for both the retainer fee and the meeting allowance.
2. 2015 bonus of 20 million baht equal to 2014's approved amount, taking into account the Company's growth, the recognition in terms of good corporate governance, the increasing share price, peer's director bonus, and dividend payout ratio. Such bonus payment accounted for 0.40% of the net profit and 0.72% of 2015 annual dividend payment.
3. Remuneration for Board's Committee being Investment Committee, Audit Committee, Nomination and Remuneration Committee, and Corporate Governance and Corporate Social Responsibility Committee as follows:

Committee	Retainer fee (baht)	Meeting allowance (baht)
Investment Committee	20,000	20,000
Audit Committee	20,000	20,000
Nomination and Remuneration Committee	20,000	20,000
Corporate Governance and Corporate Social Responsibility Committee	-	24,000

The chairman of each Board Committee would receive 25% additional remuneration both in retainer fee and meeting allowance.

Beside the remuneration mentioned above, EGCO does not provide other remuneration to the Board.

The overall directors' remuneration for 2016 is summarized below:

Name	Board of Director	Standing Committee				Bonus ^{/1}	Total Remuneration
		AC	IC	NRC	CC		
1. Mr. Sombat Sarntijaree	612,500		575,000			1,754,385.96	2,941,885.96
2. Mr. Thanapich Mulapruk	470,000	650,000				1,403,508.77	2,523,508.77
3. Mr. Pongstorn Kunanusorn	490,000	153,000		267,000	72,000	1,403,508.77	2,385,508.77
4. Ms. Jaruwan Ruangswadipong	350,500	376,000				-	726,500.00
5. Mr. Chotchai Charoenngam	490,000			380,000	150,000	1,403,508.77	2,423,508.77
6. Mr. Somphot Kanchanaporn	490,000	520,000				1,403,508.77	2,413,508.77
7. Mr. Bandhit Sothipalalit	490,000			380,000	96,000	1,403,508.77	2,369,508.77
8. Mr. Saharath Boonpotipakdee	490,000			380,000		-	870,000.00
9. Mr. Kornrasit Pakchotanon	480,000		420,000			811,343.43	1,711,343.43
10. Mrs. Puangthip Silpasart	490,000				120,000	1,403,508.77	2,013,508.77
11. Mr. Hiromi Sakakibara	200,000					-	200,000.00
12. Mr. Ken Matsuda	490,000		460,000			707,522.23	1,657,522.23
13. Mr. Shunichi Tanaka	480,000			475,000		1,403,508.77	2,523,508.77
14. Mr. Yasuo Ohashi	490,000		460,000			1,403,508.77	2,353,508.77
15. Mr. Chanin Chaonirattisai	-	-	-	-	-	234,559.00	234,559.00

Remark ^{/1} Mr. Chanin Chaonirattisai received bonus in 2015 as the director of EGCO before assigned as the President on October 1, 2015.

The summary of remuneration of retired and resigned directors during 2015 - 2016 is as follow:

Name	Retirement/ Resigning Date	Number of months in service		Meeting Attendance (13 times/ year)	Total Remuneration in 2015			Total Remuneration
		2015	2016		Monthly Retainer and Meeting Allowance		Bonus ¹	
					Director	Standing Committee		
1. Mr. Satoshi Yajima	Jun 30, 2015	6	-	-	-	-	692,141.31	692,141.31
2. Mr. Toshiro Kudama	Jul 31, 2015	7	-	-	-	-	811,343.43	811,343.43
3. Mr. Komrasit Pakchotanon ²	Jul 31, 2015	7	12	-	279,032.25	279,354.84	557,387.10	1,115,774.19
4. Mr. Sahust Pratakukul	Jan 1, 2016	12	-	-	-	-	353,761.12	353,761.12
5. Mr. Prapas Vichakul	Jan 1, 2016	12	-	-	-	-	1,403,508.77	1,403,508.77
6. Pol. Gen. Pansiri Prapawat	Apr 20, 2016	12	4	4/4	139,500	161,000	1,403,508.77	1,704,008.77
7. Mr. Tomitake Maruyama	Aug 1, 2016	5	8	7/7	280,000	-	392,213.44	672,213.44

Remarks ¹ Bonus of Board of Directors in 2015 was paid in May 2016 as resolved by the Shareholders in the Annual General Meeting for year 2016.

² Mr. Komrasit Pakchotanon resigned from his directorship on July 31, 2015 and was appointed as a director on January 1, 2016.

(2) Directors' Remuneration of Subsidiaries

EGCO assigned the Management to be directors of subsidiaries as one of their duties so that the Management will not receive the remuneration as the directors.

6. EGCO and Subsidiaries' Management Remuneration

(1) EGCO's Management Remuneration

The Management's remuneration as approved by the Board which comprises both salary and bonus is designed to reflect the corporate and individual achievement based on the remuneration structure approved by the Board and the Key Performance Indicators (KPIs). The Board with the recommendations from the Nomination and Remuneration Committee approves the President's remuneration while the Nomination and Remuneration Committee appraises the performance of executives at Senior Executive Vice President and Executive Vice President levels with the proposal by the President.

Also, the Nomination and Remuneration Committee recommends and determines both short-term and long-term remuneration for President and top executives, taking into account their performance linked to both financial and non-financial KPIs as approved by the Board. Another factor taken into consideration for the management remuneration is the survey of the executive remuneration to ensure that the rate is comparable to their work and those of the peer companies.

The summary of the Management's remuneration for 2016 is shown below:

Remuneration	2016
	Management (7 persons) ^{/1}
Total Salary	42,460,080.00
Bonus ^{/2}	15,359,373.73
Provident Fund	3,861,133.20
Total	61,680,586.93

^{/1} 7 executives are (1) President (2) SEVP – BDI1 (3) SEVP – BDI2 (4) SEVP – BDD (5) CFO (6) SEVP – SAM (7) SEVP – Operation

^{/2} The 2015 bonus was paid in January 2016.

(2) Total Remuneration of Core Subsidiaries' Management

In 2016, there were 16 subsidiaries investing in core business which operated power plants and provided maintenance and operation service. Those 16 subsidiaries consisted of KEGCO, ESCO, EGCO Cogen, Roi-Et Green, SPP2, SPP3, SPP4, SPP5, Banpong, Klongluang, Solarco, Theppana, Chaiyaphum, QPL, QMS, and PEPOI. However, SPP2, SPP3, SPP4, SPP5, Banpong, Klongluang, Solarco, Theppana, Chaiyaphum had no permanent employees but have engaged ESCO and other outsourcers for project management. Moreover, QPL had engaged QMS for the project management while the operation and maintenance works had been engaged to PEPOI from the commercial operation date (COD).

7. EGCO and Core Subsidiaries' Employees

In 2016, EGCO Group had 1,024 headcounts, 332 of which were EGCO employees while 692 people worked for subsidiaries namely KEGCO, ESCO, EGCO Cogen, Roi-Et Green, QMS, and PEPOI.

As of December 31, 2016, EGCO has 332 headcounts which include the President, 6 Senior Executive Vice Presidents. The number of employees in each reporting line of EGCO and numbers of subsidiaries' employees are as shown below:

Business Group	No. of Employees (person)
1. President	43
2. Business Development - International 1	8
3. Business Development - International 2	9
4. Business Development - Domestic	10
5. Strategy and Asset Management	91
6. Accounting and Finance	100
7. Operation	4
8. Rayong Power Plant	67
Total of EGCO	332
Subsidiaries' Employees	692
Total	1,024

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

8. EGCO and Subsidiaries' Employee Remuneration

EGCO has the policy that the employees in the Group have fair remuneration which is comparable to the peer companies. The remuneration of EGCO and subsidiaries' employees in year 2016 is as shown below.

(Unit : Baht)

Remuneration	Amount	
	EGCO	Subsidiaries
Total Salary	349,523,659.97	283,185,240.70
Bonus ^{/1}	164,965,081.57	88,636,414.51
Provident Fund	34,058,820.96	28,515,642.31
Total	548,547,562.50	400,337,279.52

^{/1} The 2015 bonus was paid in January 2016.

Human resource development policy is disclosed in Sustainable Business Operation.

EGCO's Board of Directors

**01****Mr. Sombat Sarntijaree**

- Chairman
- Chairman of Investment Committee

02**Mr. Thanapich Mulapruk**

- Independent Director
- Chairman of Audit Committee

03**Mr. Somphot Kanchanaporn**

- Independent Director
- Member of Audit Committee

04**Ms. Jaruwan Ruangswadipong**

- Independent Director
- Member of Audit Committee

05**Mr. Pongstorn Kuanusorn**

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

**06****Mr. Chotchai Charoengnam**

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

07**Mr. Bandhit Sotipalalit**

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

08**Mr. Saharath Boonpotipukdee**

- Director
- Member of Nomination and Remuneration Committee

09**Mr. Kornrasit Pakchotanon**

- Director
- Member of Investment Committee

10**Ms. Puangthip Silpasart**

- Director
- Member of Corporate Governance and Social Responsibility Committee

**11****Mr. Shunichi Tanaka**

- Director
- Chairman of Nomination and Remuneration Committee

12**Mr. Yasuo Ohashi**

- Director
- Member of Investment Committee

13**Mr. Hiromi Sakakibara**

- Director

14**Mr. Ken Matsuda**

- Director
- Member of Investment Committee

15**Mr. Chanin Chaonirattisai**

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

EGCO's Board of Directors

who Vacated the Office during the Year 2016 until January 31, 2017



01

Pol. Gen. Pansiri Prapawat

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

(Vacating the office by rotation in AGM on April 20, 2016)

02

Mr. Tomitake Maruyama

- Director

(Vacating the office by resignation with effect on August 1, 2016)

EGCO's Board of Directors

as of January 31, 2017

Mr. Sombat Sarntijaree (67)

- Chairman
- Chairman of Investment Committee
(Authorized Director)

Education

- Master of Mechanical Engineering, Lamar University, Texas, USA
- Bachelor of Mechanical Engineering, Kasetsart University
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Certificate of Role of Chairman Program, Thai Institute of Directors Association
- Senior Executive Program, the Capital Market Academy
- Senior Executive Development Program, General Electric Company, USA
- Public Administrative and Public Law Program, King Prajadhipok's Institute
- Senior Executive Program, Sasin Graduate Institute of Business, Chulalongkorn University
- IT Governance for Directors Program, Thai Institute of Directors Association

Working Experience during the recent 5 years

Listed Companies in SET

2013 - 2014	Chairman of Good Corporate Governance Committee Gunkul Engineering Public Company Limited
2012 - 2014	Independent Director and Audit Committee Member Gunkul Engineering Public Company Limited
2010 - 2012	Independent Director and Audit Committee Member PTT Chemical Public Company Limited

Other Organizations

2012 - Oct 2015	Honorary Director Board of Thai Industrial Standards Institute
2011 - Oct 2015	Honorary Director Board of Energy Fund Administration Institute (EFAI)
Oct 2014 - Dec 2014	Chairman Electricity Generating Authority of Thailand
2008 - 2012	Honorary Director Kasetsart University Council
2008 - 2012	Member of Subcommittee Office of the National Anti-Corruption Commission



Mr. Thanapich Mulapruk (67)

- Independent Director
- Chairman of Audit Committee

Education

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

Working Experience during the recent 5 years

Listed Companies in SET

Feb 2009 - Feb 2014 Director
The Airports of Thailand Public Company Limited

Other Organizations

Feb 2015 - Present Honorary Member of Institute Council
King Prajadhipok's Institute

2013 - Present Honorary Director
Town and Country Planning Board

Oct 2011 - Present Senior Prosecutor
Office of Attorney - General

2008 - 2016 Member of Law Education Council
Royal Police Cadet Academy

2003 - 2015 Honorary Director
Thai Industrial Standards Institute

Oct 2005 - Jan 2014 Director
The Transport Company Limited

Mr. Somphot Kanchanaporn (70)

- Independent Director
- Member of Audit Committee

Education

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

Ms. Jaruwan Ruangswadipong (61)

- Independent Director
- Member of Audit Committee
(Effective April 20, 2016)

Education

- MBA (Financial Studies), University of Nottingham, UK
- Master Degree in Accountancy, Thammasat University
- Bachelor Degree in Accountancy, Thammasat University
- Diploma in Adult Training Specialist, INTOSAI Development Initiative
- Certificate of Director Certification Program, Thai Institute of Directors Association
- IT Governance for Directors Program, Thai Institute of Directors Association

Working Experience during the recent 5 years

2013 - 2015	Executive Director and Audit Committee Member Asian Institute of Technology (AIT)
2015	Inspector General Office of the Auditor General of Thailand
2012 - 2013	Member of Training Committee ASEAN Supreme Audit Institutions (ASEANSAI)
2012	Director Research and Development Office, Office of the Auditor General of Thailand
2012	Director Human Resources Development Institute, Office of the Auditor General of Thailand

Mr. Pongstorn Kuanusorn (65)

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

Education

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

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

Sep 2011 - Sep 2013 Director
The Amanah Leasing Public Company Limited

Other Organizations

Present Chairman
The Bangkok Christian Hospital

May 2012 - Feb 2015 Director
The World Vision Foundation of Thailand

May 2011 - Apr 2014 Chairman - Ministering in Treasury and Asset
The Church of Christ in Thailand

Jan 2011 - Dec 2014 Chairman - Audit Committee
Ministering in Treasury and Asset
The Church of Christ in Thailand

Jan 2011 - Dec 2014 Director - The Committee of the Foundation of the Church of Christ in Thailand Development Fund Administration
The Church of Christ in Thailand

Dec 2012 - Jul 2014 Director
The Mass Rapid Transit Authority of Thailand (MRTA)

Mr. Chotchai Charoenngam (53)

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

Education

- Ph.D. (Construction Engineering and Project Management, University of Texas at Austin, Texas, USA)
- Master of Science (Construction Engineering and Project Management, The University of Kansas, Kansas, USA)
- Bachelor of Engineering (Construction Engineering) (Honors Class), King Mongkut's University of Technology Thonburi
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Certificate of Anti-Corruption for Executive Program, Thai Institute of Directors Association
- IT Governance for Directors Program, Thai Institute of Directors Association
- Board that Make a Difference Program, Thai Institute of Directors Association

Working Experience during the recent 5 years

2016 - Present Director
Princess Mother's Medical Volunteer (PMMV)

1998 - Present Associate Professor, Construction Engineering and Infrastructure Management, Faculty of Engineering and Technology
Asian Institute of Technology (AIT)

2002 - 2013 Consultant for Budget System Development, Bureau of Budget Office of the Prime Minister

Mr. Bandhit Sotipalalit (68)

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

Education

- Bachelor of Laws, Thammasat University
- Certificate of Role of Chairman Program, Thai Institute of Directors Association
- Certificate of the Joint Public - Private Sectors Regular Course, Thai National Defence College
- Certificate of Executive Program, Office of The Civil Service Commission (OCSC)
- Certificate of Role of State Enterprise's Director on Good Governance, the Office of the National Counter Corruption Commission

Working Experience during the recent 5 years

2012 - Present	Chairman of Thai - Myanmar Association for Friendship Ministry of Foreign Affairs
2009 - Present	Advisor Ministry of Foreign Affairs
2011 - 2014	Co-Chairman of Joint Boundary Commission Ministry of Foreign Affairs
2011 - 2013	Director Provincial Electricity Authority
2009 - 2013	Chairman Islamic Bank of Thailand

Mr. Saharath Boonpotipukdee (58)

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

Education

- Bachelor of Electrical Engineering, Chulalongkorn University
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Advanced Management Program, Harvard Business School, USA
- The Basic Concept Regarding Conflict Management in Public Policies by Peaceful Means, King Prajadhipok's Institute
- IT Governance for Directors Program, Thai Institute of Directors Association

Working Experience during the recent 5 years

Oct 2016 - Present	Deputy Governor - Office of the Governor Electricity Generating Authority of Thailand
Oct 2014 - Sep 2016	Deputy Governor - Corporate Social Affairs, Serving as EGAT Spokesman Electricity Generating Authority of Thailand
Oct 2013 - Sep 2014	Engineer Level 13, under Deputy Governor - Business Development, Appointed as Executive Vice President - Administration Electricity Generating Authority of Thailand
Sep 2012 - Sep 2013	Engineer Level 12, under Deputy Governor - Business Development, Appointed as Vice President - Business Development Division 2 Electricity Generating Authority of Thailand
Oct 2011 - Aug 2012	Director, Nuclear Engineering Division Electricity Generating Authority of Thailand

Mr. Kornrasit Pakchotanon (58)

- Director
- Member of Investment Committee
(Authorized Director)

Education

- Bachelor of Mechanical Engineering, Chulalongkorn University
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Certificate of Chartered Director Class, Thai Institute of Directors Association
- Certificate of Role of the Chairman Program, Thai Institute of Directors Association
- Certificate of Financial Statement for Directors, Thai Institute of Directors Association
- The Executive Program of Energy Literacy for a Sustainable Future, Thailand Energy Academy
- Advanced Management Program, Harvard Business School, USA
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Public Economics Management for Executives, King Prajadhipok's Institute
- Promotion of Peaceful Society, King Prajadhipok's Institute

Working Experience during the recent 5 years

Jul 2016 - Present	Chairman EGAT International Company Limited
Jun 2016 - Present	Governor Electricity Generating Authority of Thailand
Oct 2015 - Jun 2016	Deputy Governor - Generation Electricity Generating Authority of Thailand
Oct 2013 - Sep 2015	Deputy Governor - Business Development Electricity Generating Authority of Thailand
Oct 2011 - Sep 2013	Assistant Governor - Generation 3 Electricity Generating Authority of Thailand

Ms. Puangthip Silpasart (62)

- Director
- Member of Corporate Governance and Social Responsibility Committee
(Authorized Director)

Education

- Bachelor of Arts (English), Silpakorn University
- Certificate of Senior Executive Program, Capital Market Academy
- The Executive Program of Energy Literacy for a Sustainable Future, Thailand Energy Academy
- Bhumipalung Phandin Program, Chula Unisearch, Chulalongkorn University
- e-Government Executive Program, Electronic Government Agency (Public Organization)
- National Security Management for Senior Executives Course, National Intelligent Agency
- The Civil Service Executive Development Program: Visionary and Moral Leadership, OECD
- Development Program for Energy Top Executive, Office of the Permanent Secretary for Ministry of Energy
- Senior Executive Program, Sasin Graduate Institute of Business of Chulalongkorn University
- Organizational Reform, Petroleum's Exploration and Production Institute, Paris, France
- Certificate of Director Certification Program, Thai Institute of Directors Association
- IT Governance for Directors Program, Thai Institute of Directors Association

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

Apr 2016 - Present	Independent Director TRC Construction Public Company Limited
Apr 2016 - Present	Independent Director Thai Sugar Terminal Public Company Limited

Other Organizations

Oct 2015 - Present	Executive Director Technical Petroleum Training Institute
Nov 2014 - Sep 2015	Director General, Department of Mineral Fuels Ministry of Energy
Feb 2013 - Nov 2014	Deputy Director General, Department of Mineral Fuels Ministry of Energy
Dec 2008 - Feb 2013	Director of Central Administration Bureau, Department of Mineral Fuels Ministry of Energy

Mr. Shunichi Tanaka (51)

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

Education

- Master of Agricultural Civil Engineering, Kyushu University Graduate School, Japan

Working Experience during the recent 5 years

Apr 2014 - Present	Chief Executive Officer Diamond Generating Asia, Limited
Apr 2014 - Present	Managing Director TEPDIA Generating B.V.
Jun 2012 - Mar 2014	Power Project Development in Domestic Market, New Energy Business Development Japan Team, New Energy & Power Generation Division Mitsubishi Corporation
Feb 2008 - May 2012	Division Manager, Jakarta Representative Office Mitsubishi Corporation

Mr. Yasuo Ohashi (42)

- Director
- Member of Investment Committee
(Authorized Director)

Education

- Bachelor of Mechanical Engineering, Waseda University, Japan

Working Experience during the recent 5 years

2014 - Present	Director of Asset Management Diamond Generating Asia, Limited
2014 - Present	Director Khanom Electricity Generating Company Limited
2014 - Feb 2015	Director Natural Energy Development Company Limited
2011 - 2013	Director of Business Development Diamond Generating Asia, Limited

Mr. Hiromi Sakakibara (53)

- Director

(Authorized Director)

(Effective August 1, 2016)

Education

- Master of Engineering (Electrical Engineering), Doshisha University, Japan
- Bachelor of Engineering, Doshisha University, Japan

Working Experience during the recent 5 years

Aug 2016 - Present	Director Khanom Electricity Generating Company Limited
Jul 2016 - Present	Senior Vice President, Overseas Development, Energy Infrastructure Group JERA Co., Inc.
Jul 2012 - Jun 2016	General Manager, Operation Group, International Business Department Chubu Electric Power Company, Inc. (CEPCO)
Jul 2010 - Jun 2012	General Manager, Operation Department, Thermal Power Administration Center Chubu Electric Power Company, Inc. (CEPCO)

Mr. Ken Matsuda (44)

- Director

- Member of Investment Committee

(Authorized Director)

Education

- Bachelor of Commercial Science, School of Commerce, Waseda University, Japan

Working Experience during the recent 5 years

Jul 2016 - Present	Senior Manager, Overseas Power Business Unit 1, Energy Infrastructure Group JERA Co., Inc.
Apr 2015 - Jun 2016	General Manager, IPP and Energy Infrastructure Department JERA Co., Inc.
2013 - 2015	General Manager, Overseas Business Group 2 International Affairs Department Tokyo Electric Power Company, Inc. (TEPCO)
2012 - 2013	Manager, Overseas Business Planning & Coordination Group, International Affairs Department Tokyo Electric Power Company, Inc. (TEPCO)
2011 - 2012	Manager, Business Operation Group, Corporate Planning Department Tokyo Electric Power Company, Inc. (TEPCO)

Mr. Chanin Chaonirattisai (60)

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

Education

- Master of Electrical Engineering, University of Missouri - Rolla, USA
- Bachelor of Electrical Engineering, University of Missouri - Rolla, USA
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Certificate of Financial Statements for Directors, Thai Institute of Directors Association
- Politics and Governance in Domestic Systems for Executives, King Prajadhipok's Institute
- The Basic Concept Regarding Conflict Management in Public Policies by Peaceful Means, King Prajadhipok's Institute
- IT Governance for Directors Program, Thai Institute of Directors Association
- Senior Executive Program, the Capital Market Academy

Working Experience during the recent 5 years

Listed Companies in SET

Oct 2015 - Jul 2016 Director
Eastern Water Resources
Development and Management
Public Company Limited

Other Organizations

Oct 2015 - Present Chairman
Khanom Electricity Generating
Company Limited

Oct 2015 - Present Chairman
EGCO Engineering and Service
Company Limited

Oct 2015 - Present Director
Gulf Electric Public
Company Limited

Oct 2015 - Present Director
BLCP Power Company Limited

Oct 2014 - Sep 2015 Deputy Governor - Policy and
Planning
Electricity Generating Authority
of Thailand

Oct 2012 - Sep 2014 Assistant Governor - System Control
Electricity Generating Authority
of Thailand

Oct 2011- Sep 2012 Director, Power System Control and
Operation Division
Electricity Generating Authority
of Thailand

EGCO's Board of Directors

who Vacated the Office during the Year 2016 until January 31, 2017

Pol. Gen. Pansiri Prapawat (63)

- Independent Director
 - Member of Nomination and Remuneration Committee
 - Member of Corporate Governance and Social Responsibility Committee
- (Vacating the office by rotation in AGM on April 20, 2016)

Education

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

Working Experience during the recent 5 years

Listed Companies in SET

Apr 2006 - Present Director
DTC Industrial Public
Company Limited

Other Organizations

2010 - 2013 Chairman of Settlement Committee
under the Securities and Exchange
Act, B.E. 2535 (1992)
Securities and Exchange
Commission, Thailand

2009 - 2013 Deputy Commissioner General
Royal Thai Police

Mr. Tomitake Maruyama (50)

- Director
(Authorized Director)
- (Vacating the office by resignation with effect on August 1, 2016)

Education

- Bachelor of Mechanical Engineering, Keio University, Japan

Working Experience during the recent 5 years

Jul 2016 - Present General Manager,
Head of Power Plant Development
TEPCO Fuel & Power, Inc.

Jul 2014 - Jun 2016 General Manager,
International Business Division,
Fuel & Power Company
Tokyo Electric Power Company,
Inc. (TEPCO)

Jul 2015 - Aug 2016 Director
Khanom Electricity Generating
Company Limited

2012 - 2014 President
Bio Fuel Company
(TEPCO's subsidiary)

2009 - 2012 Executive Managing Director and
General Manager, Tokyo Office
Bio Fuel Company
(TEPCO's subsidiary)

The positions of the Management and the Control Persons



01

Mr. John Matthew Palumbo

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

02

Mr. Niwat Adirek

- Senior Executive Vice President - Business Development (CLMV)
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

03

Mr. Voravit Potisuk

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

04

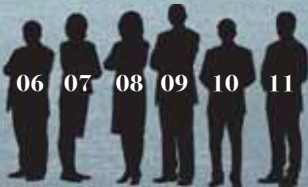
Mr. Piya Jetasanon

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

05

Mr. Sakul Pochanart

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

**06****Mr. Narong In-Eav****(Resigned by retirement effective December 31, 2016)**

- Senior Executive Vice President - Operation
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

07**Ms. Wimolwan Sasanawin**

- Executive Vice President - Business Development (International)

08**Ms. Saranya Kalawantwanich**

- Executive Vice President - Business Development (CLMV)

09**Mr. Danuja Simasathien**

- Executive Vice President - Business Development (Domestic)

10**Mr. Gumpanart Bumroonggit**

- Executive Vice President - Asset Management

11**Mr. Parnuwat Gururatana**

- Executive Vice President - Project Management

**12**

Mr. Sathit Tanomkul
 • Executive Vice
 President - Power Plant
 Management

13

**Mr. Suvapan
 Chomchalerm**
 • Executive Vice
 President - Accounting

14

Ms. Somsiri Yoosook
 • Executive Vice
 President - Finance

15

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

16

**Ms. Vasana
 Vongpromek**
 • Executive Vice
 President - Office
 of President

17

Mr. Chaisak Tekhuad
 • Executive Vice President

**18**

Ms. Pantipa Moolasart
• Executive Vice President

19

Mr. Suebsak Choorit
• Executive Vice President

20

Mr. Witchaya Prasertlap
• Executive Vice President

21

Ms. Sirobon Boontaworn
• Senior Vice President - Accounting and Budget

22

Ms. Sudruedee Lertkasem
• Senior Vice President - Domestic General Affairs Management

23

Ms. Ploy Suksrisomboon
• Senior Vice President - International General Affairs Management

The positions of the Management and the Control Persons

as of January 31, 2017

Mr. John Matthew Palumbo (54)

• Senior Executive Vice President - Business Development International	2011 - 2014	Director GPI Quezon Limited Company
• Risk Management Committee Member	2011 - 2014	Director Khanom Electricity Generating Company Limited
• Good Corporate Governance Committee Member	2011 - 2014	Director EGCO Engineering and Service Company Limited
• EGCO Management Committee	2011 - 2014	Director EGCO Engineering and Service Company Limited
Education		
• Bachelor of Science in Mechanical Engineering (Honors), Columbia University, School of Engineering and Applied Science, New York	2011 - 2013	Director North Pole Investment Company Limited

Working Experience during the recent 5 years

2016 - Present	Director AES Normandy Holding B.V.
2014 - Present	Director Masin-AES Pte. Ltd.
2012 - Present	Director Kalilayan Power Holdings Inc.
2012 - Present	Director Mauban Holdings Company Inc.
2012 - 2016	Director Pearl Energy Philippines Operating, Inc.
2012 - 2016	Director Quezon Power, Inc.
2012 - 2014	Director Quezon Management Service Inc.
2012 - 2014	Director Ogden Power Development Cayman, Inc.
2012 - 2014	Director Quezon Generating Company Limited

A GREAT YEAR
OF SUCCESS



Mr. Niwat Adirek (58)

- Senior Executive Vice President - Business Development (CLMV)
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

Education

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

Working Experience during the recent 5 years

2016 - Present	Director Star Phoenix Geothermal JV B.V.	2013 - 2014	Director Mauban Holdings Company Inc.
2016 - Present	Director Star Energy Geothermal Holdings (Salak - Darajat) B.V.	2012 - 2014	Commissioner PT Manambang Muara Enim Company Limited
2016 - Present	Director Star Energy Geothermal (Salak - Darajat) B.V.	2011 - 2014	Director EGCO International (B.V.I.) Limited
2014 - Present	Director Star Energy Geothermal Pte. Ltd.	2011 - 2014	Director Quezon Power, Inc.
2014 - Present	Director Phoenix Power B.V.	2011 - 2014	Director Quezon Management Service Inc.
2015 - Present	Commissioner PT Tenaga Listrik Cilegon	2011 - 2014	Director Quezon Management Company, Limited
2013 - 2015	Director South Pacific Power Pty Limited	2011 - 2014	Director Quezon Generating Company Limited
2013 - 2015	Director Boco Rock Wind Farm Pty Limited	2011 - 2014	Director Ogden Power Development Cayman, Inc.
2013 - 2014	Director Khanom Electricity Generating Company Limited	2011 - 2014	Director Pearl Energy Philippines Operating, Inc.
2013 - 2014	Director EGCO Engineering and Service Company Limited	2010 - 2014	Director North Pole Investment Company Limited
2013 - 2014	Director Millennium Energy B.V.	2010 - 2014	Director New Growth Cooperatief U.A.
		2010 - 2014	Director New Growth B.V.
		2010 - 2013	Director Conal Holdings Corporation
		2010 - 2013	Director Alto Power Management Corporation
		2010 - 2013	Director Northern Mindanao Power Corporation
		2010 - 2013	Director Southern Philippines Power Corporation
		2010 - 2013	Director Western Mindanao Power Corporation
		2010 - 2013	Director Alsing Power Holding Inc.
		2009 - 2012	Executive Vice President - Business Development (International) Electricity Generating Public Company Limited

Mr. Voravit Potisuk (59)

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

Education

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

Working Experience during the recent 5 years

2014 - Present	Director Dawei Electricity Generating Company Management Pte, Ltd.
2011 - Present	Director EGCO Engineering and Service Company Limited
2011 - Present	Director Khanom Electricity Generating Company Limited
2011 - Present	Director BLCP Power Limited
2011 - Present	Director Nam Theun 2 Power Company Limited
2012 - 2016	Director Klongluang Utilities Company Limited
2012 - 2016	Director Banpong Utilities Company Limited
2011 - 2015	Director Chaiyaphum Wind Farm Company Limited
2012 - 2014	Director Yanhee EGCO Holding Company Limited
2012 - 2014	Director Solarco Company Limited
2011 - 2014	Director Theppana Wind Farm Company Limited
2011 - 2012	Director Gulf Electric Public Company Limited

Mr. Piya Jetasanon (59)

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

Education

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

Working Experience during the recent 5 years

2015 - Present	Director Dawei Electricity Generating Company Management Pte, Ltd.
2012 - Present	Commissioner PT Manambang Muara Enim Company Limited
2012 - Present	Director Subyai Wind Farm Company Limited
2011 - Present	Director BLCP Power Limited
2011 - Present	Director EGCO International (B.V.I) Limited
2011 - Present	Director EGCO Engineering and Service Company Limited
2007 - Present	Director Khanom Electricity Generating Company Limited
2012 - 2016	Director Klongluang Utilities Company Limited
2012 - 2016	Director Banpong Utilities Company Limited
2011 - 2015	Director Gulf Electric Public Company Limited
2012 - 2014	Director Yanhee Solar Power Company Limited
2012 - 2014	Director Solarco Company Limited
2011 - 2014	Director North Pole Investment Company Limited

Mr. Sakul Pochanart (59)

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

Education

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

Working Experience during the recent 5 years

2015 - Present	Director Xayaburi Power Company Limited
2012 - Present	Director EGCO Engineering and Service Company Limited
2012 - Present	Director Khanom Electricity Generating Company Limited
2012 - Present	Director Nam Theun 2 Power Company Limited
2012 - Present	Commissioner PT Manambang Muara Enim Company Limited
2008 - Present	Director BLC Power Limited
2013 - 2016	Director Quezon Power, Inc.
2012 - 2015	Director Gulf Electric Public Company Limited
2012 - 2014	Director Quezon Generating Company Limited
2012 - 2013	Director Absolute Power P Company Limited
2012 - 2013	Director SPP Two Company Limited SPP Three Company Limited SPP Four Company Limited SPP Five Company Limited
2009 - 2012	Executive Vice President - Strategy and Corporate Management Electricity Generating Public Company Limited

Mr. Narong In-Eav (61)

(Resigned by retirement effective December 31, 2016)

- Senior Executive Vice President - Operation
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

Education

- Doctor of Public Administration, University of Northern Philippines
- Master of Public Administration (Public Administration), National Institute of Development Administration
- Bachelor of Economics, Sukothai Thammathirat Open University
- Bachelor of Industrial Technology (Material Handling Technology), King Mongkut's University of Technology North Bangkok

Working Experience during the recent 5 years

2015 - 2016	Director Khanom Electricity Generating Company Limited
	Director EGCO Engineering and Service Company Limited
2013 - 2014	Executive Vice President and Project Director - Khanom 4 Project Electricity Generating Public Company Limited
2012	Executive Vice President - Strategy & Corporate Management Electricity Generating Public Company Limited
2012	Director SPP Two Company Limited SPP Three Company Limited SPP Four Company Limited SPP Five Company Limited EGCO Cogeneration Company Limited Roi-Et Green Company Limited EGCOM Tara Company Limited EGCO Green Energy Company Limited
2009 - 2011	Deputy Director - Operation, Rayong Power Plant Electricity Generating Public Company Limited

Mr. Suvapan Chomchalerm (56)

- Executive Vice President - Accounting

Education

- M.Sc. (Accounting), Thammasat University
- B.Sc. (Accounting), Chulalongkorn University
- Certificate of TLCA Executive Development Program, Thai Listed Companies Association
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Certificate of Strategic CFO in Capital Markets Program, Thailand Securities Institute, The Stock Exchange of Thailand

Working Experience during the recent 5 years

2015 - Present	Director Gulf Electric Public Company Limited
2014 - Present	Director Solarco Company Limited
2014 - Present	Director Yanhee EGCO Holding Company Limited
2014 - Present	Director Natural Energy Development Company Limited
2013 - Present	Director G-Power Source Company Limited
2012 - Present	Director PT Manambang Muara Enim Company Limited
2012 - 2013	Director SPP Two Company Limited SPP Three Company Limited SPP Four Company Limited SPP Five Company Limited
2011 - 2014	Director Nam Theun 2 Power Company Limited
2011 - 2012	Executive Vice President - Finance Electricity Generating Public Company Limited
2010 - 2011	Chief Financial Officer (EGCO's Representative) BLCP Power Limited
2000 - 2010	Senior Vice President - Accounting and Budget Division Electricity Generating Public Company Limited

Mr. Thongchai Chotkajornkiat (56)

- Executive Vice President - Subsidiaries Accounting & Finance

Education

- M.B.A (Finance), Thammasat University
- B.B.A. (Accounting), Thammasat University
- Certificate of Director Certification Program, Thai Institute of Directors Association

Working Experience during the recent 5 years

2016 - Present	Director Klongluang Utilities Company Limited Banpong Utilities Company Limited
2015 - Present	Director Chaiyaphum Wind Farm Company Limited
2013 - Present	Director Agro Energy Company Limited
2013 - 2016	Director EGCO Cogeneration Company Limited EGCO Green Energy Company Limited Roi-Et Green Company Limited SPP Two Company Limited SPP Three Company Limited SPP Four Company Limited SPP Five Company Limited Theppana Wind Farm Company Limited
2013 - 2015	Director Egcom Tara Company Limited
2011 - 2012	Chief Financial Officer BLCP Power Limited
2008 - 2011	Deputy Managing Director - Finance & Administration EGCO Engineering and Service Company Limited
2006 - 2011	Director and General Manager Egcom Tara Company Limited

Ms. Somsiri Yoosook (52)

- Executive Vice President - Finance

Education

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

Working Experience during the recent 5 years

2016 - Present	Director Nam Theun 2 Power Company Limited
2014 - Present	Director North Pole Investment Company Limited
2014 - 2016	Director Ogden Power Development Cayman, Inc.
2014 - 2016	Director Quezon Generating Company Limited
2014 - 2016	Director Quezon Management Service Inc.
2014 - 2016	Director Pearl Energy Philippines Operating, Inc.
2014 - 2016	Director Quezon Power, Inc.
2013 - 2015	Director Nam Theun 2 Power Company Limited
2012 - 2013	Director Chaiyaphum Wind Farm Company Limited
2012 - 2013	Director EGCO Cogeneration Company Limited
2011 - 2012	Senior Vice President - Finance Electricity Generating Public Company Limited
2003 - 2011	Vice President - Subsidiaries Finance Electricity Generating Public Company Limited

Ms. Sirobon Boontaworn (45)

- Senior Vice President - Accounting and Budget

Education

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

Working Experience during the recent 5 years

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

Ms. Ploy Suksrisomboon (48)

- Senior Vice President - International General Affairs Management

Education

- Master of Science (Management Information System) Assumption University
- Bachelor of Business Administration (Accounting) Assumption University
- Certificate of Director Certification Program, Thai Institute of Directors

Working Experience during the recent 5 years

2015 - Present	Director Evergreen Power Ventures
2014 - Present	Commissioner PT Manambang Muara Enim Company Limited
2014 - Present	Director Masin-AES Pte. Ltd. Boco Rock Wind Farm Pty Limited South Pacific Power Pty Limited Kalilayan Power Holdings Inc. Mauban Holdings Company Inc. Quezon Management Service Inc. Pearl Energy Philippines Operating, Inc. Quezon Power, Inc. Phoenix Power B.V. Gen Plus B.V. Millennium Energy B.V. New Growth B.V. New Growth Cooperatief U.A. EGCO International (B.V.I.) Limited North Pole Investment Company Limited
2014 - 2015	Senior Vice President - Subsidiaries Accounting & Finance Electricity Generating Public Company Limited
2013 - 2014	Vice President - Subsidiaries Accounting & Finance Electricity Generating Public Company Limited
2012	Vice President - Disbursement Electricity Generating Public Company Limited
2011 - 2012	Vice President - Debt Management Electricity Generating Public Company Limited

Ms. Sudruedee Lertkasem (45)

- Senior Vice President - Domestic General Affairs Management

Education

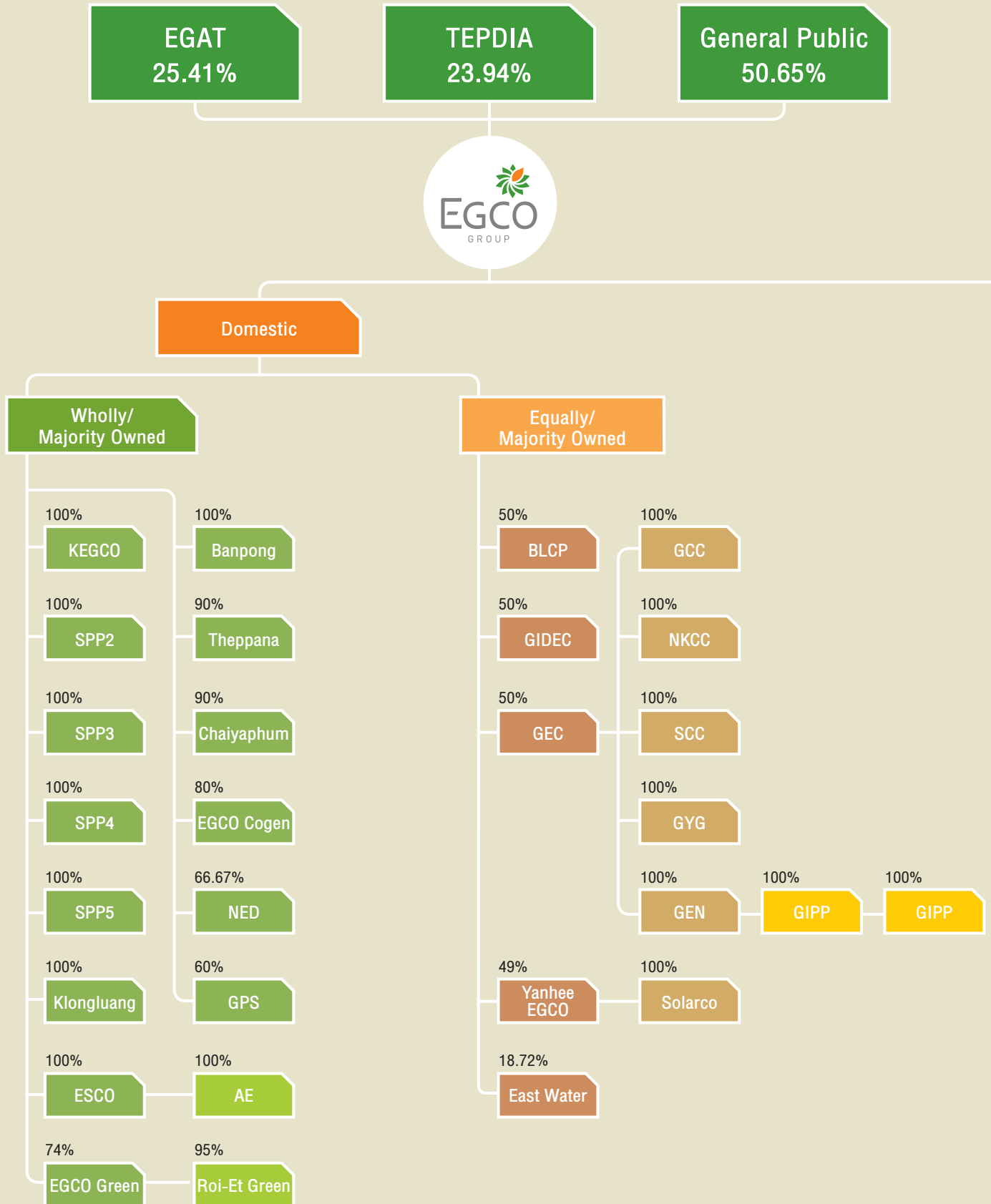
- Master of Business Administration, Thammasat University
- Bachelor of Accounting (Honors), Thammasat University
- Certificate of Director Certification Program, Thai Institute of Directors

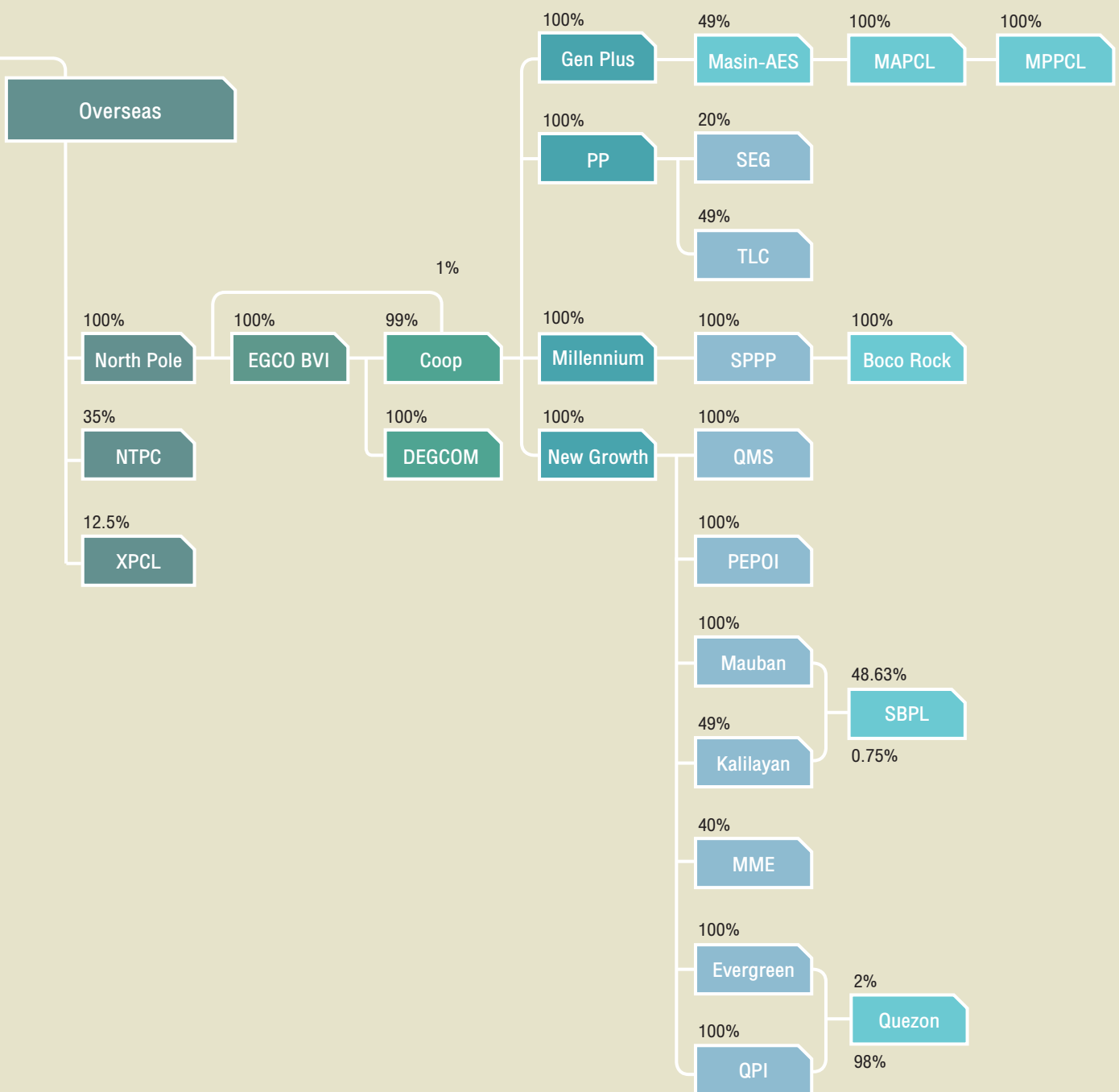
Working Experience during the recent 5 years

2016 - Present	Director SPP Two Company Limited SPP Three Company Limited SPP Four Company Limited SPP Five Company Limited EGCO Cogeneration Company Limited Roi-Et Green Company Limited EGCO Green Energy Company Limited Theppana Wind Farm Company Limited
2016 - Present	Senior Vice President - Domestic General Affairs Management Electricity Generating Public Company Limited
2014 - 2015	Senior Vice President - Treasury Management Electricity Generating Public Company Limited
2013 - 2014	Senior Vice President - Internal Audit Electricity Generating Public Company Limited
2008 - 2012	Vice President - Internal Audit Electricity Generating Public Company Limited



EGCO's Group Structure and Shareholders









A GREAT YEAR
OF SUCCESS

Business Characteristics



Since EGCO is a holding company, its main source of revenue is from the dividend income from subsidiaries and joint ventures which are located in both Thailand and the Asia Pacific region



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

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

Business Lines

EGCO operating businesses can be categorized into 5 groups as follows:

1. Independent Power Producer (IPP) : This Group comprises Khanom Electricity Generating Co., Ltd., (KEGCO), BLCP Power Ltd., (BLCP) and Gulf Power Generation Co., Ltd. (GPG). The combined capacity is 2,337.25 megawatt (MW) equity, representing 56.70% of EGCO's total asset capacity.

2. Small Power Producer (SPP) :

This Group comprises EGCO Cogeneration Co., Ltd. (EGCO Cogen), Roi-Et Green Co., Ltd. (Roi-Et Green), Gulf Cogeneration Co., Ltd. (GCC), Nong Khae Cogeneration Co., Ltd. (NKCC), Samutprakarn Cogeneration Co., Ltd. (SCC), Gulf Yala Green Co., Ltd. (GYG) and Lopburi Solar Project (LSP) of Natural Energy Development Co., Ltd. (NED). The combined capacity is 389.83 MW equity, representing 9.46% of EGCO's total asset capacity.



- 3. Very Small Power Producer (VSPP) :** This Group comprises SPP Two Co., Ltd. (SPP 2), SPP Three Co., Ltd. (SPP 3), SPP Four Co., Ltd. (SPP 4), SPP Five Co., Ltd. (SPP 5), G-Power Source (GPS), Theppana Wind Farm Co., Ltd. (Theppana), Solarco Co. Ltd. (Solarco), Wang Ploeng Solar Project (WSP) of NED and GIDEC Company (GIDEC). The combined capacity is 88.32 MW equity, representing 2.14% of EGCO's total asset capacity.
- 4. Overseas Power Producer :** This Group comprises Quezon Power (Philippines) Ltd., Co. (Quezon) and Masinloc Power Partners Co., Ltd. (MPPCL) in the Philippines, Nam Theun 2 Power Co., Ltd. (NTPC) in Lao PDR (mainly sells electricity to Thailand), Star Energy Geothermal Pte. Ltd. (SEG) in Indonesia and Boco Rock Wind Farm Pty Limited (Boco Rock) in Australia. The combined capacity is 1,306.50 MW equity, representing 31.70% of EGCO's total asset capacity.
- 5. Other Businesses :** This Group comprises two operation and maintenance companies being EGCO Engineering & Service Co., Ltd. (ESCO) and Pearl Energy Philippines Operating, Inc. (PEPOI). There is a water supply company being Eastern Water Resources Development and Management Public Co., Ltd. (East Water). There is a management service company to Quezon power plant being Quezon Management Services Inc. (QMS). Also, there is a coal mining company being PT Manabung Maura Enim Co., Ltd. (MME).

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

Significant Events in 2016

In 2016, EGCO Group operated 24 power plants in both Thailand and abroad with total contracted capacity of 4,121.90 MW equity. EGCO mainly sold 2,993.45 MW of power to EGAT, 88.32 MW to PEA, 81.87 MW to Industrial Users (IUs) and the rest 958.24 MW to overseas customers. Highlights in 2016 were as follows:

1. On March 3, 2016 Masinloc Power Partners Co., Ltd. (MPPCL), EGCO's associated company, held a groundbreaking ceremony for the construction of a 335 MW (gross) expansion unit to be co-located at the same campus with the existing 630 MW (gross) power plant of MPPCL in Zambales province, the Philippines. The Scheduled Commercial Operation Date for the expansion unit will be mid-2019.
2. On June 19, 2016 Khanom Power Plant Unit 4 of Khanom Electricity Generating Company Limited (KEGCO), EGCO's wholly-owned subsidiary, commenced its Commercial Operation Date to supply electricity to the national grid. The electricity supply from this new unit replaces that from Khanom Power Plant Unit 2 and Unit 3 of which Power Purchase Agreements expired and stopped their operation on June 19, 2016 as well.
3. On June 27, 2016 the geothermal power plant project in Indonesia which EGCO has indirectly invested through 20% ownership interest in Star Energy Geothermal Pte., Ltd. (SEG) received the approval of tariff adjustment under Energy Sale Contract with Indonesian electricity authority Perusahaan Listrik Negara (PLN). The adjusted tariff increased 40% in average from existing tariff, enabling EGCO to realize additional profit from this project.
4. On July 12, 2016 the transaction of Gen Plus B.V. (Gen Plus), EGCO's wholly-owned subsidiary, to acquire additional indirect ownership interest in Masinloc Power Partners Co., Ltd. (MPPCL) was completed. Following the transaction completion, EGCO's indirect ownership interest in MPPCL increased from 40.95% to 49.00%.
5. On December 16, 2016 Chaiyaphum Wind Farm (CWF) of Chaiyaphum Wind Farm Company Limited, in which EGCO holds 90.00% of stakes commenced its Commercial Operation Date to supply electricity to national grid.

Table : EGCO's Business Line:

I. IPP Group

1.1 Khanom Electricity Generating Company Limited (KEGCO)

EGCO holds 100% stake in KEGCO, which owns and operates Khanom power plant which is the largest private power plant in the southern Thailand, located in Nakhon Si Thammarat province. It consists 75 MW barge-mouthed power unit and 674 MW combined cycle power block using natural gas as the primary fuel to generate and sell all electricity output to EGAT under the 20 years PPA, which expired on June 19, 2016. In 2016, Khanom power plant unit 2 and 3 generated and 2,007.24 gigawatt-hour (GWh) electricity output to EGAT. Its annual average Equivalent Availability Factor (EAF) was 95.30%.

On the same day of unit 2 and 3 expiration, Khanom unit 4 project (KN4) has commenced its Commercial Operating Date (COD) to supply electricity to the national grid. KN4 is a 970 MW combined cycle power plant using natural gas as primary fuel to generate and sell electricity to EGAT under the 25 years PPA.

In 2016, KN4 generated and sold 3,629.66 GWh electricity output to EGAT with 95.62% on average EAF since COD.

1.2 BLCP Power Limited (BLCP)

EGCO holds 50% stake in BLCP, which owns and operates an IPP coal-fired power plant located in Rayong province. It is a 1,434 MW power plant comprising two identical 717 MW pulverized coal-fired power units using high quality bituminous coal imported from Australia as the primary fuel to generate and sell all electricity output to EGAT under the 25 years PPA.

In 2016, BLCP power plant generated and sold 10,932.32 GWh electricity output to EGAT. Its annual average EAF for unit 1 and unit 2 was 96.06% and 94.53%, respectively.

1.3 Gulf Power Generation Company Limited (GPG)

EGCO indirectly holds 50% stake in GPG, which owns and operates an IPP gas-fired power plant, called Kaeng Khoi 2 (KK2), located in Saraburi province. It is a 1,510 MW power plant composed of two 755 MW combined cycle power blocks using natural gas as the primary fuel to generate and sell all electricity output to EGAT under the 25 years PPA.

In 2016, KK2 power plant generated and sold 2,610.46 GWh electricity output to EGAT. Its annual average EAF for block 1 and block 2 was 94.05% and 95.74%, respectively.

II. SPP Group

2.1 EGCO Cogeneration Company Limited (EGCO Cogen)

EGCO indirectly holds 80% stake in EGCO Cogen, which owns and operates a SPP cogeneration power plant located in Rayong province. It is a 117 MW cogeneration power plant with steam supply of 30 tons per hour using natural gas as the primary fuel. Under the SPP firm cogeneration program, it generates and sells 60 MW electricity output to EGAT under the 21 years PPA, and remaining electricity along with steam output to Industrial Users (IUs) in Rayong Industrial Park under the long-term PPAs.

In 2016, EGCO Cogen power plant generated and sold 719.99 GWh electricity output to EGAT and IUs. Its annual average EAF was 98.18% and the steam output to IUs was 41,850.00 tons.

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

EGCO indirectly holds 70.30% stake in Roi-Et Green, which owns and operates a SPP renewable power plant located in Roi-Et province. It is a 9.9 MW biomass-fired power plant using rice husk as the primary fuel. Under the SPP firm renewable program, it generates and sells electricity output to EGAT under the 21 years PPA.

In 2016, Roi-Et Green power plant generated and sold 60.75 GWh electricity output to EGAT. Its annual average EAF was 91.03 %.

2.3 Gulf Cogeneration Company Limited (GCC)

EGCO indirectly holds 50% stake in GCC, which owns and operates a SPP cogeneration power plant located in Saraburi province. It is a 110 MW cogeneration power plant with steam supply of 16 tons per hour using natural gas as the primary fuel. Under the SPP firm cogeneration program, it generates and sells 90 MW electricity output to EGAT under the 21 years PPA, and remaining electricity along with steam output to IUs under the long-term PPAs.

In 2016, GCC power plant generated and sold 711.10 GWh electricity output to EGAT and IUs. Its annual average EAF was 99.34% and the steam output to IUs was 134,355.07 tons.

2.4 Nong Khae Cogeneration Company Limited (NKCC)

EGCO indirectly holds 50% stake in NKCC, which owns and operates a SPP cogeneration power plant located in Saraburi province. It is a 126 MW cogeneration power plant with steam of 24 tons per hour using natural gas as the primary fuel. Under the SPP firm cogeneration program, it generates and sells 90 MW electricity output to EGAT under the 21 years PPA, and remaining electricity along with steam output to IUs under the long-term PPAs.

In 2016, NKCC power plant generated and sold 837.77 GWh electricity output to EGAT and IUs. Its annual average EAF was 97.22% and the steam output to IUs was 165,606.90 tons.

2.5 Samutprakarn Cogeneration Company Limited (SCC)

EGCO indirectly holds 50% stake in SCC, which owns and operates a SPP cogeneration power plant located in Samutprakarn province. It is a 126 MW cogeneration power plant with steam of 24 tons per hour using natural gas as the primary fuel. Under the SPP firm cogeneration program, it generates and sells 90 MW electricity output to EGAT under the 21 years PPA, and remaining electricity along with steam output to IUs under the long-term PPAs.

In 2016, SCC power plant generated and sold 754.64 GWh electricity output to EGAT and IUs. Its annual average EAF was 90.38% and the steam output to IUs was 119,993.66 tons.

2.6 Gulf Yala Green Company Limited (GYG)

EGCO indirectly holds 50% stake in GYG, which owns and operates a SPP renewable power plant located in Yala province. It is a 23 MW biomass-fired power plant using para-wood residue as the primary fuel. Under the SPP firm renewable program, it generates and sells electricity output to EGAT under the 25 years PPA.

In 2016, GYG power plant generated and sold 162.18 GWh electricity output to EGAT. Its annual average EAF was 91.53%.

2.7 Chaiphum Wind Farm Company Limited (Chaiphum)

EGCO holds 90% stake in Chaiphum, which owns and operates an 80 MW wind power plant located in Subyai district, Chaiphum province. Chaiphum signed a non-firm PPA with EGAT under Small Power Plant scheme for 5-year term which can be renewed every 5 years.

On December 16, 2016 Chaiphum has commenced its Commercial Operation Date (COD) to supply electricity to the national grid.

2.8 Natural Energy Development Company Limited (NED) (Lopburi Solar Project)

EGCO holds 66.67% stake in NED, which owns and operates 55 MW thin film solar power plant Lopburi Solar Project (LSP) located in Lopburi province. NED signed a non-firm PPA for LSP with EGAT for the sale of electricity output generated. PPA is automatically renewed every 5 years. In addition to the wholesale tariff referred to EGAT, the projects receive adder 8 baht per kWh, applicable for 10 years from the COD.

In 2016, LSP generated and sold 109.70 GWh electricity output to EGAT. Its annual average availability was 99.99%.

III. VSPP Group

3.1 Natural Energy Development Company Limited (NED) (Wang Ploeng Solar Project)

EGCO holds 66.67% stake in NED, which owns and operates 8 MW thin film solar power plant Wang Ploeng Solar Project (WSP) located in Lopburi province. NED signed a non-firm PPA for WSP with PEA for the sale of electricity output generated. PPA is automatically renewed every 5 years with the same as LSP pricing structure.

In 2016, WSP generated and sold 16.45 GWh electricity output to PEA. Its annual average availability was 99.67%.

3.2 SPP Two Company Limited (SPP 2)

EGCO holds 100% stake in SPP 2, which owns and operates the 8 MW solar power plant located in Saraburi province. SPP 2 has entered into a non-firm PPA with PEA under VSPP program. The PPA is automatically renewed every 5 years with the same as NED's pricing structure. SPP 2 is equipped with solar tracking system.

In 2016, SPP 2 power plant generated and sold 15.84 GWh electricity output to PEA. Its annual average availability was 99.24%.

3.3 SPP Three Company Limited (SPP 3)

EGCO holds 100% stake in SPP 3, which owns and operates the 8 MW solar power plant located in Srisaket province. SPP 3 has entered into a non-firm PPA with PEA under VSPP program. The PPA is automatically renewed every 5 years with the same as NED's pricing structure. SPP 3 is equipped with solar tracking system.

In 2016, SPP 3 power plant generated and sold 16.13 GWh electricity output to PEA. Its annual average availability was 99.17%.

3.4 SPP Four Company Limited (SPP 4)

EGCO holds 100% stake in SPP 4, which owns and operates the 6 MW solar power plant located in Srisaket province. SPP 4 has entered into a non-firm PPA with PEA under VSPP program. The PPA is automatically renewed every 5 years with the same as NED's pricing structure. SPP 4 is equipped with solar tracking system.

In 2016, SPP 4 power plant generated and sold 12.10 GWh electricity output to PEA. Its annual average availability was 99.58%.

3.5 SPP Five Company Limited (SPP 5)

EGCO holds 100% stake in SPP 5, which owns and operates the 8 MW solar power plant located in Roi-Et province. SPP 5 has entered into a non-firm PPA with PEA under VSPP program. The PPA is automatically renewed every 5 years with the same as NED's pricing structure. SPP 5 is equipped with solar tracking system.

In 2016, SPP 5 power plant generated and sold 16.83 GWh electricity output to PEA. Its annual average availability was 99.80%.

3.6 G-Power Source Company Limited (GPS)

EGCO holds 60% stake in GPS, which owns and operates 4 solar power plants under 4 non-firm PPAs with the PEA under VSPP program with installed capacity of 6.5 MW each, total capacity of 26 MW. The PPAs are automatically renewed every 5 years with the same as NED's pricing structure. GPS comprises 1) Ta Khit Solar Project, Nakhon Sawan province 2) Ta Sang Solar Project, Nakhon Sawan province 3) Dong Khon Solar Project, Chai Nat province, and 4) Bueng Sam Phan Solar Project, Phetchabun province.

In 2016, all GPS's solar power plants generated and sold 44.51 GWh electricity output to PEA. Its annual average availability was 99.89%.

3.7 Solarco Company Limited (Solarco)

EGCO indirectly holds 49% stake in Solarco, which owns and operates 6 solar power plants located in Nakhorn Pathom and Suphanburi provinces. Solarco has entered into 6 non-firm PPAs with PEA under VSPP program with the installed capacity of 9.5 MW each, total capacity 57 MW. The PPAs are automatically renewed every 5 years with the same as NED's pricing structure. Solarco has 6 power plants, namely 1) Sai Kiew Solar Project, 2) Sai Yai 1 Solar Project, 3) Sai Yai 2 Solar Project, 4) Sai Phet 1 Solar Project, 5) Sai Phet 2 Solar Project and 6) Sai Phet 3 Solar Project.

In 2016, all Solarco's power plants generated and sold 116.63 GWh electricity output to PEA. Its annual average EAF was 99.88%.

3.8 Theppana Wind Farm Company Limited (Theppana)

EGCO holds 90% stake in Theppana, which owns and operates the 7.5 MW wind power plant located in Chaiyaphum province. Theppana has entered into a non-firm PPA with PEA under VSPP program. The PPA is automatically renewed every 5 years. In addition to the wholesale tariff referred to EGAT, the project receives adder 3.5 baht per kWh, applicable for 10 years from the COD.

In 2016, Theppana power plant generated and sold 13.87 GWh electricity output to PEA. Its annual average EAF was 99.79%.

3.9 GIDEC Company Limited (GIDEC)

EGCO holds 50% stake in GIDEC, which owns and operates 6.7 MW Municipal power plant located in Hat-Yai, Songkhla province. The power plant uses waste as the primary fuel. GIDEC signed a non-firm PPA with PEA under VSPP program. The PPA is automatically renewed every 5 years. In addition to the wholesale tariff referred to EGAT, the project receives adder 3.5 baht per kWh, applicable for 7 years from the COD.

In 2016, GIDEC power plant generated and sold 24.00 GWh electricity output to PEA. Its annual average EAF was 74.47%.

IV. Overseas Group

4.1 Quezon Power (Philippines) Limited Company (Quezon)

EGCO indirectly holds 100% stake in Quezon, which owns and operates a 502.50 MW pulverized coal-fired power plant using the high quality coal imported from Indonesia as the primary fuel. Under the 25 years PPA, it generates and sells electricity output to Manila Electric Company (MERALCO), the country's largest power distribution company.

In 2016, Quezon power plant generated and sold 3,225.22 GWh electricity output to MERALCO. Its annual average EAF was 89.50%.

4.2 Masinloc Power Partners Co., Ltd. (MPPCL)

EGCO indirectly holds 49% stake in MPPCL, which owns and operates a 630 MW pulverized coal-fired power plant using high quality coal imported from Indonesia and Australia as the primary fuel. Under the Power Supply Agreement, it generates and sells electricity output to MERALCO, as well as Electric Cooperatives and Industrial customers. Moreover, MPPCL invested in Battery Energy Storage with 10 MW of installed capacity for grid improvement.

In 2016, MPPCL generated and sold 4,487.00 GWh electricity output to its customers. Its annual average EAF was 90.00%.

4.3 Nam Theun 2 Power Company Limited (NTPC)

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

In 2016, NTPC power plant generated and sold 5,635.79 GWh electricity output to EGAT and 397.20 GWh electricity output to EDL. Its annual average EAF was 98.19% for EGAT and 97.82% for EDL.

4.4 Star Energy Geothermal Pte Ltd. (SEG)

EGCO indirectly holds 20% stake in SEG, which owns and operates a 227 MW geothermal power plant located in Indonesia. It comprises 2 units of 110 MW and 117 MW. Under the long-term PPA, it generates and sells electricity output to PT PLN (Persero), an Indonesian government-owned electricity corporation.

In 2016, SEG power plant generated and sold 1,924.54 GWh electricity output to its customers. Its annual average EAF was 99.82%.

4.5 Boco Rock Wind Farm Pty Limited (Boco Rock)

EGCO indirectly holds 100% stake in Boco Rock, which owns and operates a 113 MW wind power plant located in Australia under long-term PPA with EnergyAustralia Pty Ltd.

In 2016, Boco Rock power plant generated and sold 373.87 GWh electricity output to the Australian Energy Market Operator (AEMO) and EnergyAustralia Pty Ltd. Its annual average EAF was 97.84%.

V. Other Businesses

5.1 EGCO Engineering & Service Company Limited (ESCO)

EGCO holds 100% stake in ESCO, which provides operation, maintenance, engineering and construction services to power plants, petrochemical plants, oil refineries and other industries.

5.2 Pearl Energy Philippines Operating, Inc. (PEPOI)

EGCO indirectly holds 100% stake in PEPOI (formally named Covanta Philippines Operating Inc.), which provides operation and maintenance services to Quezon power plant through a long-term operation and maintenance agreement.

5.3 Quezon Management Services Inc. (QMS)

EGCO indirectly holds 100% stake in QMS, which provides management services to Quezon power plant through a long-term management service agreement.

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

EGCO holds 18.72% stake in East Water, which is responsible for developing and operating water supply including the main raw water pipe networks in the Thailand Eastern Seaboard area.

5.5 PT Manambang Muara Enim (MME)

EGCO indirectly holds 40% stake in MME, which owns and operates a coal mining project (an open-pit mine), located in Muara Enim, South Sumatra, Indonesia. It has the concession agreement from Indonesian government for 28 years since March 2010 to March 2038. It has mineable coal reserves of 140 million tons. The sales volume of MME in 2016 was at 1.12 million tons.

Risk Factors

A GREAT YEAR
OF SUCCESS



EGCO realizes that the prudent risk analysis and risk management are crucial in building stakeholders' confidences. To ensure that the corporate risk management is effective, the Board entrusts the Audit Committee to oversee EGCO Group's risk management policies and guidelines while the Management has the responsibility for the implementation and regularly reports to the Audit Committee and the Board.

At the management level, the Risk Management Committee has been set up and comprises EGCO's top executives with the President as the chairman of the Committee. In addition, most of EGCO's invested assets have their own risk management committee to ensure that their particular risks are managed adequately. As part of corporate risk management, the risk factors have been monitored periodically and revised annually.

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

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

1. Investment Expansion Risk

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

1.1 Risk from Project Selection

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

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

In 2016, EGCO successfully acquired 8.05% additional shares in Masinloc Power Partners Co. Ltd. ("MPPCL") which made EGCO's indirect ownership interest in MPPCL increased to 49%. In addition, Star Energy Geothermal Pte Ltd. ("SEG") received the approval of tariff adjustment which made the adjusted tariff increased by 40%. Consequently, EGCO can recognize increased revenues from both projects.



1. Risk from Overseas Asset Management

Overseas investment creates opportunities for long-term growth of EGCO. Nevertheless, there are various factors that may impact the performance of such assets such as economy circumstance, political factors, changes in business environment and local community. EGCO's forecasted earnings can be affected by the unfamiliar business environment in each country. In mitigating these risks, EGCO engaged competent personnel having the experience in such particular market and seconded the representative management to work at overseas assets to ensure that its assets are efficiently managed and earnings are met as targeted.

EGCO has assigned skillful personnel to work at the assets such as Nam Theun 2 Power Co., Ltd. ("NTPC") and Quezon Power (Philippines) Ltd., Co. ("Quezon"). In addition, EGCO has hired external specialists who are familiar with the market in Australia to work at Boco Rock Wind Farm Pty Ltd. ("Boco Rock").

2. Risk from Project Construction

EGCO is well aware of the risk from delays in project construction, which could be caused by contractors or local communities' resistance or natural disaster. The measurements to lower the likelihood and impacts of such risks include the selection of reputable EPC contractors with tight contracts, the proactive community relations activities, securing insurance policies which cover the impact from natural disaster and to have the project management team to closely monitor project progress to ensure project completion as scheduled.

In 2016, EGCO has seven projects under construction. The constructions of two projects namely Khanom 4 and Chaiyaphum Wind Farm were completed and achieved COD in 2016 as scheduled. In addition, the rest five projects namely Klongluang Utilities (TJ Cogeneration), Banpong Utilities (TP Cogeneration and SK Cogeneration), Masinloc Expansion Unit 3, Xayaburi and San Buenaventura are expected to complete construction and COD as scheduled.

3. Operating Risks

3.1 The risk of obtaining lower forecasted earnings than target

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

Typical measures imposed to mitigate relevant risks are as follows:

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

In 2016, most of EGCO's invested assets generated higher return than target.

3.2 Plant Performance Risks

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

3.2.1 Plant efficiency

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

- Scheduled inspection and preventive maintenance by skillful staffs.
- Early warning systems for critical information in plant operation.
- Adequate and well managed of plant spare parts.
- Implementation of the quality management system to ensure quality operation and comply with PPA such as ISO: 9001:2015 system at group power plants: Khanom, SPP Two, SPP Three, SPP Four, SPP Five and SEG.
- Continuous development of personnel competencies.

The implementation of such mitigation measures in the previous year resulted in the satisfactory performance of EGCO Group's power plant.

3.2.2 Raw Water Shortage

Raw water shortage can result in power plant stoppages. The risk can be caused by climate change, the delay of rainy season which may affect the reserve of raw water. The measures set to prevent and mitigate such risks, Roi-Et Green power plant, as an example, has its own water reservoir with the volume of 12,000 square meters which is sufficient to continuously keep power plant fully operation for 10 days. With those measures, EGCO has no record of water shortage situation.

3.2.3 Fuel Shortage

Fuel shortage can result in plant stoppages, revenue shortfall or penalty payments. The shortage of "coal and biomass" fuel, in particular, could be caused by the increasing demand or price fluctuation.

EGCO Group's measures were implemented to prevent and mitigate such risk as follows:

- EGCO Group's coal fired power plants being BLCP, Quezon and Masinloc Power Plants have the long term coal supply agreement which is adequate for power generation. The suppliers are obliged to supply coal with the quantity and quality as specified in the agreement. In addition, each power plant has reserved coal sufficient for 30-day, 45-day and 25-day continuous operation respectively.
- EGCO Group's biomass power plants using rice husks and para wood chips as fuel for power generation may face the fuel risk of both inadequate supply and volatile pricing due to uncertainty nature of agricultural product. To mitigate such risk, the power plants expand the fuel sourcing area and procure large amount in the high season at lower price. Roi-Et Green power plant using rice husks and Gulf Yala Green Power Plant consuming para wood chips also reserve the fuel sufficient for 15-day and 30-day continuous operations respectively.

3.2.4 Safety, Health, Environment and Social Risk

EGCO realizes that the electricity generation process could incur certain risks on the safety, health, environment of staffs and surrounding communities. Consequently, the management has taken the following actions to mitigate any potential negative impacts and reduce the likelihood of such risks:

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

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

3.2.5 Risk from Accident, Resistance, and Sabotage

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

The Management has set the following measures to mitigate and reduce the likelihood of those risks.

- Regular communication with staffs to avoid carelessness.
- Schedule routine maintenance of all equipment.
- Strengthen relationship with surrounding communities.
- Collaborate with government agencies and local authorities.
- Deploy security plan including regular drills and security equipment such as closed circuit TV.
- Secure the insurance policy that covers all risks, machinery breakdown, business interruption and third party liability to assure that loss from damages in the unexpected case would be properly and adequately protected. EGCO procured the political violence insurance policy which covered the effects of loss from terrorism, sabotage, riot, political conflict, revolution and coup d'état, covering majority owned power plants and EGCO head office building.

4. Financial Risks

EGCO Group's investment is capital-intensive. Since the primary funding sources are loans from domestic and international financial institutions, foreign exchange rate fluctuation and interest rate fluctuation are important risks. Therefore, the mitigation measures are established as follows:

4.1 Foreign Exchange Rate Fluctuation

EGCO Group has a policy to mitigate currency mismatches for each invested project to prudent levels by matching currencies from funding source and revenue structure. During construction phase, EGCO will use an appropriated financial instrument i.e. cross currency swap to manage the loan currency to match with the development and construction costs.

4.2 Interest Rate Fluctuation

EGCO Group has a policy to manage interest rate fluctuation by setting the guideline of interest rate exposure mitigation by swapping floating interest rate to fixed interest rate at an appropriate level when the swap market is favorable.

4.3 Cash Management from Overseas Investments

Most of EGCO's revenues are in US dollars resulting in the excess cash from offshore account which may affect the foreign cash management. Nevertheless, such risk is still low because of EGCO's expansion to overseas projects. In addition, cash flow status is regularly forecasted on monthly basis to monitor the balance of cash inflow and outflow as well as to maintain cash in overseas accounts for new investments.

5. Corporate Tax Legislation Risk

EGCO prioritizes compliance with corporate tax legislation and planning to ensure that its tax management has due regard to relevant regulations. Currently, EGCO invests in both domestic and international businesses, while each country has different tax criteria, legislation, regulation, tax tariffs, etc. Without well prepared risk analysis and intensive study, EGCO may risk extensive damage to its reputation and operations. Therefore, it is vital for the company to prepare well tax planning and accurate payment schedule in compliance with corporate tax legislation. For new investment, EGCO must carry out the equivalent analysis and calculate the potential tax liability for that investment before proceeding. Nevertheless, committees will be designated to particularly response to tax and investment legislation in those countries as well.

In addition, EGCO has announced tax policies and practices in company website which has been published to acknowledge its stakeholders and to serve as a guideline for EGCO Group's tax management system.

6. Compliance Risk

With operation business in both domestic and overseas, EGCO is regulated under various local laws as well as regulations and international laws while failure to comply can affect EGCO Group's operation and its corporate image. Thus, EGCO Group is well aware and strictly complies with all related laws and regulations, as well as environment laws and SHE regulations while new issues of governing laws and regulations are closely monitored.

In 2016, EGCO Group has no record of failures to comply with related laws and regulations that involves in its business. In addition, EGCO Group has followed up the new laws and regulations to acknowledge all concerned units on the issues and impacts through the legal database for their further compliance.

7. Human Resources Risk

EGCO believes that personnel are their most valuable asset and the success factor of the organization. Losing the valuable employees would lead to efficiency impairment and business continuity, not mentioning the increased cost from recruitment, training and development. More importantly, as employees' knowledge and expertise in power business are crucial, thus, losing competent employees is one of EGCO's major concerns. In order to mitigate such risk, EGCO introduced a succession plan program aiming to develop competent employees for succeeding the key positions including the individual development plan and job rotation. Besides, the knowledge sharing and knowledge center through the EGCO Group Net are also provided to ensure that EGCO's personnel have required knowledge and competency which would lead to sustainable growth for the company.

Industry Situations and Competition

1. Electricity industry in Thailand

With the government's path to development called "Thailand 4.0", transforming towards the Value-Based Economy which will result in the increasing trend of electricity consumption, energy plans need to be in line with the development trend and reliably supply electricity to meet the increased energy demand such as new government's mega-projects and new special economic zones.

In 2016, electricity consumption of the country accounts for 188,152.80 gigawatt-hours, which were 5,077.84 gigawatt-hours or 2.77% increase from the foregoing year. Peak demand in 2016 was 29,619 megawatt on 11 May 2016 at 10.28 pm, higher than the peak demand of 27,346 megawatt in 2015 by 8.31%. The significant increase of peak demand was mainly influenced by the long period of hot weather, which had pushed up the power consumption. Peak demand for electricity consumption are shown in Figure 1.

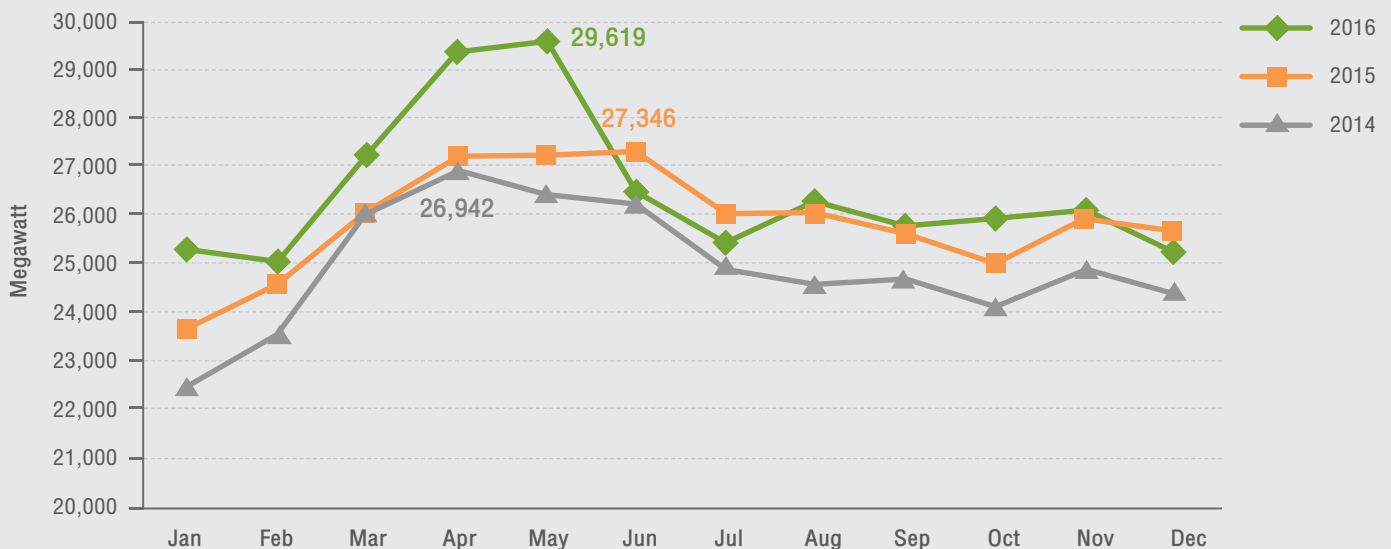


Figure 1 Peak demand for electricity consumption during 2014 - 2016

As of December, 31 2016, EGAT had the country's installed generating capacity of 41,556.23 megawatts, 39.43% or approximately 16,385.13 megawatts of which were generated by EGAT plants, and the remaining from other producers, i.e.

- Independent Power Producers (IPPs) 14,948.50 megawatts
- Small Power Producers (SPPs) 6,345.00 megawatts
- Import 3,877.60 megawatts

EGCO's contracted capacity of electricity sold to EGAT was 2,993 megawatts, representing 7.20% of the country's installed capacity, as presented in Figure 2.

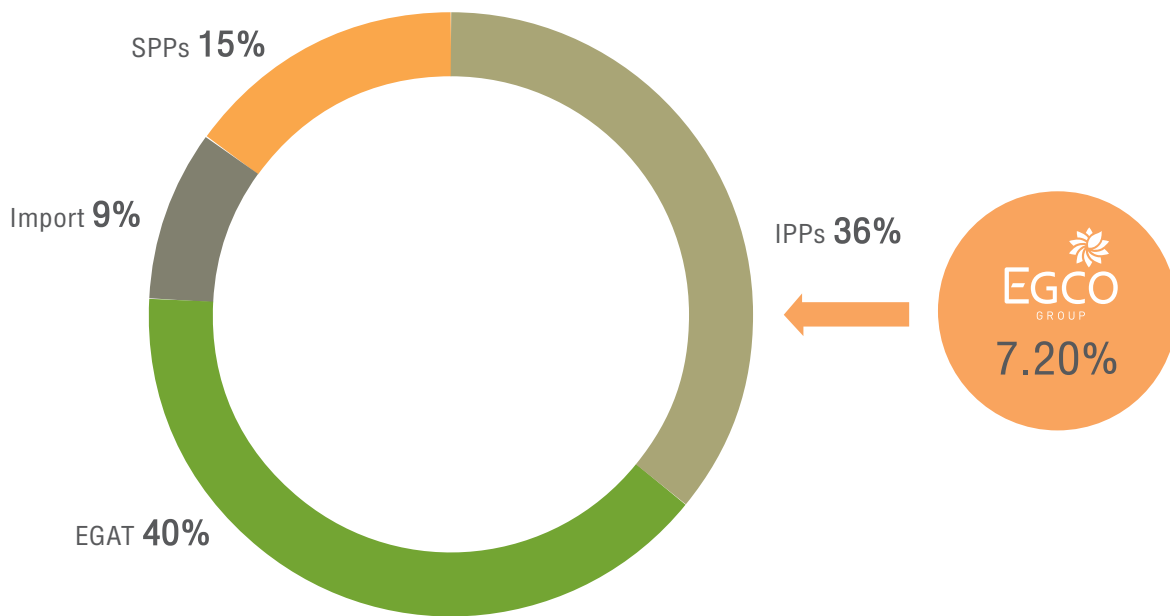


Figure 2 The country installed capacity of electricity in 2016 classified by producer

According to Thailand's Power Development Plan of 2015 - 2036 (PDP 2015), Electricity Generating Authority of Thailand (EGAT) aims to increase the portion of coal-fired power generation and reduce dependence on natural gas-fired power generation, with the aim to balance energy security, competitive pricing, and environmental requirement. However, it is somewhat challenge and may take certain time to develop coal-fired power generation, in term of public acceptance. To ensure the energy security, the government has decided to review and increased the imported Liquefied Natural Gas (LNG) portion in the Natural Gas Supply Plan 2015. In consequence, the National Energy Policy Council (NEPC) has then approved three LNG infrastructure projects i.e. LNG Receiving Terminal (7.5 million tonnes per year) and two Floating Storage and Regasification Units (FSRU) (total 8 million tonnes per year).

Regarding the Alternative Energy Development Plan of 2015 - 2036 (AEDP 2015), the status of renewable energy development in year 2016 has been progressing well. Out of the renewable energy target 19,684 megawatts in year 2036, there are currently 9,127 megawatts of renewable energy project which achieve COD (as of December 2016).

2. Electricity industry in Asia-Pacific countries

Since PDP 2015 has mostly committed Power Purchase Agreement (PPA) for upcoming IPPs and SPPs during the next 10 years. EGCO is fully aware of the limited growth prospect for domestic electricity market. It has been a decade that EGCO has expanded its business investment bases to overseas such as Philippines, Lao PDR, Australia and Indonesia. Investments of EGCO in each country are shown in Figure 3. With an aim for continuous growth, EGCO has also been seeking for further investment opportunities in other countries in Asia-Pacific as well, such as Vietnam, Myanmar, Cambodia and India. The overview of electricity industry situations for each country is briefed below.

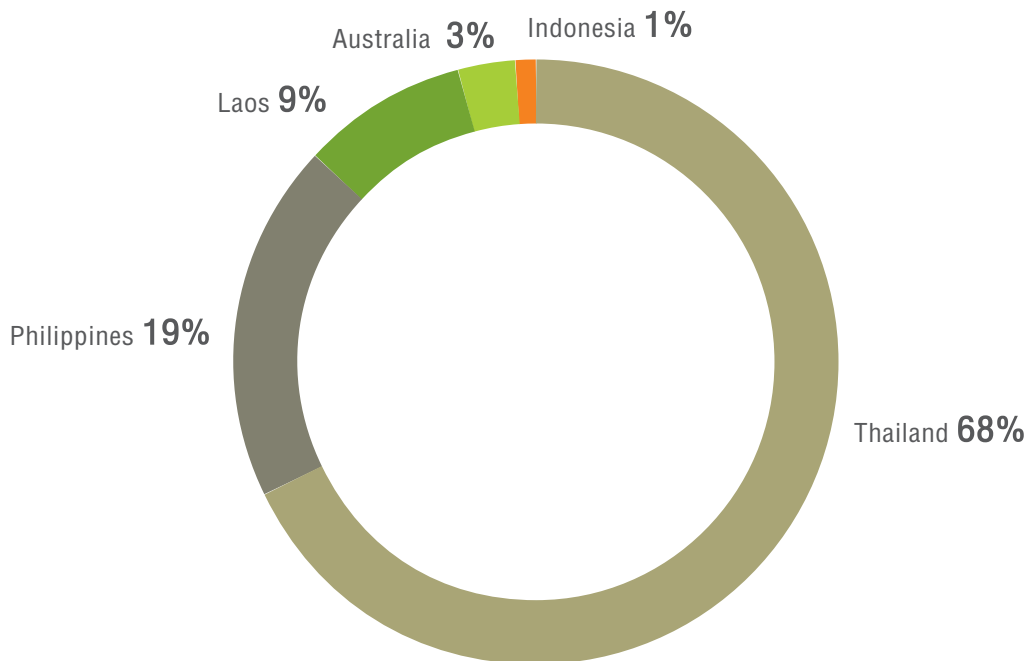


Figure 3 EGCO's equity contracted capacity of electricity in 2016 classified by country

2.1 Philippines

Philippines's installed capacity is approximately 18,000 megawatts. Peak demand in Philippines is estimated to increase 4.5% annually. Coal-fired power plants play a significant role as baseload generation. However, Philippines will already exceed the baseload requirement in 2030 if assuming all committed and indicative list of coal-fired power plants are all completed. It is also becoming more strict to develop a new coal-fired power plant, since the permit and license process now require additional clearances. Moreover, the Philippine Department of Energy has continuously pushed for investments in renewable energy with a target to reach 15,000 megawatts of renewable energy capacity by 2030, with focus on hydropower and geothermal energy.

2.2 Lao People's Democratic Republic (Lao PDR)

Laos's installed capacity is approximately 5,800 megawatts, which export to Thailand and Vietnam (3,578 and 547 megawatts respectively) and domestic consumption of approximately 1,400 megawatts. Demand growth in Laos is estimated to increase 13% annually. The government of Laos has a policy of drawing investments in hydropower plants from private sectors, with theoretical hydropower potential of 26,500 megawatts in its efforts toward being Battery of Asia by 2020.

In September 2016, Thailand has increased the MoU for purchase of electricity from Laos to Thailand from 7,000 megawatts to 9,000 megawatts.

2.3 Australia

Australia's installed capacity is approximately 99,600 megawatts. Electrification ratio of Australia is 100%. Energy Australia plans to retain the operation of coal-fired power plants, which considered as social responsibility in order to maintain security and affordable energy. Coal is a primary source of fuel supply which provides 78% of Australia's electricity generation. Renewable energy generating capacity under Australia's promotion policy has been decreased to be 33,000 gigawatt-hours by 2020 (formerly targeted at 41,000 gigawatt-hours). Over the 20-year forecast period, rooftop PV is forecast to more than triple from 4,400 megawatts to 20,100 megawatts.

Due to energy efficiency gains in air conditioning and increasing rooftop PV capacity, maximum demand is forecast to remain flat over the 20-year outlook period. Consumption of electricity from the grid is forecast to remain flat, despite a forecast 30% growth in population and projected average growth in the economy.

2.4 Indonesia

Indonesia's installed capacity is approximately 51,000 megawatts. Demand growth is estimated to increase 8.5% annually. The electrification rate is expected to increase from 88% to 95% in 2019. The Indonesian government has a plan to expand its electricity generating capacity by 35,000 megawatts during 2015 to 2019, in order to cope with future power shortage. Regarding the status of the 35,000 megawatts-program as of mid-November 2016, there are 195 megawatts in operation, 8,215 megawatts in construction phase, 10,844 megawatts in procurement phase, and 7,640 megawatts in planning phase.

The government also has a fuel diversification plan in place to cut down utilization of natural gas viewing that natural gas reserves are on a decline. Emphasis is placed mainly on development of geothermal power generation as Indonesia has high potential geothermal sources in abundance.

2.5 Vietnam

Installed capacity of Vietnam is approximately 34,000 megawatts. Electrification ratio is around 97%. Demand growth is estimated to increase 8.5% annually. According to revision of power master plan VII, Vietnam's electricity generating capacity is forecast to increase to 60,000 megawatts and 129,500 megawatts in 2020 and 2030 respectively. Coal is a primary source of fuel supply which provides approximately 40% of Vietnam's electricity generation.

Vietnam is being under power sector reform, in order to create competitive wholesale and retail power market and to equitise power generation corporations of Electricity of Vietnam (EVN).

2.6 Myanmar

Myanmar's installed capacity is approximately 4,600 megawatts. Myanmar has set a target to achieve 100% electrification by 2030 from the current 30% electrification ratio. Demand growth is estimated to increase 10% annually. Myanmar's electricity consumption is expected to increase more than six times of the current consumption, from 13,000 gigawatts-hours to around 80,000 gigawatts-hours of electricity by 2030. Electricity generation is mainly from hydropower and natural gas.

Thailand has signed Memorandum of Understanding (MoU) for the purchase of electricity from Myanmar, expiration in 2020 with no specific capacity.

2.7 Cambodia

Installed capacity of Cambodia is approximately 1,500 megawatts. Cambodia aims to achieve 70% of household electrification with grid quality electricity by 2030. Demand growth is estimated to increase 10% annually. Electricity generation in Cambodia is mainly from hydropower and coal-fired power generation. Cambodia also plans to develop its offshore oil/gas resources by 2024 and ultimately expect significant quantities of natural gas-fired generation.

Thailand has signed Memorandum of Understanding (MoU) for the purchase of electricity from Cambodia.

2.8 India

India's installed capacity is approximately 173,000 megawatts with electrification ratio of around 90%. More than half of electricity generation is currently from coal. The government of India has set the target of renewable energy generation of 175,000 megawatts by 2022, with significant portion of solar and wind (100,000 and 60,000 megawatts respectively)

In India, foreign direct investment in the power sector is permitted up to 100%. Investment opportunities for foreign investors are mostly expected to be in the renewable energy sector.

In overall, the electricity demand in Asia-Pacific region is continuously on a rising trend. Many countries have established fuel diversification plans for power generation by switching more to renewable energy sources; while, remaining coal-fired power generation to ensure the energy security. This allows EGCO to explore prospective investment opportunities in the region toward achieving its major investment targets.

3. Competition

In 2016, despite the high competition in power industry, EGCO has successfully achieved six significant events both in domestic and international markets, as shown below:

- On March 3, 2016, EGCO has achieved final financial close and held a groundbreaking ceremony for the construction of a 335 megawatts expansion unit of Masinloc Power Partners Co., Ltd. (MPPCL) Unit 3. EGCO's indirect ownership interest in MPPCL was 40.95% at such date.
- On June 19, 2016, EGCO commenced Commercial Operation Date of Khanom Power Plant Unit 4 (KN4) of the Khanom Electricity Generating Company Limited with contracted capacity of 930 megawatts, in which EGCO holds 99.99% of stakes. The electricity supply from KN4 replaced that from Khanom Power Plant Unit 2 and Unit 3 of which Power Purchase Agreements expired and stopped their operation on 19 June 2016.
- On June 27, 2016, the tariff adjustment under Energy Sale Contract has been improved by 40% in average from the existing tariff for the geothermal power plant project in Indonesia, in which EGCO has invested through 20% indirect ownership interest in Star Energy Geothermal Pte Ltd (SEG).
- On July 12, 2016, EGCO acquired an additional indirect ownership interest in Masinloc Power Partners Co., Ltd. (MPPCL). EGCO's indirect ownership interest in MPPCL has increased from 40.95% to 49.00%, accordingly.
- On December 16, 2016, EGCO commenced Commercial Operation Date of Chaipayum Wind Farm (CWF) with installed capacity of 80 megawatts, in which EGCO hold 90% of stakes. CWF will also help support the government policy in promotion of renewable energy.

- In late December 2016, affiliate of EGCO and partners have entered into Share Sale and Purchase Agreement with affiliates of Chevron Corporation in order to acquire 100% share of Chevron's geothermal operation with the aggregate capacity of 235 megawatts equivalent of steam and 402 megawatts of electricity in Indonesia, in which EGCO will acquire 20.07% indirect ownership interest in such project.

According to EGCO's key investment strategies on seeking new opportunities, EGCO has successfully acquired operating assets and completed the construction of greenfield projects on schedule which generate revenue to EGCO in year 2016 i.e. the commercial operation commencement of KN4 and CWF, the success in tariff adjustment for SEG, acquisition of additional share in MPPCL, and execution of share sale and purchase agreement with affiliates of Chevron Corporation. Moreover, EGCO also focus on seeking opportunities for greenfield projects to support company's growth in long term i.e. the final financial close and groundbreaking of MPPCL expansion unit. EGCO aims to expand its position in regional markets, both growing from existing foothold and exploring investment opportunities in new market in Asia-Pacific. Therefore, the acquisition of MPPCL and affiliates of Chevron Corporation will fulfil our business plan in enhancing EGCO's presence in Philippines and Indonesia respectively, where we have existing business foothold. In addition, EGCO maintain its competitiveness in the market based on several key success factors including, but not limited to:

- **Human resources**

EGCO believe that personal growth will make the business growth stronger. One of the key successes is competence and expertise of EGCO personnel and experiences of its Board members together with well relationship with business alliances. EGCO personnel have dependable capabilities and experiences in power industry. Board members are from diversified business expertise, with extensive knowledge and long-time experienced in energy and electricity sectors.

- **EGCO's trustworthy**

To ensure sustainable growth, EGCO always invest in project that generates satisfactory return at acceptable risk level and definitely with well-prepared mitigation plan in hands. Leading to its satisfactory financial status, liquidity, and profit growth, in which EGCO can earn trust and confidence from banks and financial institutions in supporting continuous investment growth.

- **Good relationship with communities surrounding power plants**

EGCO always ensure its power plants operation with full responsibility towards society and environment, as power generation may cause impact to nearby communities. EGCO discloses information without concealment, encourage public participation and maintain good relationship with nearby communities. Moreover, the operation of power plants will create local employment for income distribution and the well-being of local people.



Revenue Structure

EGCO Group business comprise a holding company, electricity generation and sale companies, operating and maintenance, engineering and construction companies. The revenue structure of EGCO Group can be summarized in the below table.

Unit : Million Baht

Product Service	Transaction	% Shareholding	2016		2015	
			Revenue	%	Revenue	%
Electricity	EGCO Cogen	80.00%				
	Capacity Charge		270.37	0.88%	254.08	1.01%
	Energy Charge		1,859.73	6.05%	2,054.10	8.20%
	Solarco	49.00%				
	Energy Charge		372.59	1.21%	411.46	1.64%
	SPP 2	99.99%				
	Energy Charge		49.51	0.16%	56.42	0.23%
	SPP 3	99.99%				
	Energy Charge		49.85	0.16%	56.02	0.22%
	SPP 4	99.99%				
	Energy Charge		37.49	0.12%	42.50	0.17%
	SPP 5	99.99%				
	Energy Charge		52.43	0.17%	57.93	0.23%
	Boco Rock	100.00%				
Energy Charge		1,013.95	3.30%	814.67	3.25%	
Theppana	90.00%					
Energy Charge		36.39	0.12%	37.25	0.15%	
Chaiyaphum ^{/A}	90.00%					
Energy Charge		16.92	0.06%	-	-	
Finance lease income under power purchase agreements	KEGCO ^{/B}	99.99%	2,017.28	6.56%	268.52	1.07%
	Roi-Et Green	70.30%	28.50	0.09%	28.18	0.11%
Operating lease income under power purchase agreements	Quezon ^{/C}	100.00%	3,750.91	12.20%	3,669.38	14.65%
Lease service income under power purchase agreements	KEGCO	99.99%	5,769.85	18.77%	608.64	2.43%
	Roi-Et Green	70.30%	205.85	0.67%	239.58	0.96%
	Quezon	100.00%	6,427.79	20.91%	6,568.89	26.23%
Income from service concession and service arrangement under a water purchase agreement	EGCOM Tara ^{/D}	74.19%	-	-	211.79	0.85%
Service	ESCO	99.99%	835.01	2.72%	746.16	2.98%
Interest Income	ESCO		43.90	0.14%	7.28	0.03%
	Solarco		13.24	0.04%	21.92	0.09%
	KEGCO		22.94	0.07%	14.18	0.06%
	Rayong Power Plant, EGCO Cogen, Roi-Et Green, SPP2, SPP3, SPP4, SPP5, Quezon, Theppana, Boco Rock, Banpong, Klongluang, Chaiyaphum, ESCO, EGCOM Tara, PEPOI, QMS and Northpole		25.62	0.08%	29.68	0.12%

Product Service	Transaction	% Shareholding	2016		2015	
			Revenue	%	Revenue	%
Others	Solarco ^E		927.41	3.02%	941.72	3.76%
	EGCO		301.78	0.98%	190.11	0.76%
	SPP 2 ^E		125.80	0.41%	133.09	0.53%
	SPP 3 ^E		128.13	0.42%	132.86	0.53%
	SPP 4 ^E		95.99	0.31%	101.50	0.41%
	SPP 5 ^E		134.05	0.44%	136.85	0.55%
	KEGCO		8.61	0.03%	128.85	0.51%
	Rayong Power Plant, EGCO Cogen, Roi-Et Green, Quezon, Theppana ^E , Boco Rock, Klongluang, Chaiyaphum ^E , ESCO, EGCOM Tara, PEPOI, QMS and Northpole		60.21	0.20%	57.54	0.23%
Share of profit (loss)	BLCP	50.00%	1,825.70	5.94%	1,929.71	7.70%
	GEC	50.00%	1,467.69	4.77%	1,555.83	6.21%
	NTPC	35.00%	1,474.32	4.80%	1,682.83	6.72%
	NED ^F	66.67%	540.65	1.76%	547.73	2.19%
	GPS	60.00%	127.73	0.42%	140.30	0.56%
	Masin-AES ^G	49.00%	493.83	1.61%	324.19	1.29%
	SEG ^H	20.00%	293.88	0.96%	(164.00)	(0.65%)
	MME	40.00%	(31.03)	(0.10%)	(23.02)	(0.09%)
	SBPL	49.00%	(105.05)	(0.34%)	(6.18)	(0.02%)
GIDEC	50.00%	(29.82)	(0.10%)	(34.92)	(0.14%)	
TLC ^I	49.00%	4.20	0.01%	(4.39)	(0.02%)	
Divestment	Gain from disposal of EGCOM Tara		-	-	1,078.92	4.31%
Total revenues (revenues item in consolidated)			30,744.20	100%	25,048.15	100%

Notes

^A EGCO acquired 90% stakes in Chaiyaphum Wind Farm Co., Ltd. (Chaiyaphum). The commercial operation date was on December 16, 2016.

^B Khanom Power Plant Project Unit 4 of Khanom Electricity Generating Company Limited (KEGCO), which is EGCO holds a 99.99% stakes. Construction works of the power plant unit 4 was completed and its operation started on June 19, 2016. Meanwhile, PPA of unit 2-3 was expired and its operation stopped on the same day.

^C EGCO acquired 100% stakes in Evergreen Power Ventures B.V. (Evergreen), which is a company holds a 2% stakes in Quezon Power (Philippines), Limited Co. (Quezon) on September 30, 2015. As a result, EGCO's stakes in Quezon up to 100%.

^D EGCO Engineering and Service Company Limited (ESCO), a wholly owned subsidiary of EGCO, divested all 74.19% stakes in EGCOM Tara Company Limited (EGCOM Tara) on August 31, 2015.

^E Adder.

^F EGCO acquired 33.33% additional stakes in Natural Energy Development Co., Ltd. (NED) on February 4, 2015. As a result, EGCO's stakes in NED up to 66.67%.

^G EGCO acquired an additional stakes in Masin-AES Pte. Ltd (Masin-AES). As a result, EGCO's indirect ownership interest increased from 44.54% to 49% on July 5, 2016.

^H Star Energy Geothermal Pte. Ltd. (SEG), which is EGCO holds a 20% indirect ownership interest, received the approval of tariff adjustment from Indonesian electricity authority Perusahaan Listrik Negara (PLN) on June 27, 2016.

^I EGCO registered 49% stakes in PT Tenaga Listrik Cilegon (TLC). TLC was incorporated to develop the coal-fired power plant in the Republic of Indonesia.

Management Discussion and Analysis

For the Annual Operating Results 2016

Ended December 31, 2016

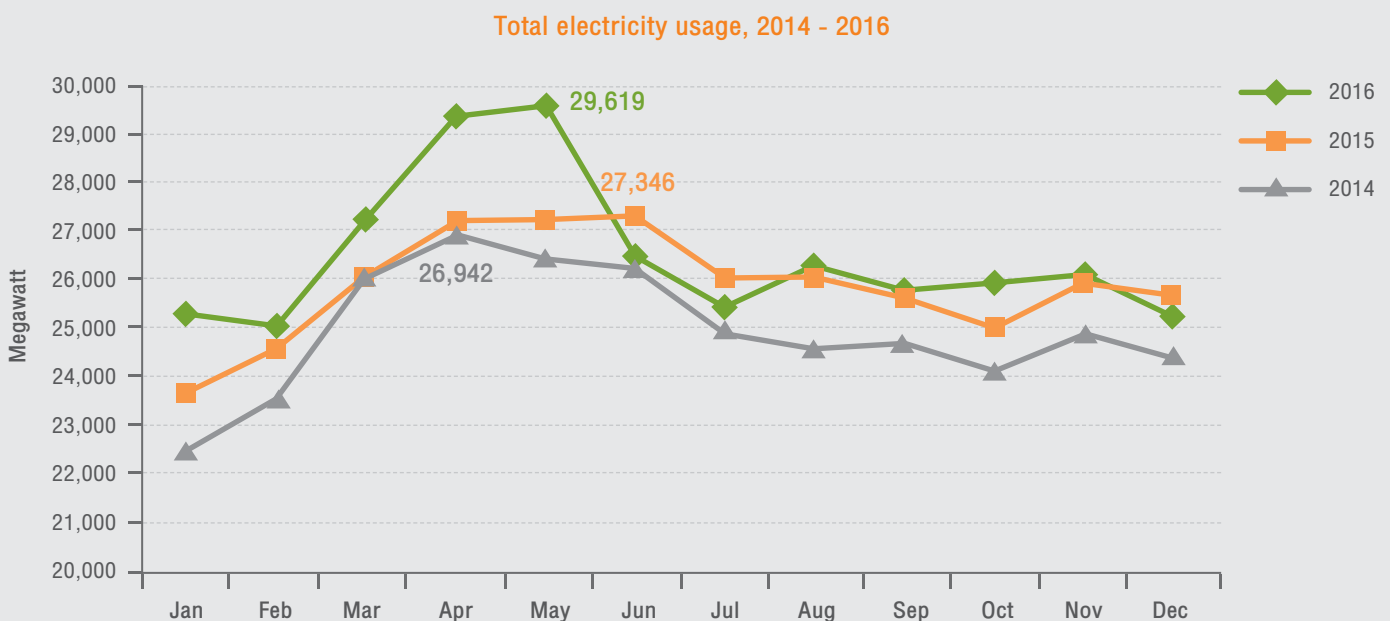
Note: This Management Discussion and Analysis (MD&A) was made to disclose information and the vision of the management in order to assist investors to better understand the company's financial status and operation. It also supports the "Good Corporate Governance Project" of the Securities and Exchange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

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

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

Management Discussion and Analysis

1. Economy and Industry affecting to the business operation



Source: Electricity Generating Authority of Thailand

With the government's path to development called "Thailand 4.0", transforming towards the Value-Based Economy which will result in the increasing trend of electricity consumption from new government's mega-projects and new special economic zones. In 2016, Electricity demand of the country accounted for 188,152 gigawatt-hours, which were 5,078 gigawatt-hours or 2.77% increase from the foregoing year. Peak demand in 2016 was 29,619 megawatt on 11 May 2016 at 10.28 p.m., higher than the peak demand of 27,346 megawatt in 2015 by 8.31%. It was mainly due to hot weather which had pushed up power consumption.

EGCO has envisioned slightly growth prospect for domestic electricity industry in line with the slowing economic outlook, and PDP 2015 has duly designated upcoming IPP constructions, opportunity of a new IPP bidding in Thailand is therefore considered limited at least in the next 10 years. EGCO has thus worked out expansion plans in Asia-Pacific countries such as Lao PDR, Australia, Philippines, and Indonesia, where the Company has established business bases, and sought to collaborate with strategic partners in future investments, as well as in other countries with investment opportunities such as Vietnam, Myanmar, etc.

2. Significant events in 2016

2.1 The progress in construction projects

2.1.1 Project completion

- **Khanom Power Plant Project Unit 4**, a gas-fired combined cycle power plant project of **Khanom Electricity Generating Company Limited (KEGCO)**, (EGCO holds a 99.99% ownership interest.), has entered into the PPA with the Electricity Generating Authority of Thailand (EGAT) for 25 years, with the contracted capacity of 930 MW. The project located in Nakhon Si Thammarat province. Construction works of the power plant unit 4 was completed and its operation started on June 19, 2016. Meanwhile, PPA of unit 2-3 was expired and its operation stopped on the same day.
- **Chaiyaphum Wind Farm Company Limited**, (EGCO holds a 90% ownership interest.), a wind power plant project located in Subyai District, Chaiyaphum province. The power plant has an installed capacity of 80 MW, comprising 32-unit wind turbines at 2.5 MW/each, and sells all of its net electricity output generated to EGAT. Its PPA was signed as a non-firm agreement under Small Power Plant scheme (SPP) for a 5-year term which can be renewed every 5 years. The project is subsidized with an adder of 3.50 Baht per kWh for 10 years from the Power Department Fund Management Division, Office of the Energy Regulatory Commission (OERC). Construction works of the power plant was completed and its operation started on December 16, 2016.

2.1.2 Process of construction

- **Klongluang Utilities Company Limited**, (EGCO holds a 99.99% ownership interest.), is a cogeneration power plant project, TJ Cogen, with the installed capacity of 115 MW. The project is located in Klongnueng sub-district, Klonglaung district, Pathumthani province. TJ Cogen has entered into the PPA with EGAT for 25 years with the contracted capacity of 90 MW. Additionally, the project has the 7 years contract with industrial user to sell 12 MW of electricity along with 13 tonnes per hour of steam output. The construction of the project has progressed 90.22% (The construction plan was 91.90%). The commercial operation date is scheduled in June 2017.
- **Banpong Utilities Company Limited**, (EGCO holds a 99.99% ownership interest.), consists of 2 cogeneration power plant projects: SK Cogen and TP Cogen, with the installed capacity of 125 MW each. The projects are located in Thapha sub-district, Banpong district, Ratchaburi province. SK Cogen and TP Cogen have entered into the PPAs with EGAT for 25 years with the contracted capacity of 90 MW each. Additionally, the projects have the 20 years contract with industrial user to sell 40 MW of electricity along with 100 tonnes per hour of steam output. The construction of the project has progressed 85.67% (The construction plan was 88.34%). The commercial operation date are scheduled in October 2017.

- **Masinloc Power Plant Project Unit 3**, an expansion unit of **Masinloc Power Partners CO., LTD. (MPPCL)**, (EGCO holds a 49% indirect ownership interest.), is a 335 MW (gross) supercritical coal-fired power plant, which will be co-located at the same campus of the existing 630 MW (2x315) plant Unit1-2 in Zambales province, Luzon of the Philippines. The project held a groundbreaking ceremony as well as issued a notice to proceed for the construction on March 3, 2016. Power Supply Agreements for 134 MW has been executed and lodged with the Energy Regulatory Commission (ERC) for final approval. The project targets for 85% contracted by commercial operation date. The construction of the project has progressed 23.57% (The construction plan was 25.20%) The commercial operation date is scheduled in the midyear 2019
- **Xayaburi Project**, a project of the **Xayaburi Power Company Limited (Xayaburi)**, (EGCO holds a 12.50% ownership interest.), is a hydro power plant project, Run-of-River, in the Laos People's Democratic Republic (Laos PDR). Xayaburi has entered into the PPA with EGAT with the contracted capacity of 1,220 MW. The construction of the project has progressed 73.84% (The construction plan was 61.55%). The commercial operation date is scheduled in October 2019.
- **SBPL Project**, a project of **San Buenaventura Power Ltd., Co.**, (EGCO holds a 49% ownership interest.), is a 500 MW supercritical coal-fired power plant, in Mauban, Quezon province of the Philippines. 455 MW of the plant's capacity and energy are contracted to the Manila Electric Company (MERALCO) pursuant to a 20 years power supply agreement which is extendable for up to an additional 5 years. The construction of the project has progressed 28.98% (The construction plan was 23.82%). The commercial operation date is scheduled in October 2019.

2.2 Additional Investments

- On **July 5, 2016**, Gen Plus B.V. (Gen Plus), (EGCO holds a 100% indirect ownership interest), has enter into a share subscription agreement to acquire an additional indirect portion of investment in Masin-AES Pte. Ltd. (Masin-AES) which is the major shareholder of MPPCL. Therefore, EGCO's indirect ownership interest in Masin-AES and MPPCL increased from 44.54% to 49% and from 40.95% to 49%, respectively.
- On **December 26, 2016**, The affiliate of EGCO, Star Energy Group Holdings Pte. Ltd., and AC Energy Holdings, Inc. have entered into Share Sale and Purchase Agreement ("SPA") with the affiliates of Chevron Corporation (Chevron) in order to acquire 100% share of Chevron's geothermal operation in Indonesia. Among the Consortium, EGCO will acquire 20.07% indirect ownership interest in the Project via EGCO's subsidiary at 11.89% and Star Energy Geothermal Pte. Ltd., EGCO's affiliate at 8.18%. The share transfer is expected to be completed in the first quarter of 2017. The project has composed of several geothermal steam and electricity generating units located in West Java, Indonesia with the aggregate capacity of 235 MW equivalent of steam and 402 MW of electricity. The project has secured the long-term Energy Sale Contract with PT PLN (Persero).

2.3 Other significant events

- On **June 27, 2016**, Star Energy Geothermal Pte. Ltd. (SEG), (EGCO holds a 20% indirect ownership interest.), a 227 MW geothermal power plant project in Indonesia, received the approval of tariff adjustment from Indonesian electricity authority Perusahaan Listrik Negara (PLN). The adjusted tariff under Energy Sale Contract has been improved by 40% in average from the existing tariff.

3. Business overview

EGCO Group has invested in the Independent Power Producer (IPP), Small Power Producer (SPP), Very Small Power Producer (VSPP), Coal Mining, Operating and Maintenance (O&M), Management and Administrative Services (Management Services). Details of each plant are as follows:

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

1. Power Generation

1.1 Local power generation

Khanom Electricity Generating Co., Ltd. (KEGCO)	IPP
EGCO Cogeneration Co., Ltd. (EGCO Cogen)	SPP
Roi-Et Green Co., Ltd. (Roi-Et Green)	SPP
Banpong Utilities Co., Ltd. (Banpong)	SPP
Klongluang Utilities Co., Ltd. (Klongluang)	SPP
Chaiyaphum Wind Farm Co., Ltd. (Chaiyaphum)	SPP
SPP Two Co., Ltd. (SPP 2)	VSPP
SPP Three Co., Ltd. (SPP 3)	VSPP
SPP Four Co., Ltd. (SPP 4)	VSPP
SPP Five Co., Ltd. (SPP 5)	VSPP
Yanhee EGCO Holding Co., Ltd. (Yanhee EGCO)	Holding Co.
• Solarco Company Limited (Solarco)	VSPP
Theppana Wind Farm Co., Ltd. (Theppana)	VSPP
1.2 Overseas Power Generation	
Quezon Power (Philippines) Limited Co. (Quezon)	
Boco Rock Wind Farm Pty Ltd. (Boco Rock)	
2. Other businesses	
2.1 Local Other Businesses	
EGCO Engineering and Service Co., Ltd. (ESCO)	O&M
2.2 Overseas Other Businesses	
Pearl Energy Philippines Operating Inc. (PEPOI)	O&M
Quezon Management Service Inc. (QMS)	Management Services
(2) Associated in overseas power generation business	
Star Energy Geothermal Pte. Ltd. (SEG)	
(3) Joint Ventures which can be categorized into 2 businesses:	
1. Power Generation	
1.1 Local power generation	
Gulf Electric Public Company Limited (GEC)	Holding Co.
• Gulf Cogeneration Co., Ltd. (GCC)	SPP
• Nong Khae Cogeneration Co., Ltd. (NKCC)	SPP
• Samutprakarn Cogeneration Co., Ltd. (SCC)	SPP
• Gulf Yala Green Co., Ltd. (GYG)	SPP
• Gulf Power Generation Co., Ltd (GPG)	IPP
BLCP Power Limited (BLCP)	IPP
Natural Energy Development Co., Ltd. (NED)	SPP & VSPP
G-Power Source Co., Ltd. (GPS)	VSPP
GIDEC Company Limited (GIDEC)	VSPP
1.2 Overseas power generation	
Nam Theun 2 Power Co., Ltd. (NTPC)	
San Buenaventura Power Ltd. Co. (SBPL)	
Masin-AES Pte. Ltd. (Masin-AES)	
• Masinloc Power Partners Co., Ltd. (MPPCL)	
2. Others businesses	
• Overseas Other Business	
PT Manambang Muara Enim Co., Ltd. (MME)	Coal Mining

(4) Other investments

Other investments comprise long-term investment in securities :

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

As of December 31, 2016, EGCO Group's portfolio consists of 24 operating power plants, with a total contracted capacity of 4,122 MW equity.

4. Report and Analysis of the Operating Results

EGCO would like to present analysis of the operation result as follows:

Summary of operating results for the year 2016

Unit : Million Baht

	Power Generation		Others		Total		Change Increase (Decrease)	
	2016	2015	2016	2015	2016	2015	Amount	%
Total Revenues	25,373	18,764	968	1,195	26,341	19,959	6,382	32%
Total Expenses	(23,693)	(17,667)	(867)	(966)	(24,560)	(18,633)	5,927	32%
Share of Profit (Loss)	7,355	6,565	21	24	7,376	6,589	787	12%
NCI* before FX	-	5	-	-	-	5	(5)	(100%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	9,035	7,667	122	253	9,157	7,920	1,237	16%
Profit (Loss) from impairment	(509)	(483)	-	-	(509)	(483)	(26)	(5%)
Profit (Loss) before FX, deferred income tax and impact of lease income and service concession	8,526	7,184	122	253	8,648	7,437	1,211	16%
Deferred income(expense) tax	(182)	(272)	1	1	(181)	(271)	90	33%
Profit (Loss) before FX and impact of lease income and service concession	8,344	6,912	123	254	8,467	7,166	1,301	18%
FX	(144)	(3,329)	(1)	(3)	(145)	(3,332)	3,187	96%
Net profit (Loss) before impact of lease income and service concession	8,200	3,583	122	251	8,322	3,834	4,488	117%
Impact of lease income and service concession	(1)	485	-	-	(1)	485	(486)	(100%)
Net Profit (Loss)	8,199	4,068	122	251	8,321	4,319	4,002	93%

* NCI: Non-Controlling Interests

For focusing on the operating performance, the impact of lease income and service concession were excluded from the analysis of the operation result.

Profit from operation of EGCO Group before FX, deferred income tax, impairment and impact of lease income and service concession for the year 2016 were 9,157 million Baht, increasing by 1,237 million Baht comparing the year 2015, which came from an increase in power generation business of 1,368 million Baht and a decrease in other business of 131 million Baht. See more details in 4.1 and 4.2 as below;

4.1 The Analysis of the Operating Results in Power Generation business

Profit (loss) before FX, deferred income tax, impairment and impact of lease income and service concession for the year 2016 of power generation business increased by 1,368 million Baht from the year 2015, mainly due to an increase in the operating results of KEGCO, SEG, Quezon, BLCP, Masin-AES (8.05% increasing interest), Boco Rock, EGCO COGEN and NTPC. On the other hand, those of EGCO and GPG decreased as follows:

KEGCO :

- Khanom Power Plant Unit 4:*

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	2,472	-	2,472	100%
- Energy Payment (EP)	5,442	-	5,442	100%
Other income	18	1	17	100%
Total revenues	7,932	1	7,931	100%
Cost of sale	(6,250)	-	6,250	100%
Other expenses	(850)	(150)	700	467%
Total expenses	(7,100)	(150)	6,950	4,633%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	832	(149)	981	658%

- Khanom Power Plant Unit 2 and 3:*

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	972	1,338	(366)	(27%)
- Energy Payment (EP)	26	62	(36)	(58%)
Other income	13	142	(129)	(91%)
Total revenues	1,011	1,542	(531)	(34%)
Cost of sale	(508)	(1,150)	(642)	(56%)
Other expenses	53	(239)	(292)	(122%)
Total expenses	(455)	(1,389)	(934)	(67%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	556	153	403	263%

- **KEGCO** : The operating result was increased totalling 1,384 million Baht. This was resulted from the commencement of Khanom Power Plant Unit 4 on June 19, 2016 and a decrease of provision for decommissioning liability of Unit 2 and Unit 3, which its PPA expired and operation stopped.

SEG:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	1,162	468	694	148%
Other income	5	28	(23)	(82%)
Total revenues	1,167	496	671	135%
Cost of sale	(293)	(273)	20	7%
Other expenses	(360)	(205)	155	76%
Total expenses	(653)	(478)	175	37%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	514	18	496	2,756%

- **SEG** : The operating result was increased by 496 million Baht. This was caused by higher electricity generation, owing to stopped operation of power plant from landslide during July 1 - September 7, 2015. In addition, the electricity revenue was increased by 40% after received the approval of tariff adjustment from PLN.

Quezon (Include PEPOI and QMS):

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	10,667	10,543	124	1%
Other income	-	-	-	-
Total revenues	10,667	10,543	124	1%
Cost of sale	(5,681)	(5,945)	(264)	(4%)
Other expenses	(1,901)	(1,826)	75	4%
Total expenses	(7,582)	(7,771)	(189)	(2%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	3,085	2,772	313	11%

- **Quezon** : The operating result was increased by 313 million Baht mainly due to an increase in electricity profit from a shorter maintenance period than the previous year. These led to a decrease of maintenance costs. Additionally, interest expense was down by repricing of loan interest. Whereas, corporate income tax expense was increased.

BLCP:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	4,084	3,908	176	5%
- Energy Payment (EP)	5,527	5,347	180	3%
Other income	92	92	-	-
Total revenues	9,703	9,347	356	4%
Cost of sale	(6,529)	(6,337)	192	3%
Other expenses	(753)	(779)	(26)	(3%)
Total expenses	(7,282)	(7,116)	166	2%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	2,421	2,231	190	9%

- **BLCP** : The operating result was increased by 190 million Baht mainly resulting from an increase in Availability Payment (AP), owing to the forced outage for repairing the boiler tube leak in 2015.

Masin-AES:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	6,619	6,188	431	7%
Other income	-	-	-	-
Total revenues	6,619	6,188	431	7%
Cost of sale	(3,531)	(3,642)	(111)	(3%)
Other expenses	(1,874)	(1,462)	412	28%
Total expenses	(5,405)	(5,104)	301	6%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	1,214	1,084	130	12%

- **Masin-AES** : The operating result was increased by 130 million Baht mainly due to EGCO's indirect ownership interest in Masin-AES increased from 44.54% to 49% on July 5, 2016.

BOCO ROCK:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	1,014	815	199	24%
Other income	12	8	4	50%
Total revenues	1,026	823	203	25%
Cost of sale	(398)	(389)	9	2%
Other expenses	(515)	(451)	64	14%
Total expenses	(913)	(840)	73	9%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	113	(17)	130	765%

- **BOCO ROCK** : The operating result was increased by 130 million Baht mainly by reason of higher electricity generation owing to a good wind speed, comparing to the same period of previous year.

EGCO COGEN:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	1,704	1,846	(142)	(8%)
Other income	3	2	1	50%
Total revenues	1,707	1,848	(141)	(8%)
Cost of sale	(1,441)	(1,750)	(309)	(18%)
Other expenses	(82)	(40)	42	105%
Total expenses	(1,523)	(1,790)	(267)	(15%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	184	58	126	217%

- **EGCO COGEN** : The operating result was increased by 126 million Baht as a result of no major maintenance. Consequently, its maintenance cost was lower than the previous year. Whereas, corporate income tax was increased.

NTPC:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	3,127	2,961	166	6%
Other income	5	4	1	25%
Total revenues	3,132	2,965	167	6%
Cost of sale	(919)	(888)	31	3%
Other expenses	(811)	(800)	11	1%
Total expenses	(1,730)	(1,688)	42	2%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	1,402	1,277	125	10%

- **NTPC** : The operating result was increased by 125 million Baht mainly due to an increase in electricity generation for selling to Electricite Du Laos (EDL) and a decrease of interest expense. Meanwhile, corporate income tax expense was increased.

EGCO:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue	-	-	-	-
Other income	642	1,571	(929)	(59%)
Total revenues	642	1,571	(929)	(59%)
Cost of sale	-	-	-	-
Other expenses	(4,015)	(3,903)	112	3%
Total expenses	(4,015)	(3,903)	112	3%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	(3,373)	(2,332)	(1,041)	(45%)

- EGCO : The operating result was down 1,041 million Baht owing to an increase of loan interest expense for new project investments. Additionally, Company had a special profit from EGCOM TARA's Divestment in 2015.

GPG:

Unit : Million Baht

	2016	2015	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	2,333	2,265	68	3%
- Energy Payment (EP)	3,102	6,121	(3,019)	(49%)
Other income	40	41	(1)	(2%)
Total revenues	5,475	8,427	(2,952)	(35%)
Cost of sale	(4,099)	(6,792)	(2,693)	(40%)
Other expenses	(515)	(622)	(107)	(17%)
Total expenses	(4,614)	(7,414)	(2,800)	(38%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	861	1,013	(152)	(15%)

- GPG : The operating result was decreased by 152 million Baht by a reason of decrease in electricity profit from lower dispatch of EGAT even though Availability Payment (AP) was increased, from higher seasoning weight announced by EGAT, and interest and corporate income tax expense were decreased.

Other Subsidiaries in Power Generation business:

Unit : Million Baht

	Rayong Power Plant		Yanhee EGCO		Roi-Et Green		SPP 2		SPP 3		SPP 4		SPP 5	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Electricity revenue	-	-	1,300	1,353	177	198	175	188	178	187	134	142	186	193
Other income	96	57	13	22	1	5	2	3	1	4	1	3	1	3
Total revenues	96	57	1,313	1,375	178	203	177	191	179	191	135	145	187	196
Cost of sale	-	-	(321)	(326)	(139)	(177)	(52)	(51)	(49)	(49)	(38)	(38)	(49)	(51)
Other expenses	(145)	(152)	(391)	(421)	(23)	(18)	(55)	(57)	(51)	(57)	(41)	(46)	(51)	(54)
Total expenses	(145)	(152)	(712)	(747)	(162)	(195)	(107)	(108)	(100)	(106)	(79)	(84)	(100)	(105)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	(49)	(95)	601	628	16	8	70	83	79	85	56	61	87	91

Other Subsidiaries in Power Generation business (continue):

Unit : Million Baht

	Theppana		Chaiyaphum		North Pole*		Others**		Total		Change Increase (Decrease)	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Amount	%
Electricity revenue	76	74	36	-	-	-	-	-	2,262	2,335	(73)	(3%)
Other income	1	-	1	1	8	-	1	3	126	101	25	25%
Total revenues	77	74	37	1	8	-	1	3	2,388	2,436	(48)	(2%)
Cost of sale	(27)	(27)	(14)	-	-	-	-	-	(689)	(719)	(30)	(4%)
Other expenses	(30)	(37)	(31)	(24)	(519)	(217)	(79)	(17)	(1,416)	(1,100)	316	29%
Total expenses	(57)	(64)	(45)	(24)	(519)	(217)	(79)	(17)	(2,105)	(1,819)	286	16%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	20	10	(8)	(23)	(511)	(217)	(78)	(14)	283	617	(334)	(54%)

* Withholding Tax on dividend payments from QUEZON, PEPOI and Masin-AES were included in other expenses of North Pole.

** Banpong and Klongluang

Other Joint Ventures in Power Generation business :

Unit : Million Baht

	GPS (JV)		GEC (JV)		NED (JV)		GIDEC (JV)		SBPL* (JV)		Total		Change Increase (Decrease)	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	Amount	%
Electricity revenue	297	317	3,717	4,223	940	953	94	64	-	-	5,048	5,557	(509)	(9%)
Other income	-	-	33	21	12	16	1	2	-	-	46	39	7	18%
Total revenues	297	317	3,750	4,244	952	969	95	66	-	-	5,094	5,596	(502)	(9%)
Cost of sale	(102)	(102)	(3,204)	(3,722)	(254)	(240)	(61)	(58)	-	-	(3,621)	(4,122)	(501)	(12%)
Other expenses	(61)	(68)	(219)	(224)	(155)	(181)	(63)	(42)	(32)	(17)	(530)	(532)	(2)	(1%)
Total expenses	(163)	(170)	(3,423)	(3,946)	(409)	(421)	(124)	(100)	(32)	(17)	(4,151)	(4,654)	(503)	(11%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	134	147	327	298	543	548	(29)	(34)	(32)	(17)	943	942	1	1%

* SBPL is under construction.

4.2 The Analysis of the Operating Results in Other businesses

Profit (loss) before FX, deferred income tax, impairment and impact of lease income and service concession for the year 2016 in other businesses decreased from the previous year by 131 million Baht as the following details:

Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

	ESCO (Sub)		EGCOM Tara (Sub)		MME (JV)		Total		Change Increase (Decrease)	
	2016	2015	2016	2015	2016	2015	2016	2015	Amount	%
Revenue	-	-	-	164	450	286	450	450	-	-
Service income	959	994	-	-	-	-	959	994	(35)	(4%)
Other income	9	35	-	2	3	1	12	38	(26)	(68%)
Total revenues	968	1,029	-	166	453	287	1,421	1,482	(61)	(4%)
Cost of sale	(752)	(734)	-	(47)	(373)	(227)	(1,125)	(1,008)	117	12%
Other expenses	(115)	(157)	-	(28)	(59)	(36)	(174)	(221)	(47)	(21%)
Total expenses	(867)	(891)	-	(75)	(432)	(263)	(1,299)	(1,229)	70	6%
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income and service concession	101	138	-	91	21	24	122	253	(131)	(52%)

* Sold ordinary shares in EGCOM Tara on August 31, 2015.

5. Report and Analysis of Financial Position

Comparing the Statements of Financial Position as at December 31, 2016 to the Statements of Financial Position as at December 31, 2015 is shown below:

	Consolidated Financial Statement (Million Baht)			
	Year		Change Increase (Decrease)	
	2016	2015	Amount	%
Assets				
Current Assets	19,998	19,403	595	3.07%
Investments in joint ventures and associated, net	63,208	59,815	3,393	5.67%
Property, plant and equipment, net and advance payments for construction	62,420	72,885	(10,465)	(14.36%)
Other non-current assets	51,629	27,709	23,920	86.32%
Total Assets	197,255	179,812	17,443	9.70%
Liabilities				
Current Liabilities	5,420	5,762	(342)	(5.94%)
Long-term loans and debenture (including current portion of long-term loans)	100,689	88,470	12,219	13.81%
Other non-current liabilities	8,548	7,830	718	9.17%
Total Liabilities	114,657	102,062	12,595	12.34%
Shareholders' Equity				
Parent's shareholders' equity	81,973	77,242	4,731	6.12%
Non-controlling interests	625	508	117	23.03%
Total Shareholders' Equity	82,598	77,750	4,848	6.24%
Total Liabilities and Shareholders' Equity	197,255	179,812	17,443	9.70%

5.1 Asset Analysis

As of December 31, 2016 the total assets were 197,255 million Baht, increasing by 17,443 million Baht or 9.70% from the year 2015. The details are as follows:

- Current assets increased by 595 million Baht or 3.07%. This was caused by KEGCO's financial lease receivable increased by 1,438 million Baht. Spare parts and supplies of KEGCO and Chaiyaphum increased by 392 million Baht. Other current assets increased by 236 million Baht. In addition, trade receivable and trade receivable from a related party rose by 135 million Baht. Meanwhile, cash, cash equivalents and short-term investments decreased by 1,587 million Baht from EGCO, Quezon, Yanhee EGCO and Klongluang.
- Investments in joint ventures and associated (net) increased by 3,393 million Baht or 5.67% mainly due to an additional investment rose by 8.05% in MPPCL and share of profits after dividend deduction from joint ventures and associated.
- Property, plant and equipment (net) and advance payments for construction decreased by 10,465 million Baht or 14.36% mainly due to the commencement of Khanom Power Plant Unit 4.

- Other non-current assets increased in the amount of 23,920 million Baht or 86.32%. It was resulted from an increase in financial lease receivable of KEGCO by 19,790 million Baht. The long-term loan receivable, from Xayaburi and associated in Indonesia for convert to equity to purchase of Chevron project, increased by 2,075 million Baht. Deferred expenses increased by 1,216 million Baht. Dividend receivable from BLCP increased by 606 million Baht. The investment in Xayaburi increased by 541 million Baht. Whereas, other non-current assets decreased by 308 million Baht.

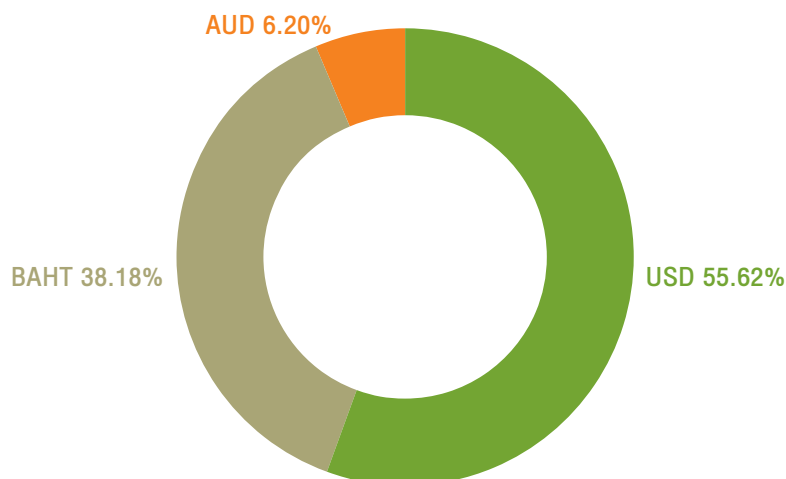
5.2 Liability Analysis

As of December 31, 2016 the total liabilities were 114,657 million Baht, increasing by 12,595 million Baht or 12.34% from the year 2015. The details are as follows:

- Current liabilities decreased in the amount of 342 million Baht or 5.94% because of short-term loan repayment of Banpong in the amount of 858 million Baht. Furthermore, trade payable and trade payable to a related party of KEGCO and Banpong rose by 1,619 million Baht. Whereas, other current liabilities decreased by 1,103 million Baht mainly from retention of Khanom Power Plant Unit 4.
- Long-term loans and debenture rose by 12,219 million Baht or 13.81% mainly due to long-term loan for investment of EGCO and for power plant construction of Banpong, Klongluang, Chaiyaphum and KEGCO.

* Outstanding long-term loans are as follows:

- USD loans : 1,487 million US dollars, equivalent to 53,486 million Baht
- Baht loans : 36,718 million Baht
- AUD loans : 231 million Australian dollars, equivalent to 5,957 million Baht



Loan maturities schedule as at December 31, 2016

Unit : Million Baht

Maturity	EGCO	KEGCO	QUEZON	Banpong	Boco Rock	CWF	Klongluang	Yanhee EGCO	SPP 2,3,4,5	Theppana	Total
Within 1 year	3,639	1,397	1,551	-	349	254	33	389	332	30	7,974
2 - 5 years	27,260	5,595	7,060	1,205	5,552	1,376	690	1,728	1,428	136	52,030
Over 5 years	9,896	11,209	-	5,600	-	3,212	3,412	1,617	245	140	35,331
Total	40,795	18,201	8,611	6,805	5,901	4,842	4,135	3,734	2,005	306	95,335

- * Debenture : Yen 17,120 million, redeems within 7 years from the issuance date, had a cross currency swap to US Dollar 143.05 million
- Non-current liabilities increased by 718 million Baht or 9.17% mainly due to provision for decommissioning costs of Quezon and Chaiyaphum increased by 362 million Baht. Advance payment to contractor of Quezon and other non-current liabilities increased by 121 million Baht and 399 million Baht, respectively. Meanwhile, deferred income tax liabilities of Quezon decreased by 164 million Baht.

5.3 Shareholders' Equity Analysis

As of December 31, 2016, total Shareholders' Equity were 82,598 million Baht increasing by 4,848 million Baht or 6.24% from the year 2015. The main reasons are as follows: Firstly, EGCO's operating profit in Income Statement increased by 8,321 million Baht. Secondly, the additional unrealised gains on investments in marketable securities was 53 million Baht. Thirdly, the effect from the translation adjustment of currencies to Thai Baht for offshore subsidiaries and joint ventures decreased by 215 million Baht and lastly, a decrease by dividend payment in the amount of 3,422 million Baht.

5.4 Cash Flow Analysis

As of December 31, 2016 cash and cash equivalents were 4,487 million Baht, decreasing by 4,263 million Baht comparing to December 31, 2015. The details are as follows:

	Unit: Million Baht
Net cash <u>received from</u> operating activities	9,159
Net cash <u>payment for</u> investing activities	(17,047)
Net cash <u>received from</u> financing activities	3,696
Loss from the effect of foreign exchange rate	(71)
Net decrease in cash	<u>(4,263)</u>

- **Net cash received from operating activities** was 9,159 million Baht from operating of EGCO and its subsidiaries.
- **Net cash payment for investing activities** was 17,047 million Baht. The amount of 14,013 million Baht was used for power plant construction costs and development costs of Banpong, Klongluang, Khanom Power Plant Unit 4 and Chaiyaphum. The acquired cost of 8.05% in MPPCL was 2,836 million Baht. The short-term and long-term deposits used as collateral was 2,370 million Baht. The long-term loan for Xayaburi and associated in Indonesia for convert to equity to purchase of Chevron project were 2,075 million Baht. The equity injection in Xayaburi was 541 million Baht. Cash payments for short-term and long-term investments were 242 million Baht. Meanwhile, The dividend received from joint ventures and other company were 4,967 million Baht and interest income was 63 million Baht.
- **Net cash received from financing activities** was 3,696 million Baht, resulted from the drawn down loans of 32,906 million Baht. Meanwhile, the principle repayment of short-term and long-term loans were 21,299 million Baht, interest payment of loans and financing fees were 4,437 million Baht and the dividend payment to shareholders was 3,474 million Baht.

6. Financial Ratios

Profitability Ratios

	2016	2015	Change Increase/(Decrease)
Gross Profit Ratio (%)	38.52	36.39	2.13
Operating Profit Ratio before FX (%)	30.80	29.23	1.57
Profit Ratio before FX (%)	14.60	13.45	1.15
Profit before FX per share (Baht)	16.08	13.61	2.47

Trade receivables aging summary

Aging periods of trade receivables as at December 31, 2016 are shown in the table below:

Unit: Million Baht

	2016	2015	Change Increase/(Decrease)	
			Amount	%
Current	1,913	2,013	(100)	(5%)
Overdue less than 3 months	7	42	(35)	(83%)
Overdue between 3 - 6 months	-	2	(2)	(100%)
Overdue between 6 - 12 months	14	-	14	100%
Overdue more than 12 months	-	30	(30)	(100%)
Trade receivables, net	1,934	2,087	(153)	(8%)

Leverage Ratio and Liquidity Ratio

	2016	2015	Change Increase/(Decrease)
Debt to equity ratio (Time)			
- Consolidated	1.39	1.31	0.08
- Company	0.81	0.83	(0.02)
Book value per share (Baht)			
- Consolidated	155.70	146.72	8.98
- Company	112.37	107.58	4.79
Current ratio (Time)			
- Consolidated	1.49	1.22	0.27
- Company	0.82	0.65	0.17
Interest Coverage Ratio (Time)			
- Company	4.66	3.73	0.93

7. Future Plans

EGCO continues to develop business in response to the Company's sustainable growth. The Company focuses on power projects due to its knowledge and expertise in power business. Having a strong intention to carry on its power generation business with accountability to the society, environment, and stakeholders, EGCO has set a new vision: "To be a major sustainable Thai power company doing business in Thailand and the Asia Pacific region, with full commitment to environment protection and social development support". To ensure its sustainable growth and accountability to the stakeholders, EGCO aims to maintain the return on equity (ROE) at 10% minimum and drive the business based on three main strategies: Business, Society and Environment, and Corporate Governance, which can be summarized as follows:

- Business Strategy: EGCO will focus on asset management to ensure maximum efficiency of the existing power plant in order to guarantee its highest performance and to benefit all shareholders as planned; managing projects under construction to be completed as scheduled and within the planned budget; and seeking new investment opportunities through acquisition of commercially operating assets to immediately recognize incomes; as well as developing new projects within the existing plant sites and pursuing greenfield project investments for long-term income generation. Moreover, EGCO Group aims to increase renewable energy portfolio to achieve 30% by 2016 from both domestic and overseas.
- Society and Environment Strategy: EGCO has full commitment for environment protection and has strong intention to decrease negative impacts and increase positive impacts along with EGCO business processes. Our target is to enhance EGCO's environmental management and coexistence in harmony with local community.
- Corporate Governance Strategy: EGCO will conduct its business management with good corporate governance representing the key indicator of the efficiency, fairness, transparency and responsibility towards environment, society and every stakeholder.

Related Transaction

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In conducting our business activities and services, there are related transactions between EGCO or its subsidiaries and persons or parties who may have potential conflicts of interest. EGCO endeavors to ensure that these transactions are justified and in compliance with the Stock Exchange of Thailand (“SET”) and the Capital Market Supervisory Board’s rules and regulations. Apart from designating the authorized persons to approve the transaction in accordance with the Table of Authority, the Audit Committee is entrusted to review the related transactions that need to be approved by the Board of Directors. The details of the related transactions are disclosed under the items 40 and 43 of the Notes to Financial Statements for the year ended December 31, 2016.

Procedures to Approve the Related Transactions

EGCO has materialized the following policies and guidelines in treating and approving the related transactions.

- In case of entering into any agreements or any related transactions with EGCO, subsidiaries, joint venture companies, associate companies and/or any concerned parties, EGCO will consider the necessity and justification of such transactions for the best interest of the Company. Costs are charged at the market price like transactions with any other outside parties (Arm’s Length Basis). If there is no such price, EGCO will apply the price of similar market transactions. EGCO may also compare the price with the one recommended by an independent appraiser to ensure that such price is reasonable to maximize the Company’s benefits.
- Business transactions that are considered connected transactions according to the SET’s rules and regulations have to strictly comply with the requirements of the SET’s and the Capital Market Supervisory Board. They are also to be reviewed by the Audit Committee in case that such transactions must be approved by the Board of Directors.
- Financial assistance to Group companies or business partners such as loans, guarantee, etc. will be conducted prudently to ensure the utmost benefits of the Group companies. Fees will be charged at the market rate as at the transaction date.
- For business transactions having terms and agreements that any ordinary person will agree with the counterpart under similar circumstances, EGCO always ensures its bargaining power without any influential privileges resulted from persons holding administrative titles as the director, executive or related authority. Such transactions shall be reported to the Audit Committee and the Board of Directors. This is aimed to ensure that such transactions are properly carried out and provide optimal benefits to the Company and in line with the procedures.

- In case that the shareholders’ approval is needed, the major shareholders who may have conflicts of interest can attend the meeting in order to constitute a quorum but will not have voting rights, thus does not affect the quorum and the vote counting.
- Directors and executives with potential conflicts of interest are not allowed to vote or attend the meeting

Related Transactions in 2016

EGCO’s related transactions in 2016 were normal business transactions and there was no profit siphoning between EGCO or its subsidiaries, joint ventures and parties with potential conflicts of interest. Each transaction was duly approved under the transparent process and the persons with potential conflicts of interests were not involved in the decision making. Such transactions were well justified that they were carried out for the best interest of the Company like the transactions with any third parties. The checking and audit systems also ensured that all transactions were carried out in line with the established process.

Details of related transactions in 2016 that may pose conflicts of interest are as follows:

1. Related Transactions with EGAT

In carrying out EGCO Group's businesses and services, there were transactions relating to the power sales and maintenance services between EGCO Group and EGAT, a major shareholder which owns 25.41 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2016 in detail:

1.1 Electricity Sales with EGAT

Four subsidiaries of EGCO namely KEGCO, EGCO Cogen, Roi-Et Green and Chaiyaphum were engaged in the Power Purchase Agreement ("PPA") with EGAT. The PPA term is 25 years, 21 years, 21 years and 5 years and continued for a period of 5 years automatically, respectively.

Such transactions were considered justified as power generation was EGCO Group's core business and EGAT was the sole wholesale buyer in Thailand. In addition, the pricing and conditions of those transactions were in accordance with the standardized contracts endorsed by concerned government agencies.

Companies	Relationship	Transaction value for the year ended December 31, 2016 (million baht)			
		Sales of electricity	Finance lease income under PPA	Service income under PPA	Trade receivable, Finance lease receivable and Trade receivable for services income under PPA
EGCO Cogen	Subsidiaries	1,238	-	-	205
KEGCO		-	2,017	5,770	1,552
Roi-Et Green		-	29	206	28
Chaiyaphum		17	-	-	40

In addition, two subsidiaries namely, Klongluang and Banpong have entered into 25 years PPA with EGAT, however, those subsidiaries have not been commercially operated.

Since EGCO has recorded the share of profits from joint venture companies using equity method, the value of such transactions is not shown in the consolidated financial statements. The values of the related transactions between joint venture companies and EGAT are shown in the following table.

Companies	Relationship	Transaction value for the year ended December 31, 2016 (million baht)			
		Sales of electricity	Finance lease income under PPA	Service income under PPA	Trade receivable, Finance lease receivable and Trade receivable for services income under PPA
GEC Group	Joint Ventures	3,488	1,918	3,509	729
BLCP		-	2,797	5,527	1,121
NTPC		3,281	-	-	690
NED		940	-	-	170

1.2 Operation and Maintenance Services with EGAT

EGCO Group has engaged in the operation and maintenance agreements with EGAT which are defined as the normal transactions to support its business operations of which are defined as the normal transactions of which the general trading items and conditions are applied. The fee can be calculated from the venue of assets or the referred price in accordance with SET's guidelines.

- KEGCO has entered into a PPA with EGAT for back up power. The agreement has been effective since June 19, 2016.

Companies	Relationship	Transaction value for the year ended December 31, 2016 (million baht)	
		Back up Power Fee	Account Payables
KEGCO	Subsidiaries	8	2

- GEC Group has engaged EGAT as its advisor for maintenance works. The fee was charged in accordance with the EGAT's standard price for contractual fees.

Companies	Relationship	Transaction value for the year ended December 31, 2016 (million baht)	
		Maintenance Advisory Fee	Account Payables
GEC Group	Subsidiaries	17	1

1.3 Advisor and Other Services for Power Plant Construction

- KEGCO engaged EGAT for technical services such as civil engineering and other services related to power plant construction from December 25, 2012 to June 19, 2016 with the contractual amount of 126 million baht. Additionally, KEGCO entered into a PPA with EGAT for back up power from August 2015 - June 2016 with the contractual amount of 80 million baht. During the year 2016, construction in progress from the agreement amount of 206 million baht were transferred to assets due to the completed construction of the power plant. Moreover, KEGCO sold electricity generated during the commissioning period to a major shareholder amounting Baht 787 million. Such sale was recognised by reduction of the cost of construction in progress.

2. Related Transactions between EGCO and TEPDIA Generating B.V. (TEPDIA)

In carrying out EGCO Group's businesses and services, there were transactions relating to the technical service agreements between EGCO and TEPDIA, a major shareholder which owns 23.94 per cent of EGCO stakes and has 4 representative directors on EGCO Board. However, all the transactions followed the established process and were in line with the disclosure and other requirements of the SET and SEC. The following are the transactions in 2016 in detail:

2.1 Technical Service Agreement

- Banpong Utilities Company Limited ("Banpong") has entered into an EPC Contract with Mitsubishi Corporation which holds some stakes in TEPDIA. The agreement has been effective since November 1, 2014 with the contractual amount of 0.27 million USD, 0.47 million EUR, 14.43 million Swedish Krona and 3,785 million baht.
- Klongluang Utilities Company Limited ("Klongluang") has entered into an EPC Contract with Mitsubishi Corporation which holds some stakes in TEPDIA. The contract has been effective since April 1, 2015 with the contractual amount of 10.77 million USD.

Companies	Relationship	Transaction value as at December 31, 2016 (million baht)	
		Constructions	Account Payables
Banpong	Subsidiary	2,644	187
Klongluang	Subsidiary	344	-

- Banpong Utilities Company Limited (“Banpong”) has entered into an EPC Contract with Mitsubishi Corporation Machinery, Inc., a subsidiary of Mitsubishi Corporation which indirectly holds some stakes in TEPDIA. The contract has been effective since November 1, 2014 with the contractual amount of 4,351 million JPY, 18 million USD, 1.34 million EUR and 534 million SEK.

Companies	Relationship	Transaction value as at December 31, 2016 (million baht)	
		Constructions	Account Payables
Banpong	Subsidiary	3,512	-

- KEGCO has entered into a technical service agreement for Khanom Project 4 with Tokyo Electric Power Company which holds some stakes in TEPDIA. The agreement has been effective since June 4, 2013 with the contract amount of 3.54 million USD. Additionally, KEGCO has entered into Engineering, Procurement and Construction Contract (EPC Contract) with Mitsubishi Corporation which holds some stakes in TEPDIA and Mitsubishi Corporation Machinery, Inc, a subsidiary of Mitsubishi Corporation which indirectly holds some stakes in TEPDIA. The agreement has been effective since May 18, 2013, with the contractual amount of 123 million USD, 23,359 million JPY, and 12 million EUR and 1,356 million baht. During the year 2016, construction in progress from the agreement amount of 13,091 million baht were transferred to assets due to the completed construction of the power plant.

2.2 Operation and Maintenance Services

- KEGCO has entered into Major Maintenance Agreement with Mitsubishi Corporation which holds some stakes in TEPDIA and Mitsubishi Corporation Machinery, Inc, a subsidiary of Mitsubishi Corporation which indirectly holds some stakes in TEPDIA, in order for the latter to provide maintenance services to the power plant. The price for such services is calculated under the agreements on a cost plus basis and will be adjusted annually according to the Consumer Price Index. The agreements are effective for a period of 12 years, commencing from 19 June 2016 with the contract amount 18,560 million JPY.

Companies	Relationship	Transaction value for the year ended December 31, 2016 (million baht)	
		Maintenance Services Fee	Account Payables
KEGCO	Subsidiaries	306	88

- KEGCO has entered into long-term technical service agreement with JERA Co., Inc a joint venture of Tokyo Electric Power Company which indirectly holds some stakes in TEPDIA. The agreements is effective for a period of 25 years, commencing from 19 June 2016 with the contract amount of 0.42 million US Dollar per year.

Companies	Relationship	Transaction value for the year ended December 31, 2016 (million baht)	
		Technical Services Fee	Account Payables
KEGCO	Subsidiaries	7	4

2.3 Purchases of Spareparts Agreement

- KEGCO has entered into purchases of spareparts agreement with Mitsubishi Corporation Machinery, Inc, a subsidiary of Mitsubishi Corporation which indirectly holds some stakes in TEPDIA. The total contract price is 1,947 million.

Companies	Relationship	Transaction value as at December 31, 2016 (million baht)	
		Spareparts	Account Payables
KEGCO	Subsidiaries	212	30

- KEGCO has entered into purchases of spareparts agreement with Mitsubishi Corporation, which holds some stakes in TEPDIA. The total contract price is 34 million Baht.

Companies	Relationship	Transaction value as at December 31, 2016 (million baht)	
		Spareparts	Account Payables
KEGCO	Subsidiaries	18	4

3. Related Transactions between EGCO and Group Companies

EGCO has entered into the following agreements with Group Companies where EGCO is a major shareholder and in which EGCO's executives are appointed as directors and executives.

- 3.1 Office Building Rental and Service Agreements with 6 companies namely KEGCO, ESCO, EGCO Cogen, Roi-Et Green, Chaiyaphum and NED. The provision of space and the scope of services are specified in a yearly contract. Such transactions were considered justified as EGCO maximized its building space usage and the fee was charged at the same market rate which charged to any third parties.
- 3.2 Management Service Agreement with KEGCO, ESCO, EGCO Cogen, EGCO Green, Roi-Et Green, EGCO BVI, PEPOI, Quezon, Theppana, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Solarco, Chaiyaphum, BLCP, GPS, NED and SBPL. The scopes of work cover internal audit, legal counseling, Board's secretarial work, IT, public and community relations and financial work (except ESCO), including secondment of employee to NTPC.
- 3.3 Project Development Services Agreement with Chaiyaphum, Banpong, Klongluang Utilities Company Limited ("Klongluang" or "TJ Cogen"), and KEGCO.
- 3.4 Land Rental Agreement for construction with Klongluang Unity Company Limited.

Such transactions were justified as those Group companies did not have internal staff to take care of such work while EGCO had the expertise and capability to provide the services. The service fee was charged in accordance with the actual operating hours based on the cost plus basis.

Companies	Relationship	Transaction values for the year ended December 31, 2016 (million baht)
		Financial Statements
KEGCO	Subsidiaries	31
ESCO		5
EGCO Cogen		9
EGCO Green		1
Roi-Et Green		8
Chaiyaphum		20
PEPOI		25
Quezon		10
Theppana		7
SPP2		6
SPP3		6
SPP4		4
SPP5		6
Yanhee EGCO		2
Solarco		16
Banpong		122
Klongluang		23
EGCO BVI		1
Total for subsidiaries		302
NTPC		Joint Ventures
BLCP	14	
GPS	6	
NED	4	
SBPL	3	
Total for joint ventures	42	

4. Financial Support to related business partners

EGCO has provided financial support to subsidiaries and joint ventures in proportional to its ownership in such companies. Such supports are normal business practices and are aimed at optimizing shareholders' returns. The transactions were approved by the Board under the Company's Table of Authority and disclosed in the notes to financial statements as of December 31, 2016.

4.1 Loan

Companies	Relationship	Transaction values by December 31, 2016 (million baht)	Terms and conditions
SPP 2	Subsidiaries	103	On January 7, 2013, EGCO entered into the loan agreement providing the loan of 103 million baht to SPP 2. Such loan has fully drawn down. The principal payment will be made on January 11, 2037 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
SPP 3	Subsidiaries	80	On January 7, 2013, EGCO entered into the loan agreement to provide the loan of 105 million baht to SPP 3. The full facility had been drawn down. The principal payment will be made on September 20, 2036 at the interest rate of MLR plus a certain margin, payable on quarterly basis.
SPP 4	Subsidiaries	80	On January 7, 2013, EGCO entered into the loan agreement to providing the loan of 80 million baht to SPP4. The full facility had been drawn down. The principal payment will be made on September 20, 2036 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
SPP 5	Subsidiaries	78	On January 7, 2013, EGCO entered into the loan agreement to providing the loan of 78 million baht to SPP 5. The full facility had been drawn down. The principal payment will be made on March 27, 2037 at the interest rate of MLR plus a certain margin, payable on a quarterly basis.
Yanhee EGCO	Subsidiaries	1,376	On October 22, 2012, EGCO entered into the loan agreement to provide the loan of 1,720 million baht to Yanhee EGCO. The full facility had been drawn down. The principal payment will be made at equal installment on a yearly basis at the interest rate of MLR, payable on a yearly basis.
Theppana	Subsidiaries	29	On October 8, 2012, EGCO entered into the loan agreement providing the loan of 31 million baht to Theppana. The principal will be paid at a lump sum on the 10 th anniversary of the COD, at the interest rate of MLR minus a certain margin. The repayment should be made every 6 months starting from the COD.
Chaiyaphum	Subsidiaries	150	On December 14, 2016, EGCO entered into the loan agreement providing the loan of 293 million baht to Chaiyaphum. As at 31 December 2016, Chaiyaphum drew down the loan amounting 150 million baht. The principal will be paid at a lump sum on the 10 th anniversary of the COD, at the interest rate of MLR. The repayment should be made every 6 months starting from the 12 th month of COD.

4.2 Commitments and Liabilities

EGCO has commitments under the Sponsor Support Agreements from loan guarantees provided to the following subsidiaries and joint ventures.

4.2.1 Guarantee of Loan

EGCO's liability under Counter Guarantee, Standby Letter of Credit and Bank Guarantee for its subsidiaries and joint ventures as at December 31, 2016 as follows:

Chaiyaphum

EGCO was liable under the Letter of Guarantee for the electricity sales proposal to EGAT and PEA, Land Lease Guarantee to the Agricultural Land Reform Office, Chaiyaphum province, with the total amount of 43 million baht.

KEGCO

EGCO has the liability under the Standby Letter of Credit issued by Hongkong and Shanghai Banking Corporation (HSBC) to guarantee the decommissioning of Khanom Project 1 - 3 in the amount of 662 million baht.

NTPC

EGCO has the liability under 2 standby letters of credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Nam Theun project 2, in the amount of 5 million USD (equivalent to 171 million baht) and 675 million baht, respectively.

GPS

EGCO has the liability under the Standby Letter of Credit amounted to 124 million baht, issued by Kasikorn Bank to guarantee for the required amount in the collateral accounts for GPS .

SBPL

EGCO has the liability under the Standby Letter of Credit amounted to 143 million US Dollar equivalent to 5,148 million baht, issued by BNP Paribas to guarantee the capital payment for SBPL project.

4.2.2 Guarantee the obligations

EGCO has guaranteed the obligations of the associate, Star Energy Geothermal (Salak - Darajat) B.V., which is the buyer under the agreement up to 73.12 million US Dollar from the agreement signing date until the closing date and up to 23.96 million US Dollar from the closing date until December 31, 2049. Additionally, EGCO and its co-venturers (Buyer Group Guarantors) are collectively required to maintain the Tangible Net Worth of at least 2,500 million US Dollar from the agreement signing date until December 31, 2049.

Policy and Tendency of Future Related Transactions

EGCO's existing related transactions tends to continue and EGCO will seek to ensure that all of the related transactions be conducted transparently, fair and beneficial to the Company. The Audit Committee, external auditors or independent consultants shall be assigned by the Board to review and give their independent opinions on the pricing and justifications of those transactions. Disclosure of related transactions shall strictly follow the notifications of SET and SEC. In addition, EGCO will continue to provide the updated information, rules and regulations on related transactions to concerned staffs for thorough understanding which will certainly lead to full compliance and transparency for the optimal benefits of the shareholders.

Statement of Directors' Responsibilities

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According to the Public Limited Companies Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Exchange Act B.E. 2535, and the Notification of Capital Market Supervisory Board re: “Disclosure of Financial Statements and Performance of Listed Companies”, the Board of Directors is responsible to prepare the true and fair financial statements of the company.

To adhere with such responsibilities, the Board of Directors of the Electricity Generating Public Company Limited (EGCO) has issued the Company’s regulation on accounting, finance and budgeting B.E. 2550 that the Management must comply with while the Audit Committee is entrusted to ensure that the EGCO’s financial statements are prepared in a justified and prudent manner in compliance with laws and regulations and that the appropriate accounting policies are consistently applied. The Audit Committee also reviews EGCO’s internal control systems to ensure its adequacy and effectiveness as a means to safeguard the company’s assets from unauthorized use and to prevent fraud.

EGCO has prepared both the consolidated and company financial statements for the year ended December 31, 2016 in compliance with the Thai Generally Accepted Accounting Principles under the Accounting Profession Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547. The appropriate accounting policies were consistently applied and the financial statements were prepared in a prudent and justified manner with adequate disclosure of significant information in the notes to the financial statements and that the consolidated and company financial statements were audited by the auditor with unqualified opinions.

The Board of Directors is of the opinion that both the consolidated and company financial statements for the year 2016 presented EGCO’s financial position, operating results, changes in shareholders’ equity and cash flows fairly, in all material respects and reliable manner and that such statements were in compliance with the Thai Financial Reporting Standards and all governing laws and regulations.

Mr. Sombat Sarntijaree
Chairman



Financial Overview

Consolidated Financial Statements

FINANCIAL PERFORMANCE (Million Baht)	2016	2015	2014	2013	2012
			Restated	Restated	Restated
Sales and service income	22,794	15,914	16,897	17,458	13,734
Other income	1,888	1,893	1,849	983	737
Accounting gains on a business combination achieved in stages, net	-	-	-	-	4,310
Gain from sell subsidiary	-	1,079	-	-	-
Cost of sales and services	14,840	9,934	10,227	10,396	9,673
Administrative expenses and income taxes	4,091	3,610	3,694	4,155	2,882
Finance costs	3,610	6,657	2,794	2,824	703
Share of profit (loss) from Subsidiaries, an associated and interest in joint ventures	6,062	5,948	5,461	6,156	5,541
Profit (loss) from discontinued operation, net of income tax	-	115	171	-	-
Net Profit (loss) attributable to Non-controlling interests	60	87	140	164	29
Fx gain (loss)	178	(342)	144	107	205
Net Profit (loss) attributable to the Company	8,321	4,319	7,667	7,164	11,240
Net Profit (loss) attributable to the Company before the effects of Foreign Exchange (FX) gain (loss), Deferred Tax, Impairment, Lease Income ⁽¹⁾ and Income from service concession ⁽²⁾	9,157	7,920	7,705	7,375	6,060 ⁽³⁾
FINANCIAL POSITION (Million Baht)					
Total assets	197,255	179,812	160,687	131,120	110,389
Total liabilities	114,657	102,062	86,468	60,867	45,388
Parent's shareholders' equity	81,973	77,242	73,264	69,343	64,160
Non-controlling interests' shareholders' equity	625	508	955	910	841
Issued and paid-up share capital	5,265	5,265	5,265	5,265	5,265
PER SHARE DATA (Baht)					
Earnings per share	15.81	8.20	14.56	13.61	21.35
Book Value	155.70	146.72	139.16	131.71	121.87
Dividend	N/A	6.25	6.25	6.00	6.00
RATIO ANALYSIS					
Liquidity ratio (Time)	1.49	1.22	0.91	2.23	1.32
Cashflows liquidity ratio (Time)	0.62	0.36	0.54	0.43	0.51
Gross profit ratio (%)	34.90	37.58	39.48	40.45	29.57
Earnings ratio (%)	27.06	17.24	31.27	29.13	35.27 ⁽³⁾
Return on equity ratio (%)	10.45	5.74	10.75	10.73	11.56 ⁽³⁾
Return on assets ratio (%)	4.41	2.54	5.25	5.93	7.70 ⁽³⁾
Debt to equity ratio (Time)	1.39	1.31	1.17	0.87	0.70

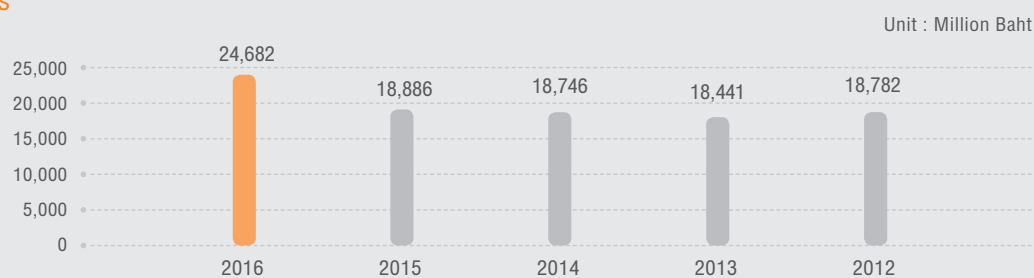
Remarks:

⁽¹⁾ TFRIC 4 Determining whether an arrangement contains a lease

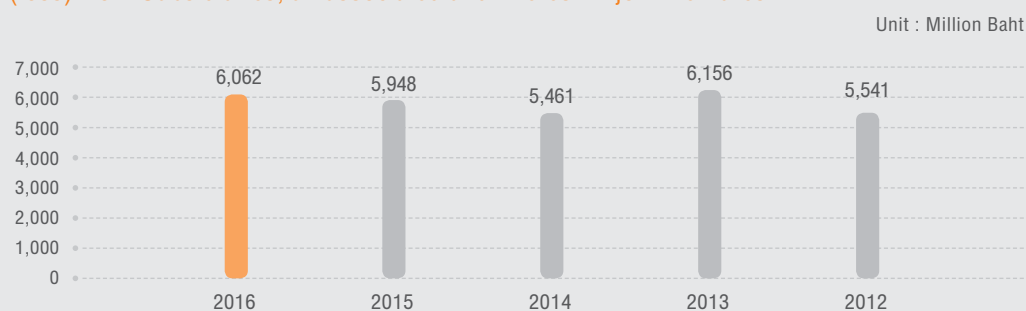
⁽²⁾ TFRIC 12 Service concession arrangements

⁽³⁾ Excluding accounting gain on business combination after deducted the amortization amount 4,182 million baht of 52.125% of Quezon, before the company purchased the additional shares in the portion of 45.875%. This method was performed in accordance with the accounting standard.

Total Revenues



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



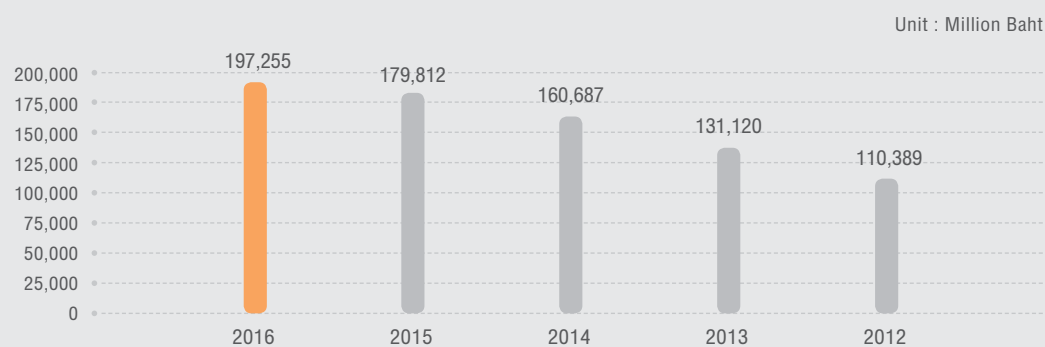
Total Expenses Excluding Currency Exchange Gains or Losses



Net Profit Excluding Currency Exchange Gains or Losses



Total Asset



Independent Auditor's Report

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To the shareholders of Electricity Generating Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Electricity Generating Public Company Limited (“the Company”) and its subsidiaries (“the Group”) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2016 and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRS”).

What I have audited

I have audited the accompanying consolidated and separate financial statements of the Group and the Company, which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the related consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (“TSA”). My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King’s Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter

Goodwill impairment assessment

Refer to Note 3.1 Estimated impairment of goodwill and Note 18 Goodwill.

The Group had goodwill of Baht 10,012 million less provision for impairment of Baht 483 million, as net book value of Baht 9,529 million, which represented 5% of total consolidated assets. Goodwill arose from the acquisitions of electricity generation business in Thailand and other countries. Goodwill of Baht 9,725 million arose from the acquisition of an electricity generation business in Philippines and the remaining Baht 287 million arose from the acquisitions of electricity generating business in Thailand. The management considered the electricity generating business located in each country as a cash generating unit (“CGU”). The Group had previously recognised the provision for impairment amounting to Baht 483 million in the 2015 consolidated financial statements. The Group did not recognise additional impairment loss in the 2016 consolidated financial statements.

The management tests the impairment of goodwill annually and calculated its recoverable amount by applying the value-in-use model which involves the management’s significant judgements in respect to the future operating results of business, projected cash flows and the discount rate to be applied to the projected cash flows. Key assumptions applied in the value-in-use model are electricity tariffs, assumed capacity of the power plants, profit growth rates, expected changes to operating expenditures, capital structure and market risk obtained from available public information.

I focused on the valuation of goodwill arising from the acquisition of electricity generation business in the Philippines due to the significant value and the fact that the determination of value-in use depends on a number of assumptions. Those assumptions involve significant judgement made by the management in assessing the possibility of future business plans.

How my audit addressed the key audit matter

I carried out the following procedures to assess the impairment test of goodwill arising from the acquisition of the electricity generation business in the Philippines.

- Satisfied myself as to the appropriateness of management’s identification of the CGUs and the continued satisfactory operation of the Group’s control over the impairment test process.
- Hold discussions with the management to understand the basis for the assumptions applied and evaluated whether the goodwill impairment testing process and assumptions had been applied consistently across the Group.
- Challenged management’s significant assumptions used in goodwill impairment testing, especially the electricity tariffs, assumed capacity of the power plants, operating expenditures, discount rate. My procedures included comparing those assumptions to the underlying agreements, external sources, foreign exchange rate forecasts and the approved business plan.
- Assessed reasonableness of the business plan by comparing the plans of 2016 with actual results.
- Assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry to see whether the discount rate used by the management was within the acceptable range.
- Tested sensitivity analysis over key assumptions in the model prepared by the management in order to assess factors to be sensitive to assumptions and potential impact of a range possible outcomes.

As a result of the procedures performed, none of the items noted above resulted in a change to the impairment charge recorded by the management and noted that the key assumptions used by management in assessing the possibility of future business plans are within the reasonable range.

Key audit matter

Impairment assessment of property, plant and equipment

Refer to Note 3.2 Estimated impairment of property, plant and equipment and Note 16 Property, plant and equipment. The Group has property, plant and equipment with aggregate carrying value of Baht 62,420 million as at 31 December 2016.

The Group's power plants of Baht 2,655 million have been ceased their operations and electricity sales to Electricity Authority of Thailand because of the expirations of the power purchase agreements. The management appointed an independent valuer to appraise residual values of those power plants because the management has planned to sell the power plants to third parties. Currently it is in processes of approaching purchasers.

The appraise residual values of the power plants involve the management's significant judgements and assumptions such as characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed to the third parties. The management provided these information to the independent valuer in appraising residual values of assets.

Based on the currently appraisal value prepared by the independent valuer, the management noted that the residual values significantly decreased from prior years and, therefore, their carrying values higher than the recoverable amount. The provision for impairment of Baht 509 million was recognised in the 2016 consolidated statement of income.

I focused on the residual value of those ceased power plants due to the significant values involved and the nature of the judgements involved in determining the appropriate level of impairment to be recorded.

How my audit addressed the key audit matter

I carried out the following procedures in relation to the management's impairment assessment of the ceased power plants.

- Challenged management and the independent valuer on the characteristics of individual asset and its overall quality, geographic location, expected disposal period, the list of total assets expected to be disposed to the third parties and desirability as a whole.
- Assessed the methodologies used by both the management and the independent valuer to estimated residual values.
- Evaluated the competencies and capabilities of the independent valuer including terms of engagement to determine whether there were any matters that might affect its objectivity or impose scope limitations upon its work.
- Tested, on a sample basis, the accuracy and relevance of the input data provided by the management.
- Considered the appropriateness of the residual values estimated by the independent valuer and challenged the management on significant movements in the valuations.

As a result of the procedures performed, none of the items noted above resulted in a change to the impairment charge recorded by management and note that the management's assumptions in relation to the fair value less costs to sell and value in use calculations to be reasonable.

Key audit matter

Impairment assessment of investment in joint ventures

Refer to Note 3.3 Estimated impairment of investment in subsidiaries, associate and joint ventures

The Company, as the holding company, invests in shareholding interests of six joint ventures which generate and sell electricity under the power purchase agreements. Total cost of investments in these joint ventures was Baht 25,572 million. The Company accounts for these investments in the separate financial statements at cost less impairment. However, these investments are accounted under the equity method of accounting in the consolidated financial statements.

As at 31 December 2016, the costs of investments in some joint ventures presented in the separate financial statement were significantly higher than their net equity value. The management considered this as an impairment indicator of investments in joint ventures and therefore performed an impairment tests over these investments by applying the value-in-use model in the calculation of recoverable amounts. This model involves the management's significant judgements with respect to the future operating results of business, projected cash flows and discount rate to be applied to the projected cash flows. Key assumptions applied in the value-in-use model are electricity tariff, assumed capacity of the power plants, expected changes to operating expenditures and market risk obtained from available public industry information and dividend projected payouts.

As the result of impairment test, the Company did not recognise impairment loss in the 2016 in the separate financial statements because the recoverable amounts of investments in the joint ventures exceeded their carrying values.

I focused on the valuation of the investment in a joint venture which is a coal-fired power plant because its carrying book value of Baht 10,434 million is significant and the determination of value-in use depends on a number of assumptions. Those assumptions involve significant judgement made by the management in assessing the possibility of future business plans.

How my audit addressed the key audit matter

I carried out the following procedures to assess the impairment test of the investment in a joint venture which is a coal-fired power plant.

- Assessed the appropriateness of management's identification of the indicator for impairment of investments in joint ventures.
- Hold discussions with the management to understand the basis for assumptions applied to the cash flow projections.
- Challenged management's significant assumptions used in impairment test for investment in such joint venture, especially the electricity tariffs, assumed capacity of the power plants, operating expenditures, discount rate, dividend payout forecast. My procedures included comparing those assumptions to the underlying agreements, external sources, foreign exchange rate forecasts, the projected available cash flows for future dividend payments and the approved business plan.
- Assessed the discount rate, taking into account independently obtained data from available public information of companies in the industry to see whether the discount rate used by the management was within the acceptable range.
- Tested sensitivity analysis over key assumptions in the model prepared by the management in order to assess factors to be sensitive to assumptions and potential impact of a range possible outcomes.

As a result of the procedures performed, none of the items noted above resulted in a change to the impairment charge recorded by the management and noted that the key assumptions used by the management in assessing the possibility of future business plans are within the reasonable range.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

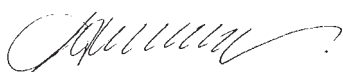
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



Amornrat Pearmpoonvatanasuk
Certified Public Accountant (Thailand) No. 4599

Bangkok

20 February 2017

Statement of Financial Position

Electricity Generating Public Company Limited As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Assets					
Current assets					
Cash and cash equivalents	6	4,487,429,447	8,750,562,822	732,634,458	2,675,210,792
Short-term investments	7				
- Deposits at financial institutions		611,616,844	371,532,505	-	-
- Marketable securities		3,135,541	2,118,801	-	-
Short-term investments used as collateral	8	4,199,034,752	1,763,520,928	-	-
Trade receivables, net	9	1,933,583,538	2,087,371,206	-	-
Trade receivable from a related party	40.3	244,895,441	238,649,870	-	-
Trade receivable from a related party for services under finance lease	40.4	1,580,004,902	141,630,240	-	-
Current portion of finance lease receivable from a related party	40.5	1,258,243,619	838,095,412	-	-
Current portion of dividend receivables from subsidiaries and joint ventures	14.5	1,587,100,648	1,606,912,848	2,138,501,987	1,811,442,162
Current portion of long-term loans to related parties	40.9	-	-	172,000,000	-
Amounts due from related parties	40.6	93,007,892	230,810,891	71,491,951	257,540,124
Fuel and spare parts and supplies, net	10	2,300,421,003	1,908,260,527	2,173,390	191,650,377
Other current assets	11	1,699,563,866	1,463,717,506	228,744,361	356,679,092
Total current assets		19,998,037,493	19,403,183,556	3,345,546,147	5,292,522,547
Non-current assets					
Finance lease receivable from a related party, net	40.5	20,673,562,682	883,795,209	-	-
Long-term investments in marketable securities	12	3,679,562,390	3,618,660,810	3,675,029,642	3,612,741,004
Dividend receivables from joint ventures	14.5	6,597,565,185	5,991,660,733	6,597,565,185	5,991,660,733
Long-term loans to related parties, net	40.9	838,598,835	-	1,723,962,357	1,917,962,357
Long-term loans to other company	13	1,231,200,000	-	1,231,200,000	-
Long-term investments used as collateral	8	282,300	89,521,027	-	-
Investments in subsidiaries	14.2	-	-	59,870,560,005	56,733,785,997
Investment in an associate	14.3	6,952,429,890	6,877,717,511	-	-
Interests in joint ventures	14.4	56,255,855,403	52,937,680,990	25,571,697,638	25,571,697,638
Other long-term investments	12	2,068,523,000	1,527,252,500	2,065,083,000	1,523,812,500
Investment property	15	448,602,691	448,602,691	669,885,990	662,254,434
Property, plant and equipment, net	16	62,419,989,472	72,527,300,916	1,909,548,416	2,139,562,865
Intangible assets, net	17	5,586,246,905	4,545,970,472	1,616,439	-
Goodwill, net	18	9,528,983,769	9,397,266,911	-	-
Deferred tax assets, net	24	429,190,819	357,705,160	-	-
Advance payments for construction of power plants		-	357,460,359	-	-
Advance payment for investment	40.7	-	-	144,002,000	-
Other non-current assets	19	545,872,520	848,431,794	194,734,238	23,750,851
Total non-current assets		177,256,465,861	160,409,027,083	103,654,884,910	98,177,228,379
Total assets		197,254,503,354	179,812,210,639	107,000,431,057	103,469,750,926

For Director




The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.

Statement of Financial Position (cont.)

Electricity Generating Public Company Limited As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	20	-	858,000,000	-	-
Trade payables		1,967,007,599	628,218,471	2,909,178	4,620,437
Trade payable to a related party	40.3	173,306,002	4,271,024	-	-
Amounts due to related parties	40.6	197,264,651	86,254,931	-	347,750
Current portion of long-term loans from financial institutions, net	22	7,973,864,788	10,156,516,781	3,639,049,060	7,656,880,992
Other current liabilities	21	3,081,947,656	4,185,677,401	450,450,813	477,758,660
Total current liabilities		13,393,390,696	15,918,938,608	4,092,409,051	8,139,607,839
Non-current liabilities					
Long-term loans from financial institutions, net	22	87,360,712,612	73,130,552,596	37,156,264,013	32,258,461,332
Long-term loans from a related party	40.10	24,648,196	-	-	-
Debenture	23	5,330,055,200	5,183,182,720	5,330,055,200	5,183,182,720
Retirement benefit obligations	25	398,817,695	382,088,765	198,814,441	183,299,196
Provision for decommissioning costs	26	1,807,496,682	1,444,951,409	437,176,000	437,176,000
Deferred tax liabilities, net	24	4,983,258,787	5,147,001,816	580,114,728	604,765,708
Other non-current liabilities	27	1,358,450,457	855,739,095	45,607,337	24,561,373
Total non-current liabilities		101,263,439,629	86,143,516,401	43,748,031,719	38,691,446,329
Total liabilities		114,656,830,325	102,062,455,009	47,840,440,770	46,831,054,168

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.




Statement of Financial Position (cont.)

Electricity Generating Public Company Limited As at 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Liabilities and equity (continued)					
Equity					
Share capital					
Authorized share capital					
- 530,000,000 ordinary shares at par of Baht 10 per share					
		5,300,000,000	5,300,000,000	5,300,000,000	5,300,000,000
Issued and paid-up share capital					
- 526,465,000 ordinary shares paid-up at Baht 10 per share					
		5,264,650,000	5,264,650,000	5,264,650,000	5,264,650,000
Premium on share capital					
		8,601,300,000	8,601,300,000	8,601,300,000	8,601,300,000
Premium on treasury stock					
		47,373,035	47,373,035	47,373,035	47,373,035
Surplus acquisition non-controlling interests					
		(218,688,716)	(218,688,716)	-	-
Retained earnings					
Appropriated					
- Legal reserve					
	28	530,000,000	530,000,000	530,000,000	530,000,000
Unappropriated					
		63,411,463,584	58,512,651,311	42,544,384,293	40,072,921,656
Other components of equity					
		4,336,685,093	4,504,871,449	2,172,282,959	2,122,452,067
Total equity attributable to the owners of the parent					
		81,972,782,996	77,242,157,079	59,159,990,287	56,638,696,758
Non-controlling interests					
	29	624,890,033	507,598,551	-	-
Total equity					
		82,597,673,029	77,749,755,630	59,159,990,287	56,638,696,758
Total liabilities and equity					
		197,254,503,354	179,812,210,639	107,000,431,057	103,469,750,926

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.



Income Statement

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Sales and services income	30, 40.1	22,794,416,250	15,913,766,147	-	-
Cost of sales and services	31	(14,840,135,713)	(9,933,564,697)	-	-
Gross profit		7,954,280,537	5,980,201,450	-	-
Other income	32	1,887,676,331	1,892,813,228	8,373,113,438	8,799,884,443
Net gain from disposal of a subsidiary	41.1	-	1,078,916,817	-	-
Currency exchange gains (losses)		177,709,676	(342,107,469)	23,996,347	96,159,483
Administrative expenses		(3,050,951,687)	(2,858,805,171)	(928,317,350)	(972,329,206)
Finance costs	34	(3,609,521,019)	(6,657,458,382)	(1,366,568,681)	(4,379,035,939)
Share of profit from investments in an associate and joint ventures, net	14.1	6,062,101,969	5,948,076,757	-	-
Profit before income tax expense		9,421,295,807	5,041,637,230	6,102,223,754	3,544,678,781
Income tax expense	35	(1,040,207,977)	(750,399,799)	-	-
Profit for the year from continuing operations		8,381,087,830	4,291,237,431	6,102,223,754	3,544,678,781
Discontinued operation					
Profit (loss) for the year from discontinued operation, net of income tax	41	-	114,925,329	(208,772,505)	(36,973,870)
Profit for the year		8,381,087,830	4,406,162,760	5,893,451,249	3,507,704,911
Attributable to:					
Owners of the parent					
Profit for the year from continued operations		8,320,800,885	4,235,224,337	6,102,223,754	3,544,678,781
Profit (loss) for the year from discontinued operation		-	83,952,118	(208,772,505)	(36,973,870)
Profit for the year attributable to the owners of parent		8,320,800,885	4,319,176,455	5,893,451,249	3,507,704,911
Non-controlling interests					
Profit for the year from continued operations		60,286,945	56,013,094	-	-
Profit for the year from discontinued operation		-	30,973,211	-	-
Profit for the year attributable to the non-controlling interests		60,286,945	86,986,305	-	-
Profit for the year		8,381,087,830	4,406,162,760	5,893,451,249	3,507,704,911
Earnings per share for the year	36				
Profit for the year from continued operations		15.81	8.04	11.59	6.73
Profit (loss) for the year from discontinued operation		-	0.16	(0.40)	(0.07)

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.




Statement of Comprehensive Income

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit for the year		8,381,087,830	4,406,162,760	5,893,451,249	3,507,704,911
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of post-employment benefit obligations, net of income tax		(4,138,226)	(83,336,824)	-	(73,748,078)
- Share of other comprehensive income (expense) of joint ventures accounted for using the equity method, net of income tax	14.1	(1,580,014)	5,700,736	-	-
Items that will be reclassified subsequently to profit or loss					
- Unrealised gains on investments in marketable securities - available-for-sale, net of income tax		49,830,892	199,323,642	49,830,892	199,323,642
- Share of other comprehensive income of joint ventures accounted for using the equity method, net of income tax	14.1	2,712,119	3,252,089	-	-
- Exchange difference on translation		(215,011,127)	3,071,252,700	-	-
Other comprehensive income (expense) for the year, net of tax		(168,186,356)	3,196,192,343	49,830,892	125,575,564
Total comprehensive income for the year		8,212,901,474	7,602,355,103	5,943,282,141	3,633,280,475
Total comprehensive income attributable to:					
Owners of the parent		8,152,614,529	7,487,161,297	5,943,282,141	3,633,280,475
Non-controlling interests		60,286,945	115,193,806	-	-
Total comprehensive income for the year		8,212,901,474	7,602,355,103	5,943,282,141	3,633,280,475

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.



Statement of Changes in Equity

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Attributable to owners of the parent														Consolidated financial statements	
	Other components of equity														Total equity	Baht
	Retained earnings				Other comprehensive income (expense)											
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Premium on non-controlling interests	Surplus from acquisition	Legal reserve	Unappropriated reserve	Available-for-sale investments	Remeasurements of post-employment benefits obligations	Share of other comprehensive income of a joint venture	Exchange difference on translation	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity	Baht
Opening balance as at 1 January 2015	5,264,650,000	8,601,300,000	47,373,035	-	530,000,000	57,483,797,926	1,996,876,503	-	16,504,726	(676,494,622)	1,336,886,607	73,264,007,568	954,679,666	74,218,687,234		
Changes in equity for the year																
Total comprehensive income for the year	-	-	-	-	-	4,319,176,455	199,323,642	(83,392,943)	8,952,825	3,043,101,318	3,167,984,840	7,487,161,297	115,193,806	7,602,355,103		
Dividends paid	-	-	-	-	-	(3,290,323,070)	-	-	-	-	(3,290,323,070)	(3,290,323,070)	(3,290,323,070)	(3,290,323,070)		
Dividends paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(79,131,651)	(79,131,651)		
Acquisition of non-controlling interests	-	-	-	-	(218,688,716)	-	-	-	-	-	-	(218,688,716)	(326,488,288)	(545,177,004)		
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(156,654,982)	(156,654,982)		
Closing balance as at 31 December 2015	5,264,650,000	8,601,300,000	47,373,035	(218,688,716)	530,000,000	58,512,651,311	2,196,200,145	(83,392,943)	25,457,551	2,366,606,696	4,504,871,449	77,242,157,079	507,598,551	77,749,755,630		
Opening balance as at 1 January 2016	5,264,650,000	8,601,300,000	47,373,035	(218,688,716)	530,000,000	58,512,651,311	2,196,200,145	(83,392,943)	25,457,551	2,366,606,696	4,504,871,449	77,242,157,079	507,598,551	77,749,755,630		
Changes in equity for the year																
Total comprehensive income for the year	-	-	-	-	-	8,320,800,885	49,830,892	(4,138,226)	1,132,105	(215,011,127)	(168,186,350)	8,152,614,529	60,286,945	8,212,901,474		
Dividends paid	-	-	-	-	-	(3,421,988,612)	-	-	-	-	(3,421,988,612)	(3,421,988,612)	(3,421,988,612)	(3,421,988,612)		
Dividends paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(54,110,463)	(54,110,463)		
Additional paid-up share capital of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	111,115,000	111,115,000		
Closing balance as at 31 December 2016	5,264,650,000	8,601,300,000	47,373,035	(218,688,716)	530,000,000	63,411,463,584	2,246,031,037	(87,531,169)	26,589,656	2,151,595,569	4,336,685,093	81,972,782,996	624,890,033	82,597,673,029		

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The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.



Signature

Statement of Changes in Equity (cont.)

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Separate financial statements									
	Retained earnings					Other components of equity				
	Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Legal reserve	Unappropriated	Available-for-sale investments	Re-measurements of post-employment benefit obligations	Total other components of equity	Total equity	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2015	5,264,650,000	8,601,300,000	47,373,035	530,000,000	39,855,539,815	1,996,876,503	-	1,996,876,503	56,295,739,353	
Changes in equity for the year	-	-	-	-	3,507,704,911	199,323,642	(73,748,078)	125,575,564	3,633,280,475	
Total comprehensive income for the year	-	-	-	-	(3,290,323,070)	-	-	-	(3,290,323,070)	
Dividends paid	-	-	-	-	-	-	-	-	-	
Closing balance as at 31 December 2015	5,264,650,000	8,601,300,000	47,373,035	530,000,000	40,072,921,656	2,196,200,145	(73,748,078)	2,122,452,067	56,638,696,758	
Opening balance as at 1 January 2016	5,264,650,000	8,601,300,000	47,373,035	530,000,000	40,072,921,656	2,196,200,145	(73,748,078)	2,122,452,067	56,638,696,758	
Changes in equity for the year	-	-	-	-	5,893,451,249	49,830,892	-	49,830,892	5,943,282,141	
Total comprehensive income for the year	-	-	-	-	(3,421,988,612)	-	-	-	(3,421,988,612)	
Dividends paid	-	-	-	-	-	-	-	-	-	
Closing balance as at 31 December 2016	5,264,650,000	8,601,300,000	47,373,035	530,000,000	42,544,384,293	2,246,031,037	(73,748,078)	2,172,282,959	59,159,990,287	

Note

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The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.

Statement of Cash Flows

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from operating activities					
Profit before income tax from continuing operations for the year		9,421,295,807	5,041,637,230	6,102,223,754	3,544,678,781
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation		2,379,922,301	2,259,147,759	54,587,655	60,906,173
- Allowance for doubtful accounts	9	6,592,372	15,162,264	-	-
- Allowance for obsolescence of spare parts	10	44,120,284	71,119,875	-	-
- Retirement benefit expenses		49,240,234	44,880,499	17,498,496	10,055,630
- Interest income		(105,701,361)	(70,270,721)	(173,786,178)	(174,958,402)
- Interest expenses		3,665,699,418	2,869,180,635	1,597,983,353	1,265,449,385
- Provision (reverse) for decommissioning costs	26	(238,534,028)	53,184,346	-	-
- Unrealised losses (gains) on exchange rates		(199,878,537)	3,385,556,095	(200,668,368)	2,743,039,301
- Loss on impairment of goodwill		-	482,816,296	-	-
- Losses on impairment of property, plant and equipment	16	508,993,638	-	-	-
- Losses on write-off and disposal of equipment		60,999,164	11,695,391	690,682	11,017,495
- Dividends received from other company		(140,149,436)	(143,263,867)	(140,149,436)	(143,263,867)
- Dividends received from subsidiaries and joint ventures	14.5	-	-	(7,702,347,655)	(8,159,164,500)
- Gain from disposal of a subsidiary		-	(1,078,916,817)	-	-
- Share of profit from investments in an associate and joint ventures, net	14.1	(6,062,101,969)	(5,948,076,757)	-	-
Cash flows before changes in operating assets and liabilities		9,390,497,887	6,993,852,228	(443,967,697)	(842,240,004)
Changes in operating assets and liabilities: (excluding the effects of acquisition or disposal of subsidiaries)					
- Trade receivables and trade receivable from a related party		137,981,176	(57,403,495)	-	-
- Trade receivable from a related party for services under finance lease		(1,438,374,662)	108,371,382	-	-
- Finance lease receivable from a related party		662,252,376	656,907,461	-	-
- Amounts due from related parties		137,802,999	(253,156,539)	114,897,946	(62,140,514)
- Fuel, spare parts and supplies		(196,051,742)	26,639,271	-	-
- Other current assets		(572,684,473)	(160,853,177)	149,463,013	(14,017,433)
- Other non-current assets		2,239,322	(150,962,622)	(4,250,000)	-
- Trade payables and trade payable to a related party		1,525,480,635	(157,097,461)	-	-
- Amounts due to related parties		(49,319,836)	212,739,572	(214,000)	(186,000)
- Retirement benefit paid		(36,992,380)	(42,747,248)	(5,076,585)	(12,426,780)
- Other current liabilities and other non-current liabilities		563,727,292	85,887,640	(58,677,331)	10,919,188
Cash generated from (used in) operations		10,126,558,594	7,262,177,012	(247,824,654)	(920,091,543)

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.



Statement of Cash Flows (cont.)

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash generated from (used in) operations (cont.)					
Cash generated from (used in) operations		10,126,558,594	7,262,177,012	(247,824,654)	(920,091,543)
- Tax paid		(967,392,508)	(932,049,796)	-	-
Net cash receipts from (payments in) operating activities from continuing operations		9,159,166,086	6,330,127,216	(247,824,654)	(920,091,543)
Net cash receipts from (payments in) operating activities of discontinued operation		-	(26,869,197)	169,530,178	111,520,762
Net cash receipts from (payments in) operating activities		9,159,166,086	6,303,258,019	(78,294,476)	(808,570,781)
Cash flows from investing activities					
Acquisition of investments in subsidiaries and in joint ventures		(2,835,910,332)	(2,204,054,306)	(3,116,260,154)	(1,447,997,725)
Cash payment in advance for additional share capital of a subsidiary		-	-	(144,002,000)	-
Cash receipt from disposal of a subsidiary		-	1,600,000,000	-	-
Net cash payments for short-term and long-term investments used as collateral		(2,370,223,962)	(339,848,854)	-	-
Interest received		63,091,750	70,360,618	209,477,077	108,340,851
Net cash receipts from (payment in) short-term investments		(242,120,773)	(131,453,954)	-	528,797
Net cash payments from long-term investments		(117,485)	(1,314,267)	-	-
Acquisition of other long-term investments		(541,270,500)	(356,250,000)	(541,270,500)	(356,250,000)
Net cash payments in purchases of equipment and construction in progress and investment property		(13,401,583,726)	(10,687,285,042)	(41,835,091)	(233,940,942)
Net cash payments in purchases of intangible assets		(600,485,085)	(20,031,058)	(1,725,799)	(12,994,178)
Advance payments for construction of power plants		(10,725,000)	(524,427,727)	-	-
Cash payments in long-term loans to related parties		(843,316,317)	-	(150,000,000)	(10,000,000)
Cash receipts from long-term loans to related parties		-	-	172,000,000	791,705,900
Cash payments in long-term loans to other company	13	(1,231,200,000)	-	(1,231,200,000)	-
Dividends received from subsidiaries	14.5	-	-	2,343,334,868	3,625,037,312
Dividends received from joint ventures	14.5	4,826,925,547	5,046,622,746	4,426,048,527	4,279,976,831
Dividends received from other company		140,149,436	143,263,867	140,149,436	143,263,867
Net cash receipts from (payments in) investing activities from continuing operations		(17,046,786,447)	(7,404,417,977)	2,064,716,364	6,887,670,713
Net cash receipts from investing activities of discontinued operation		-	101,889,865	89,521	14,377
Net cash receipts from (payments in) investing activities		(17,046,786,447)	(7,302,528,112)	2,064,805,885	6,887,685,090

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.



Statement of Cash Flows (cont.)

Electricity Generating Public Company Limited For the year ended 31 December 2016

	Notes	Consolidated financial statements		Separate financial statements	
		2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash flows from financing activities					
Payments on finance leases		(833,494)	(831,871)	-	-
Interests paid		(4,299,206,749)	(3,359,246,790)	(1,533,135,844)	(1,197,672,226)
Proceeds from short-term loans from financial institutions		10,344,377,211	7,090,647,730	7,106,162,160	5,468,647,730
Payments on short-term loans from financial institutions		(11,202,377,211)	(16,280,947,730)	(7,106,162,160)	(15,346,947,730)
Proceeds from long-term loans from financial institutions	22.3	22,537,439,091	19,909,327,819	8,716,296,000	8,827,055,000
Payments on long-term loans from financial institutions	22.3	(10,096,253,596)	(5,910,630,250)	(7,677,288,843)	(3,358,732,076)
Proceeds from long-term loans from a related party	40.10	24,132,908	-	-	-
Payments on deferred financing fee		(137,000,369)	(169,967,253)	(13,741,962)	(36,006,750)
Proceeds from debenture	23	-	4,636,986,240	-	4,636,986,240
Dividends paid to shareholders		(3,474,217,183)	(3,337,142,733)	(3,421,217,094)	(3,289,527,323)
Net cash receipts from (payments in) financing activities from continuing operations		3,696,060,608	2,578,195,162	(3,929,087,743)	(4,296,197,135)
Net cash payments from financing activities of discontinued operation		-	(31,516,280)	-	-
Net cash receipts from (payments in) financing activities		3,696,060,608	2,546,678,882	(3,929,087,743)	(4,296,197,135)
Net increase (decrease) in cash and cash equivalents		(4,191,559,753)	1,547,408,789	(1,942,576,334)	1,782,917,174
Beginning balance		8,750,562,822	6,859,020,383	2,675,210,792	892,293,618
Effect of exchange rate changes		(71,573,622)	344,133,650	-	-
Ending balance		4,487,429,447	8,750,562,822	732,634,458	2,675,210,792
Cash and cash equivalents are made up as follows:					
- Cash in hand and deposits at financial institutions - maturities within three months		3,156,130,741	7,252,574,272	162,732,224	2,014,656,841
- Short-term investments in promissory notes - maturities within three months		1,331,298,706	1,497,988,550	569,902,234	660,553,951
		4,487,429,447	8,750,562,822	732,634,458	2,675,210,792
Non-cash transactions					
- Reclassification of spare parts to property, plant and equipment		678,933,425	62,813,972	-	-
- Advance payment for constructions of power plants		-	357,460,359	-	-
- Payables for purchase of property, plant and equipment (included retention)		1,149,269,248	2,115,359,304	11,369,669	21,983,434
- Reclassification of other assets to deferred financing fee		223,033,927	162,042,066	-	8,241,275
- Reclassification of intangible asset to property, plant and equipment		205,164,740	-	-	-
- Reclassification of property, plant and equipment to finance lease receivable from related parties		21,254,999,680	-	-	-
- Residual value of asset from finance lease receivable		580,654,874	-	-	-

The notes to the consolidated and separate financial statements on pages 170 to 248 are an integral part of these financial statements.



Notes to the Consolidated and Separate Financial Statements

Electricity Generating Public Company Limited For the year ended 31 December 2016

1 General information

Electricity Generating Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and resident in Thailand. The address of its registered office is 222 Moo 5, EGCO Tower, 14th and 15th floor, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210.

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The principal business operation of the Group is the generation of electricity for sale to the government sector and industrial users.

These consolidated and separate financial statements were authorised for issue by the president on 20 February 2017.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies and to disclose the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 3.

An English version of the consolidated and separate financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2016 and adopted by the Group

2.2.1 Accounting standards with significant changes and have no material impact to the Group are as follows:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits




2 Accounting policies (continued)

2.2 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2016 and adopted by the Group (continued)

2.2.1 Accounting standards with significant changes and have no material impact to the Group are as follows: (continued)

TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

2.2.2 Accounting standards with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets



2 Accounting policies (continued)

2.2 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2016 and adopted by the Group (continued)

2.2.2 Accounting standards with minor changes and do not have impact to the Group are as follows: (continued)	
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

2 Accounting policies (continued)

2.3 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2017 and not early adopted by the Group

2.3.1 Accounting standards with significant changes:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS 41 (revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

The Group’s management has assessed and considered that the aforementioned standards will not have a material impact to the group. Significant changes in those accounting standards are summarised as below.

- TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:
 - Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
 - Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity’s financial position or performance. There is also new guidance on the use of subtotals.
 - Notes - confirmation that the notes do not need to be presented in a particular order.
 - OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.
- TAS 16 (revised 2016), key amendments are 1) the amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) the amendments include bearer plants in scope of TAS 16.
- TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

2 Accounting policies (continued)

2.3 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2017 and not early adopted by the Group (continued)

2.3.1 Accounting standards with significant changes: (continued)

- TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016). While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.
- TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.
- TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.
- TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.
- TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.
- TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’ or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.
- TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity’s investment activities.

2 Accounting policies (continued)

2.3 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2017 and not early adopted by the Group (continued)

2.3.1 Accounting standards with significant changes: (continued)

- TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.
- TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

2.3.2 Accounting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts

2 Accounting policies (continued)

2.3 New accounting standard, revised accounting standards and financial reporting standards and interpretations (collectively “the accounting standards”) are effective for the accounting periods beginning on or after 1 January 2017 and not early adopted by the Group (continued)

2.3.2 Accounting standards with minor changes and do not have impact to the Group are as follows: (continued)

TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

2 Accounting policies (continued)

2.4 Group accounting - investments in subsidiaries, associates and joint arrangements

2.4.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment and dividend received from subsidiaries are recognised in the profit or loss when the Company has rights to receive the dividend.

A test for impairment for investments in subsidiaries is carried out when there is a factor indicating that investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the profit or loss.

A list of the Group's subsidiaries is shown in Note 14.

2 Accounting policies (continued)

2.4 Group accounting - investments in subsidiaries, associates and joint arrangements (continued)

2.4.2 Non-controlling interests

The Group presents non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Any changes in the Group's ownership interest in a subsidiary that do not result in the Group losing control of the subsidiary are equity transactions. The differences between fair value of any consideration paid and relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.4.3 Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2.4.4 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the gain or loss that previously recognised in other comprehensive income is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit or loss of associates in the profit or loss.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 Accounting policies (continued)

2.4 Group accounting - investments in subsidiaries, associates and joint arrangements (continued)

2.4.4 Associates (continued)

Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the separate financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal associates is shown in Note 14.

2.4.5 Joint arrangements

A joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities.

An investment in a joint venture is accounted for using the equity method of accounting. Under the equity method of accounting, investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separate financial statements, investments in joint ventures are accounted for using the cost method less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A joint operation, the Group recognises and measures the assets and liabilities and recognise the related revenues and expenses in relation to its interest in the arrangement to the particular assets, liabilities, revenues and expenses. Accounting policies of the joint operation have been changed for to the particular assets, liabilities, revenues and expenses to ensure consistency with the policies adopted by the Group. The Group does not recognise its share of profits or losses from the joint operation that result from the purchase of assets by the Group from the joint operation until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

A list of the Group's joint ventures is shown in Note 14.

2 Accounting policies (continued)

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Baht, which is the functional and presentation currency of the Group.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2.5.3 Group companies

The results and financial position of each of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses of each income statement and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised as other comprehensive income in the statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.6 Accounting for Derivatives

The Group is party to derivative financial instruments, which mainly comprise foreign currency forward contracts and interest rate swap agreements.

Foreign Currency Forward Contracts

The Group enters into financial instruments that reduce exposure to fluctuations in exchange rates by using foreign currency forward contracts to protect its exposure from movements in exchange rates. Foreign currency forward contracts establish a predetermined exchange rate ("forward rate") at which the Group will pay foreign currency amounts on a predetermined future date. At the statements of financial position date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at that date. Unrealised gains or losses that result from the translation are recognised as part of the financial costs. The foreign currency amounts payable under these contracts are translated into Baht at the forward rates. Any premiums or discounts equal to the difference between the exchange rates and the forward rates at the inception of the contracts are amortised over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statements of financial position.

2 Accounting policies (continued)

2.6 Accounting for Derivatives (continued)

Interest Rate Swap Contracts

Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on the interest rate swap contracts is recognised as a component of finance costs as incurred.

Disclosures about financial instruments to which the Group is a party are provided in Note 39.

2.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash in hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.8 Trade receivables

Trade receivables are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. Bad debts are recognised to the income statement as part of administrative expenses.

2.9 Fuel and spare parts and supplies

2.9.1 Fuel

Fuel includes coal and diesel. Cost is calculated on the moving average basis.

2.9.2 Spare parts and supplies

Spare parts that do not meet definitions of property, plant and equipment are stated at cost less allowance for obsolescence. Cost is calculated on the moving average basis.

The allowance for capital spare parts that are used for specific plant equipment in power plants is made on a specific basis.

The allowance for common spare parts is generally provided based on an aging analysis.

2.10 Other investments

Investments other than investments in subsidiaries, an associate and joint ventures are classified into the following three categories: held-to-maturity, available-for-sale and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except those with maturities within 12 months from the end of the reporting period, which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the end of the reporting period or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

2 Accounting policies (continued)

2.10 Other investments (continued)

- Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost which is equal to the fair value of consideration paid plus transaction costs.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

Available-for-sale investments are subsequently carried at fair value. The fair value of investments is based on the quoted bid price at the close of business on the financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of available-for-sale investments are recognised in other comprehensive income.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.11 Investment property

Property that is held for long-term rental or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property or land held for a currently undetermined future use. Investment property of the Group is land held for a currently undetermined future use. The Group has not determined that it will use the land as owner-occupied property or as capital appreciation.

Investment property is measured initially at its cost including related transaction costs. Subsequently, the investment property is carried at cost less accumulated impairment losses (if any).

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

2.12 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Subsequently all plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). The costs of property, plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.

2 Accounting policies (continued)

2.12 Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, except land which is considered to have an indefinite life, as follows:

	Years
Buildings and structures	10 to 20
Power plants	21 to 50
Substation and transmission system	20 to 25
Capitalisation of capital spare parts	5 to 25
Operating and maintenance equipment	5
Office equipment, furniture and computers	3 to 10
Motor vehicles	5

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of assets are determined by comparing proceeds with the carrying amount and are recognised in the profit or loss.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset, during the period of time required to complete and prepare the asset for its intended use. All other borrowing costs are recognised as expenses in the income statement. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss.

2.13 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets liabilities and contingent liability of the acquired subsidiary undertaking or joint venture or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position and of joint ventures or associate is included in investments in joint ventures or an associate in the consolidated statement of financial position and impairment test included in investment in joint venture or investment in as associate.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2 Accounting policies (continued)

2.13 Goodwill (continued)

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

2.14 Intangible assets

2.14.1 Right in Power Purchase Agreements and Operation and Maintenance Agreement

The right in Power Purchase Agreements and Operation and Maintenance Agreement arising on acquisitions of subsidiaries, interest in an associate or joint ventures are amortised over the periods of the Power Purchase Agreements and Operation and Maintenance Agreement, which are between 15 and 25 years.

2.14.2 Development expenditure

Development expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development expenditure previously recognised as an expense is not recognised as an asset in a subsequent period. Development expenditure that has been capitalised is amortised from the commencement of the commercial operation on a straight-line basis over the estimated useful life of assets.

2.15 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets and intangible assets that have definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.16 Long-term lease

The determination of whether an arrangement is or contains a lease shall be based on the substance of the arrangement, and not merely the legal form. It requires an assessment of whether (a) the fulfilment of the arrangement is dependent on the use of specific assets and (b) the arrangement conveys a right to use such assets.

If the arrangement is a lease or contains a lease, payments and other consideration required by the arrangement shall be separated into those for the lease and those for other elements (e.g. for services and the cost of inputs) on the basis of their relative fair values. The lease element of the arrangement shall be classified as a finance lease or an operating lease.

Leases - where the Group is the lessee

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is

2 Accounting policies (continued)

2.16 Long-term lease (continued)

Leases - where the Group is the lessee (continued)

allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Long-term leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases - where the Group is the lessor

Leases in which a significant portion of risks and rewards of ownership are retained by the lessee are classified as finance lease. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance lease income (interest income from finance leases) is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. The recognition follows accounting policy in Note 2.23.

Leases in which a significant portion of risks and rewards of ownership are retained by lessor are classified as operating leases. Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. The recognition follows accounting policy in Note 2.23.

2.17 Service concession arrangements between government and private entity in providing public services

A service concession arrangement is an arrangement involves an operator constructing and/or upgrading, operating and maintaining infrastructure used to provide a public service for a specified period of time. The operator is paid for its services over the period of the arrangement. The arrangement is governed by a contract that sets out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes. The grantor controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Group, as the operator for constructing and operating infrastructure, recognises receivable arising from a service concession arrangement to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, for the construction of concession assets. Receivable recognised as a result of the service concession arrangement are measured at fair value upon initial recognition.

2.18 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received, net of the transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised to the income statement over the period of the borrowings.

2 Accounting policies (continued)

2.18 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.19 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the entities within the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

2 Accounting policies (continued)

2.20 Employee benefits (continued)

2.20.1 Defined benefit plan - retirement benefits

The Group provides for post employment benefits, payable to employees under the labour laws applicable in Thailand and other countries in which the Group has its operations. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using yields on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other factors. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.20.2 Defined contribution plan - provident fund

The Group operates a provident fund that is a defined contribution plan. The assets are held in a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act B.E. 2530. The provident fund is funded by payments from employees and by the Group. Contributions to the provident fund are charged to the profit or loss in the year to which they relate.

2.21 Provisions

2.21.1 General provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

2.21.2 Provision for decommissioning costs

The Group recognises provision for decommissioning costs, which are provided at the onset of completion of the project, for the estimate of the eventual costs that relate to the removal of the power and water plants. The recognised provision for decommissioning costs are based on future removal cost estimates and incorporate many assumptions such as abandonment times and future inflation rate and discounted to present value at the discount rate estimated by the management. Those costs are included as part of the power plants.

2.22 Treasury stock

Treasury stock presented in the consolidated and separate financial statements is carried at cost and shown as a deduction from total shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock". Losses on disposal of treasury stock are determined by reference to its carrying amount and are taken to "Premium on treasury stock" and "Retained earnings" consecutively.

2.23 Revenue recognition

Sales is shown net of value added tax and discounts. Sales under the Power Purchase Agreements (PPA) comprise Availability Payments and Energy Payments. Availability Payments are recognised according to the terms set out in the Power Purchase Agreement. Energy Payments are calculated based on electricity delivered. Sales under the Electricity and Steam Sales/Purchase Agreements with industrial users are recognised on delivery of electricity and steam and customer acceptance.

2 Accounting policies (continued)

2.23 Revenue recognition (continued)

Finance lease income under power purchase agreements is recognised on an effective interest method over the period of the agreements. Rental income from operating lease under power purchase agreements is recognised in the income statement on a straight-line basis over the period of the agreements.

Service income under finance and operating lease agreements related to power purchase agreements, which comprises other service income and Energy Payments received from finance lease receivable and operating lease receivable with respect to the leased assets, is recognised when the services have been rendered.

Contingent rents are recognised in the income statement in the period in which they are incurred. Contingent rent is that portion of lease payments that is not fixed in amount but varies based on a future factor, such as the amount of use or production.

Revenue from construction services is recognised using the percentage of completion method. The stage of completion is measured by reference to the relationship that the contract costs incurred for work performed to date bear to the estimated total costs for the contract. Revenue from other services is recognised when the services have been rendered in accordance with the terms of the agreements or invoices have been issued.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when the shareholder's right to receive payment is established.

2.24 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the income statement, within other income item, over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

2.25 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Board of Directors.

3 Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3 Critical accounting estimates and judgements (continued)

3.1 Estimated impairment of goodwill

Goodwill arising from the acquisition of investment in electricity generation businesses in each country is tested annually for impairment by comparing the carrying amount to the recoverable amount for each cash-generating unit which is determined based on value-in-use calculations. These calculations use a cash flow projection covering the remaining periods of Power Purchase Agreements of the Group in each country and the tariffs and capacity stated in the agreements. Discount rates used are based on pre-tax WACC of each country (please see Note 18).

3.2 Estimated impairment of property, plant and equipment

The Group tests impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of asset is greater than its estimated recoverable amount. Recoverable amount is the higher of fair value less costs to sell and its value in use. The calculation of fair value less costs to sell involves significant judgements and assumptions of the management in respect to characteristics and conditions of individual asset, expected disposal period, including the list of total assets expected to be disposed. The value-in-use calculates from a cash flow projection covering the remaining periods of Power Purchase Agreement, tariffs, capacity and discounted rate.

3.3 Estimated impairment of investments in subsidiaries, associate and joint ventures

The Group tests impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of asset is greater than its estimated recoverable amount. Recoverable amount is the higher of fair value less costs to sell and its value in use. The calculation of fair value less costs to sell involves significant judgements and assumptions of the management in respect to the future operating results of business, projected cash flows, discount rate to be applied to the projected cash flows and dividend projected payouts of subsidiaries, associate and joint ventures.

4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group has alternative practices include returning capital to shareholders, issuing new shares or selling assets to reduce debt.

5 Segment information - consolidated financial statements

The Group has two segments report which are comprised of electricity generation and other businesses. Electricity generation is to operate electricity for sales to the government and industrial users. Other businesses are maintenance and operating services for power plants and coal mining business. The segment information is presented on the same basis that used for internal reporting purpose as provided to the chief operating decision maker ("the President").

5 Segment information - consolidated financial statements (continued)

For the year ended 31 December 2016

	Electricity generation Baht	Other businesses Baht	Consolidated financial statements Baht	Adjustments Baht	Management Discussion and Analysis report Baht
Revenue from sales and services income	22,012,785,805	781,630,445	22,794,416,250	2,809,487,330 ^{(4),(5),(8),(9)}	25,603,903,580
Cost of sales and services	(14,117,195,854)	(722,939,859)	(14,840,135,713)	(1,148,031,582) ^{(5),(8),(9)}	(15,988,167,295)
Segment results	7,895,589,951	58,690,586	7,954,280,537	1,661,455,748	9,615,736,285
Other income	1,878,418,840	9,257,491	1,887,676,331	(1,150,692,651) ^{(4),(8),(9)}	736,983,680
Currency exchange gains (losses)	178,532,687	(823,011)	177,709,676	(322,859,752) ^{(1),(2),(3),(5),(9)}	(145,150,076)
Administrative expenses	(2,977,826,291)	(73,125,396)	(3,050,951,687)	(979,515,379) ^{(6),(7),(8),(9)}	(4,030,467,066)
Finance costs	(3,609,521,019)	-	(3,609,521,019)	(200,212,756) ^{(2),(9)}	(3,809,733,775)
Share of profit (loss) investments in an associate and joint ventures, net	6,041,627,701	20,474,268	6,062,101,969	1,314,581,811 ^{(1),(5),(6),(7)}	7,376,683,780
Profit before income tax expense	9,406,821,869	14,473,938	9,421,295,807	322,757,021	9,744,052,828
Deferred tax income (expense)	213,196,706	995,788	214,192,494	(395,140,685) ^{(5),(6),(9)}	(180,948,191)
Income tax expense	(1,222,169,573)	(32,230,898)	(1,254,400,471)	13,582,906 ⁽⁹⁾	(1,240,817,565)
Profit (loss) for the year from continued operation	8,397,849,002	(16,761,172)	8,381,087,830	(58,800,758)	8,322,287,072
Profit for the year from discontinued operation	-	-	-	-	-
Profit for the year	8,397,849,002	(16,761,172)	8,381,087,830	(58,800,758)	8,322,287,072
Owners of the parent	8,337,562,057	(16,761,172)	8,320,800,885	1,486,187 ⁽⁵⁾	8,322,287,072
Non-controlling interests	60,286,945	-	60,286,945	(60,286,945) ^{(3),(5),(9)}	-
Segment non-current assets	62,325,108,254	94,881,218	62,419,989,472		
Unallocated assets	134,268,057,212	566,456,670	134,834,513,882		
Consolidated total assets	196,593,165,466	661,337,888	197,254,503,354		

(1) Net currency exchange gains (losses) and finance costs of joint ventures

(2) Net currency exchange gains (losses) and finance costs of subsidiaries

(3) Net currency exchange gains (losses) of non-controlling interests

(4) Adder income

(5) Impact of the adoption of TFRIC 4 "Determining whether an arrangement contains a lease"

(6) Deferred tax of subsidiaries and joint ventures

(7) Amortisation of rights in long-term power purchase agreements and fair value uplift of assets from business combination

(8) Related party transaction of subsidiaries and joint ventures

(9) Non-controlling interests



5 Segment information - consolidated financial statements (continued)

For the year ended 31 December 2015

	Electricity generation Baht	Other businesses Baht	Consolidated financial statements Baht	Adjustments Baht	Management Discussion and Analysis report Baht
Revenue from sales and services income	15,168,528,480	745,237,667	15,913,766,147	2,223,784,508 ^{(4),(5),(8),(9),(10)}	18,137,550,655
Cost of sales and services	(9,220,738,217)	(712,826,480)	(9,933,564,697)	(1,189,184,489) ^{(5),(8),(9),(10)}	(11,122,749,186)
Segment results	5,947,790,263	32,411,187	5,980,201,450	1,034,600,019	7,014,801,469
Other income	1,862,350,992	30,462,236	1,892,813,228	(1,149,829,817) ^{(4),(8),(9),(10)}	742,983,411
Gain from sell a subsidiary, net	-	1,078,916,817	1,078,916,817	-	1,078,916,817
Currency exchange gains (losses)	(339,196,632)	(2,910,837)	(342,107,469)	(2,990,136,744) ^{(1),(2),(3),(5),(9)}	(3,332,244,213)
Administrative expenses	(2,800,081,501)	(58,723,670)	(2,858,805,171)	(959,017,340) ^{(6),(7),(8),(9),(10)}	(3,817,822,511)
Finance costs	(6,657,458,382)	-	(6,657,458,382)	3,616,854,837 ^{(2),(9)}	(3,040,603,545)
Share of profit (loss) investments in associate and joint ventures, net	5,971,100,225	(23,023,468)	5,948,076,757	640,365,179 ^{(1),(5),(6),(7)}	6,588,441,936
Profit before income tax expense	3,984,504,965	1,057,132,265	5,041,637,230	192,836,134	5,234,473,364
Deferred tax income (expense)	376,770,927	1,228,750	377,999,677	(649,247,653) ^{(5),(6),(9),(10)}	(271,247,976)
Income tax expense	(951,271,894)	(177,127,582)	(1,128,399,476)	(6,420,553) ^{(9),(10)}	(1,134,820,029)
Profit (loss) for the year from continued operation	3,410,003,998	881,233,433	4,291,237,431	(462,832,072)	3,828,405,359
Profit for the year from discontinued operation	-	114,925,329	114,925,329	(114,925,329) ^{(5),(6),(9),(10)}	-
Profit for the year	3,410,003,998	996,158,762	4,406,162,760	(577,757,401)	3,828,405,359
Owners of the parent	3,353,990,904	965,185,551	4,319,176,455	(485,510,934) ⁽⁵⁾	3,833,665,521
Non-controlling interests	56,013,094	30,973,211	86,986,305	(92,246,467) ^{(3),(5),(9)}	(5,260,162)
Segment non-current assets	72,405,052,929	122,247,987	72,527,300,916		
Unallocated assets	106,666,807,189	618,102,534	107,284,909,723		
Consolidated total assets	179,071,860,118	740,350,521	179,812,210,639		

(1) Net currency exchange gains (losses) and finance costs of joint ventures

(2) Net currency exchange gains (losses) and finance costs of subsidiaries

(3) Net currency exchange gains (losses) of non-controlling interests

(4) Adder income

(5) Impact of the adoption of TFRIC 4 "Determining whether an arrangement contains a lease" and TFRIC 12 "Service concession arrangements"

(6) Deferred tax of subsidiaries and joint ventures

(7) Amortisation of rights in long-term power purchase agreements and fair value uplift of assets from business combination

(8) Related party transaction of subsidiaries and joint ventures

(9) Non-controlling interests

(10) Profit (loss) from discontinued operation

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5 Segment information - consolidated financial statements (continued)

Geographical information

In presenting geographical information, revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets.

	Sales and services income		Non-current assets	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Thailand	11,548,384,088	4,859,899,937	30,111,633,073	39,340,025,877
Philippines	10,232,085,005	10,239,193,709	24,734,588,143	25,188,761,984
Australia	1,013,947,157	814,672,501	7,573,768,256	7,998,513,055
Total	22,794,416,250	15,913,766,147	62,419,989,472	72,527,300,916

6 Cash and cash equivalents

As at 31 December 2016, cash and cash equivalents mainly comprised short-term investments in promissory notes with maturities of three months or less. The interest rates were 0.10% to 1.80% per annum (2015: 0.05% to 2.55% per annum).

7 Short-term investments

Short-term investments comprised deposits at financial institutions with maturities over three months but not later than one year and marketable securities.

Deposits at financial institutions

The deposits at financial institutions of the Group mainly comprise deposits at financial institutions and promissory notes issued by local financial institutions. As at 31 December 2016, deposits at financial institutions, and promissory notes bore interest at rates from 0.10% to 1.65% per annum (2015: interest at rates from 0.10% to 2.75% per annum).

Marketable securities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<i>Held-to-maturity</i>				
Debt securities	3,135,541	2,118,801	-	-
Short-term investments in marketable securities	3,135,541	2,118,801	-	-

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8 Investments used as collateral

Short-term investments used as collateral

The majority of the deposits at financial institutions used as collateral are those of ten subsidiaries (As at 31 December 2015: nine subsidiaries). They comprise cash reserves required to be maintained under their loan agreements for the purpose of repayment of principal and payment of interest due within one year and as a reserve to minimise exchange rate risk. These cash reserves are provided from the proceeds of sales of electricity.

As at 31 December 2016, the Group had deposits at financial institutions used as collateral amounting to US Dollar 13 million, Japanese Yen 610 million and Baht 2,250 million which totally equivalent to Bath 4,199 million (31 December 2015: US Dollar 0.1 million and Baht 1,760 million which totally equivalent to Bath 1,764 million). These included the cash reserve for the purpose of repayment of principal and payment of interest due within one year amounted to Baht 1,176 million (31 December 2015: Baht 1,277 million) and the remaining balance of Baht 3,023 million (31 December 2015: Baht 487 million) represented collateralised deposits maintained in accordance with the loan agreements but which could be used subject to certain lender approvals.

Long-term investments used as collateral

Long-term investments used as collateral is of a subsidiary which represented deposits maintained in accordance with the loan agreements.

As at 31 December 2016, the Group had Thai Baht deposits at financial institutions used as collateral of Baht 0.28 million (31 December 2015: Baht 90 million) represented collateralised deposits maintained in accordance with the loan agreements but which could be used subject to certain lender approvals.

9 Trade receivables, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables	532,114,245	640,580,458	-	-
Trade receivable from operating lease	292,232,815	294,356,687	-	-
Trade receivable from services under operating lease	1,130,991,114	1,167,596,325	-	-
	1,955,338,174	2,102,533,470	-	-
Less Allowance for doubtful account	(21,754,636)	(15,162,264)	-	-
Trade receivables, net	1,933,583,538	2,087,371,206	-	-

9 Trade receivables, net (continued)

Outstanding trade receivables as at 31 December can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Not overdue	1,912,542,531	2,012,954,606	-	-
Overdue below 3 months	7,441,307	41,845,072	-	-
Overdue 3 - 6 months	-	2,247,000	-	-
Overdue 6 - 12 months	13,599,700	-	-	-
Overdue over 12 months	21,754,636	45,486,792	-	-
	1,955,338,174	2,102,533,470	-	-
Less Allowance for doubtful account	(21,754,636)	(15,162,264)	-	-
Trade receivables, net	1,933,583,538	2,087,371,206	-	-

10 Fuel and spare parts and supplies, net

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Fuel	654,895,336	805,056,402	-	185,620,202
Other specific spare parts	1,386,282,028	912,242,185	-	-
Common spare parts	1,046,135,601	939,387,589	2,173,390	10,764,677
	3,087,312,965	2,656,686,176	2,173,390	196,384,879
Less Allowance for obsolescence	(786,891,962)	(748,425,649)	-	(4,734,502)
Fuel and spare parts and supplies, net	2,300,421,003	1,908,260,527	2,173,390	191,650,377

11 Other current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Prepaid withholding tax	312,017,711	705,856,575	158,285,171	308,869,051
VAT receivable	632,449,995	160,162,241	-	-
Prepaid insurance premium	113,762,988	80,310,672	-	7,913
Accrued income	119,117,118	90,568,944	-	-
Interest receivable	9,085,179	5,244,340	298,933	341,444
Others	513,130,875	421,574,734	70,160,257	47,460,684
Total other current assets	1,699,563,866	1,463,717,506	228,744,361	356,679,092

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12 Long-term investments in marketable securities and other long-term investments

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
<i>Available-for-sale</i>				
Debt securities	4,532,748	5,919,806	-	-
Equity securities	867,490,823	867,490,823	867,490,823	867,490,823
Changes in fair value of investments	2,807,538,819	2,745,250,181	2,807,538,819	2,745,250,181
Total long-term investments in marketable securities	3,679,562,390	3,618,660,810	3,675,029,642	3,612,741,004
<i>Other long-term investments</i>				
Other equity securities	2,068,523,000	1,527,252,500	2,065,083,000	1,523,812,500
Total other investments	2,068,523,000	1,527,252,500	2,065,083,000	1,523,812,500
Total long-term investments in marketable securities and other long-term investments	5,748,085,390	5,145,913,310	5,740,112,642	5,136,553,504

Other long-term investments

Other long-term investment in equity securities mainly represented an investment in Xayaburi Power Company Limited (“XPCL”) in the proportion 12.5% shareholding interest in XPCL. In order to become a joint developer of the Xayaburi hydropower project. XPCL was awarded a concession agreement by the government of the Laos People’s Democratic Republic (“Laos PDR”) to design, develop, construct and implement a run-of-the-river dam power project with an installed capacity of 1,285 MW for 29 years after the commercial operation date.

During the year 2016, XPCL issued additional ordinary shares and the Company paid for additional paid-up shares in the same proportion as its original investment, totalling Baht 541 million (2015: Baht 356 million). At 31 December 2016, investment in XPCL was Baht 2,063 million (2015: Baht 1,522 million).

13 Long-term loans to other company

On 2 August 2016, the Company entered into a Baht 1,231 million long-term loan agreement with Xayaburi Power Company Limited (“XPCL”) for construction of a power plant. The term of the agreements is for 15 years from 2016 with annual principal repayments beginning in 2021, and the interest will be repaid after the principal is fully repaid. The loan bears an interest rate at MLR plus a certain margin for the period before the commercial operations date and will bear an interest rate at MLR thereafter. XPCL drew down the full loan amount of the facility.

14 Investments in subsidiaries, an associate and joint ventures

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 31 December				
Investments in subsidiaries (Note 14.2)	-	-	59,870,560,005	56,733,785,997
Investment in an associate (Note 14.3)	6,952,429,890	6,877,717,511	-	-
Investments in joint ventures (Note 14.4)	56,255,855,403	52,937,680,990	25,571,697,638	25,571,697,638
Total investments in subsidiaries, an associate and joint ventures	63,208,285,293	59,815,398,501	85,442,257,643	82,305,483,635

14.1 The movements of the investments in subsidiaries, an associate and joint ventures can be analysed as follows:

	Consolidated financial statements	
	2016 Baht	2015 Baht
Opening net book value	59,815,398,501	55,771,186,197
Acquisitions of investment in joint ventures	3,049,232,528	1,658,379,505
Decrease in share capital of an associate (Note 14.1.2)	(213,410,200)	-
Share of profit from investments in an associate and joint ventures, net	6,062,101,969	5,948,076,757
Share of other comprehensive income (loss) of an associate and joint ventures accounted for using the equity method		
- Unrealised gain on investments in marketable securities-available-for-sale of a joint venture, net of income tax	2,712,119	3,252,089
- Remeasurements of post-employment benefit obligations, net of income tax	(1,580,014)	5,700,736
Dividends income received from joint ventures	(5,413,017,799)	(5,403,906,966)
Exchange difference on translation	(93,151,811)	1,832,710,183
Closing net book value	63,208,285,293	59,815,398,501

	Separate financial statements	
	2016 Baht	2015 Baht
Opening net book value	82,305,483,635	80,857,485,910
Increase in share capital of subsidiaries (Note 14.1.1)	3,136,774,008	247,997,725
Acquisition of investment in a joint venture	-	1,200,000,000
Closing net book value	85,442,257,643	82,305,483,635

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14 Investments in subsidiaries, an associate and joint ventures (continued)

14.1 The movements of the investments in subsidiaries, an associate and joint ventures can be analysed as follows: (continued)

14.1.1 The significant movement of the investments in subsidiaries during the year ended 31 December 2016:

Direct holding by the Company

Khanom Electricity Generating Co., Ltd. (“Khanom”)

During the year 2016, Khanom which is a subsidiary of the Company registered additional share capital of 239,500,000 shares at par of Baht 10 per share with the Ministry of Commerce and called for paid-up shares at Baht 8.3717 per share, totalling Baht 2,005 million. The Company paid-up for such shares in the same portion as its original investment.

Chaiyaphum Wind Farm Co., Ltd. (“Chaiyaphum”)

During the year 2016, Chaiyaphum called for additional paid-up share capital and the Company paid for additional paid-up share capital in the same portion as its original investment, totalling Baht 1,111 million.

14.1.2 The significant movement of the investments in an associate during the year ended 31 December 2016

Indirect holding by the Company

Star Energy Geothermal Pte. Ltd. and its subsidiaries (“SEG”)

During the year 2016, the Group received cash from SEG in the same portion as its original investment, totalling US Dollar 6 million, equivalent to Baht 213 million.

14.1.3 The significant movement of the investments in joint ventures during the year ended 31 December 2016

Indirect holding by the Company

Masin-AES Pte. Ltd. (“Masin-AES”)

On 5 July 2016, the Group has entered into a share subscription agreement to acquire an additional indirect portion of investment in Masin-AES which is a joint venture of the Group and the major shareholder of Masinloc Power Partner Co., Ltd. (“Masinloc”) at the consideration of US Dollar 87 million, equivalent to Baht 3,049 million. The Group fully paid for the acquisition of such investment. Therefore, the Group has the indirect portion of investment in Masin-AES and Masinloc increased from 44.54% to 49% and from 40.95% to 49%; respectively. However, under the terms and conditions of the shareholder agreement, it is required unanimous consent from all shareholders or their representation on the strategic, operating and financing decisions of Masin-AES; therefore, Masin-AES remained as a joint venture of the Group.

The detail of investment is described below:

	Consolidated financial statements Million Baht
Portion of carrying value of net assets acquired	691
Purchase price over net assets' carrying value ^{(1),(2)} (presented in investments in a joint venture)	2,358
Purchase consideration	3,049

⁽¹⁾ As at 31 December 2016, the Group has been under the process of determining fair value of the acquired net assets and reviewing purchase price allocation (“PPA”). Therefore, the purchase price over net assets' carrying value may be subject to further adjustments depending on the determination of fair value and the result of the PPA, which is expected to be finalised within 12 months from the acquisition date.

⁽²⁾ This is expected to be comprised of right to long-term power purchase agreements and goodwill, etc.

14 Investments in subsidiaries, an associate and joint ventures (continued)

14.2 Investments in subsidiaries

The details of the investments in subsidiaries are as follows:

	Portion of ordinary shares directly held by parent		Portion of ordinary shares held by the Group		Cost Method		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Business								
Subsidiaries incorporated in Thailand								
Khanom Electricity Generating Co., Ltd.	99.99	99.99	-	-	8,005	6,000	-	-
EGCO Engineering and Service Co., Ltd.	99.99	99.99	-	-	400	400	121	1,077
- Agro Energy Co., Ltd.	-	-	99.99	99.99	-	-	-	-
EGCO Green Energy Co., Ltd.	74.00	74.00	-	-	129	129	-	58
- Roi-Et Green Co., Ltd.	-	-	95.00	95.00	-	-	-	-
EGCO Cogeneration Co., Ltd.	80.00	80.00	-	-	892	892	212	16
Theppana Wind Farm Co., Ltd.	90.00	90.00	-	-	151	145	10	-
SPP Two Co., Ltd.	99.99	99.99	-	-	266	266	69	79
SPP Three Co., Ltd.	99.99	99.99	-	-	301	301	79	77
SPP Four Co., Ltd.	99.99	99.99	-	-	224	224	57	66
SPP Five Co., Ltd.	99.99	99.99	-	-	371	371	86	86
Yanhee EGCO Holding Co., Ltd.	100.00	100.00	-	-	5	5	571	622
- Solarco Co., Ltd.	-	-	99.98	99.98	-	-	-	-
Klongluang Utilities Co., Ltd.	99.99	99.99	-	-	257	257	-	-
Banpong Utilities Co., Ltd.	99.99	99.99	-	-	507	507	-	-
Chaiyaphum Wind Farm Co., Ltd.	90.00	90.00	-	-	1,532	406	-	-
Total investments in subsidiaries incorporated in Thailand					13,040	9,903	1,205	2,081

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14 Investments in subsidiaries, an associate and joint ventures (continued)

14.2 Investments in subsidiaries (continued)

The details of the investments in subsidiaries are as follows: (continued)

Business	Portion of ordinary shares directly held by parent		Portion of ordinary shares held by the Group		Cost Method		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries incorporated overseas								
North Pole Investment Company Limited (North Pole) (incorporated in the Republic of Mauritius)	100.00	100.00	-	-	46,830	46,830	1,485	1,441
- EGCO International (B.V.I.) Limited (incorporated in the British Virgin Islands)	-	-	100.00	100.00	-	-	-	-
- New Growth Cooperatief U.A. (incorporated in the Netherlands)	-	-	100.00	100.00	-	-	-	-
- Gen Plus B.V. (incorporated in the Netherlands)	-	-	100.00	100.00	-	-	-	-
- Phoenix Power B.V. (incorporated in the Netherlands)	-	-	100.00	100.00	-	-	-	-
- Millennium Energy B.V. (incorporated in the Netherlands)	-	-	100.00	100.00	-	-	-	-
- South Pacific Power Pty Limited (incorporated in the Australia)	-	-	100.00	100.00	-	-	-	-
- Boco Rock Wind Farm Pty Ltd (incorporated in the Australia)	-	-	100.00	100.00	-	-	-	-
- New Growth B.V. (incorporated in the Netherlands)	-	-	100.00	100.00	-	-	-	-
- Evergreen Power Ventures B.V. (incorporated in the Netherlands)	-	-	100.00	100.00	-	-	-	-
- Pearl Energy Philippines Operating, Inc. (PEPOI) (registered under the laws of Cayman Islands, operated in the Philippines)	-	-	100.00	100.00	-	-	-	-
- Quezon Power (Philippines) Limited Co. (QPL) (incorporated in the Philippines)	-	-	100.00	100.00	-	-	-	-
- Quezon Management Service Inc. (QMS) (registered under the laws of Cayman Islands, operated in the Philippines)	-	-	100.00	100.00	-	-	-	-
- Mauban Holding Company Inc. (Mauban) (incorporated in the Philippines)	-	-	100.00	100.00	-	-	-	-
- Dewei Electricity Generating Company Management Pte. Ltd. (DEGCOM) (incorporated in the Singapore)	-	-	100.00	100.00	-	-	-	-
Total investments in subsidiaries incorporated in overseas					46,830	46,830	1,485	1,441
Total investments in subsidiaries					59,870	56,733	2,690	3,522



14 Investments in subsidiaries, an associate and joint ventures (continued)

14.2 Investments in subsidiaries (continued)

The details of investments in subsidiaries are as follows: (continued)

All subsidiaries undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertaking included in the Group.

As at 31 December 2016 and 2015, under the terms and conditions of loan agreement, the common share were pledged as collateral for its long-term loan in each subsidiary.

- Khanom Electricity Generating Co., Ltd.
- Solarco Co., Ltd.
- Chaiyaphum Wind Farm Co., Ltd.
- Klongluang Utilities Co., Ltd.
- Banpong Utilities Co., Ltd. (Only 2016)

The total non-controlling interest for the period is Baht 625 million, of which Baht 323 million is for EGCO Cogeneration Co., Ltd. and Baht 160 million is for Chaiyaphum Wind Farm Co., Ltd. and Baht 142 million is not material.

As at 31 December 2016, dividends receivable from subsidiaries amounting to Baht 551 million were recognised in the separate financial statements (31 December 2015: Baht 205 million).

14.3 Investment in an associate

The details of investment in an associate are as follows:

Business	Portion of ordinary shares held by the Group		Cost Method		Equity Method		Dividend income	
	2016 %	2015 %	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Associate incorporated in the Republic of Indonesia								
Star Energy Geothermal Pte. Ltd. (SEG) and its subsidiaries	20.00	20.00	6,617	6,830	6,952	6,878	-	-
Total investment in an associate			6,617	6,830	6,952	6,878	-	-

Investment in Star Energy Geothermal Pte. Ltd. ("SEG")

SEG is an associate between Phoenix Power B.V., which is a subsidiary of the Company and Star Energy Group Holdings Pte Ltd. SEG's business is investor in geothermal energy power plant business in the Republic of Indonesia. The Group has a 20% interest in SEG.

Summarised financial information for an associate

The Group also has interest in immaterial associate that is accounted for using the equity method as follow;

	2016 Baht	2015 Baht
Aggregate carrying amount of individually immaterial associates	6,952,429,890	6,877,717,511
Aggregate amounts of an associate's share of:		
Profit (loss) from continuing operations	293,883,168	(163,996,861)
Other comprehensive income (loss)	(5,760,589)	190,958,295
Total comprehensive income	288,122,579	26,961,434

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14 Investments in subsidiaries, an associate and joint ventures (continued)

14.4 Investments in joint ventures

The details of investments in joint ventures are as follows:

	Portion of ordinary shares held by the Group		Cost Method		Equity Method		Dividend Income	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Business								
Joint ventures incorporated in Thailand								
Gulf Electric Public Co., Ltd. (GEC) and its subsidiaries	50.00	50.00	6,673	6,673	14,346	14,107	1,227	1,406
BLCP Power Ltd. (BLCP)	50.00	50.00	10,434	10,434	7,369	8,017	2,456	1,834
Natural Energy Development Co., Ltd. (NED)	66.67*	66.67*	1,961	1,961	2,153	2,061	448	560
G- Power Source Co., Ltd. (GPS)	60.00*	60.00*	734	734	794	799	133	145
GIDEC Co., Ltd (GIDEC)	50.00	50.00	200	200	73	103	-	-
Joint ventures incorporated in the Philippines								
Kalilayan Power Inc. (KPI)	49.00*	49.00*	2	2	1	2	-	-
San Buenaventura Power Ltd., Co. (SBPL)	49.00*	49.00*	629	629	494	604	-	-
Joint venture incorporated in Singapore								
Masin-AES Pre. Ltd. (Masin-AES) and its subsidiaries	49.00*	44.54*	17,263	14,214	17,273	14,163	401	767
Joint venture incorporated in the Lao People's Democratic Republic								
Nam Theun 2 Power Company Limited (NTPC)	35.00*	35.00*	5,570	5,570	7,792	7,103	748	692
Joint venture incorporated in the Republic of Indonesia								
PT Manambang Muara Enim (MME)	40.00*	40.00*	6,029	6,029	5,920	5,943	-	-
PT Tenaga Listrik Cilegon (TLC)	49.00*	49.00*	41	41	41	36	-	-
Total investments in joint ventures			49,536	46,487	56,256	52,938	5,413	5,404

* Shareholder Agreements assigned the structure of the business operation and the strategic, operating and financing decisions which required unanimous consent from all parties.

As at 31 December 2016 and 2015, under the terms and conditions of BLCP and GPS loan agreements, their common shares were pledged as collateral for their long-term loans.

As at 31 December 2016, dividends receivable from joint ventures amounting to Baht 8,185 million were recognised in the consolidated financial statements (31 December 2015 : Baht 7,599 million) and amounting to Baht 8,185 million were recognised in the separate financial statements (31 December 2015 : Baht 7,599 million).

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14 Investments in subsidiaries, an associate and joint ventures (continued)

14.4 Investments in joint ventures (continued)

Investment in Gulf Electric Public Company Limited (“GEC”)

GEC is a joint venture between the Company and J-Power Holdings (Thailand) Company Limited (“JPHT”) and Mitr Power (Thailand) Company Limited. GEC’s business is the generation of electricity for sale to Electricity Generating Authority of Thailand (EGAT) and industrial users under long-term purchasing agreements, in which the Group has a 50% ownership interest.

Investment in BLCP Power Ltd. (“BLCP”)

BLCP is a joint venture between the Company and Banpu Coal Power Limited. BLCP’s business is to generate electricity from the coal fire electricity generating plant for sale to EGAT under long-term purchasing agreement, in which the Group has a 50% ownership interest.

Investment in Nam Theun 2 Power Company Limited (“NTPC”)

NTPC is a joint venture between the company, the government of Lao PDR (through Lao Holding State Enterprise) and EDF International. NTPC’s business is the generation of electricity for sale to EGAT and Electricite Du Laos (“EDL”), in which the Group has a 35% ownership interest.

Investment in Natural Energy Development Co., Ltd. (“NED”)

NED is a joint venture between the Company, CLP Thailand Renewables Limited. The joint venture is governed by a joint venture agreement and the Group has a 66.67% ownership interest. NED’s business is to generate electricity from its solar power plant for sale to EGAT and Provincial Electricity Authority (“PEA”).

Investment in G- Power Source Co., Ltd. (“GPS”)

GPS is a joint venture between the Company and Gunkul Engineering Public Company Limited. GPS’s business is the solar electricity generation plant for sale to PEA, in which the Group has a 60% ownership interest.

Investment in GIDEC Company Limited (“GIDEC”)

GIDEC is a joint venture between the Company and IEC Green Energy Co., Ltd. GIDEC’s business is the electricity generation from waste power for sale to PEA, in which the Group has a 50% ownership interest.

Investment in PT Manambang Muara Enim (“MME”)

MME is a joint venture between New Growth B.V., which is a subsidiary of the Company and PT Alarm Karya Nusantara and PT Manunggal Power. MME’s business is the operator in a coal mine located in South Sumatra, Indonesia, in which the Group has a 40% ownership interest.

Investment in Kalilayan Power Inc. (“KPI”)

KPI is a joint venture between New Growth B.V., which is a subsidiary of the Company and Meralco PowerGen Corporation. KPI’s business is investor in a power project in the Philippines, in which the Group has a 49% ownership interest.

Investment in San Bvenarenturd Power Ltd., Co. (“SBPL”)

SBPL is a joint venture between Mauban Holding Company, Inc, which is a subsidiary of the Group and MPG Mauban LP Corp. SBPL’s business is to develop the power plant project the Philippines, in which the Group has a 49% ownership interest.

Investment in Masinloc-AES Pte. Ltd. (“Masin-AES”)

Masin-AES is a joint venture between Gen Plus B.V., which is a subsidiary of the Company and AES PHIL Investment Pte Ltd. Masin-AES’s business is to invest in the power business in the Philippines, in which the Group has a 49% ownership interest.

Investment in PT Tenaga Listrik Cilegon (“TLC”)

TLC is a joint venture between Phoenix Power B.V., which is a subsidiary of the Company and PT Barito Wahana Lestari. TLC’s business is to develop the coal fired power plant project in Indonesia, in which the Group has a 49% ownership interest.

14 Investments in subsidiaries, an associate and joint ventures (continued)

14.4 Investments in joint ventures (continued)

Summarised financial information for joint ventures

14.4.1 Individually material joint ventures

Set out below are the summarised financial information which is accounted for using the equity method are as follows;

Summarised statement of financial position

	GEC and its subsidiaries As at 31 December		BLCP As at 31 December		NTPC As at 31 December		Masin-AES As at 31 December		Total As at 31 December	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Current										
Cash and cash equivalents	1,012	878	66	41	234	316	1,780	1,517	3,092	2,752
Other current assets	10,464	11,421	16,681	16,106	3,758	3,226	5,675	5,354	36,578	36,107
Total current assets	11,476	12,299	16,747	16,147	3,992	3,542	7,455	6,871	39,670	38,859
Current financial liabilities	(1,563)	(2,100)	(2,985)	(3,295)	(3,003)	(3,002)	(1,821)	(1,610)	(9,372)	(10,007)
Other current liabilities	(1,103)	(1,860)	(17,564)	(15,709)	(442)	(395)	(4,578)	(3,419)	(23,687)	(21,383)
Total current liabilities	(2,666)	(3,960)	(20,549)	(19,004)	(3,445)	(3,397)	(6,399)	(5,029)	(33,059)	(31,390)
Non-current										
Non-current asset	24,733	26,226	24,619	27,945	38,382	39,814	38,274	37,886	126,008	131,871
Non-current financial liabilities	(3,792)	(5,416)	(5,217)	(8,226)	(16,037)	(19,006)	(16,153)	(14,378)	(41,199)	(47,026)
Other non-current liabilities	(1,059)	(935)	(862)	(827)	(628)	(660)	(927)	(3,377)	(3,476)	(5,799)
Total non-current liabilities	(4,851)	(6,351)	(6,079)	(9,053)	(16,665)	(19,666)	(17,080)	(17,755)	(44,675)	(52,825)
Net assets	28,692	28,214	14,738	16,035	22,264	20,293	22,250	21,973	87,944	86,515



14 Investments in subsidiaries, an associate and joint ventures (continued)

14.4 Investments in joint ventures (continued)

Summarised financial information for joint ventures (continued)

14.4.1 Individually material joint ventures (continued)

Set out below are the summarised financial information which is accounted for using the equity method are as follows; (continued)

Summarised statement of comprehensive income

	GEC and its subsidiaries For the year ended 31 December		BLCP For the year ended 31 December		NTPC For the year ended 31 December		Masin-AES For the year ended 31 December		Total For the year ended 31 December	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Revenue	17,830	24,827	16,647	11,821	9,376	8,959	14,153	13,893	58,006	59,500
Depreciation and amortisation	(1,320)	(1,140)	(2,127)	(2,227)	(1,403)	(1,549)	(2,842)	(3,155)	(7,692)	(8,071)
Interest income	118	123	72	80	12	10	-	(1)	202	212
Interest expense	(348)	(472)	(548)	(566)	(1,545)	(1,808)	(723)	(706)	(3,164)	(3,552)
Profit from continuing operations	3,716	4,246	3,978	5,265	4,324	4,919	2,671	2,201	14,689	16,631
Income tax expense	(781)	(1,134)	(327)	(1,405)	(112)	(111)	(1,535)	(1,474)	(2,755)	(4,124)
Post-tax profit from continuing operations	2,935	3,112	3,651	3,860	4,212	4,808	1,136	727	11,934	12,507
Other comprehensive income (expense)	(4)	7	(36)	1,005	(105)	1,394	(41)	1,461	(186)	3,867
Total comprehensive income	2,931	3,119	3,615	4,865	4,107	6,202	1,095	2,188	11,748	16,374

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture.

14 Investments in subsidiaries, an associate and joint ventures (continued)

14.4 Investments in joint ventures (continued)

Summarised financial information for joint ventures (continued)

14.4.1 Individually material joint ventures (continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures

	GEC and its subsidiaries		BLOP		NTPC		Masin - AES		Total
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht	
Summarised financial information									
Opening net assets 1 January	28,214	27,907	16,034	14,841	20,293	16,069	21,974	21,504	86,515
Profit for the year	2,935	3,112	3,651	3,860	4,212	4,808	1,136	727	11,934
Other comprehensive income (expense)	(4)	7	(36)	1,005	(105)	1,394	(41)	1,461	(186)
Dividends	(2,453)	(2,812)	(4,911)	(3,671)	(2,136)	(1,978)	(819)	(1,719)	(10,180)
Closing net assets	28,692	28,214	14,738	16,035	22,264	20,293	22,250	21,973	87,944
Portion of investment in common share by Group	50.00	50.00	50.00	50.00	35.00	35.00	49.00*	44.54	
Interest in joint ventures, net	14,346	14,107	7,369	8,017	7,792	7,103	10,539*	9,787	40,046
Goodwill, net of exchange difference on translation	-	-	-	-	-	-	6,734	4,376	6,734
Carrying value	14,346	14,107	7,369	8,017	7,792	7,103	17,273	14,163	46,780

* The Group has recognised the interest in Masin - AES at 44.54% for 1 January 2016 - 6 July 2016. After 6 July 2016 the Group has recognised the interest in Masin - AES in the portion of 49% (Note 14.1.3).

14 Investments in subsidiaries, an associate and joint ventures (continued)

14.4 Investments in joint ventures (continued)

14.4.2 Individually immaterial joint ventures

In addition to the interests in joint ventures disclosed above, the Group also has interests in a number of individually immaterial joint ventures that are accounted for using the equity method are as follows:

	2016 Baht	2015 Baht
Aggregate carrying amount of individually immaterial joint ventures	9,475,761,120	7,487,256,825
Aggregate amounts of the Group's share of:		
Loss from continuing operating	(74,793,175)	(72,743,369)
Other comprehensive income	2,115,273	6,309,654
Total comprehensive expense	(72,677,902)	(66,433,715)

14.5 Dividends receivable from subsidiaries and joint ventures

The movements of the dividends receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	7,598,573,581	7,241,289,361	7,803,102,895	7,548,952,539
Dividends declared by subsidiaries	-	-	2,690,206,893	3,521,903,496
Dividends declared by joint ventures	5,413,017,799	5,403,906,966	5,012,140,745	4,637,261,003
Dividends received from subsidiaries and joint ventures	(4,826,925,547)	(5,046,622,746)	(6,769,383,361)	(7,905,014,143)
Closing balance	8,184,665,833	7,598,573,581	8,736,067,172	7,803,102,895
Current portion	(1,587,100,648)	(1,606,912,848)	(2,138,501,987)	(1,811,442,162)
Non-current portion	6,597,565,185	5,991,660,733	6,597,565,185	5,991,660,733

15 Investment property

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
As at 31 December				
Book value as at 1 January	448,602,691	448,602,691	662,254,434	448,602,691
Additions	-	-	-	213,651,743
Transfer from property, plant and equipment (Note 16)	-	-	7,631,556	-
Book value as at 31 December	448,602,691	448,602,691	669,885,990	662,254,434
Fair value	612,990,148	957,721,385	740,962,998	1,085,694,235

Investment property of the Group is land held for a currently undetermined future use amounting to Baht 448.60 million. Investment property of the Company amounting to Baht 221.28 million is land for rent of a subsidiary (Note 40.13).

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16 Property, plant and equipment, net

	Consolidated financial statements						Total Baht
	Land Baht	Buildings and land improvements Baht	Power plants, substation, transmission system, spare parts and water plants Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht		
At 1 January 2015							
Cost	1,492,575,433	4,987,831,117	57,937,110,794	625,752,046	8,773,352,526		73,816,621,916
Less Accumulated depreciation	-	(1,935,646,758)	(15,539,220,288)	(533,103,382)	-		(18,007,970,428)
Net book value	1,492,575,433	3,052,184,359	42,397,890,506	92,648,664	8,773,352,526		55,808,651,488
Year ended 31 December 2015							
Opening net book value	1,492,575,433	3,052,184,359	42,397,890,506	92,648,664	8,773,352,526		55,808,651,488
Additions	213,651,743	8,244,991	76,558,897	36,536,697	16,234,222,377		16,569,214,705
Disposals, net	-	-	(70,635)	(474,514)	-		(545,149)
Write-off, net	-	-	(49,230,597)	(55,445)	(12,402,760)		(61,688,802)
Transfer	-	13,378,977	22,881,791	24,693,633	(59,737,988)		1,216,413
Disposal of a subsidiary	(18,730,600)	-	-	(280,134)	-		(19,010,734)
Depreciation charge	-	(72,868,036)	(1,678,787,682)	(33,061,264)	-		(1,784,716,982)
Exchange difference on translation	-	198,822,431	1,800,728,466	13,065,208	1,563,872		2,014,179,977
Closing net book value	1,687,496,576	3,199,762,722	42,569,970,746	133,072,845	24,936,998,027		72,527,300,916
At 31 December 2015							
Cost	1,687,496,576	5,208,277,517	59,735,357,054	671,854,525	24,936,998,027		92,239,983,699
Less Accumulated depreciation	-	(2,008,514,795)	(17,165,386,308)	(538,781,680)	-		(19,712,682,783)
Net book value	1,687,496,576	3,199,762,722	42,569,970,746	133,072,845	24,936,998,027		72,527,300,916



16 Property, plant and equipment, net (continued)

	Consolidated financial statements						Total Baht
	Land Baht	Buildings and land improvements Baht	Power plants, substation, transmission system, and spare parts Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht		
At 1 January 2016							
Cost	1,687,496,576	5,208,277,517	59,735,357,054	671,854,525	24,936,998,027		92,239,983,699
Less Accumulated depreciation	-	(2,008,514,795)	(17,165,386,308)	(538,781,680)	-		(19,712,682,783)
Net book value	1,687,496,576	3,199,762,722	42,569,970,746	133,072,845	24,936,998,027		72,527,300,916
Year ended 31 December 2016							
Opening net book value	1,687,496,576	3,199,762,722	42,569,970,746	133,072,845	24,936,998,027		72,527,300,916
Additions	7,631,556	18,623,602	734,463,059	73,320,318	13,282,147,097		14,116,185,632
Residual value of asset from finance lease receivable	-	-	580,654,874	-	-		580,654,874
Disposals, net	-	(57,327,992)	(16,474,560)	(321,010)	-		(74,123,562)
Write-off, net	-	(1,404,454)	(137,908)	(145,221)	(3,998,584)		(5,686,167)
Transfer, net	-	467,456,134	25,911,915,462	51,997,918	(26,431,369,514)		-
Transfer to lease receivable	-	-	(21,254,999,681)	-	-		(21,254,999,681)
Transfer to intangible assets and spare parts	-	-	-	-	(967,289,703)		(967,289,703)
Reclassified to other assets	-	-	(25,110,831)	-	205,164,740		180,053,909
Reclassified to investment property	-	-	-	-	(7,631,556)		(7,631,556)
Depreciation charge	-	(111,539,241)	(1,727,907,668)	(54,160,674)	-		(1,893,607,583)
Allowance for impairment of assets	-	-	(508,993,638)	-	-		(508,993,638)
Exchange difference on translation	-	(3,352,762)	(269,666,910)	(187,497)	1,333,200		(271,873,969)
Closing net book value	1,695,128,132	3,512,218,009	45,993,712,945	203,576,679	11,015,353,707		62,419,989,472
At 31 December 2016							
Cost	1,695,128,132	5,612,171,233	65,356,179,515	779,070,107	11,015,353,707		84,457,902,694
Less Accumulated depreciation	-	(2,099,953,224)	(19,362,466,570)	(575,493,428)	-		(22,037,913,222)
Net book value	1,695,128,132	3,512,218,009	45,993,712,945	203,576,679	11,015,353,707		62,419,989,472

The impairment charge of Baht 509 million for the power plants was made during the year as a result of some power plants have been ceased their operations and electricity sales to Electricity Authority of Thailand because of the expirations of the power purchase agreements. The recoverable amount represents the fair value less costs to sell determined by the independent valuer.



16 Property, plant and equipment, net (continued)

	Separate financial statements						Total Baht
	Land Baht	Buildings and land improvements Baht	Power plants, substation, spare parts and transmission system Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht		
At 1 January 2015							
Cost	189,041,766	879,321,034	4,927,586,813	344,768,291	63,671,036		6,404,388,940
Less: Accumulated depreciation	-	(651,319,346)	(3,280,759,048)	(298,958,454)	-		(4,231,036,848)
Net book value	189,041,766	228,001,688	1,646,827,765	45,809,837	63,671,036		2,173,352,092
Year ended 31 December 2015							
Opening net book value	189,041,766	228,001,688	1,646,827,765	45,809,837	63,671,036		2,173,352,092
Additions	-	305,803	-	7,057,623	20,344,675		27,708,101
Disposals, net	-	-	-	(98,235)	-		(98,235)
Write-offs, net	-	-	-	(49,439)	(10,931,560)		(10,980,999)
Transfer	-	9,783,472	-	17,689,710	(27,473,182)		-
Depreciation charge	-	(33,207,048)	(529,525)	(16,681,521)	-		(50,418,094)
Closing net book value	189,041,766	204,883,915	1,646,298,240	53,727,975	45,610,969		2,139,562,865
At 31 December 2015							
Cost	189,041,766	889,410,306	4,927,586,812	358,044,400	45,610,969		6,409,694,253
Less: Accumulated depreciation	-	(684,526,391)	(3,281,288,572)	(304,316,425)	-		(4,270,131,388)
Net book value	189,041,766	204,883,915	1,646,298,240	53,727,975	45,610,969		2,139,562,865



16 Property, plant and equipment, net (continued)

	Separate financial statements						Total Baht
	Land Baht	Buildings and land improvements Baht	Power plants, substation, spare parts and transmission system Baht	Office equipment, furniture, computers and motor vehicles Baht	Construction in progress Baht		
At 1 January 2016							
Cost	189,041,766	889,410,306	4,927,586,812	358,044,400	45,610,969		6,409,694,253
Less Accumulated depreciation	-	(684,526,391)	(3,281,288,572)	(304,316,425)	-		(4,270,131,388)
Net book value	189,041,766	204,883,915	1,646,298,240	53,727,975	45,610,969		2,139,562,865
Year ended 31 December 2016							
Opening net book value	189,041,766	204,883,915	1,646,298,240	53,727,975	45,610,969		2,139,562,865
Additions	-	2,975,441	-	13,693,205	17,451,280		34,119,926
Disposals, net	-	-	(17)	(49,245)	-		(49,262)
Write-offs, net	-	-	-	(10)	(3,589,268)		(3,589,278)
Transfer, net	-	13,373,939	(5,586)	37,196,263	(50,564,616)		-
Reclassified to investment property	-	-	-	-	(7,631,556)		(7,631,556)
Depreciation charge	-	(33,798,998)	(481,251)	(22,374,558)	-		(56,654,807)
Allowance for impairment of assets	-	-	(196,209,472)	-	-		(196,209,472)
Closing net book value	189,041,766	187,434,297	1,449,601,914	82,193,630	1,276,809		1,909,548,416
At 31 December 2016							
Cost	189,041,766	905,759,688	4,919,938,442	396,612,490	1,276,809		6,412,629,195
Less Accumulated depreciation	-	(718,325,391)	(3,470,336,528)	(314,418,860)	-		(4,503,080,779)
Net book value	189,041,766	187,434,297	1,449,601,914	82,193,630	1,276,809		1,909,548,416



16 Property, plant and equipment, net (continued)

Borrowing costs of Baht 729 million (2015: Baht 969 million) arising from financing specifically entered into for the construction of new power plants, were capitalised during the year and were include in addition. Such costs are presented in the financing activities on the statement of cash flows.

As at 31 December 2016, property, plant and equipment with net book value of Baht 66,833 million were mortgaged and pledged as collateral for long-term loans, as described in Notes 22.1 (2015: Baht 43,779 million).

As at 31 December 2016, the Group had significant capital commitments in respect of construction of power plants and purchases of equipment but not yet recognised in the consolidated financial statements amounting to US Dollar 11 million, Japanese Yen 860 million, Swedish krona 109 million and Baht 1,687 million (2015: US Dollar 114 million, Japanese Yen 3,528 million, Euro 2 million, Swedish krona 448 million and Baht 6,313 million).

17 Intangible assets, net

Consolidated financial statements

	Right in long-term power and tap water purchase agreements and operation and maintenance agreements Baht	Licenses for operating power plants Baht	Total Baht
As at 1 January 2015			
Cost	6,227,100,095	301,426,062	6,528,526,157
Less Accumulated amortisation	(1,336,229,463)	(10,578,248)	(1,346,807,711)
Net book value	4,890,870,632	290,847,814	5,181,718,446
For the year ended 31 December 2015			
Opening net book value	4,890,870,632	290,847,814	5,181,718,446
Additions	15,971,178	5,705,880	21,677,058
Transfer	(1,216,413)	-	(1,216,413)
Disposal of a subsidiary (Note 41.1)	(192,430,063)	-	(192,430,063)
Amortisation	(474,603,997)	(12,963,969)	(487,567,966)
Exchange difference on translation	29,077,347	(5,287,937)	23,789,410
Closing net book value	4,267,668,684	278,301,788	4,545,970,472
As at 31 December 2015			
Cost	5,925,178,003	301,844,006	6,227,022,009
Less Accumulated amortisation	(1,657,509,319)	(23,542,218)	(1,681,051,537)
Net book value	4,267,668,684	278,301,788	4,545,970,472



17 Intangible assets, net (continued)

	Consolidated financial statements		
	Right in long-term power purchase agreements and operation and maintenance agreements Baht	Licenses for operating power plants Baht	Total Baht
For the year ended 31 December 2016			
Opening net book value	4,267,668,684	278,301,788	4,545,970,472
Additions	600,485,085	-	600,485,085
Transfer	885,781,346	-	885,781,346
Amortisation	(471,813,717)	(14,501,039)	(486,314,756)
Exchange difference on translation	43,134,434	(2,809,676)	40,324,758
Closing net book value	5,325,255,832	260,991,073	5,586,246,905
As at 31 December 2016			
Cost	7,454,578,869	299,034,329	7,753,613,198
Less Accumulated amortisation	(2,129,323,037)	(38,043,256)	(2,167,366,293)
Net book value	5,325,255,832	260,991,073	5,586,246,905

18 Goodwill, net

	Consolidated financial statements Baht
As at 1 January 2016	
Cost	9,880,083,207
Less Provision for impairment	(482,816,296)
Net book value	9,397,266,911
For the year ended 31 December 2016	
Opening net book value	9,397,266,911
Additional share capital of subsidiaries	131,716,858
Closing net book value	9,528,983,769
As at 31 December 2016	
Cost	10,011,800,065
Less Provision for impairment	(482,816,296)
Net book value	9,528,983,769



18 Goodwill, net (continued)

Goodwill arose from the acquisitions of electricity generation business in Thailand and foreign countries. The Group's management considered the electricity generation business located in each country as a cash generating unit ("CGU"). Goodwill of Baht 9,725 million arising from the acquisition of investment in electricity generation business in the Philippines and remaining of Baht 287 million arising from the acquisition of investment in electricity generation business in Thailand.

Goodwill arose from the acquisition of investment in electricity generation business in country is tested annually for impairment by comparing the carrying amount to the recoverable amount for each cash-generating unit which is determined based on value-in-use calculations. These calculations use a cash flow projection covering periods of Power Purchase Agreements of each country entered into by the Group and the tariffs and capacity stated in the agreements. Majority of goodwill amounting to Baht 9,725 million related to the acquisition of the electricity generation businesses in Philippines (Quezon Power (Philippines), Limited Co.). The recoverable amount calculated based on value-in-use calculations which exceeded carrying value by Baht 3,792 million. These calculations use a cash flow projection covering a Power Purchase Agreement period for 10 years. Cash flows beyond the 10 years period are extrapolated using the market price of sales of electricity. The cash flow projection is based on the power plant's capacity and the tariff according to the condition of the Power Purchase Agreement. The pre-tax discount rate used in the calculation is 6.16% per annum. A rise in discount rate of 1% will be resulted the recoverable amount to be equal to the carrying amount.

19 Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deposits	12,857,966	16,693,683	11,551,549	11,551,549
Project development cost	-	195,320,903	-	-
Deferred finance cost for undrawn down long-term loans from financial institutions	33,426,802	209,730,548	4,250,000	-
Others	499,587,752	426,686,660	178,932,689	12,199,302
Other non-current assets	545,872,520	848,431,794	194,734,238	23,750,851

20 Short-term loans from financial institutions

The short-term loans from financial institutions are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Thai Baht	-	858,000,000	-	-
Total short-term loans from financial institutions	-	858,000,000	-	-

20 Short-term loans from financial institutions (continued)

Short-term loans from financial institutions of the Company

As at 31 December 2016 and 2015, the Company entered into short-term loan agreements with financial institutions. These loans are unsecured. The details of loans are described below:

Thai Baht loan

Number	Facility (Million Baht)	Undrawdown amount (Million Baht)	Interest rate	Principal repayment term	Interest payment period
1	4,000	4,000	BIBOR plus a certain margin per annum	Repayment within six months from draw down date	Payment every month
Total	4,000	4,000			

US Dollar loans

Number	Facility (Million US Dollars)	Undrawdown amount (Million US Dollars)	Interest rate	Principal repayment term	Interest payment period
1	75	75	LIBOR plus a certain margin per annum	Repayment within one month from draw down date	Payment every month
2	75	75	LIBOR plus a certain margin per annum	Repayment within one month from draw down date	Payment every month
Total	150	150			

21 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Interest payable	390,293,929	585,262,498	125,008,299	117,287,980
Value added tax payable	551,245,202	469,225,902	1,038,711	1,006,923
Corporate income tax payable	288,422,616	338,907,887	-	-
Construction payables	144,951,806	248,617,168	-	-
Retention payable	803,568,630	1,765,697,882	-	-
Others	903,465,473	777,966,064	324,403,803	359,463,757
Other current liabilities	3,081,947,656	4,185,677,401	450,450,813	477,758,660

22 Long-term loans from financial institutions, net

22.1 The long-term loans from financial institutions are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current portion of long-term loans from financial institutions, net				
Thai Baht	1,565,727,752	4,622,494,170	-	4,000,000,000
US Dollar	6,204,124,678	5,419,693,410	3,665,300,001	3,677,288,843
Australian Dollar	387,540,568	250,586,361	-	-
Less Deferred financing fee	(183,528,210)	(136,257,160)	(26,250,941)	(20,407,851)
	7,973,864,788	10,156,516,781	3,639,049,060	7,656,880,992
Long-term loans from financial institutions, net				
Thai Baht	35,152,549,904	19,572,526,892	11,300,000,000	4,000,000,000
US Dollar	47,281,392,176	48,158,381,638	25,921,800,000	28,343,468,055
Australian Dollar	5,569,381,057	6,055,847,684	-	-
Less Deferred financing fee	(642,610,525)	(656,203,618)	(65,535,987)	(85,006,723)
	87,360,712,612	73,130,552,596	37,156,264,013	32,258,461,332
Total long-term loans from financial institutions, net	95,334,577,400	83,287,069,377	40,795,313,073	39,915,342,324

Long-term loans from financial institutions of the Company

The Company entered into long-term loan facility agreements with banks amounting to Baht 11,300 million and US Dollar 822 million which equivalents to Baht 29,857 million (2015: Baht 8,000 million and US Dollar 883 million which equivalents to Baht 32,021 million) as follows:

22 Long-term loans from financial institutions, net (continued)

22.1 The long-term loans from financial institutions are as follows: (continued)

Long-term loans from financial institutions of the Company (continued)

Thai Baht loans

Number	Outstanding balance As at 31 December 2016 (Million Baht)	Outstanding balance As at 31 December 2015 (Million Baht)	Interest rate	Principal repayment term	Interest payment period
1	4,000	4,000	THBFIX six-month plus a certain margin per annum	Repayment in December 2021	Payment every six months
2	3,000	-	THBFIX six-month plus a certain margin per annum	Repayment every six months from December 2019	Payment every six months
3	2,000	-	THBFIX six-month plus a certain margin per annum	Repayment in June 2023	Payment every six months
4	2,300	-	THBFIX six-month plus a certain margin per annum	Repayment in December 2023	Payment every six months
5	-	4,000	Fixed rate per annum	Repayment in June 2016	Payment every months
Total	11,300	8,000			

US Dollar loans

Number	Outstanding balance As at 31 December 2016 (Million US Dollars)	Outstanding balance As at 31 December 2015 (Million US Dollars)	Interest rate	Principal repayment term	Interest payment period
1	18	36	LIBOR plus a certain margin per annum	Repayment every six months from November 2012	Payment every six months
2	84	167	BBA LIBOR six month plus a certain margin per annum	Repayment every six months from December 2013	Payment every six months
3	480	480	BBA LIBOR plus a certain margin per annum	Repayment within December 2019	Payment every six months
4	100	100	US LIBOR plus a certain margin per annum	Repayment within December 2020	Payment every six months
5	100	100	US LIBOR plus a certain margin per annum	Repayment within October 2022	Payment every six months
6	40	-	US LIBOR plus a certain margin per annum	Repayment within January 2021	Payment every six months
Total	822	883			



22 Long-term loans from financial institutions, net (continued)

22.1 The long-term loans from financial institutions are as follows: (continued)

Long-term loans from financial institutions of the subsidiaries

The subsidiaries entered into long-term loan facility agreements with banks amounting to Baht 25,418 million, US Dollar 666 million which equivalent to Baht 23,898 million and Australian Dollar 231 million which equivalent to Baht 5,957 million (2015: Baht 16,195 million, US Dollar 597 million which equivalent to Baht 21,557 million and Australian Dollar 241 million which equivalent to Baht 6,306 million) as follows:

Thai Baht loans

Number	Outstanding balance As at 31 December 2016 (Million Baht)	Outstanding balance As at 31 December 2015 (Million Baht)	Interest rate	Principal repayment term	Interest payment period
1	552	633	THBFIX three-month plus a certain margin per annum	Repayment every three months from September 2012	Payment every three months
2	541	634	THBFIX three-month plus a certain margin per annum	Repayment every three months from June 2012	Payment every three months
3	398	468	THBFIX three-month plus a certain margin per annum	Repayment every three months from June 2012	Payment every three months
4	525	596	MLR less a certain margin per annum	Repayment every three months from June 2012	Payment every three months
5	1,327	1,449	THBFIX six-month plus a certain margin per annum	Repayment every six months from June 2014	Payment every six months
6	1,417	1,580	THBFIX three-month plus a certain margin per annum	Repayment every three months from June 2014	Payment every three months
7	113	124	Fixed rate per annum	Repayment every six months from June 2014	Payment every six months
8	99	111	THBFIX six-month plus a certain margin per annum	Repayment every six months from March 2014	Payment every six months
9	8,631	7,928	THBFIX six-month plus a certain margin per annum	Repayment every six months from February 2017	Payment every three months
10	1,807	1,164	Fixed rate per annum	Repayment every six months from June 2017	Payment every six months
11	2,003	718	THBFIX six-month plus a certain margin per annum	Repayment every six months from June 2017	Payment every six months
12	4,188	790	THBFIX three-month plus a certain margin per annum	Repayment every six months from December 2017	Payment every three months
13	3,817	-	THBFIX three-month plus a certain margin per annum	Repayment every six months from June 2018	Payment every three months
Total	25,418	16,195			

22 Long-term loans from financial institutions, net (continued)

22.1 The long-term loans from financial institutions are as follows: (continued)

Long-term loans from financial institutions of the subsidiaries (continued)

US Dollar loans

Number	Outstanding balance As at 31 December 2016 (Million US Dollars)	Outstanding balance As at 31 December 2015 (Million US Dollars)	Interest rate	Principal repayment term	Interest payment period
1	245	286	Fixed rate per annum	Repayment every six months from July 2012	Payment every six months
2	31	34	Fixed rate per annum	Repayment every six month from June 2014	Payment every six months
3	274	247	LIBOR six month plus a certain margin per annum	Repayment every six months from February 2017	Payment every six months
4	30	30	Fixed rate per annum	Repayment every six months from June 2017	Payment every six months
5	86	-	LIBOR three month plus a certain margin per annum	Repayment every six months from June 2018	Payment every three months
Total	666	597			

Australian Dollar loan

Number	Outstanding balance As at 31 December 2016 (Million Australian Dollar)	Outstanding balance As at 31 December 2015 (Million Australian Dollar)	Interest rate	Principal repayment term	Interest payment period
1	231	241	Float rate plus margin per annum	Repayment every three months	Payment every month during construction period and every three month after construction period
Total	231	241			

Long-term loans of the subsidiaries are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment of the subsidiaries. The subsidiaries are required to maintain cash reserves which are provided from the proceeds of sales of electricity for the purpose of repayment of principal and payment of interest due within one year and as a reserve for minimising the exchange risk (refer to Note 8). In addition, the Power Purchase Agreements, the Asset Purchase Agreements, the Major Maintenance Agreements and insurance policies have been assigned as collateral in accordance with the conditions under the Loan Agreement.

22 Long-term loans from financial institutions, net (continued)

22.2 Interest rate risk management

The detail of interest rate swap contracts are shown in Note 39.1.

The interest rate exposure on the long-term loans from financial institutions of the Group after taking account of interest rate swap contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Long-term loans from financial institutions, net				
- at fixed rates	12,730,904,667	19,084,478,142	-	4,000,000,000
- at floating rates	82,603,672,733	64,202,591,235	40,795,313,073	35,915,342,324
Total long-term loans from financial institutions, net	95,334,577,400	83,287,069,377	40,795,313,073	39,915,342,324

After taking account of interest rate swaps, the weighted average effective interest rates of the long-term loans from financial institutions of the Group were 3.55% per annum for US Dollar loans, 6.58% per annum for Australian Dollar loans and 5.59% per annum for Thai Baht loans. (2015: 3.67% per annum for US Dollar loans, 5.44% per annum for Japanese Yen loans, 6.29% per annum for Australian Dollar loans and 4.87% per annum for Thai Baht loans).

After taking account of interest rate swaps, the weighted average effective interest rate of the long-term loans from financial institutions of the Company were 2.73% per annum for US Dollar loans and 2.23% per annum for Thai Baht loans. (2015: 2.64% per annum for US Dollar loans and 3.16% per annum for Thai Baht loans).

22.3 The movement of the long-term loans from financial institutions of the Group

The movement of the long-term loans from financial institutions of the Group can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening net book value	83,287,069,377	65,319,281,546	39,915,342,324	32,242,888,853
Cash received from long-term loans	22,537,439,091	19,909,327,819	8,716,296,000	8,827,055,000
Repayments of long-term loans	(10,096,253,596)	(5,910,630,250)	(7,677,288,843)	(3,358,732,076)
Unrealised exchange (gains) losses	(181,856,936)	3,219,190,993	(172,664,054)	2,225,144,264
Additions of deferred financing fee	(236,775,889)	(234,518,559)	(13,741,962)	(44,248,025)
Amortisation of deferred financing fee	199,823,415	195,889,234	27,369,608	23,234,308
Exchange difference on translation	(174,868,062)	788,528,594	-	-
Closing net book value	95,334,577,400	83,287,069,377	40,795,313,073	39,915,342,324

Piyanit Kiataram

22 Long-term loans from financial institutions, net (continued)

22.4 Maturity of long-term loans is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	7,973,864,838	10,156,516,781	3,639,049,060	7,656,880,992
Later than 1 year and not later than 5 years	52,029,693,551	46,296,383,666	27,260,003,115	24,637,961,084
Later than 5 years	35,331,019,011	26,834,168,930	9,896,260,898	7,620,500,248
Total long-term loans, net	95,334,577,400	83,287,069,377	40,795,313,073	39,915,342,324

22.5 Credit facilities

As at 31 December 2016, the Group had the available credit facilities from financial institutions amounting to Baht 5,908 million and US Dollar 38 million in which an available credit facilities for the Company amounting to Baht 1,700 million (2015: Baht 11,591 million and US Dollar 144 million in which an available credit facilities for the Company was none).

23 Debenture

Details of debenture are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Debenture	5,330,055,200	5,183,182,720	5,330,055,200	5,183,182,720
Less Current portion of debenture	-	-	-	-
Debenture, net	5,330,055,200	5,183,182,720	5,330,055,200	5,183,182,720

The movements of the debenture can be analysed as follows:

	Consolidated financial statements Baht	Separate financial statements Baht
Opening net book value	5,183,182,720	5,183,182,720
Exchange losses	146,872,480	146,872,480
Closing net book value	5,330,055,200	5,330,055,200

On 10 March 2015, the Company issued the specific Japanese Yen and unsecured debenture amounting to Japanese Yen 17,120 million. The principal will be redeemed within seven years, dated on 10 March 2022. The debenture bears interest at a fixed rate per annum and the payment schedule is every six month. The Company is required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio at the level as specified in the contract.

In addition, the Company entered into a cross currency swap contract with a financial institution to manage exposure arising from fluctuations in currency exchange rate and interest rate of such debenture, from Yen 17,120 million to US Dollar 143 million at a fixed interest rate.

24 Deferred income taxes

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	16,674,031	15,736,316	-	-
Deferred tax assets to be recovered after more than 12 months	412,516,788	341,968,844	-	-
	429,190,819	357,705,160	-	-
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(231,573,832)	(55,715,670)	-	(55,715,670)
Deferred tax liability to be settled after more than 12 months	(4,751,684,955)	(5,091,286,146)	(580,114,728)	(549,050,038)
	(4,983,258,787)	(5,147,001,816)	(580,114,728)	(604,765,708)
Deferred income taxes, net	(4,554,067,968)	(4,789,296,656)	(580,114,728)	(604,765,708)

The movement of the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	(4,789,296,656)	(4,783,698,060)	(604,765,708)	(610,469,742)
Charged/(credited) to profit or loss	214,192,494	408,759,740	37,108,708	58,612,197
Charged/(credited) directly to other comprehensive income	(10,507,670)	(52,334,154)	(12,457,728)	(52,908,163)
Exchange difference on translation	31,543,864	(362,024,182)	-	-
At 31 December	(4,554,067,968)	(4,789,296,656)	(580,114,728)	(604,765,708)

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24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities is as follows:

		Consolidated financial statements						
	Provision Baht	Tax loss carry forward Baht	Allowance for obsolescence Baht	Finance costs Baht	Currency exchange gains (losses) Baht	Others Baht	Total Baht	
Deferred tax assets								
At 1 January 2016	412,758,225	370,243,185	306,410,375	183,115,875	267,354,822	145,031,026	1,684,913,508	
Charged/(credited) to profit or loss	3,984,860,239	108,004,689	(40,137,484)	(88,901,369)	103,746,272	53,516,107	4,121,088,454	
Charged/(credited) directly to other comprehensive income	1,950,058	-	-	-	-	-	1,950,058	
Exchange difference on translation	(337,041)	(3,708,570)	-	(3,819,631)	986,536	445,777	(6,432,929)	
At 31 December 2016	4,399,231,481	474,539,304	266,272,891	90,394,875	372,087,630	198,992,910	5,801,519,091	
At 1 January 2015	424,342,416	140,743,657	296,191,431	215,317,347	118,526,700	35,916,099	1,231,037,650	
Charged/(credited) to profit or loss	(8,986,097)	230,922,746	10,381,050	(49,939,499)	130,573,357	42,413,458	355,365,015	
Charged/(credited) directly to other comprehensive income	(2,503,244)	-	-	-	-	-	(2,503,244)	
Exchange difference on translation	(94,850)	(1,423,218)	(162,106)	17,738,027	18,254,765	66,701,469	101,014,087	
At 31 December 2015	412,758,225	370,243,185	306,410,375	183,115,875	267,354,822	145,031,026	1,684,913,508	

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24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities is as follows: (continued)

Consolidated financial statements					
	Depreciation and amortisation Baht	Unrealised gains on investments in marketable securities - available - for - sale Baht	The assigned fair values of assets acquired in business acquisitions Baht	Others Baht	Total Baht
Deferred tax liabilities					
At 1 January 2016	1,065,850,664	549,060,526	3,557,369,189	1,301,929,785	6,474,210,164
(Charged)/credited to profit or loss	3,967,582,590	(9,766)	(209,910,949)	149,234,085	3,906,895,960
(Charged)/credited directly to other comprehensive income	-	12,457,728	-	-	12,457,728
Exchange difference on translation	(3,969,066)	(725)	(28,703,606)	(5,303,396)	(37,976,793)
At 31 December 2016	5,029,464,188	561,507,763	3,318,754,634	1,445,860,474	10,355,587,059
At 1 January 2015	1,044,892,140	499,219,125	3,323,454,387	1,147,170,058	6,014,735,710
(Charged)/credited to profit or loss	103,135,753	10,203	(207,505,720)	50,965,039	(53,394,725)
(Charged)/credited directly to other comprehensive income	-	49,830,910	-	-	49,830,910
Exchange difference on translation	(82,177,229)	288	441,420,522	103,794,688	463,038,269
At 31 December 2015	1,065,850,664	549,060,526	3,557,369,189	1,301,929,785	6,474,210,164

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24 Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Separate financial statements		
	Provision Baht	Allowance for obsolescence Baht	Total Baht
Deferred tax assets			
At 1 January 2016	95,792,548	168,928,004	264,720,552
Charged/(credited) to profit or loss	39,860,562	(2,751,854)	37,108,708
At 31 December 2016	135,653,110	166,176,150	301,829,260
At 1 January 2015	52,761,644	168,928,004	221,689,648
Charged/(credited) to profit or loss	46,108,157	-	46,108,157
Charged/(credited) directly to other comprehensive income	(3,077,253)	-	(3,077,253)
At 31 December 2015	95,792,548	168,928,004	264,720,552
	Separate financial statements		
	Depreciation and amortisation Baht	Unrealised gains on investments in marketable securities - available-for-sale Baht	Total Baht
Deferred tax liabilities			
At 1 January 2016	320,436,225	549,050,035	869,486,260
(Charged)/credited directly to other comprehensive income	-	12,457,728	12,457,728
At 31 December 2016	320,436,225	561,507,763	881,943,988
At 1 January 2015	332,940,265	499,219,125	832,159,390
(Charged)/credited to profit or loss	(12,504,040)	-	(12,504,040)
(Charged)/credited directly to other comprehensive income	-	49,830,910	49,830,910
At 31 December 2015	320,436,225	549,050,035	869,486,260

Deferred tax assets are recognised for tax loss and carry forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group unrecognised deferred income tax assets of Baht 1,704 million (2015: Baht 1,423 million) in respect of losses amounting to Baht 8,521 million (2015: Baht 7,114 million) that can be carried forward against future taxable income. Losses amounting to Baht 56 million will expire in 2017 (2015: Baht 439 million will expire in 2016).

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25 Retirement benefit obligations

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	382,088,765	293,603,657	183,299,196	112,013,111
Retirement benefit expenses	37,950,982	36,004,527	16,758,686	8,897,555
Interest cost	13,002,989	10,934,990	4,564,144	4,144,485
Retirement benefit paid	(36,992,380)	(42,747,248)	(5,807,585)	(12,426,780)
Exchange difference on translation	(2,976,180)	3,459,259	-	-
Remeasurements:				
- Loss from change in assumptions	5,743,519	9,252,648	-	15,434,664
- Experience loss	-	71,580,932	-	55,236,161
Closing balance	398,817,695	382,088,765	198,814,441	183,299,196

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

	Consolidated financial statements		Separate financial statements	
	2016 %	2015 %	2016 %	2015 %
Discount rate	2.27 - 3.73	2.27 - 3.73	2.49	2.49
Salary increase rate	6.00	6.00	6.00	6.00
Turnover rate	0.00 - 11.00	0.00 - 11.00	0.00 - 11.00	0.00 - 11.00
Pre-retirement mortality rate	0.08 - 1.66	0.08 - 1.66	0.08 - 1.66	0.08 - 1.66

25 Retirement benefit obligations (continued)

	Consolidated financial statements		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.29 % - 18.25 %	Increase by 7.08 % - 22.56 %
Salary increase rate	1%	Increase by 7.76 % - 22.95 %	Decrease by 7.02 % - 18.82 %

	Separate financial statements		
	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 7.69 %	Increase by 8.81 %
Salary increase rate	1%	Increase by 9.44 %	Decrease by 8.39 %

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average durations of the Group's defined benefit obligation are between 9.85 years and 22.25 years.

26 Provision for decommissioning costs

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening net book balance	1,444,951,409	1,416,242,770	437,176,000	437,176,000
Provision increased (decreased)	593,193,528	(49,007,999)	-	-
Additional provision				
- Finance costs	47,077,168	53,184,346	-	-
Reversal of provision	(285,611,196)	-	-	-
Exchange difference on translation	7,885,773	24,532,292	-	-
Closing net book balance	1,807,496,682	1,444,951,409	437,176,000	437,176,000

During the year 2016, the Group reversed provision for decommissioning costs amounting to Baht 286 million in the consolidated income statement which resulted from decreasing in decommissioning cost for the power plant that have been ceased their operations and electricity sale to Electricity Authority of Thailand.

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27 Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Advances from customers	1,324,462,179	846,500,616	-	-
Deposits	2,971,054	2,438,943	1,171,054	638,943
Other non-current liabilities*	31,017,224	6,799,536	44,436,283	23,922,430
Total other non-current liabilities	1,358,450,457	855,739,095	45,607,337	24,561,373

* Other liabilities have been included fair value of preferred shares of the Company's subsidiary which were issued to the third party amounting to Baht 5 million. The preferred shares are financial liabilities according to Thai Accounting Standard 107 "Financial Instrument: Presentation and Disclosures" because they are cumulative preferred shares and the preferred shareholder is entitled to cumulative preferential dividends at amount specified in the shareholder agreement of the subsidiary which is in preference to the holder of the ordinary shares. According to the shareholder agreement, the Company, as the common shareholder, has responsibilities to get the subsidiary to pay dividends to the preferred shareholder with the amount as specified in the shareholders agreement over the 25 years.

28 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	530,000,000	530,000,000	530,000,000	530,000,000
Appropriation during the year	-	-	-	-
Closing balance	530,000,000	530,000,000	530,000,000	530,000,000

Under the Public Companies Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

29 Non-controlling interests

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Opening balance	507,598,551	954,679,666	-	-
Additional paid-up shares of a subsidiary	111,115,000	-	-	-
Share of profit from subsidiaries	60,286,945	86,986,305	-	-
Dividend payment of subsidiaries	(54,110,463)	(79,131,651)	-	-
Disposal of a subsidiary	-	(156,654,982)	-	-
Acquisition of non-controlling interests	-	(326,488,288)	-	-
Remeasurements of post-employment benefit obligations	-	56,119	-	-
Exchange difference on translation	-	28,151,382	-	-
Closing balance	624,890,033	507,598,551	-	-

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30 Sales and service income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Sales of electricity	3,759,231,209	3,784,424,449	-	-
Finance lease income under power purchase agreements	2,045,775,691	296,690,712	-	-
Operating lease income under power purchase agreements	3,750,915,143	3,669,380,000	-	-
Service income under power purchase agreements	12,403,487,418	7,417,111,600	-	-
Other service income	835,006,789	746,159,386	-	-
Total sales and service income	22,794,416,250	15,913,766,147	-	-

31 Cost of the sales and services

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Cost of sales of electricity	2,879,184,950	2,861,402,808	-	-
Cost of operating lease under power purchase agreements	579,657,293	480,890,374	-	-
Cost of services under power purchase agreements	10,623,767,168	5,587,693,541	-	-
Cost of other services	757,526,302	1,003,577,974	-	-
Total cost of the sales and services	14,840,135,713	9,933,564,697	-	-

32 Other income

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Dividend income from subsidiaries and joint ventures (Note 14.5)	-	-	7,702,347,638	8,159,164,499
Dividend income from other companies	140,149,436	143,263,867	140,149,436	143,263,867
Interest income	105,701,361	70,270,721	173,786,178	174,958,402
Rental and service income	156,691,585	45,396,855	351,892,353	320,894,408
Adder*	1,482,035,692	1,484,542,705	-	-
Others	3,098,257	149,339,080	4,937,833	1,603,267
Total other income	1,887,676,331	1,892,813,228	8,373,113,438	8,799,884,443

* The adder represented income received from Provincial Electricity Authority (“PEA”).

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33 Expense by nature

The following expenditure items have been charged in arriving at net profit:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Depreciation on plant and equipment	1,623,696,048	1,783,644,487	56,654,807	50,418,093
Amortisation of right in long-term power agreements	486,314,756	475,116,541	109,360	-
Impairment of goodwill	-	482,816,297	-	-
Impairment of property, plant and equipment	508,993,638	-	-	-
Major repair and maintenance expenses of power plants	486,753,841	287,728,586	-	-
Staff costs	1,244,410,449	1,176,577,679	678,459,891	633,273,710

34 Finance costs

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
For the years ended 31 December				
Interest expenses	3,188,272,093	2,559,348,648	1,471,738,622	1,162,686,959
Net (gains) losses on exchange rate from financing activities	(74,811,941)	3,759,857,114	(232,614,672)	3,113,586,553
Other finance costs	496,060,867	338,252,620	127,444,731	102,762,427
Total finance costs	3,609,521,019	6,657,458,382	1,366,568,681	4,379,035,939

35 Income taxes expense

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax	1,254,400,471	1,128,399,476	-	-
Deferred tax	(214,192,494)	(377,999,677)	-	-
Total income taxes expense	1,040,207,977	750,399,799	-	-

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35 Income taxes expense (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the parent company as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before tax from continuing operations	9,421,295,807	5,041,637,230	6,102,223,754	3,544,678,781
Tax calculated at a tax rate of	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rate	1,884,259,161	1,008,327,446	1,220,444,750	708,935,756
Tax effect of :				
Income not subject to tax	(372,296,867)	(150,578,954)	(1,571,168,562)	(1,662,525,801)
Expenses not deductible for tax purpose	141,038,836	67,179,757	21,782,192	43,334,364
Revenues that are granted income tax exemption or expenses that are deductible at a greater amount	(236,088,505)	(51,193,865)	6,778	-
Net losses deductible	(310,069)	(23,777,532)	-	-
Tax losses for the year for which no deferred income tax assets was recognised	355,856,352	1,013,214,337	328,934,842	910,255,681
Share of profit from investments				
- equity method	(1,212,420,394)	(1,189,263,784)	-	-
Difference on tax rate in which countries the Group operated	480,169,463	76,492,394	-	-
Income taxes	1,040,207,977	750,399,799	-	-

The weighted average applicable tax rate for the Group and the Company were 11.04% and 0.00%, respectively (2015: 14.88% and 0.00%, respectively).

The tax charged/(credited) relating to component of other comprehensive income is as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Unrealised gains on investments in marketable securities available-for-sale				
As at 1 January	549,050,035	499,219,125	549,050,035	499,219,125
Charged/(credited) to other comprehensive income	12,457,728	49,830,910	12,457,728	49,830,910
As at 31 December	561,507,763	549,050,035	561,507,763	549,050,035

36 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued and paid-up during the year, net of treasury stock.

	Consolidated financial statements		Separate financial statements	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Net profit attributable to owners of the parent (Baht)				
Profit for the year from continued operations	8,320,800,885	4,235,224,337	6,102,223,754	3,544,678,781
Profit (loss) for the year from discontinued operations	-	83,952,118	(208,772,505)	(36,973,870)
Weighted average number of ordinary share in issue (Shares)	526,465,000	526,465,000	526,465,000	526,465,000
Basic earnings per share (Baht)				
Profit for the year from continued operations	15.81	8.04	11.59	6.73
Profit (loss) for the year from discontinued operations	-	0.16	(0.40)	(0.07)

There are no dilutive potential ordinary shares in issue during the periods presented, so no diluted earnings per share are presented.

37 Dividends

At the Annual General Shareholders' Meeting dated 20 April 2016, the shareholders approved the payment of dividends in respect of the operating results for the six-month period ended 31 December 2015 for 526,465,000 shares at Baht 3.25 per share, totalling Baht 1,711 million. These dividends were paid to shareholders on 29 April 2016.

At the Board of Directors' meeting on 19 August 2016, the directors approved the payment of interim dividends in respect of the operating results for the six-month period ended 30 June 2016 for 526,465,000 shares at Baht 3.25 per share, totalling Baht 1,711 million. These dividends were paid to shareholders on 16 September 2016.

38 Promotional privileges

The Group has been granted promotional privileges by the Office of the Board of Investment under promotion certificates in respect of electricity. These ten subsidiaries have been granted exemption from certain taxes and duties as detailed in the certificates including exemption from corporate income tax for a period of eight years from the date of first revenue. As promoted entities, these subsidiaries are required to comply with the terms and conditions specified in the promotion certificates.

39 Financial risk management

The principal financial risks faced by the Group are interest rate and exchange rate risks. The Group borrows to finance its operations, which involve payments in foreign currencies, at both fixed and floating rates of interest.

The objectives of using derivative financial instruments are to reduce the uncertainty over future cash flows arising from movements in interest rates and exchange rate and to manage the liquidity of cash resources. Interest rate exposure is managed through interest rate swap contracts. In respect of currency exchange risk of the domestic operation, the formula for the calculation of the Availability Payments and Energy Payments charged to EGAT allows for the minimisation of the impact of currency exchange. For the exchange rate risks of the overseas operations, the Group receives cash inflow from trade receivables as same currency as the major liabilities of the Group.

Trading for speculative purposes is not allowed. All derivative transactions are subject to prior approval by the respective board of each company in the Group.

39 Financial risk management (continued)

39.1 Financial assets and liabilities

As at 31 December 2016 and 2015, the Group had outstanding foreign currency assets and liabilities as details below.

	Consolidated financial statements			
	2016		2015	
	Currency Million	Million Baht	Currency Million	Million Baht
Assets				
US Dollar	109.90	3,927	216.91	7,800
Australian Dollar	25.87	667	19.82	528
Philippine Peso	103.18	74	465.02	354
Japanese Yen	1,272.00	387	-	-
		5,055		8,682
Liabilities				
US Dollar	1,537.41	55,275	1,479.84	53,578
Japanese Yen	17,588.10	5,476	17,143.62	5,190
Australian Dollar	233.19	6,065	242.21	6,328
Philippine Peso	12.41	9	16.25	12
Swedish krona	0.77	3	5.22	23
Euro	0.03	1	-	-
		66,829		65,131

	Separate financial statements			
	2016		2015	
	Currency Million	Million Baht	Currency Million	Million Baht
Assets				
US Dollar	4.21	150	54.52	1,959
Liabilities				
US Dollar	821.81	29,587	883.24	32,021
Japanese Yen	17,120.00	5,330	17,120.00	5,183
		34,917		37,204

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39 Financial risk management (continued)

39.1 Financial assets and liabilities (continued)

As at 31 December 2016 and 2015, the Group had outstanding foreign currency assets and liabilities as details below. (continued)

Foreign currency assets represent cash and cash equivalents, trade receivables and deposits with financial institutions. Foreign currency liabilities represent trade payables, other payables, interest payables, loans and debenture.

As at 31 December 2016, the Group did not enter into any foreign currency forward contracts to cover their exchange risk relating to long-term loan repayments of US Dollar 1,427 million and Australian Dollar 232 million (2015: US Dollar 1,341 million and Australian Dollar 236 million). However, exchange risk relating to US Dollar, the Group receives compensation from EGAT for exchange rate effects related to its US Dollar debt services and the majorities of overseas subsidiaries have cash inflow from trade receivables in US Dollar. In addition in Australian subsidiary has cash inflow from trade receivables in Australian Dollar.

Objectives and significant terms and conditions

In order to manage risks arising from fluctuations in interest rates and currency exchange rates, the Group uses the following derivative financial instruments.

Interest rate swap contracts

Interest rate swap contracts are entered into to manage exposure to fluctuations in interest rates. The Company entered into interest rate swap contracts by converting floating rates to fixed rates for the total amount of long-term loans of Baht 9,000 million and of US Dollar 747 million (which equivalent to Baht 26,884 million). The eleven subsidiaries of the Company entered into interest rate swap contracts by converting floating rates to fixed rate for the total amount of long-term loans of Baht 20,027 million and total amount of long-term loans of US Dollar 309 million (which equivalent to Baht 11,124 million) and total amount of long-term loans of Australian Dollar 176 million (which equivalent to Baht 4,625 million).

Foreign currency forward contracts

Foreign currency forward contracts are entered into foreign currency forward contract to manage exposure to fluctuations in currency exchange rates. A subsidiary of the Company entered into such contract for long term loans of US Dollar 4 million which equivalent to Baht 143 million

In addition, the three subsidiaries of the company entered into foreign currency forward contract for Construction Agreement and Long Term Services Agreement of Japanese Yen 8,099 million which equivalent to Baht 319 million and US Dollar 85 million and Construction Agreement of US Dollar 8 million which equivalent to Baht 276 million and a subsidiary of the Company entered into such contract for Construction Agreement of Swedish Krona 110 million which equivalent to Baht 24 million and US Dollar 13 million.

Cross currency swaps

Cross currency swaps are entered into to manage exposure to fluctuations in currency exchange rates and interest rates by fixed the currency exchange rates in advance and convert floating rates to fixed rates. The Company entered into cross currency swaps for total amount of debenture of Japanese Yen 17,120 million which equivalent to US Dollar 143 million and the two subsidiaries of the Company entered into such contract for total amount of long term loans of US Dollar 58 million which equivalent to Baht 2,093 million. In addition, a subsidiary of the company entered into such contract for total amount of long term loans Baht 437 million which equivalent to US Dollar 12 million regarding to construction agreement in US Dollar.

39 Financial risk management (continued)

39.1 Financial assets and liabilities (continued)

The fixed interest rates under the swaps for long-term loans at 31 December were:

Currency	Contract amount (million)		Fixed rates per annum	
	2016	2015	2016	2015
US Dollar	1,068	1,221	1.25 - 5.09	1.50 - 3.40
Thai Baht	30,969	17,752	1.55 - 6.10	2.42 - 6.10
Australian Dollar	176	183	4.40	4.40

The remaining notional principal amounts of the outstanding interest rate swap contracts at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Within 1 year	2,270	741	-	-
Later than 1 year	75,748	46,846	41,214	21,402
	78,018	47,587	41,214	21,402

39.2 Credit risk

The Group has no significant concentrations of credit risk relating to its cash and investments. The Group places its cash and investments with high quality financial institutions. The Group's policy is designed to limit exposure with any one institution and to invest its excess cash in low risk investment accounts. The Group has not experienced any losses on such accounts. For trade receivables, the Group's sales are made to state-owned enterprises and industrial users under the terms and conditions of the long-term Power Purchase Agreements and the long-term Electricity and Steam Sales and Purchase Agreements.

40 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholders of the Company are the Electricity Generating Authority of Thailand ("EGAT") and TEPDIA Generating B.V. which is associates between Tokyo Electric Power Company ("TEPCO") and Diamond Generating Asia, Limited. holding 25.41% and 23.94% of the Company's shares, respectively. The remaining shares in the Company are widely held.

The information on the Company's subsidiaries, associate and joint ventures is provided in Note 14.

The following material transactions were carried out with related parties:



40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.1 Sales of electricity

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the years ended 31 December				
Sales of electricity				
- Major shareholder	1,255	1,337	-	-
Finance lease income under PPAs				
- Major shareholder	2,046	297	-	-
Lease service income under PPAs				
- Major shareholder	5,976	848	-	-

The Company and four subsidiaries have entered into Power Purchase Agreements (“PPAs”) with EGAT. The agreements are effective for periods of 20 to 21 years. According to the resolutions of the Cabinet meetings dated 15 February 1994, 23 January 1996, 28 January 2003, 29 May 2003, 21 July 2013 and 17 December 2013, respectively, the electricity revenues from such agreements must be calculated on a cost plus margin. There is a limitation on sales of electricity to third parties as specified in the agreements. However, the PPA entered into between the Company and EGAT was expired on 7 December 2014 (Note 41).

In addition, the two subsidiaries of the Company entered into PPAs with EGAT under the Small Power Producer project. The PPAs are effective for periods of 25 years commencing from commercial operation date. As at 31 December 2016, the subsidiaries have not commenced their commercial operation.

40.2 Cost of sales

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the years ended 31 December				
Major maintenance fee				
- Major shareholder	-	2	-	-
- Other related party	306	-	-	-
	306	2	-	-

A subsidiary of the Company has entered into Major Maintenance Agreements with Mitsubishi Corporation Limited and Mitsubishi Corporation Machinery Inc. in order for the latter to provide maintenance services to the power plant. The price for such services is calculated under the agreements on a cost plus margin and will be adjusted annually according to the Consumer Price Index. The agreements is effective for a period of 12 years, commencing from 19 June 2016 with the contract amount of Japanese Yen 18,560 million.

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.3 Trade receivable from and trade payable to a related party

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Trade receivable				
- Major shareholder	245	239	-	-

Outstanding trade receivable from a related party as at 31 December can be analysed as follows:

Not overdue	245	239	-	-
Overdue below 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	-	-	-	-
	245	239	-	-
Trade payable				
- Major shareholder	8	4	-	-
- Other related party	165	-	-	-
	173	4	-	-

40.4 Trade receivable from a related party for services under finance lease

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Trade receivable from a related party for services under finance lease				
- Major shareholder	1,580	142	-	-

Outstanding trade receivable from a related party as at 31 December can be analysed as follows:

Not overdue	1,580	142	-	-
Overdue below 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	-	-	-	-
	1,580	142	-	-

Piyei Klu

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.5 Finance lease receivable from a related party, net

	Consolidated financial statements			
	Minimum Payment		Present Value of Minimum Payment	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Finance lease receivable from a related party				
- Less than 1 year	4,721	937	1,258	838
- Over 1 - 5 years	19,637	759	4,159	665
- Over 5 years	48,370	269	16,515	219
			21,932	1,722
Less deferred financial revenue	(50,796)	(243)		
Present value of minimum payment	21,932	1,722		
Finance lease receivable from a related party can be analysed as follows:				
- Current portion of finance lease receivable			1,258	838
- Non-current portion of finance lease receivable			20,674	884
			21,932	1,722

40.6 Amounts due from and amounts due to related parties

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Amounts due from related parties				
- Subsidiaries	-	-	67	253
- Joint ventures	93	231	4	4
	93	231	71	257
Amounts due to related parties				
- Joint ventures	10	-	-	-
- Other related party	187	86	-	-
	197	86	-	-
Advance received for purchase of spare parts (other non-current liabilities)	-	-	24	24

Piyanit Kiataram

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.7 Advance payment for additional share capital of subsidiary

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Advance payment for investment				
- Subsidiary	-	-	144	-

On 19 December 2016, a subsidiary called for additional paid-up share capital and the Company paid for additional paid-up share capital in the same portion as its original investment, totalling US Dollar 4 million equivalent to Baht 144 million on the same day. However, the subsidiary has been under the process of registering for additional share capital. As a result, the Company presented the transaction as advance payment for additional share capital of subsidiary in the statement of financial position as at 31 December 2016.

40.8 Construction in progress

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Construction in progress				
- Major shareholder	-	105	-	-
- Subsidiaries	114	144	-	-
- Other related parties	6,500	14,129	-	-
	6,614	14,378	-	-

Two subsidiaries entered into Engineering, Procurement and Construction Agreements with Mitsubishi Corporation Limited and Mitsubishi Corporation Machinery, Inc. which are other related parties. The agreements have been effective since 1 November 2014 and 1 April 2015 with contract amount of US Dollar 29 million, Euro 2 million, Swedish Krona 549 million, Japanese Yen 4,531 million and Baht 3,785 million.

Another subsidiary entered into Technical Services Agreement with Tokyo Electric Power Company ("TEPCO") which is an other related party. The agreement has been effective since 4 June 2013 with the contract amount of US Dollar 3.54 million. In addition, such subsidiary entered into Engineering, Procurement and Construction Agreements with Mitsubishi Corporation Limited and Mitsubishi Corporation Machinery, Inc. The agreements have been effective since 18 May 2013 with contract amount of US Dollar 123 million, Japanese Yen 23,359 million, Euro 12 million and Baht 1,356 million. Moreover, such subsidiary entered into back up power contract, Civil Engineering Services Contract and other contract related to construction of the new power plant with Electricity Generating Authority of Thailand. The agreement has been effective since 25 December 2012 to 19 June 2016 with contract amount Baht 206 million. During the year 2016, construction in progress from those agreements amount of Baht 13,297 million were transferred to assets due to the completed construction of the power plant.

During the year, a subsidiary sold electricity generated during the commissioning period to a major shareholder amounting Baht 787 million. Such sale was recognised by reduction of the cost of construction in progress.

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.9 Long-term loans to related parties and related interests

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Long-term loans to related parties				
- Subsidiaries				
- Due within 1 year	-	-	172	-
- Due over 1 year	-	-	1,724	1,918
- Associate	839	-	-	-
	839	-	1,896	1,918

The movements of long-term loans to related parties can be analysed as follows:

	Consolidated financial statements Million Baht	Separate financial statements Million Baht
For the year ended 31 December 2016		
Beginning balance	-	1,918
Increased during the year	839	150
Repayment during the year	-	(172)
Ending balance	839	1,896

Long-term loans to related parties

A subsidiary and an Indonesian associate entered into a loan agreement for the latter to obtain borrowing with the amount up to US Dollar 110 million and no interest charge. The purpose of the loan agreement is to acquire an investment in geothermal operation in Indonesia as disclosed in Note 43.1 c). As at 31 December 2016, the associate drew down the loan amounting to US Dollar 23 million, equivalent to Baht 839 million.

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
As at 31 December				
Interest income				
- Subsidiaries	-	-	17	86
	-	-	17	86

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the years ended 31 December				
Interest income				
- Subsidiaries	-	-	130	168
	-	-	130	168

Piyei Kiat

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.10 Long-term loans from related parties

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the years ended 31 December				
Long-term loans from related parties				
- Joint ventures	24	-	-	-

The movements of long-term loans from related parties can be analysed as follows:

	Consolidated financial statements Million Baht	Separate financial statements Million Baht
For the year ended 31 December 2016		
Beginning balance	-	-
Cash received during the year	24	-
Ending balance	24	-

On 6 June 2016, a subsidiary entered into a long-term loan agreement with a joint venture to borrow money amounting to US Dollar 0.68 million which equivalent to Baht 23.93 million. The interest rate on such loan is fixed rate per annum. The principal and interest will be repaid within 6 June 2021.

40.11 Office building rental and service income

The Company has entered into Office Building Rental, Service Charges and Management Agreements with subsidiaries and joint ventures. The agreements are renewed yearly. The price for management services is calculated under the agreements on a cost plus margin.

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the year ended 31 December				
Office building rental and service income				
- Subsidiaries	-	-	5	6
- Joint ventures	1	-	1	-
	1	-	6	6
Management fee				
- Subsidiaries	-	-	121	95
- Joint ventures	41	36	41	36
- Other related party	-	4	-	4
	41	40	162	135

Prasit Kiatman

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.12 Project development income

The Company has entered into Project Development Service Agreements with subsidiaries. The price for services is calculated under the agreements on a cost plus margin.

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the year ended 31 December				
Project development income				
- Subsidiaries	-	-	169	168
	-	-	169	168

40.13 Land rental

The Company has entered into Land Rental with a subsidiary for a period of 28 years since 25 May 2015. The price for rental is calculated under the agreements on a cost plus margin.

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the year ended 31 December				
Land rental income				
- Subsidiary	-	-	7	4
	-	-	7	4

40.14 Dividend income

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the year ended 31 December				
Dividend income				
- Subsidiaries	-	-	2,690	3,522
- Joint ventures	-	-	5,012	4,637
	-	-	7,702	8,159

40.15 Directors and managements remuneration

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the year ended 31 December				
Short-term employee benefits	127	124	107	95
Post employment benefits	4	4	3	3
Total director and managements remuneration	131	128	110	98

Piyanit Kiataram

40 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

40.16 Spare parts purchased transaction

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
For the years ended 31 December				
Amount of spare parts purchased				
- Other related party	230	-	-	-

41 Discontinued operations

41.1 The produce and supply of tap water business

On 31 August 2015, EGCO Engineering and Service Company Limited, a wholly owned subsidiary of the Company, to sell all of 25,597,096 common shares or 74.19% in EGCOM Tara Company Limited to Universal Utility Company Limited, a wholly owned subsidiary of Eastern Water Resources Development and Management Public Company Limited (“East Water”). Therefore, details of revenues and expenses of the produce and supply of tap water business are presented as a discontinued operation in consolidated financial information for the year ended 31 December 2015.

	Consolidated financial statement
	2015 Baht
For the year ended 31 December	
Sales and services income	211,792,482
Cost of sales and services	(56,920,783)
Gross profit	154,871,699
Other income	2,782,160
Administrative expenses	(12,722,932)
Profit before income tax expense	144,930,927
Income tax expense	(30,005,598)
Profit for the year from discontinued operation, net of income tax	114,925,329
Attributable to:	
Profit for the year from discontinued operation for owners of the parent	83,952,118
Profit for the year from discontinued operation for non-controlling interests	30,973,211

41 Discontinued operations (continued)

41.2 Operation and power purchase agreement of the Company (Rayong power plant)

The Company entered into Power Purchase Agreement with EGAT for a period of 20 years and according to the agreement, the Rayong power plant of the Company generated electricity to sell to EGAT. However, the Rayong power plant, which is one of the Company's major lines of businesses, ceased its operations and electricity sale to EGAT on 7 December 2014 resulting from the expiration of the power purchase agreement. Therefore, operating results and cash flows from the Rayong power plant are disclosed under the discontinued operation segment in the separate financial statements for the year ended 31 December 2016 and 2015.

Details of revenues and expenses of the Rayong power plant for the year ended 31 December 2016 and 2015 are as follows:

	Separate financial statements	
	2016 Baht	2015 Baht
Sales and services income	-	-
Cost of sales and services	-	-
Gross profit	-	-
Other income	96,086,187	56,767,566
Administrative expenses	(341,967,399)	(152,353,634)
Finance costs	-	-
Loss before income tax expense	(245,881,212)	(95,586,068)
Income tax expense	37,108,707	58,612,198
Loss for the year from discontinued operation, net of income tax	(208,772,505)	(36,973,870)

42 Fair value

42.1 Fair value estimation

The table below analyses financial assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

42 Fair value (continued)

42.2 Financial assets and liabilities that are measured at fair value

The following table presents the financial assets and liabilities that are measured at fair value as at 31 December 2016 and 2015.

	Consolidated financial statements			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Asset as at 31 December 2016				
Long-term investments in marketable securities	3,675	-	-	3,675
Asset as at 31 December 2015				
Long-term investments in marketable securities	3,619	-	-	3,619

	Separate financial statements			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
Asset as at 31 December 2016				
Long-term investments in marketable securities	3,675	-	-	3,675
Asset as at 31 December 2015				
Long-term investments in marketable securities	3,613	-	-	3,613

There were no transfers between Levels 1, 2 and 3 of fair value level during the period.

42.3 Financial assets and liabilities that are not measured at fair value

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, short-term investments, trade receivables and payables, amounts due from and due to related parties, other receivables and payables, and short-term loans due to the short maturities of these instruments.

42 Fair value (continued)

42.3 Financial assets and liabilities that are not measured at fair value (continued)

(a) Long-term loans to related parties, long-term loans from financial institutions and debenture

The fair values of long-term loans to related parties, long-term loans from financial institutions and debenture with fixed interest rates have been calculated by level 2.

The contract amounts and fair values are as follows:

	2016			
	Consolidated financial statements		Separate financial statements	
	Contract amount Million Baht	Fair value Million Baht	Contract amount Million Baht	Fair value Million Baht
Asset				
Long-term loans to related parties	-	-	1,526	1,970
Liability				
Long-term loans from financial institutions	14,102	14,301	-	-
Debenture	5,330	4,611	5,330	4,611

	2015			
	Consolidated financial statements		Separate financial statements	
	Contract amount Million Baht	Fair value Million Baht	Contract amount Million Baht	Fair value Million Baht
Asset				
Long-term loans to related parties	-	-	1,749	1,830
Liability				
Long-term loans from financial institutions	19,085	19,826	4,000	4,115
Debenture	5,183	5,033	5,183	5,033

The fair values have been calculated from the net present value of future cash flows discounted by market interest rates using rates at the date of financial statements. The fair values of long-term loans from financial institutions and long-term loans to related parties with floating interest rates approximate their carrying amounts.

The fair values have been calculated using rate quoted by the Group's counterparties at the date of statement of financial position.

42 Fair value (continued)

42.3 Financial assets and liabilities that are not measured at fair value (continued)

(b) Derivatives financial instruments

The fair values of the derivatives financial instruments have been calculated by level 2.

The fair values of the derivatives financial instruments at the date of financial statements are as follows:

	Consolidated financial statements		Separate financial statements	
	2016 Million Baht	2015 Million Baht	2016 Million Baht	2015 Million Baht
Asset				
Interest rate swap contracts	311	76	311	76
Foreign currency forward contracts	24	412	-	-
Currency and interest rate swap contracts	306	187	203	48
Liability				
Interest rate swap contracts	(2,294)	(2,381)	(92)	(42)
Cross currency swap contracts	(532)	(368)	-	-

The fair values of interest rate swap contracts, cross currency swap contracts and currency and interest rate swap contracts have been calculated using rates quoted by the Group's counterparties to terminate the contracts at the date of financial statements.

43 Commitments and significant agreements

43.1 Commitments

- As at 31 December 2016, the Company had commitments under the Counter Guarantee and Standby Letters of Credit issued on behalf of the Company to subsidiaries and joint ventures of Baht 6,825 million (2015: Baht 7,090 million).
- According to the Power Purchase Agreements ("PPAs") between the Company's subsidiaries and the Electricity Generating Authority of Thailand ("EGAT") whose period between 15 years and 21 years, the subsidiaries have to provide bank guarantees, totalling Baht 140 million. The collateral is to be returned to such subsidiaries upon the expiry of the agreements.
- On 22 December 2016, an associate of the Group entered into Share Sales and Purchase Agreements with affiliates of Chevron Corporation ("Chevron") to acquire 100% of Chevron's shares in geothermal operations in Indonesia. The Group will have 20.07% indirect ownership interest in the project. The share transfer is expected to be completed in the first quarter of 2017, which is subject to approvals from relevant regulators and satisfaction of agreed conditions under the agreements.

In connection with the agreements, the Company has guaranteed the obligations of the associate, which is the buyer under the agreement up to US Dollar 73.12 million from the agreement signing date until the closing date and up to US Dollar 23.96 million from the closing date until 31 December 2049. Additionally, the Company and its co-venturers (Buyer Group Guarantors) are collectively required to maintain the Tangible Net Worth of at least US Dollar 2,500 million from the agreement signing date until 31 December 2049.

43.2 Significant agreements

In addition to the PPAs with EGAT which is one of the Company's major shareholders as discussed in Note 40, the Group had the following significant agreements:

43.2.1 Power Purchase Agreements ("PPAs")

- The six subsidiaries of the Company entered into eleven PPAs with the Provincial Electricity Authority ("PEA") under the Very Small Power Producer ("VSPP") scheme. The sales quantity and its price must be complied with the agreement. The PPAs are effective for periods of 5 years and are automatically renewable every 5 years.

43 Commitments and significant agreements (continued)

43.2 Significant agreements (continued)

43.2.1 Power Purchase Agreements (“PPAs”) (continued)

- b) On 9 October 2014, a subsidiary entered into PPA with a company. The PPA is effective for a period of seven years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement. The agreement can be extended for another 2 years, commencing from the maturity date upon the conditions specified in the agreement.
- c) On 16 October 2014, a subsidiary entered into PPA with a company. The agreement is effective for a period of 20 years starting from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement. The agreement can be extended, commencing from the maturity date upon the conditions specified in the agreement.
- d) An overseas subsidiary of the Company entered into a PPA with a purchaser in the Philippines. The PPA is effective for a period of 25 years commencing from 30 May 2000. The purchaser is obligated to pay the subsidiary a Monthly Capacity Payment, of at least US Dollar 109 million per year. As at 31 December 2016, the remaining period of the PPA is 9 years.
- e) An overseas subsidiary of the Company entered into a PPA with a purchaser in Australia. The PPA is effective for a period of 10 years commencing from February 2015 and can be extended for another 5 years from the maturity date.

43.2.2 Steam Purchase Agreement

- a) On 16 October 2014, a subsidiary of the Company entered into Steam Purchase Agreement with a company. The agreement is effective for a period of 20 years commencing from scheduled commercial operation date. The sales quantity and its price must be complied with the agreement. The agreement can be extended, commencing the maturity date upon the conditions specified in the agreement.
- b) On 5 April 2016, a subsidiary of the Company entered into Steam Purchase Agreement with a company. The agreement is effective for a period of 7 years commencing from the scheduled commercial operation date. The sales quantity and its price must comply with the agreement. The agreement can be extended for another 2 year, commencing from the maturity date upon the conditions specified in the agreement.

43.2.3 Transmission Line Agreement (“TLA”)

An overseas subsidiary of the Company entered into a TLA with a contractor in the Philippines. The TLA is effective for a period of 25 years commencing from 30 May 2000.

43.2.4 Fuel Purchase Agreements

- a) A subsidiary of the Company have entered into Gas Purchase Agreements with PTT Public Company Limited (“PTT”). These agreements are effective for a period of 21 years and can be extended for another 4 years.
- b) A subsidiary of the Company has entered into a Heavy Fuel Oil Purchase Agreement with PTT. The agreement shall be effective for a period of 3 years from 1 January 2005 to 31 December 2008. The agreement has been extended by one year and can be extended automatically for further one year periods (in the event that there is no cancellation of the automatic extension).
- c) An overseas subsidiary of the Company entered into two Coal Supply Agreements (“CSAs”) with two contractors. Under the CSAs, subsidiary has to purchase coal as specified in the agreements. The CSAs are effective for periods of 15 years and 25 years, respectively, commencing from 30 May 2000.
- d) A subsidiary of the Company has entered into Gas Purchase Agreements with PTT Public Company Limited (“PTT”). The agreement is effective for a period of 25 years, commencing 19 June 2016. The sales quantity and its price must be complied with the agreement.
- e) On 4 April 2014, a subsidiary entered into the Diesel Fuel Supply Agreement for purchasing secondary fuel for a new power plant. The agreement is effective for a period of three years starting from 4 April 2014. The sales quantity and its price must be complied with the agreement.

43 Commitments and significant agreements (continued)

43.2 Significant agreements (continued)

43.2.4 Fuel Purchase Agreements (continued)

- f) On 4 December 2015, a subsidiary entered into GAS Purchase Agreement with PTT Public Company Limited (“PTT”). The agreement is effective for a period of 25 years. The sale quantity and its price must be complied with the agreement.
- g) On 14 March 2016, a subsidiary entered into GAS Purchase Agreement with PTT Public Company Limited (“PTT”). The agreement is effective for a period of 25 years. The sales quantity and its price must comply with the agreement.

43.2.5 Operation and Maintenance Agreements

- a) A subsidiary of the Company has entered into power plant operation and maintenance, and power plant equipment maintenance agreements with customer. The agreements, totalling Baht 273 million, effective for 6 years. In addition, the subsidiary has also entered into power plant operation and maintenance, and power plant equipment maintenance agreements with 5 subsidiaries. This agreement is effective for 6 years. The total contract price is Baht 574 million.
- b) A subsidiary of the Company has entered into maintenance service agreement with two constructors, which is effective for a period of 12 years commencing from 19 June 2016. The total contract price is Japanese Yen 18,560 million.
- c) On 29 July 2016, a subsidiary entered into a long-term technical service agreement for to maintain Gas Turbine SGT 800B, which is effective for a period of 8 years. The total contract price is Swedish krona 338 million which can be extended from the maturity date upon the conditions specified in the agreement. The sales quantity and price must comply with the agreement.
- d) A subsidiary of the Company has entered into long-term technical service agreement for maintenance. The total contract price is Australian Dollar 62.24 million.

43.2.6 Rental contracts

- a) A subsidiary entered into a rental contract in Philippines, this agreement is effective for a period of 25 years commencing 30 May 2000 and are automatically renewable every 5 years. The contract period is not in excess of 50 years.
- b) A subsidiary entered into a rental contract in Australia, this agreement is effective for a period of 25 years commencing 26 June 2013.

43.2.7 Construction Contracts

- a) Two subsidiaries entered into Engineering Procurement and Construction Agreement with two sub-contractors. The contract amount is US Dollar 86 million, Yen 4,351 million, Euro 2 million, Swedish krona 549 million and Baht 5,457 million. As at 31 December 2016, the two subsidiaries are under the construction process.

44 Post statement of financial position event

- a) On 9 January 2017, the Group has entered into a loan receivable agreement with an associate in Indonesia amounting to US Dollar 1.5 million equivalents to Baht 53 million equivalents to Baht 53 million as disclosed in Note 40.9.
- b) On 10 January 2017, 18 January 2017 and 10 February 2017, the Company entered into an interest rate swap contracts to manage their exposure to fluctuations in interest rates by converting floating rates to fixed rates for long-term loans amounting to Baht 3,000 million. The agreement is effective from 27 June 2017 to 21 December 2023.
- c) On 30 January 2017, the Company has the liability under the Standby Letter of Credit issued by a commercial bank to guarantee the capital payment for projects of the three subsidiaries in the amount of Baht 76.50 million, Baht 85.00 million and Baht 64.22 million.

A GREAT YEAR
OF SUCCESS



Audit Fee for the year 2016

Audit Fee

In 2016, EGCO and its subsidiaries paid the audit fee of 5,435,000 Baht to the Office of the Auditors, comprising EGCO's and subsidiaries' audit fees of 2,685,500 Baht and 2,749,500 Baht, respectively. No other audit fee had been paid to the auditors or related parties to the auditors and the Auditors' office.

Non-Audit fee

EGCO's and subsidiaries' total non-audit fee was 16,240,363 Baht which was fully recorded as fee expenses in 2016. The details of the non-audit fee were as follows:

1. Payment to the Office of the Auditors:

In 2016, the non-audit fee for BOI auditing and accounting advisory service at EGCO's subsidiaries was 2,014,000 Baht which was already recorded as fee expenses for the Office of the Auditors.

2. Payment to Other Related Parties of the Auditors' Office:

In 2016, the non-audit fee for the advisory services on offshore investment structure at EGCO was 14,226,363 Baht which was already recorded as fee expenses for to other related parties of the Auditors' office.

Management agreed that the engagements of the office of the Auditors and its related parties to provide the non-audit work did not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditors, and. This has been approved by the Audit Committee.



Corporate Governance

EGCO is committed to operating sustainable business by adhering to good corporate governance principles and business ethics to achieve fairness, efficiency, transparency, and accountability in its operations that are free from all types of either direct or indirect corruption. EGCO ensures responsibility towards the community, society, and environment, trust and confidence of shareholders, investors, and all stakeholders to enhance its competitiveness which will lead to financial stability and investments. EGCO also strictly complies with good corporate governance principles.

Good Corporate Governance Policy

The Board of Directors has established its good corporate governance principles as guidelines for corporate management in a fair, transparent, accountable, and efficient manner by adhering to criteria of good corporate governance of the Stock Exchange of Thailand (“SET”) and rules and regulations of the Securities and Exchange Commission (“SEC”) and the Capital Market Supervisory Board. To ensure that EGCO’s best practices of good governance are equivalent to international standards, the Board has also defined its good corporate governance principles as in line with the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD) and criteria of ASEAN Corporate Governance Scorecard to be practice guidelines for the Board, executives, and employees.

To conform to its strategic plan to become a leading and sustainable energy company, the Board places high importance on good corporate governance principles which are equivalent to international standards and thus annually reviews the Company’s corporate governance principles to ensure that they are up-to-date to business environment and the Company’s strategies, and in compliance with changing rules and regulations based on SET’s best practices, CGR’s criteria, and ASEAN CG Scorecard’s criteria.

In 2016, the Board reviewed and improved the Company’s good corporate governance principles. Details were as follows:

1. Decrease of positions held by non-executive directors in other listed companies, from 5 companies to not over 3 companies
2. Decrease of terms of office held by independent directors, from not over 3 terms of office or 9 years to not over 2 terms of office or 6 years
3. Increase of tax policy and practice guidelines for EGCO Group to ensure systematic tax management and compliance with domestic and international laws for foreign investments

Moreover, the Board considered best practices and criteria of SET, CGR, and ASEAN CG Scorecard which the Company had yet to accomplish as well as explained reasons and alternative practice guidelines as follows:

Unaccomplished Items	Reasons
<p>A Chairman of the Board shall be an independent director and in case where the Chairman of the Board is not an independent director, the Board shall be composed of independent directors of more than half of the total number of directors.</p>	<p>EGCO Board consisted of independent directors which were more than one-third of the total number of directors. The Chairman of the Board, who was not an independent director, performed his duties on fair and transparent basis, took the Company’s interests into account and did not subserve private interests. The Chairman of the Board and President were not the same person and their duties were clearly separated. Details of Chairman of the Board’s duties were disclosed in “Management Structure” section.</p>

Unaccomplished Items	Reasons
A Chairman of the Nomination and Remuneration Committee shall be an independent director.	<p>Although the Chairman of the Nomination and Remuneration Committee was not an independent director, he had expertise and experience in management of international organizations beneficial to the formulation of the human resource recruitment and development policy and enhancement of employees' capabilities to support expansion of international investments as in line with the Company's strategic plan.</p> <p>Moreover, the Nomination and Remuneration Committee comprised a total of 5 members, 3 of whom were independent directors which were more than half of the total number of directors. All members independently performed their duties and provided suggestions. Duties and responsibilities of the Nomination and Remuneration Committee were disclosed in "Management Structure" section.</p>
Details of CEO's remuneration shall be disclosed.	The Company disclosed the overall remuneration of the management, ranging from President to Senior Executive Vice Presidents, totaling 7 persons. However, remuneration of CEO (EGCO called him as President) was not individually disclosed.

Code of Conduct

The Board realizes that its business success and leadership in private power generation company can be sustained by not only hard work and determination, development of new technologies, establishment of management and good governance systems but also commitment to conducting business ethically and morally. The Board, therefore, initially launched its first Code of Conduct in 2009 to be as guidelines and best practices. The Code of Conduct was later revised and improved in 2003, 2010, 2015, and 2016 respectively to be in accordance with the revised good corporate governance principles of the Company. The content of Code of Conduct for Directors includes guiding principles, directors' code of conduct, directors' commitment, directors' duties and responsibilities, conflict of interest, and use of information. The Code of Conduct for Employees covers guiding principles and employees' code of conduct, namely 1. Responsibility to Stakeholders 2. Responsibility to the Company 3. Procurement and Transactions 4. Prevention of Conflict of Interests 5. Employees 6. Safety, Health, and Environment 7. Anti-corruption 8. Whistleblowing

The Board places importance on regular compliance with the Code of Conduct and communicates the Code of Conduct to directors and employees by including this matter in orientations for new directors and employees as well as trainings and lectures on the Code of Conduct to raise awareness and implementation of the Code of Conduct such as CG Roadshow to provide guidelines for executives and employees at all levels to perform their duties as in line with the Code of Conduct. The Board constantly monitors and assesses the implementation of the Code of Conduct in order to ensure sufficiency and appropriateness of internal control in compliance with SEC's guidelines and good corporate governance principles. The President requires employees at all levels to review their compliance with the Code of Conduct as well as annually sign a compliance form and hand it to their respective supervisors.

In 2016, compliance forms were completely signed by employees at all levels, superiors in the hierarchy up to the Chairman of the Board. The Code of Conduct was also made available on the Company's website in "Good Corporate Governance" section to be easily accessible to shareholders, investors, and interested persons.

Communication of Good Corporate Governance Policy and Code of Conduct

The Board has disseminated good corporate governance policy and code of conduct both internally and externally. For internal communication, they have been communicated via the Company's Intranet as well as various activities such as trainings, meetings between employees and President (Communication Day), CG Roadshows at EGCO headquarters and Khanom Power Plant, Nakhon Si Thammarat Province, and wire broadcasting on Friday at EGCO headquarters.

Moreover, EGCO has made available its good corporate governance policy and code of conduct for outsiders on its website: www.egco.com and arranged an exhibition on good governance and anti-corruption at the annual general meeting of shareholders, and participated in events of external agencies such as EGAT Zero Corruption, etc.

Results of Compliance with Good Corporate Governance Policy

The Board, executives, and employees of EGCO Group has strictly and regularly complied with the good corporate governance policy. In 2016, non-compliance situation was not found. EGCO's strong commitment resulted in achievement of good corporate governance assessment results and awards in 2016 as below:

- Investors' Choice Award from the Annual General Meeting of Shareholders (AGM) Assessment for the year 2016: EGCO received a full score of 100 for eight consecutive years from the Thai Investor Association.
- Corporate Governance Report of Thai Listed Companies (CGR) Assessment Project conducted by the Thai Institute of Directors Association (IOD): EGCO had an excellent score of 94.
- EGCO was selected for Thailand Sustainability Investment (THSI) or a list of stocks with outstanding performance on environment, social, and governance aspects, arranged by SET.
- EGCO Engineering and Service Co., Ltd. or ESCO, a subsidiary of EGCO Group, was certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC).

The Board monitored and prepared this report to update EGCO's 2016 good corporate governance which can be summarized as follows:

1. Rights of Shareholders

EGCO values and respects shareholders as well as institutional investors, as the securities investors and the owners of the Company. Therefore, EGCO encourages all shareholders to exercise their basic rights including the right to share profits, the right to buy, sell or transfer the share, the right to receive adequate Company's information and the right to attend and vote at the shareholders' meetings for appointment or removal of directors, determination of directors' remuneration, appointment of auditor and determination of audit fee, and consideration of other significant issues affecting the Company as well as inquiries and opinions in the shareholders' meetings.

Besides promoting shareholders and institutional investors to exercise such basic rights, EGCO endeavors to ensure equitable treatment to shareholders such as providing updated information via the Company's website in both Thai and English as well as newsletters and shareholders' site visit. It can be assured that EGCO shall not, at any period of time, violate or deprive the shareholders' rights.

1.1 Shareholders' Meeting

The Board considers the Annual General Meeting of Shareholders ("AGM") a very important event. AGM is held within 4 months from the Company's closing date of accounting period to accommodate shareholders' participation in monitoring the Company's performance. An extraordinary general meeting of shareholders can be held by the Board on a case by case basis to consider a special agenda that affects or involves the shareholders' interests

that require the shareholders' approval. In 2016, EGCO's AGM was held on April 20, 2016 at Vibhavadee Ballroom, Centara Grand Hotel at Central Plaza Ladprao, Bangkok. There was no extraordinary general meeting of shareholders during the year. EGCO's AGM was arranged in accordance with AGM Checklist issued by the Thai Investors Association, Listed Companies Association and SEC as follows:

Before the Day of the Shareholders' Meeting

EGCO provided shareholders with complete meeting documents in advance to support their decision making. Shareholders were encouraged to attend the meeting and EGCO strived to facilitate shareholders' exercise of voting rights, in case they could not attend the meeting as follows:

- Meeting schedule and agenda were distributed via SET portal and EGCO's website on February 29, 2016 before delivering the meeting documents by post, 51 days prior to the AGM date. The deadline for shareholders' attendance confirmation and book closing date was also detailed in the meeting notice.
- Meeting notice and agenda, in both Thai and English, were sent to shareholders by clearly separating each agenda item as prescribed in Chapter 4: Shareholders' Meeting of EGCO's Articles of Association. The appointment of directors and consideration of directors' remuneration were under separate agenda items. Each agenda item consisted of background, objective and rationale, Board's opinions, number of votes needed, policy and criteria of determination of remuneration, policy and criteria of director nomination, profiles of nominated directors, details of previous minutes, conditions and procedures of attending the meeting, 3 proxy forms (form A, B and C), as required by the Department of Business Development, Ministry of Commerce, and an annual report, which were delivered to shareholders on March 17, 2016, 35 days before the AGM date. Notice and supporting documents were published for 3 consecutive days in 2 Thai and 1 English newspapers to notify shareholders in advance, so that they could have adequate information before attending the meeting. Also, other relevant details were published on EGCO's website before sending hard copies to shareholders in order to allow them to have enough time to review such information. Meeting notices were delivered to shareholders by post 28 days prior to the AGM date. Contact numbers were also provided for further inquiries and for proposing additional information relating to the appointment of the Board, as in compliance with the best practice guidelines by SEC and SET.
- To encourage the institutional investors' attendance, the Investor Relations Unit coordinated with the institutional investors on their submission of registration documents to EGCO 7 days in advance for document checking in order to facilitate the administrative procedures on the actual meeting day.
- Providing shareholders with communication channels to forward their inquiries on meeting agenda in advance to cs@egco.com or facsimile number 0 2998 5999 ext. 5020-5025 to ensure the shareholders' utmost benefits and full legal rights.

On the Shareholders' Meeting Day

EGCO strongly encouraged shareholders to exercise their rights by attending and voting at the shareholders' meeting. The meeting was conducted in a transparent, correct, and accountable manner ranging from the registration, vote counting to result announcement, in order not to violate or deprive of the shareholders' rights. Shareholders' inquiries and opinions were welcomed and taken into consideration as follows:

- Directors, executives and external auditors from Pricewaterhouse Coopers ABAS (PwC) attended the AGM altogether in order to answer shareholders' questions and acknowledge their opinions. For the AGM 2016, 15 directors including the Chairman and directors attended the meeting which accounted for 100% of the total number of the Board members. The Chairman of the Board, the Chairman of all subcommittees, and the President together with senior executives also attended the meeting and explained details of information regarding agenda items and answered shareholders' questions.

- Shareholders and institutional investors' facilitation was EGCO's first priority. The map of the meeting venue was attached to the meeting notice and several registration counters were appropriately and adequately provided for shareholders' convenience.
- Exhibition on EGCO's business was arranged and full details of the Company's business operations were provided to shareholders. Shareholders' inquiries were warmly welcomed by the executives, Investor Relations Unit, Accounting and Finance Unit, and Business Development Unit.
- One volunteer shareholder was invited to observe the vote counting process. Representatives from the Thai Investors Association also observed the meeting.
- Shareholders, who registered after the meeting had already started, were allowed to vote for the ongoing and the remaining agenda items.
- Shareholders' meeting was convened according to the sequence of the agenda. Each agenda presentation included the background, supporting rationale and recommendation. The significant information and details were included in the meeting notice delivered to shareholders; without any ad hoc agenda during the meeting.
- Shareholders were equitably treated and were allowed to raise questions and opinions. All questions were addressed and clarified by the Chairman and completely recorded in the minutes of the meeting.
- Baker & McKenzie Co., Ltd. was hired as an inspector to audit shareholders' or their representatives' registration documents, meeting quorum, compliance of the voting and vote counting procedures with the Company's Articles of Association, as well as to inspect shareholders' ballot collection and voting results. In this regard, the inspector reported that the meeting and the voting procedures were transparent and in compliance with the Company's Articles of Association, relevant laws and SET's best practices of good governance. In addition, the inspector reported that EGCO highly respected the rights of its shareholders to actively participate in the meeting and voice out their opinions as well as efficiently facilitated shareholders in all matters.
- AGM quality assessment questionnaires were disseminated to gather feedbacks for future improvements for the best interests of the Company and its shareholders. The result of the 2016 survey indicated that the shareholders were satisfied with meeting notice, meeting facilitation, and meeting conduct.

For the AGM 2016, there were 600 shareholders attending in person and 1,134 shareholders by proxies, representing 376,317,337 shares which accounted for 69.7705% of the total issued shares.

After the Shareholders' Meeting Date

- After the AGM, EGCO concluded resolutions for each agenda item to shareholders and SET via SET Portal according to SET's criteria of information disclosure. In 2016, meeting resolutions were notified before 9.00 a.m. on April 21, 2016, the day after the AGM.
- EGCO also prepared minutes of the meeting which recorded name list of directors and executives together with their titles, auditors, and meeting inspector attending the meeting, voting and vote counting procedures, voting card instructions, the Board's recommendations, inquiries and recommendations of shareholders, and clarifications from the management. Details on the number of approvals, disapprovals, abstentions, and voided ballots and resolutions of each agenda item were also included and sent out for shareholders' review on EGCO's website: www.egco.com on May 3, 2016 which occurred within 14 days after the meeting date as required by SET's criteria. Moreover, EGCO disseminated images and sounds recorded in the meeting on its website for shareholders' acknowledgement.
- EGCO coordinated with its securities registrar, Thailand Securities Depository Co., Ltd. (TSD), to ensure that shareholders received dividend in a complete and accurate manner.

- Recommendations and opinions raised by the shareholders and inspectors were taken for further consideration and continuous improvement of the AGM.

1.2 Shareholders' and Investors' Company Visits

The Company regularly organizes shareholders' and investors' company visits and meetings with executives for better understanding and monitoring of progress of EGCO's business operations. In 2016, several shareholders' and investors' company visits were arranged as detailed in Section 4 - Disclosure of Information and Transparency.

2. Equitable Treatment of Shareholders

2.1 Equitable Treatment

The Board regularly takes care of shareholders' interests, treats all shareholders, foreign shareholders, and institutional investors, in a fair and equitable manner, and ensures that shareholders are well informed of EGCO's important decisions as governed by laws or Articles of Association as follows:

- The Board allowed shareholders to propose an agenda item and nominate a qualified director candidate by announcing via SET Portal and on EGCO's website. The criteria and procedures were set clearly, transparently and in line with additional guidelines on the minor shareholders' rights regulated by SET. The shareholders had the rights to propose the qualified director candidate during September 1 - December 31, 2015 (about 8 months prior to the AGM). The minimum share was fixed at 0.05% of the Company's total shares (equivalent to 263,233 shares as of September 1, 2015). This was applicable for either a sole or combined shareholders, which was lower than SET's recommendation of 5% shareholding. However, in the 2016 AGM, there was neither proposal of AGM agenda item nor qualified director candidate.
- EGCO preserved the rights of all shareholders and no agenda item would be added at the shareholders' meeting without prior notice to ensure that the shareholders had adequate information ahead of time. Shareholders had the rights to vote according to the number of shares on a "one share one vote" basis and no share had any privilege which overran the rights of other shareholders.
- Ballots were employed in vote counting for all agenda items for transparency and accountability. The appointment of individual director was done by shareholders. Baker & McKenzie Co., Ltd. was invited as an inspector. Shareholders, who were unable to attend the AGM in person, could vote through proxy. The 3 proxy forms as introduced by the Department of Business Development, Ministry of Commerce were provided and 3 Company's independent directors who did not have conflict of interests with the AGM agenda could be alternatively appointed as volunteer proxies. The proxy forms were made available for shareholders on EGCO's website.
- Since most shareholders attending the AGM were Thai, the meeting was, therefore, conducted in Thai. However, in order to facilitate foreign shareholders, EGCO prepared the meeting notice in both Thai and English versions. English interpreters were also available in the meeting room.
- Minutes of the meeting were disseminated via SET Portal and the Company's website within 14 days from the meeting date to allow shareholders for revision.
- The Board realized that some shareholders could not access the minutes of the meeting on SET Portal or EGCO's website; therefore, a hard copy of the minutes of the 2016 AGM was mailed to each shareholder for revision.

2.2 Prevention of Improper Use of Internal Information

EGCO has strictly established guidelines on prevention of improper use of internal information in the Code of Conduct and good corporate governance principles in writing for directors and employees in order to prevent an improper use of internal information to illegally benefit oneself or others or cause any damages to shareholders. An internal control system has been established to prevent information leakage to the public before it is officially announced. Such measure and control system are part of the Company's essential risk control activities. It is the duty and responsibility of a supervisor to control and ensure that confidential information is kept and used well in accordance with related rules and regulations. An employee performing insider trading for oneself or for other family member is considered a breach of the Code of Conduct. The principles regarding this matter are as follows:

- Directors and employees shall, at all times, strictly observe the rules and regulations issued by SET, SEC and relevant laws, and equally disclose information to the shareholders and/or the public.
- Directors and employees shall not make improper use of information acquired by virtue of the directors' and employees' position or cause damage to the Company.
- Matters such as trade secrets or any sensitive business information shall not be disclosed to any outsiders.
- Directors and employees who possess the internal information relating to financial statements shall refrain from their own security trading within 45 days before and 24 hours after the information disclosure. As for other significant information, they shall refrain from stock trading from the day of acknowledgement and 24 hours after disclosing information to SET. The Corporate Secretary will be responsible for sending emails to remind the directors, executives and related employees of the period prohibiting stock trading before every fiscal budget announcement.
- Directors or executives together with spouses and minor children who wish to trade the company's stock shall inform the Corporate Secretary at least one day prior to the trading.
- Information disclosure to the public that will affect the business as well as EGCO's stock price must be approved by the President. The President or the assigned person will be solely authorized to disclose such information.
- The Corporate Communications Division, the Corporate Secretary Division, and the Investor Relations Division are the central units responsible for disclosing EGCO's information while the unit owning such information will be responsible for providing necessary fact sheets.

2.3 Prevention of Conflicts of Interest

EGCO has set the guidelines on disclosure of directors' and Management's interests to ensure transparency and prevent conflicts of interest as follows:

- Directors shall promptly notify the Company when they or their family members are involved with or hold shares in any entity which may incur benefits or conflicts of interest with EGCO; acquire direct or indirect interests in any contract made with the Company or hold shares of the Company or any of its affiliates. Directors and executives with potential conflicts of interest shall refrain from discussing or voting on such agenda.
- Directors and executives shall report their security holding on a regular basis at the Board's meeting. In the meeting agenda, it shall be stated that directors and executives, including their spouses and minor children, as well as related parties under section 258 of the Securities and Exchange Act B.E. 2535 have the responsibility to prepare and disclose any changes arising from purchase, sale, transfer or acceptance of transfer of securities to SEC within 3 days from the day of purchase/sale of securities.
- Directors and senior executives shall prepare a report on their interests, including that of any related parties to comply with the notification of the Capital Market Supervisory Board No. Tor Jor 2/2552, effective from July 1,

2009 which indicates that directors and senior executives shall submit the quarterly report on interests in EGCO's business. In case there are any changes in the interests during the quarter, the Corporate Secretary shall be informed promptly. In addition, the Corporate Secretary shall submit a copy of such report to the Chairman of the Board and the Chairman of the Audit Committee within 7 working days after getting such report. In 2016, all directors and senior executives prepared the report on their interests and informed the Chairman of the Board and the Chairman of the Audit Committee for their acknowledgement.

3. Role of Stakeholders

3.1 Rights of Stakeholders

Besides the rights of shareholders, the Board also takes great care of the rights of all groups of stakeholders and gives priority to issues that affect its business both internally and externally as well as corporate social responsibility. Therefore, the Board has clearly established guidelines to respond to the requirements of each group of stakeholder in EGCO's good corporate governance policy and Code of Conduct to be abided by directors, management and employees. Treatment of employees and stakeholders is disclosed in "Responsibility for and Participation with Stakeholders" section.

Employees

EGCO has formulated an employee with focus on recruitment and selection of employees which shall proceed through the recruitment and selection processes according to the employment policy which offers opportunities to all interested persons who possess knowledge, expertise and potential appropriate for their job positions and especially good attitudes towards the surrounding people, duties and responsibilities, and the Company. EGCO also supports employment of local people to promote job creation and revenue generation in the communities in which EGCO operates its business. With respect to employee care, EGCO assures a safe working environment and appropriate and fair remuneration and welfare. EGCO supports its people to continuously enhance knowledge and capabilities through internal and external trainings. Employees are encouraged to participate in community and social development activities such as taking part in projects for the communities surrounding the Company and power plants in which EGCO operates its business. Activities between employees and executives are organized to foster good relationship which will further lead to a happy workplace. In 2016, it was the first year that the Company started preparing a survey of employee engagement towards the Company by hiring an external consultant expert in such matter to give advice and apply the survey results for further improvements for employee care.

Customers

As the power generator, distributor and provider, EGCO is strongly committed to operating its business with fair, transparent, accountable, and corruption-free operations by delivering good quality, timely, and reliable products and services to all customers. EGCO also keeps customers' confidential information and shall not use such information for its own or related parties' benefits to enhance sustainable customer relationship.

In 2016, there was no dispute or lawsuit between EGCO or its subsidiaries and the customers. As for the power generating business, EGCO Group could generate the contracted electricity with higher Equivalent Availability Factors (EAF) than 95 that prescribed in the Power Purchase Agreement (PPA). For the maintenance business, EGCO Group's service was rated "excellent" with the average score of 94.51 from the customer's satisfaction survey.

Creditors

EGCO has fairly, responsibly and transparently treated all its creditors by strongly complying with all of the loan provisions and correctly disclosing Company's true financial status. In case that there is any suspected event to affect its creditors, the Company will take immediate action to prevent and correct the matter.

In 2016, EGCO and its subsidiaries fully complied with all the loan provisions and never failed to meet payment terms.

Suppliers and Contractors

EGCO is committed to operating sustainable business by adhering to good corporate governance principles to ensure equality, fairness, strict compliance with contracts or conditions as agreed, efficient, transparent, and accountable management system, and non-involvement in all forms of corruption by following the anti-corruption policy alongside responsibility towards the community, society, environment, and all stakeholders.

EGCO places importance on screening and monitoring suppliers and contractors to ensure that its suppliers and contractors conduct their business based on good corporate governance principles and give priority to fair treatment of labor and respect for human rights. In 2016, EGCO developed “Code of Conduct for EGCO’s suppliers and contractors” aiming at informing suppliers and contractors of its commitment to operating sustainable business by holding to good corporate governance principles. This was to ensure fair business management and efficient and transparent management system, and promote its suppliers and contractors to conduct business in an ethical manner in terms of anti-corruption, corporate social responsibility, human rights, and occupational health and safety as well as take into account sustainable impacts on the environment. Suppliers and contractors were required to sign the code of conduct during the procurement process. In 2016, there was no dispute or lawsuit between EGCO and its subsidiaries and the suppliers and contractors.

Competitors

EGCO conducts its business ethically on a transparent, accountable, and corruption-free basis. The Company does not employ an inappropriate approach to gain confidential information of its competitors such as offering a bribe to the competitors’ employees and attacking competitors’ reputation with false allegations.

In 2016, there was neither dispute nor lawsuit between EGCO and its subsidiaries and the competitors.

Community and Society

EGCO Group operates its business with strong commitment to the community and society, especially in which the Company is located. As stated in the Company’s mission to become a good and caring citizen, it is therefore the duties and responsibilities of all executives and employees to disclose truthful and up-to-date information, create a benevolent working environment with respect to local norms, culture, and traditions as well as participate in improving good quality of life to make a local community and society a pleasant place to live. This will eventually lead to sustainable development of the society at large. EGCO has executed various social contribution projects and activities which can be categorized in 3 main areas; namely the development of the quality of life for local communities surrounding power plants, the promotion of energy and environment, and the watershed conservation.

In 2016, there was neither dispute nor lawsuit between EGCO and its subsidiaries and people in the communities surrounding power plants and NGOs. EGCO Group has continuously developed 87 projects for community and 2 social contribution projects and has recently launched our quarterly newsletter “Sook Jai” as one of the communication channels to strengthen good relationship with the communities surrounding its power plants. Moreover, EGCO has continuously supported the operations of Thai Forest Conservation Foundation or Thai Rak Pa, the non-profit foundation initiated by EGCO to jointly promote watershed forest conservation with other business partners and NGOs. In 2016, Thai Rak Pa Foundation helped support the conservation of approximately 70,000 rais of watershed forest in Doi Inthanon National Park in Chiang Mai province and expanded its operation to watershed forests in the southern part of the country in Khao Luang National Park in Nakhon Si Thammarat province as well as the northeastern part of the country in Lam Pathao watershed area in Chaiyaphum province.

3.2 Observation of Human Rights

EGCO requires that its directors, management and employees fully respect international human rights, laws as well as different traditions and culture.

- The Company treats all employees with respect and honor. It provides communication channels for employees to submit work-related inquiries, recommendations and complaints which will be seriously considered. The solution to the problem will then be given in order to benefit and to promote pleasant working relations among all concerned parties.
- The Company encourages all employees to exercise their rights of citizenship in accordance with the constitution and relevant laws.
- Employees' personal information such as family background, health and employment records will be kept confidential. Disclosure of such information to the public without that employee's permission is considered a violation of the Code of Conduct and may result in some disciplinary actions, except when it is done in accordance with the Company's regulations or legal requirements.
- EGCO does not support any business related to the violation of human rights and frauds.
- All employees must refrain from any deliberate discrimination or harassment both in words and actions against other people on the basis of race, gender, religion, age and physical or mental disability.

In addition, EGCO has defined clear guidelines for staff employment both for the Company and its business partners to strictly conform to the Labor Act of Prohibition of Child Labor or Abusive Hiring. Also, the working system is carefully designed to give priority on safety and occupational health issues. In the previous year, there was neither report nor complaint on the violation of human rights.

EGCO has established a Welfare Committee to receive opinions and recommendations that are beneficial and necessary for the current situation. Such opinions and recommendations are implemented for further improvements of employees' benefit and welfare.

3.3 Intellectual Property or Copyright

EGCO has a policy to comply with the laws on intellectual property or copyright. Careful checking is required before using the work or information that belongs to the third party so as to prevent the violation of intellectual property of others. Moreover, the Company has set practice guidelines for using personal computers and Company's notebooks and desktop computers. Employees must comply with copyright law to prevent violation of intellectual property and apply only software permitted by the Company. Also, they must not download or upload prohibited software via the Internet. Information Technology Division, which is responsible for maintaining information technology, has required employees to sign a policy and procedure acknowledgement form every time new computers are installed.

3.4 Anti-corruption

The Board places importance on good corporate governance within the management framework of ethics, transparency, and accountability. The control, audit, and prevention processes of all direct and indirect forms of corruption are in place. Additionally, the Anti-Corruption Measures Manual is established as guidelines for EGCO Group and also published to outsiders.

In 2016, ESCO, a subsidiary of EGCO Group, applied for membership of the Collective Action Coalition Against Corruption ("CAC") Project and was certified as a member of CAC on August 16, 2016 by the CAC Committee. It was therefore deemed as mutual success of the Group companies as it was in accordance with the operation plan and goal set by the Board.

Implementation of Anti-corruption Policy and Measures

- Anti-corruption measures were communicated through internal communication channels such as EGCO Groupnet, EGO Talk, posters on the office's bulletin board in the lifts where outsiders can also notice and become aware of EGCO's clear commitment.

- CG talk show under the topic of Say No Corruption by the famous speaker was held twice to give some thoughts beneficial to work based on good governance, rule of law, transparency, and integrity to executives and practitioners at headquarters and Khanom Power Plant in Nakhon Si Thammarat province.
- The exhibition “EGAT Zero Corruption” was arranged to promote EGCO Group’s good corporate governance principles, anti-corruption, and corporate social responsibility at the Electricity Generating Authority of Thailand (EGAT).
- The Company joined “Anti-corruption Day 2016”, organized by the Anti-corruption Organization of Thailand, to cooperate in anti-corruption efforts at Sanam Luang (Royal Field).
- The President encouraged executives and employees to acknowledge anti-corruption policy and measures by communicating them on “Communication Day”.
- The Board encouraged and supported directors, executives, and employees to attend trainings and seminars on anti-corruption held by various organizations, including:
 1. Seminar on “Anti-Bribery and Corruption Measures of Business Sector” on July 1, 2016, organized by the Office of the National Anti-Corruption Commission. Two executives, including Senior Vice President of Law Division and Senior Vice President of Corporate Secretary Division, participated in the seminar for the total training hours of 14 hours.
 2. Special seminar on “Who-What-How to Counter Bribes” on September 6, 2016, organized by the Anti-Corruption Organization of Thailand. Four representatives from Law Division, Internal Audit Division, Procurement and Administration Division, and Corporate Secretary Division, participated in the special seminar for the total training hours of 12 hours.
 3. Seminar on “Implementation of Anti-Bribery and Corruption Management System according to ISO 37001” on October 28, 2016, organized by the Partnership Against Corruption for Thailand (PACT) Network. Two representatives from Law Division and Corporate Secretary Division, participated in the seminar for the total training hours of 6 hours.
 4. Conference on “Zero Corruption” on November 25, 2016, organized by the Office of Labour Protection and Welfare. Two representatives from Law Division and Internal Audit Division, participated in the conference for the total training hours of 6 hours.

Its subsidiaries attended trainings and seminars as follows:

- Course on Corruption Prevention in Organizations with CAC, with 1 participant from the Anti-Corruption Working Group.
- Course on Executive Briefing with CAC, with 7 participants from the Anti-Corruption Working Group
- Dharma lecture on Get Your Mind Satisfied with Sufficiency by Phra Payom Kalayano at Wat Suan Kaew, with 32 participants from different divisions
- Anti-Corruption Day 2016 Talk at Queen Sirikit National Convention Center, with 20 participants from different divisions.
- Membership of the Thailand Future Network to instil positive values, raise consciousness, and adjust attitudes and social behaviors by promoting a “Don’t Let Anyone Say that Bad Things about Thais” campaign, organized by the Thailand Sustainable Development Foundation.



Whistleblowing

EGCO encourages its employees and stakeholders to participate in monitoring actions in compliance with relevant laws, rules, regulations, good corporate governance principles, business ethics, and reporting and filing complaints on breach of laws, ethics or actions that may involve corruption or misconduct. Measures for whistleblowing as well as protection of a whistleblower and the person accused of misconduct are also put in place so as to keep reported information confidential and will be acknowledged only by related parties to provide whistleblowers with full confidence and protection. Issues to be reported are as follows:

- Wrongful action against relevant laws, rules, or regulations and business ethics
- Corruption and bribery
- Suspected actions that may involve money laundering, wrongful actions related to accounting, finance, control and auditing

Whistleblowing channels and procedures: The whistleblower can report via 2 channels:

- Channel 1: by email to one of the following committees:
 - The Audit Committee at auditcommittee@egco.com
 - The Good Governance Working Committee at GoodGovernance@egco.com
 - The Board of Directors at directors@egco.com
- Channel 2: by post addressing one of the committees at the following address:
Electricity Generating Public Company Limited EGCO Building, 222 Moo 5 Vibhavadi Rangsit Road
Tungsonghong, Laksi, Bangkok 10210

EGCO has set whistleblowing process, protection of whistleblowers and those being accused, penalty consideration, and clue reporting, and clearly published such details in the Anti-corruption Measures Manual.

In 2016, EGCO received no significant complaint raised by both insiders and outsiders.

Monitoring, Reviewing and Assessment

The Anti-Corruption Working Group is responsible for monitoring, reviewing and assessing risks on a yearly basis. When new risks are identified, the Working Group shall prepare a prevention plan and guideline to control such risks and report to the Audit Committee who is responsible for overseeing the implementation of anti-corruption measures and reviewing measures and related internal control activities. The Internal Audit Division is also responsible for reporting wrong doing or violation of the Code of Conduct to the Audit Committee on a quarterly basis. The Audit Committee then reports such matter to the Board through the Audit Committee's report which is included in the agenda of the Board Meeting at all times.

In 2016, The Audit Committee found no significant complaint.

Anti-corruption Plan

For an anti-corruption plan in 2017, EGCO still has a policy to promote EGCO Group companies to be certified as a member of CAC. The policy is communicated to EGCO's subsidiaries by its representatives holding director and management positions in the Group companies. EGCO has also set goals to have all of its subsidiaries certified as CAC's members. Moreover, to ensure the same standard of anti-corruption and practice guidelines of the Group companies, the Board has therefore established an Anti-corruption Committee in the Group companies comprising representatives from EGCO and Group companies to implement the Board's policy into practice, communicate and raise consciousness, and foster mutual cooperation among the Group companies to conduct business without corruption.

Details of the anti-corruption policy is clearly set and stated in the "Anti-corruption Measure Manual, Good Corporate Governance Principles and Code of Conduct" published on EGCO's website under the Corporate Governance heading.

3.5 Social and Environmental Responsibility

As Thailand's first large private power producer, EGCO is committed to driving its business progress and sustainability. EGCO has not only carefully operated its business to support sustainable corporate growth, but also realized that environmental and social sustainability is the key to success. It has clearly set in its vision and mission the commitment to social responsibility as part of its role and responsibilities as the good corporate citizen. It will select power generating technology that effectively controls possible impacts on the environment and society arising from climate change and global warming; and strictly comply to laws and standards related to the environment in order to control pollution and waste, fairly treat stakeholders, and be involved in social development activities in the communities surrounding the power plants and operate business with good governance to ensure efficient, fair and transparent operations. Such measures will not only enhance confidence among shareholders, stakeholders, and all concerned parties but also promote sustainable growth and long-term competitiveness. EGCO has reported the progress of social and environmental responsibility activities in the Responsibility towards the Community and Society and the Responsibility towards the Environment sections.

3.6 Communication Channels

All stakeholders can raise their opinions, recommendations and other concerns non-related to anti-corruption to EGCO via the following channels:

Channels	Electronic mail	Telephone number
Board of Directors	directors@egco.com	-
Audit Committee	auditcommittee@egco.com	-
Corporate Secretary	cs@egco.com	0 2998 5020-5
Corporate Communications	corp_com@egco.com	0 2998 5130-7
Investor Relations	ir@egco.com	0 29985147-9

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

The Corporate Secretary is responsible for receiving documents sent to the Board and then forwarding them to relevant committees or directors. Issues and recommendations will be summarized and submitted to the Board on a quarterly basis, except for documents addressing the Audit Committee which will be directly forwarded to the Audit Committee without screening. Electronic mails sent to auditcommittee@egco.com can be accessed solely by the Audit Committee.

4. Information Disclosure and Transparency

4.1 Information Disclosure Channels

One of the important duties of the Board is information disclosure. The Board places importance on disclosure of both financial and non-financial information and other significant information in a correct, complete, timely, and transparent manner. All the information is prepared in both Thai and English to enable shareholders and stakeholders to have equal access to the information. Channels of information disclosure are as follows:

1. Information disclosure on website

In order that interested shareholders and investors are able to promptly retrieve the latest published information, EGCO constantly updates significant information on various websites as follows:

- A. SET's website (www.set.or.th) and SEC's website (www.sec.or.th)
- B. EGCO's website at www.egco.com which publishes the following information:
 - Corporate profile, vision, mission and organizational structure
 - Corporate governance, comprising structure of the Board, subcommittees and senior executives, anti-corruption policy, and Code of Conduct
 - Investor relations, comprising financial data, such as quarterly financial statements, Management Discussion and Analysis (MD&A), structure of shareholders, annual report, Form 56-1, AGM meeting notice and minutes, news and investors' calendar
 - Corporate information, social responsibility and interesting information about energy
2. Disclosure of information to the public and mass media through various channels such as press releases, newspapers, advertisement, newsletters, and televisions
3. Disclosure of information to securities analysts or investors who discuss with the management and arrangement of analyst briefings
4. Domestic and international road shows
5. Company visit by shareholders
6. Delivery of notices by post

The President or the assigned staff is solely authorized to disclose the Company's and its subsidiaries' information. The central units for disclosure of information to the public and investors comprise SVP Corporate Secretary, SVP Corporate Communications and SVP Investor Relations based on their scope of responsibility. In 2016, EGCO consistently communicated the information and details of activities based on the Company's strategy and business direction by considering the quality of disclosed information as its first priority. Disclosure of information is conducted via the designated divisions as follows:

Investor Relations Division

The Investors Relations Division is responsible for equally and fairly communicating to all institutional investors, shareholders as well as analysts and consistently sets its annual investor relations plan. Considering that equitable treatment of shareholders is very important, EGCO has provided information with duly care to ensure that all stakeholders equally receive the information. The quiet period, when no information or answer to questions related to performance forecast is given to analysts and investors, is 14 days before releasing the financial statements. In case earnings preview is arranged before disclosure of financial statements, EGCO will get it completed before the quiet period.

EGCO also emphasizes on information disclosure via investor relations activities. The executives have participated in the activities by presenting information and meeting with investors in order to create a good understanding towards the Company's management, foster good relationship with investors as well as encourage continuous exchange of opinions. The main activities in 2016 are as follows:

Activities	Number of Activities in 2016
Quarterly analyst meeting	4
Shareholders and investors' visit to BLCP Coal-fired Power Plant	2
Analysts and institutional investors' visit to BLCP Coal-fired Power Plant Unit 4	1
Seminar and meeting with domestic and foreign investors and securities analysts	18
Communication via emails and phones	10 - 12 times per day
Preparation of "Life" quarterly newsletter as a channel to communicate with shareholders on the company's significant activity and performance	4

In this regard, activities for investors and shareholders are stated in the 2016 Highlight Performance: Activities for Shareholders and Investors section.

Corporate Communications Division

The Corporate Communications Division is responsible for communicating the Company's movements, activities and cooperation with other organizations to all media and the public. Major events in 2016 included 3 press conferences on business performance and directions as well as corporate social responsibility activities, 5 special executive interviews, 1 media visit of power plant, and 23 press releases, photo captions and public relations articles.

Corporate Secretary Division

The Corporate Secretary Division is responsible for disclosing information as required by SET and SEC in a correct and transparent manner and proceeded through consideration and procedures. In 2016, 14 notifications were submitted to SET. EGCO ensures that the information appeared in the website is always complete and up-to-date. Efficiency of information disclosure is assessed by questionnaires every time meetings with shareholders, investors, and analysts are held as guidelines for improvement of efficiency of information disclosure and investor relations affairs. In addition, EGCO delivers a feedback form on annual report together with the annual report and notice of the shareholders' annual general meeting to inquire about the quality of annual reporting, additional documents needed, and questions to be answered by directors and executives in the next shareholders' annual general meeting. In this regard, the Company receives positive feedback from shareholders.

4.2 Financial Statement Preparation

EGCO is responsible for preparing financial reports that are accurate, complete, and transparent manner and protecting the Company's assets against loss or utilization of unauthorized persons, and preventing corruption and unusual operations to be in line with Thailand's generally accepted accounting standards and relevant laws and regulations as well as to enhance stakeholders' confidence in financial reports. The Board has then assigned the Audit Committee to oversee preparation of EGCO's financial reports which must be correct, complete, and in compliance with relevant laws and notifications, and regular implementation of appropriate accounting policy. The Audit Committee requires a meeting with the auditor, without the presence of the management, at least once a year to inquire and seek opinions from the auditor on matters related to financial reports. The Board also prepares a report on the Board's responsibility towards the financial reports which covers significant matters according to the SET Code of Best Practice for Directors of Listed Companies as shown with the auditor's report in the annual report. In 2016, EGCO appointed auditors from

the PricewaterhouseCoopers ABAS Ltd., which were professional experts with independence and impartiality, and experience in accounting audit, as the Company's auditor to enhance confidence among the Board and shareholders that the Company's financial reports reflected true, correct, and reliable financial status and business performance in all aspects with acceptable accounting standards, compliant to related laws and announcement; and protecting its assets against fraudulent action of unauthorized persons or abusive actions.

EGCO also prepares a Management Discussion and Analysis to provide analytic information on the Company's financial status, business performance and major changes to investors and securities analysts on a quarterly basis. This report is submitted via SET portal along with the Company's financial statements.

Moreover, the International Standard on Auditing (ISA) 720 (Revised), the Auditor's Responsibilities Relating to Other Information, which is applicable to auditing of financial statements for the year ended on or after December 31, 2016, prescribes that the auditor shall read and consider other information such as financial and non-financial information (other than the financial statements and the auditor's report) which is included in the Company's annual report to ensure that the materiality appeared in other information and financial statements, and knowledge gained from the auditing of auditors does not significantly contradict the facts. Then, the financial reports prepared by the management, the report of the Board's responsibilities for the financial reports, and the auditor's report are correct, reliable, and consistent.

It should be noted that EGCO has never been demanded by SEC to restate the financial statements. In addition, the Company has disclosed quarterly and annual financial statements to shareholders and investors before the due date.

5. Responsibilities of the Board of Directors

5.1 Roles and responsibilities of the Board of Directors

Duties of the Board of Directors

All Board members completely understand their duties and responsibilities as well as EGCO's nature of business. They shall perform their duties with honesty, prudence, care and for the utmost benefits of the Company and fairness to all shareholders. Directors shall exercise their independent judgment and devote considerable time in performing their duties in accordance with the Company's good corporate governance principles. Directors also play significant roles in formulating corporate policy, vision and mission by working closely with the management in setting both short-term and long-term strategies and monitoring the implementation of corporate strategies as follows:

- Formulate a risk management policy, a business plan and an annual budget, and monitor the Company's performance as well as approve major investments, acquisition and disposal of assets
- Recruit, set the remuneration rate, monitor, and (if necessary) change the key management personnel as well as inspect the management succession plan
- Review the remuneration rate of directors and senior executives and ensure that the Board's director nomination process is conducted officially and transparently.
- Monitor and resolve conflict of interest which may incur among the management, directors and shareholders as well as ensure an independent audit, appropriate internal control system, risk monitoring, financial control, and legal compliance.
- Monitor the effectiveness of the existing corporate governance working methods and implement changes if necessary.
- Monitor the information disclosure and communication processes
- Conduct a self-appraisal on performance annually and declare its duties and responsibilities in the annual report

EGCO has 4 subcommittees with different areas of responsibilities according to their knowledge and expertise to help screen clearer job descriptions. The 4 subcommittees are

1. Audit Committee
2. Investment Committee
3. Nomination and Remuneration Committee
4. Good Governance and Social Responsibility Committee

The Nomination, Selection, and Termination of Directors

The Board realizes that Board composition contributes to its efficient and effective performance of duties to oversee the Company. Criteria and procedures of nomination of qualified persons have been established to ensure that the appointed directors have qualifications, knowledge, competence, experience, independence, and time dedication.

The nomination of directors will be based on a list of persons nominated by shareholders as the Company grants shareholders the right to propose director nominees, and a Director Pool of the Thai Institute of Directors. The Nomination and Remuneration Committee is responsible for considering and screening all persons to be appointed as directors, whether directors representing shareholders or independent directors, to be proposed to the Board for consideration in case of vacancy by other reasons than retirement by rotation and then submitted to the shareholders' meeting by considering the following factors:

1. Variety of gender, age, knowledge, competency, experience and necessary expertise in different areas by using Director Qualifications and Skills Matrix along with qualifications as required by laws, SET and SEC notifications. Directors' qualifications must be in line with strategic plans and good corporate governance principles for the Company's business development.
2. Clean work experience; possession of virtue and responsibility; and maturity and professionalism

The Board is responsible for reviewing its structure and composition on a yearly basis.

The Board, appointed at the AGM, comprises no less than 5 directors and no more than 15 directors. No less than half of the directors must have residence in the Kingdom of Thailand. In case of a vacancy from any other reason than the end of term, the Board shall select a qualified candidate in the next meeting with three-fourth majority votes of directors remaining in office. At each AGM, one-third of the directors shall retire by rotation. If the total number of directors cannot be evenly divided into 3 parts, the number should be closest to the ratio of one-third. In case any director intends to resign from the Company, he or she must submit the resignation letter which will be effective on the date the Company receives the letter.

In order to vote for the early retirement of any director before the end of term, there shall be no less than four-fifth of the votes of shareholders attending the meeting and entitled to vote.

Term and Age Limit

EGCO abides by the Public Limited Company Act B.E. 2535 which prescribes that one-third of the directors shall retire by rotation at the AGM. EGCO also specifies the office term of independent directors to be no more than 2 terms or 6 years to maintain the independence of independent directors from the management and shareholders as in line with the best practices, effective from the 2016 AGM date onwards. A director shall be no older than 72 years on the date of appointment. In case the director is already 72 years old while in office, he or she can remain in office until the expiry of term.

In 2016, none of EGCO's independent directors served the Company more than 2 terms or 6 years.

Segregation of Authority and Responsibility

The Board has clearly separated formulation of a good governance policy, which is the Board of Directors' duty, from routine management, which is the duty of the management. The Board has therefore set up a Table of Authority (TOA) as the practice guidelines that it will not intervene in any routine work or business under the management under the President's responsibility.

Policy and Practice in Holding Other Positions of Directors and Executives

The Board places importance on performance efficiency of directors. To allow directors to dedicate full time in governing the Company's businesses, the Board has therefore established a policy to limit the number of other listed companies that a director can hold a position. A non-executive director can serve as a director in no more than 3 other listed companies while an executive director can serve not more than 2 listed companies. Currently, none of the directors hold a position in other listed companies in excess of the required number.

Leadership towards Strategic Plan

The Board is involved in setting corporate vision, mission, strategies as well as goals and short-term and long-term business plans which are revised on an annual basis. The Board and the management participated in the corporate strategy seminar on August 19 - 20, 2016. The management gathered the Board's opinions and recommendations to formulate short-term and long-term strategic plan that best addressed the current situation, current and future business challenges, and the Company's risk management as in line with the Company's vision and mission. The corporate strategic plan incorporated the concept of sustainable management, including business, social, and environmental strategies and action plans, and good corporate governance to ensure sustainable growth and responsibility towards stakeholders.

At the same time, the Company has set its goal to be an energy company in Asia-Pacific region and maintain the return on equity (ROE) at a minimum of 10% by implementing the following 3 strategies:

1. Business Strategy
 - 1.1 Investment in and seeking new opportunities to acquire operating assets in both Thailand and Asia-Pacific region to immediately recognize revenue
 - 1.2 Financial management, maintenance of adequate liquidity, and financial risk reduction
 - 1.3 Asset management and management of projects under development to be completed as scheduled and budgeted
 - 1.4 Organizational management and human resource management to support business expansion
2. Social and environmental strategies, promotion of community development, and efficient use of natural resources
3. Good corporate Governance Strategy
 - 3.1 Raise good corporate governance to be equivalent to global standards by holding to ASEAN CG Scorecard and improve corporate governance in the Group companies
 - 3.2 Develop and promote CG practice guidelines in the Group companies

For long-term goals, the Company will develop Greenfield projects to drive sustainable progress, expand more businesses overseas especially in the countries where the Company has already had its business base, including the Philippines and the Lao People's Democratic Republic, Indonesia and Australia. The Company will also consider new opportunities to invest in other Asian countries, including Myanmar, Vietnam, and India as well as set its goal to develop and invest

more in renewable energy power plants by 30% of the total number of EGCO Group's power plants in the next ten years. The Board also strives to strengthen corporate management especially in developing employees' potential and capabilities so that they become skillful and have expertise in support of business growth to be prepared for becoming an energy company in Asia-Pacific region.

Once the Board has approved the strategic plan, the management prepares an annual action plan, budget, and manpower as in line with the strategic plan which will then be submitted to the Board for approval. The management has also reported the progress of implementation of annual action plan to the Board on a quarterly basis.

Additionally, the Board has set the Corporate KPI on an annual basis which should be monitored and reported to the Board every 6 months. The Company's performance is overseen regularly by the Board. The management is assigned to report monthly in the Board's meeting for acknowledgement.

The President has also communicated the Company's strategic plan and goals to all employees on "Communication Day", allowing all employees to understand the Company's operation plan and each division's responsibility leading to effective implementation and goal achievement.

Compliance

EGCO oversees its operations through two responsible units, namely (1) Compliance unit under the Corporate Secretary Division, responsible for overseeing EGCO and the Board's compliance with the Securities and Exchange Law, rules, regulations, and notifications of SET and; (2) Law Division, responsible for overseeing compliance with relevant laws.

Internal Control and Internal Audit

The Board has clearly determined duties, responsibilities, authority of executives and employees in writing. Authority is appropriately segregated to ensure checks and balances and safeguarding of the Company's assets for actual benefits. EGCO also sets a correct and timely financial report system. Moreover, EGCO's Internal Audit Division, with Mr. Natthanont Meesooksabai as Senior Vice President of Internal Control Division and Secretary of the Audit Committee, is responsible for auditing EGCO and its subsidiaries in Thailand and overseas, and providing advice to related units to mitigate operational weakness while strengthening preventive auditing practice. The Internal Audit Division reports its performance directly to the Audit Committee that is responsible for approving the internal audit plan, appointing, terminating, appraising the performance of Senior Vice President of Internal Audit Division in order to ensure operational independence, and preparing an Internal Audit Division report.

EGCO emphasizes on enhancing the capabilities of internal auditors regularly through in-house and outside Seminars so that they can share their knowledge, experience, and opinions with professional internal auditors within EGAT's Group companies. EGCO encourages all employees in the Internal Audit Division to attend certification programs organized by the Institute of Internal Auditors of Thailand (IIA) such as Certified Internal Auditor ("CIA") and Certified Professional Internal Auditor of Thailand (CPIAT). The employees in the Internal Audit Division attended trainings and seminars as follows:

1. Ethical Audit and Audit Manager Tools and Technique, organized by the Institute of Internal Auditors of Thailand
2. IT Governance : Issues for Boards, organized by the Thai Institute of Directors
3. IA's Challenge in Value Adding, organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
4. Anti-Corruption : The Practical Guide, organized by the Thai Institute of Directors

to enhance knowledge and apply it to internal control process, and monitor and assess compliance with the Anti-Corruption Policy and Measures Manual.

Nomination and Remuneration of Auditor

The Audit Committee is responsible for selecting, nominating and terminating the Company's independent auditor, as well as determining the audit fee which afterwards have to be finalized and approved in the AGM. In 2016, the Company requested competitive quotations from leading audit offices by considering appropriate audit fee, auditors approved by SEC with expertise in Thai Financial Reporting Standard (TFRS) and International Financial Reporting Standard (IFRS), auditors with experience and expertise in power generation business, and auditing network in the countries in which EGCO invested in businesses. The Board and the Audit Committee considered that the auditors from Pricewaterhouse Coopers ABAS Co., Ltd. ("PwC") performed their duties with professionalism, independence, impartiality, expertise in TFRS and IFRS, and auditing experience especially in power generation business. PwC provided audit services to many well-known companies in power generation business and had its accounting and auditing offices located in the countries in which EGCO invested in businesses. PwC's audit fee was also reasonable. It was therefore deemed appropriate to appoint PwC as EGCO Group's auditor for the year 2016 and determine the audit fee for the year 2016 of 3,285,500 baht and other actual expenses incurred from the audit performed in Thailand of not exceeding 173,120 Baht. The Company assumed responsibility of actual travel expense payment, incurred from the audit performed in the countries in which the Company invested in businesses. In 2016 AGM, the meeting mutually approved the appointment and remuneration of auditors as proposed by the Board.

Risk Management

The Board entrusts the Audit Committee to work with executives in reviewing the risk management policy, implementation and guidelines of EGCO Group under corporate goals of satisfactory return, growth and corporate excellence. The Audit Committee reports the risk management report to the Board at least twice a year. The Board then considers the adequacy of risk management system and effectiveness of risk management so that strategies, plans and measures can be adjusted to promptly correspond to the changing situations.

EGCO has established the risk management framework as follows:

- A Risk Management Committee comprises EGCO's management with the President as the Committee Chairman. The objectives are to formulate an overall policy and monitor risk management of EGCO Group; to closely monitor and assess the risk management implementation; and to report to the Audit Committee and the Board. Each power plant also has its own Risk Management Committee to monitor and manage its own risks; and to better address the overall policy and business condition of each power plant.
- Risk management is under the Corporate Planning and Project Assessment Division to enhance the alignment of business plan and risk factors.
- Risk management is embedded into the work process. The Company assesses risks from internal and external factors that may affect goals, risk impacts and probability, risk mitigation measures, and operation plan to reduce such risks, and become part of the corporate culture; namely all employees are aware of risk management in their operations.

EGCO Group has adopted the risk management policy and manual as the Company's guidelines since 2001. Risk management assessment is also included as one of the elements for internal control assessment. The result of the 2016 assessment indicated that EGCO Group appropriately implemented risk management system. More details can be found in the "Risk Management" section.

Conflicts of Interest

The Board has a policy to avoid conflicts between personal interest and corporate interest, which is prescribed in the good corporate governance principles, to be used as practice guidelines as follows:

- Directors or employees intending to serve as a director or advisor of other companies or organizations shall not have any conflict of interest with the person's direct responsibility and shall inform the Board before engaging in any organization.
- Directors shall promptly notify the Board of conflicts of interest (if any) in details and refrain from participating in the discussion or voting on such matter; or shall be absent from the meeting on such agenda; or shall not request documents relating to the meeting; or resign from the Board.
- Directors and executives shall report any changes in their securities holding to the regulatory agency. The Corporate Secretary is assigned to report the security holdings of directors and executives at the Board meeting. Directors and executives shall also report their own and related persons' interests to the Company. The Corporate Secretary will use the information as reference to monitor and ensure that directors and executives perform their duties with integrity. The Corporate Secretary has to submit a copy of the report to the Chairman of the Board and Chairman of the Audit Committee for acknowledgement.
- Employees shall not borrow money from the Company's business partners, individuals, or juristic persons that have business with the Company, except from the financial institutions, as it may have an impact on the employees' performance as Company's representatives.
- The steps for implementing a connected transaction and disclosing such transaction shall be strictly executed as required by SEC and SET. The Corporate Secretary shall identify the type of transaction and the approval authority and then submit the reports to the Audit Committee for acknowledgement.

EGCO also assigns the Audit Committee to consider and provide opinions on connected transactions by considering and comparing each item with transactions made with other outsiders. The Audit Committee is required to present the information and opinions to the Board and/or shareholders for consideration based on the criteria set by SET and the Capital Market Supervisory Board. The Committee shall ensure that information disclosure is complete to confirm all related parties that the connected transactions are made based on the best benefits of the Company and its shareholders.

Monitoring of Business Operations of Subsidiaries and Associate Companies

In order to ensure that EGCO Group's holding business operations meet with the policy and goals as well as goals and creating appropriate returns for shareholders, the Board has set measures in writing as guidelines to monitor the Group companies with the following details:

1. Monitor EGCO Group companies' operations through appointed representatives who serve as directors or shareholders of its subsidiaries and associate companies. The appointment of the representatives shall be approved by the Nomination and Remuneration Committee.
2. Specify the roles and duties of EGCO representatives as follows:
 - 2.1. Monitor the preparation of guidelines for the management of subsidiaries or associate companies for scrupulous and efficient operations
 - 2.2. In case of any major events, EGCO Board has the right to approve such matter with the exception of urgent cases which shall be firstly proposed to the Board for acknowledgement.
 - 2.3. Propose the following matters to EGCO Board for approval prior to execution
 - Nomination and removal of the President and Senior Executive Vice President
 - Determination of President's remuneration
 - Preparation, improvement or change of important rules

- Capital increase or decrease
- Business operations of the Company's new investments
- Business operations affecting or competing with the business of EGCO or Group companies
- Expansion of business operations beyond the Company's main business

2.4 Require the management to report on business performance and major events of the Group companies which are included as an agenda for acknowledgement in the Board meeting.

5.2 Board Meeting

To ensure its responsibility towards the shareholders, the Board has reviewed significant business policies and corporate calendar and come to a mutual agreement to hold a monthly meeting. An extra meeting can be organized if there is any major unplanned event. The Board can authorize subcommittees to screen or approve the management's activities within the delegated authority. The Board has included business performance report as one of the meeting agenda items for the Board meeting in order that the Board can follow up with the business progress and provide their recommendations in case of any deviation from the approved plan or budget.

The Board sets meeting dates and agenda for the entire year in advance to enable directors to allocate their time to attend all meetings. The Chairman and the President jointly consider and select meeting agenda items while each director can propose an agenda to the Chairman and discuss independently at the meeting. The Board meeting notice is delivered to directors at least 5 days in advance except in an urgent case to preserve the rights or benefits of the Company. All meeting documents with sufficient information will be sent to the directors in advance to allow adequate time to contemplate the information. The agenda is set according to the priority; namely, follow-up matters, matters for consideration and matters for acknowledgement, to optimize the meeting time for the Board. The quorum requires no less than two-third of the total number of directors to pass resolutions. However, a director who has a potential conflict of interest shall not receive any related document and shall not take part in any Board discussion on that topic as well as voting on such item.

The Chairman shall allocate adequate time for the management to present matters and for directors to carefully discuss significant issues. The meeting minutes are prepared in writing. After the meeting, the secretary of the meeting shall prepare the Board's resolution and submit to the Board of Directors' within 3 days to confirm the meeting resolutions. Then the draft minutes of meeting are submitted for the Board's review within 14 days after the meeting and prior to the approval in the next Board meeting. As such, the approved meeting minutes and agenda documents are kept systematically as confidential document at the corporate secretary division in both hard copy form and electronic form in order to be convenient for accessing. It is the directors' responsibility to attend every meeting, unless they have valid reason for their absence. In 2016, the Board held a total of 13 meetings. Each meeting lasted approximately 2.5 hours and the attendance rate was around 97%.

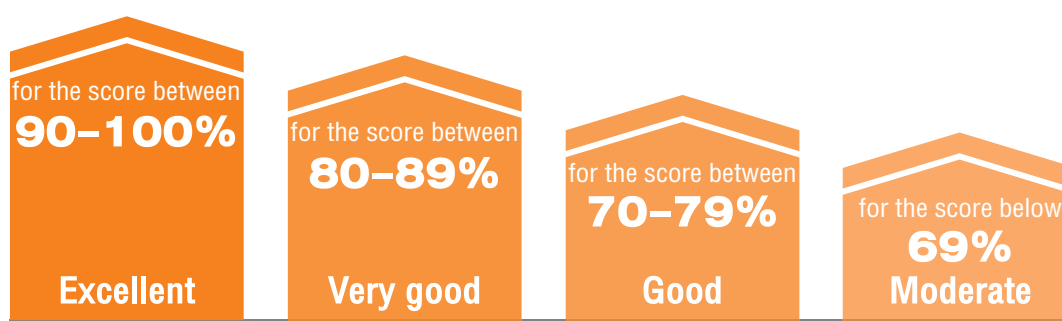
Since some of EGCO's directors do not reside in Thailand; therefore, the Group has established the policy to allow those directors to attend meetings through teleconference in order that EGCO can benefit from their opinions and recommendations. However, this type of attendance is not considered the meeting quorum and those who attend the meeting via teleconference do not have the right to vote. In 2016, there was no teleconference.

The Board encourages the President to invite Senior Executive Vice Presidents to attend all Board meetings. Other executives are also welcomed to join the meetings to provide insights and additional information on the related agenda item. This, in turn, enables the Board to know each executive better and subsequently can use this useful information for the succession plan. The Board can also request for additional important information from the President, the Corporate Secretary or other executives within the extent of the established policy. The Board and subcommittees

can hire independent advisors for the benefits of the business at the Company's expenses. To provide an opportunity for directors to freely discuss and share opinions on various issues which will bring greater benefits to the Company, the Company held a Board meeting without presence of executives at least once a year on January 28, 2016. The Board meeting discussed and approved guidelines for human resource development and management as in line with EGCO's strategic plan to expand more overseas investments, succession plan to replace the retiring senior executives in the next 2 - 3 years, and EGCO Group's investment and asset management. The Chairman of the Board communicated the guidelines to the President for acknowledgement and further formulation of strategic plan and operation plan.

5.3 Board Self-Assessment

The Board regularly conducts self-assessment on yearly basis, allowing all directors to jointly consider their previous year's performance and problems for further improvement of the Board's performance efficiency. The Board approved the self-appraisal form reviewed by the Nomination and Remuneration Committee. In 2016, the Board approved the entire board assessment form by giving more weight to the good governance responsibility. The assessment form covers the performance of each area of the Board's responsibility and fits to the Company's business characteristics and conditions, including Code of Conduct and business ethics of the Company. The assessment forms comprise 3 sets, namely the collective self-appraisal form, the subcommittee appraisal form, and the individual self-appraisal form. The following evaluation criteria are calculated in percentage of the total score for each item. The Board self-assessment forms will be sent to the Corporate Secretary to evaluate and conclude a total score. The criteria are as follows:



The score results and the Board's recommendations for each category will be implemented for further performance improvement each year.

Collective Self-Appraisal

The collective self-appraisal form comprises 6 topics; namely, (1) Structure and composition of the Board of Directors, such as the number of directors, the sufficiency of knowledge and experience, the appropriateness of independent director, the appropriateness of executive directors, qualifications of each subcommittee; (2) The Board's roles, duties and responsibilities, including consideration of strategic plans, connected transactions, conflict of interest, corporate governance policy revision and implementation, code of conduct, and performance appraisal and remuneration; (3) The Board meetings, such as agenda setting and completeness of documents; (4) Director's performance, including regular meeting attendance and participation; (5) The relationship with Management (6) Self-development of directors and executives, including the management's succession plan. The appraisal results showed that the Board performed its duties in compliance with the Company's good corporate governance principles and Code of Conduct, participation in policy, vision and business plan setting, and annual budget preparation. The results also confirmed the appropriateness of the structure and composition of the Board of Directors. The Board meetings were held with high efficiency, with average score of 95.91% or "Excellent".

Subcommittee Appraisal

The Subcommittee appraisal comprise 4 committees namely, the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Social Responsibility Committee. Their performance evaluation is a self-evaluation survey conducted in line with the good corporate governance principles and their specific duties and responsibilities of each committee. The appraisal covers 3 areas as follows: (1) structure and qualifications of the committee; (2) committee's performance and efficiency; (3) roles, duties and responsibilities of the committee. From the survey result, it could be concluded that the Nomination and Remuneration Committee, the Investment Committee and the Corporate Governance and Social Responsibility Committee had an appropriate composition and performed their duties as required by the Company's Charter. The details of their scoring were as follows:

- Investment Committee 98.67%
- Nomination and Remuneration Committee 95.42%
- Corporate Governance Committee 98.43%

As for the Audit Committee appraisal which is conducted annually, the collective self-appraisal approach has been employed; using the appraisal form for the Audit Committee issued by SEC. The form comprises 2 parts, including (1) the overall performance and (2) the specific tasks. The result of the Audit Committee self-appraisal in 2016 indicated that the composition, qualifications and performance of the Audit Committee were in line with the requirements stated in SET guidelines, international best practices and duties as prescribed in the Audit Committee's Charter. The Audit Committee reported the self-appraisal result in 2016 to the Board for acknowledgement in the Board meeting No. 12/2016 on December 21, 2016.

Individual Self-Appraisal

The individual self-appraisal form comprises of 3 topics as follows: (1) structure and qualifications of the Board, knowledge and experience that match the nature of business; (2) roles, duties and responsibilities of the Board as required by laws and the Company's charter as well as self-development; and (3) Board meeting, including information preparedness during the meeting. The average score of the individual self-appraisal in all areas is 97.84% which is in excellent level. This can be concluded that the directors have appropriate qualifications, deliberately performed their duties and responsibilities in accordance with the directors' best practices, thus resulting in efficient Board meeting.

Use of Appraisal Results for Director Development

The Board used collective self-appraisal, individual self - appraisal, and subcommittee appraisal results and the Board's recommendations of the year 2015 for improvement of the Board's efficiency of the year 2016. The composition of the Board and the Audit Committee was improved by nominating and appointing directors with expertise in accounting to hold positions of independent director and member of the Audit Committee in order to strengthen the Audit Committee's performance. Since the Board placed importance on EGCO's strategic plan and business direction and viewed that more time should be allocated for such matter, more meetings were therefore held from twice to three times in 2016.

5.4 Performance Appraisal of the President and Executives

President's performance is collectively appraised by all non-executive directors against the corporate goals, implementation of policy assigned by the Board and the individual's competencies. Indicators for consideration include the following:

- Qualitative indicators such as leadership, relationship with the Board, risk management and internal control, human resources management, good corporate governance, and Code of Conduct
- Corporate achievement based on the Company's key performance indicators
- Capabilities to enhance business development each year

The Nomination and Remuneration Committee is responsible for approving the performance appraisal of the Senior Executive Vice Presidents and Executive Vice Presidents based on their individual achievement against the specified performance indicators.

5.5 Remuneration of Directors and Executives

EGCO has set directors' remuneration at an appropriate rate by considering remuneration criteria based on the Company's performance, assigned responsibility and comparison with other organizations in the same business sector and size. The remuneration comprises 3 parts: fixed remuneration, meeting allowance and bonus which will be given once a year and tied to shareholder's value to the Company. The Nomination and Remuneration Committee is responsible for considering preliminary remuneration scheme to be approved by the Board before proposing to the annual general meeting of shareholders for approval. It is EGCO's policy to disclose each director's remuneration for transparency. Directors who serve as subcommittee members are also entitled to earn extra remuneration to match their increased responsibilities. Executives who sit in the Board and subcommittees are not entitled to any director remuneration.

The Board, comprising all non-executive directors, is responsible for determining the remuneration scheme for the President by taking into account the President's performance and the remuneration of executives in the same industry. The Board also conducts a performance appraisal and approves the Company's remuneration structure annually. The Board periodically conducts the survey concerning executive remuneration to ensure that its payment rate is competitive and adequate enough to attract and maintain qualified executives.

Details of remuneration of directors and executives have been disclosed under "Remuneration of Directors and Executives" in "Management Structure" section.

5.6 Development of Directors and Executives

The Board pays close attention to continuous development of directors and executives to foster their efficiency and effectiveness. Details are as follows:

Orientation: New directors' orientation is arranged and lectured by the President with focus on good corporate governance, anti-corruption policy, Code of Conduct for directors, business characteristics, EGCO Group's businesses, structure and composition of the Board and subcommittees, organizational chart, and the management. Directors'

manual is also given to individual director for practice guidelines to provide new directors with good understanding of the Company's business and related regulations. A meeting with executives is arranged to allow new directors to inquire for in-depth information on the Company's business. The Company also encourages new directors to attend related trainings held by IOD.

Director Development: The Board has a policy to continuously improve knowledge and capabilities of directors. In 2016, the Company's directors attended trainings and seminars held by IOD as follows:

- Boards that Make a Difference (BMD) Program aiming at enhancing director capabilities in support of changes in laws, regulations, and good corporate governance. One director attended this course.
- Director Certification Program (DCP) aiming at enabling directors to understand their roles and duties according to the laws and be aware of potential risk issues as well as roles of directors in the risk assessment and risk mitigation planning. Two directors attended this course.
- IT for Non-IT Director Program aiming at educating directors on IT-related risk factors concerning current business operations and principles and benefits of IT governance according to internationally accepted standards. Nine directors attended this course.

Executive Development and Succession Plan

The Board ensures that EGCO has implemented executive development programs to improve knowledge and skills for executives to perform their duties more efficiently and to assign appropriate and challenging jobs. The Board determines a policy and criteria in selecting the President and his/her successor in the event of any emergency or the retirement of the President. The selection process is fair and transparent and the candidates will be assessed from their education, experience, competency, ethical values and leadership. The Nomination and Remuneration Committee is responsible for nominating the qualified persons to be the President.

The President is assigned to select the knowledgeable, competent and experienced executives in accordance with the qualifications identified by the Nomination and Remuneration Committee. The appointment of the executives is in compliance with the Company's regulations on Work Rules 2010 and the resolutions of the Board as follows:

- The Nomination and Remuneration Committee shall approve the appointment of Senior Executive Vice Presidents, Executive Vice Presidents and other executive positions equivalent to EGCO's Executive Vice President level or higher in the Company's subsidiaries/ joint ventures that EGCO has the authority to do so.
- The President shall approve the appointment of the division and section managers.
- The Board shall appoint the Corporate Secretary according to the recommendation of the Nomination and Remuneration Committee. In addition, the appointment of the Senior Vice President - Internal Audit Division must be approved by the Audit Committee.

In 2016, the Company prepared a succession plan for executives at Executive Vice President level to ascend to positions at Senior Executive Vice President level in different areas in replacement of those who would retire in 2017. Details are disclosed in "Employees Caring" section.



Audit Committee's Report

The Audit Committee of EGCO consists of independent directors who are knowledgeable and experienced in law, accounting and finance, management and energy business as follows.

1. Mr. Thanapich Mulapruk, Chairman
2. Mr. Pongstorn Kuananusorn, Member (until April 20, 2016)
3. Mr. Somphot Kanchanaporn, Member
4. Ms. Jaruwan Ruangswadipong Member (from April 20, 2016)

The Audit Committee has performed its duties assigned by the Board, as prescribed in the Audit Committee Charter which aligned with the regulations of the Stock Exchange of Thailand (SET) regarding Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2558 and regularly reported the committee's meeting resolutions to the Board of Directors.

In 2016, the Audit Committee held 14 meetings with all Committee members attended.

In carrying out its duties, the Audit Committee had expressed the opinions that;

1. EGCO's financial reports were accurate, complete, and reliable.
2. EGCO's internal control systems were appropriate and adequate.
3. EGCO had fully complied with the Securities and Exchange Acts, SET regulations as well as other governing laws.
4. EGCO's auditors were qualified, knowledgeable and independent.
5. Information disclosure of the connected transactions or any conflict of interest was accurate and adequate.
6. In performing its assigned duties, the Audit Committee viewed that its composition, qualifications, and responsibilities aligned with the Audit Committee's Charter.
7. EGCO corporate governance is well in place and the whistleblower system has been set up to include the communication channels for shareholders and employees to directly access the Audit Committee to report complaints or suspect in financial reports or internal control systems.

Summary of the Audit Committee's Activities:

Review of financial statements

- Reviewed the quarterly and annual financial statements for 2016 with the external auditors and the Management. The Audit Committee also asked the auditors on the accuracy and completeness of the financial statements and significant adjustments which effected the financial statements to ensure that the financial statements complied with the generally accepted accounting principles and that the information disclosed in the financial statements were adequate, accurate, reliable, and complied with governing laws and regulations.
- Endorsed the adoption of 47 new accounting standards which was effective from January 1, 2016. However such revised accounting standards did not have significant impact to EGCO and subsidiaries.

- Reviewed the Management Discussion and Analysis (MD&A) with the Management to ensure its accuracy, completeness, adequacy and that the disclosed information benefitted the investment decision of the shareholders and investors.
- Held exclusive meetings with the external auditors in the absence of the Management to ensure their independence.
- Considered non audit services performed by the audit firm's group companies for EGCO and subsidiaries that such services were not significant to potentially influence the independence of the auditor.

Review of the internal control systems

In the Board's meeting no. 1/2017 on January 20, 2017 attended by 3 members of the Audit Committee, the Board assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee. After considering EGCO's 5 components of internal control according to COSO which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring including the result of the answers to SEC's internal control assessment form, the Board agreed with the Audit Committee that

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

Oversight of Internal Audit

- Approved the scope of work and annual audit plan which included management audit.
- Reviewed the internal audit report of the Internal Audit Division, which was directly reported to the Audit Committee.
- Reviewed budget, manpower, the professional development of internal auditors, KPI and performance assessment of Chief Internal Auditor as well.

Compliance Review

Reviewed with the Management to ensure that EGCO's activities were conducted in compliance with the Securities and Exchange Acts, SET Regulations as well as other governing laws. It also acknowledged the representation statements of the employees and management up to the President for the year 2016 that their respective tasks and duties well complied with the governing laws.

Review of Connected Transactions

Considered the connected transactions or any transactions that may cause conflict of interest to comply with rules and regulations of SET and that such transactions were reasonable, best beneficial to EGCO and approved by authorized persons having no interest in such transactions.

Review of Risk Management

Reviewed with the Management the risk management policy, execution and risk management guidelines. Also recommended the alignment of the risk management plan with the strategic plan in presenting to the Board of Directors.

Review of Good Corporate Governance

- Further enhanced EGCO's good corporate governance practices and considered whistleblower related to fraud or corruption such as providing the channel for employees and shareholders to direct their complaints, reports on suspected violation of laws and Code of Conduct and questions about the financial statements and internal control systems by email to the Audit Committee via auditcommittee@egco.com. Whistleblower system was also set up to include the whistleblower's protection measures and to treat all complaints with to protect the appellant and confidentiality.
- Considered and acknowledged the compliance statement on Code of Conduct, of which employees represented to his/her managers up to the President, and the President signed to the Chairman of the Board of Directors. The representation process and the content of the statement ensured that EGCO's compliance with Code of Conduct and relevant laws were well regarded.

Audit Committee's Self Assessment

Conducted its annual self assessment using the Audit Committee's self assessment form which aligned with SET's guidelines. The 2016 assessment which resulted that composition, qualifications, and performance of the Audit Committee well aligned with the Audit Committee Charter and the SET's guidelines, were reported to the Board.

Review of the Audit Committee Charter and the Internal Audit Regulation

The Audit Committee, in its meeting no. 11/2016 on October 17, 2016 reviewed and endorsed the Audit Committee Charter and the company's regulation regarding Internal Audit without adjustment. Such review aimed to ensure that its assigned duties were achieved and that its duties and responsibilities aligned with international and SET best practice and appropriated for EGCO's business.

Appointment of the external auditors

Despite the notification of Capital Market Supervisory Board No. TorJor 11/2552 : Rules, Conditions and Procedure for Disclosure of Financial Position and Result of Operation of Issued Securities Companies which stated that the rotation of the auditors should be conducted if such auditors performed their audit of financial statements of the company for five consecutive fiscal years, the Audit Committee in its Meeting No. 11/2012 on September 11, 2012 decided and resolved that from 2013 onward, the selection of EGCO's auditor by comparing the qualifications and audit fees among the leading audit firms would be conducted every 3 years which was earlier than the terms specified in such notification. In 2016, the selection of EGCO Group's auditors was due according to the resolution of the Committee and through the selection of the procurement committee due to its qualifications and competitive fees. Pricewaterhouse Coopers ABAS Ltd. (PwC) was selected to be EGCO group's auditors in 2016.

For 2017 which the 3 year selection period is not yet due, the Audit Committee reviewed PwC auditors' past performance and the audit fee and was of the opinion that the auditors performed their duties independently and satisfactorily with proficiency and extensive experiences. Therefore, Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977, Mr. Pongthvee Ratannaloese Certified Public Accountant (Thailand) No. 7795, and Mr. Prasit Yuengrikul Certified Public Accountant (Thailand) No.4174 were proposed as 2017 EGCO's auditors to the Board of Directors, to further submit for the shareholders' approval.

Mr. Thanapich Mulapruck
Chairman of the Audit Committee

Investment Committee's Report

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EGCO's Investment Committee was composed of 5 directors appointed by the Board of Directors namely Mr. Sombat Sarntijaree, the Chairman as Chairman of the Investment Committee; Mr. Kornrasit Pakchotanon, Mr. Ken Matsuda, Mr. Yasuo Ohashi, and Mr. Chanin Chaonirattisai, President. All of them were expert and had experience in power business and management both domestically and internationally. The Corporate Secretary Division was assigned to serve as a secretary to the committee.

In 2016, the Investment Committee held 11 meetings to consider significant issues assigned by the Board of Directors as shown in the Charter of Investment Committee. The Meeting results were regularly reported to the Board of Directors for acknowledgement with the following summary.

1. The Committee considered investment proposals for both domestic and international power projects, and proper financial sources of fund, taking into account the alignment of the Company's vision, investment policy and strategic plan. The Investment Committee also put an emphasis on potential risks and the mitigation measures, feasibility studies, project's target returns, aiming to meet the Corporate's objectives and targets for creating value to shareholders and stakeholders including sustaining the Corporate's long term growth. The Committee in 2016 endorsed the acquisition of an additional indirect ownership interest in Masinloc Power Partners Co. Ltd. ("MPPCL") which enabled EGCO to increase its indirect ownership interest in MPPCL from 40.95% to 49.00%; and approved EGCO and its affiliate to acquire a geothermal business in Indonesia from Chevron's affiliates for 20.07% indirect ownership interests.
2. Also, it was delegated to consider the efficient asset management approach which could provide the expected yields. The Investment Committee endorsed the geothermal power plant project in Indonesia to negotiate and perform related actions for tariff adjustment with Indonesian electricity authority Perusahaan Listrik Negara (PLN) who later approved the proposal in June 2016. Consequently, EGCO realized additional profit from the Project.
3. The Committee was entrusted to endorse the corporate's long-term and short-term strategic plans, annual action plans, budget and manpower for the Board of Directors' approval to ensure that they were in line with EGCO's vision, mission and policy. The budget and manpower were set appropriately to facilitate the Executives' efficient operation to achieve the approved strategic and action plans.
4. The Committee reviewed and rendered sound recommendations for the organization restructure of EGCO prior to proposal to the Board of Directors for approval. The organization restructure was thoroughly considered with diligence to make sure the change aligned with the strategic plan, EGCO's business characteristics, current economic situation and the business expansion plan.
5. Besides, the Investment Committee was responsible for monitoring, following up the project progress to achieve the plan. Guidance and suggestion were provided if there were some mismatches between actual performances and plans.
6. Follow-up of the progress of annual action plan on a quarterly report by the Management was initiated by the Investment Committee to give advice when the activities could not achieve the plan.

The Investment Committee had fulfilled its assignments as stated in the Charter and delegated by the Board of Directors. The Committee had performed its duties with care and diligence for the ultimate benefits of the Company and stakeholders, in accordance to obligatory rules and the Company's regulations. Material matters and meeting results were constantly reported to the Board.

Mr. Sombat Sarntijaree

Chairman of the Investment Committee

Nomination and Remuneration Committee's Report

EGCO's Nomination and Remuneration Committee ("NRC") consisted of 5 members, 3 of whom were independent directors and the other two were non-executive directors. The Board of Directors based the selection of NRC members on their knowledge, skills and expertise in human management and domestic and international organization management.

In 2016, the NRC members were composed of Mr. Shunichi Tanaka, NRC Chairman, Assoc. Prof. Dr. Chotchai Charoengam, independent director; Mr. Bandhit Sotipalalit, independent director; Mr. Pongstorn Kuanusorn, independent director and Mr. Saharat Boonpotipukdee, director. The Corporate Secretary Division was assigned as a secretary of the committee. The NRC held 7 meetings in 2016 to perform the tasks assigned by the Board of Directors as stipulated in the NRC Charter and had been reported to the Board of Directors. The followings were its main activities in 2016.

1. New Director Nomination and Director Remuneration

The NRC recommended director nominees for the Board of Directors' approval in case of casual vacancy, and for the shareholders' appointment in case of director retirement by rotation. With the recommendation from the NRC, the Board offered the right to minority shareholders to nominate directors under the regulated procedures and guidelines. The selection of director nominees was undertaken, considering the individual qualifications in compliance to SEC's and SET's regulations, diversity of board members in terms of knowledge, competencies, required skills, experiences, age and gender, professionalism and the time commitment to the Company's activities, including vision, positive attitudes towards the Company which would contribute to the efficient oversight of the Company and support the corporate's strategic plan. Additionally, the NRC considered board size, structure and composition appropriately with due care and through the fair and transparent selection process to support the good corporate governance and efficient management.

The NRC was also entrusted to nominate a member of sub-committees to fill in the vacancies prior to proposing to the Board of Directors for appointment, taking into account compositions of sub-committees, candidate's knowledge, expertise and experiences which could enhance the performance of each sub-committee.

Furthermore, the NRC recommended directors' remuneration for the Board and the sub-committees based on their duties, responsibilities, performance of the previous year. The director remuneration was comparable to the companies of the same size and industry in order to ensure the justified remuneration and motivate capable directors to perform their duties in an attempt to achieve the Company's targets and direction, tied to the long term benefits of the Company and shareholders; and to build trust with the shareholders.

2. Self-appraisal of the Board of Directors and the NRC

The NRC reviewed the Board's self-appraisal forms for both individual and a whole group including the NRC's self-appraisal form which were revised in 2015 to ensure that the forms still completely covered all required



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assessment aspects and complied with the SET's best practice. The Board in its meeting no. 11/2016 on November 21, 2016 agreed that the proposed Board's self-appraisal forms for both individual and a whole group were appropriate for board-performance evaluation and approved the adoption of the forms as recommended by the NRC.

The NRC also conducted its self-appraisal of which the report was disclosed in Corporate Governance Report.

3. Succession Planning

As many top executives would be approaching their retirement in 2017, the NRC had been following up the implemented succession planning, employees' individual development plans, process and schedule for successor selection to ensure that the qualified successors with leadership skills were appointed timely to continue the operation and drive the Company towards the vision and strategies as determined by the Board.

4. Management Appointment and Employee Remuneration

The NRC's main responsibilities also covered the appointment and performance appraisal of the Company's executives at Executive Vice President and Senior Executive Vice President levels and the Company's compensation schemes to be comparable to the market and to attract and retain competent employees as well as to boost up the employees' morale.

The NRC had performed its duties as prescribed in the Charter and delegated by the Board of Directors. Additionally, the duties had been fulfilled with care and diligence as well as fairness and transparency complying with the good corporate governance for the ultimate benefits of the Company and stakeholders.



Mr. Shunichi Tanaka
Chairman of the Nomination
and Remuneration Committee

Corporate Governance and Social Responsibility Committee's Report

EGCO's Corporate Governance and Social Responsibility Committee ("CC Committee") comprised 5 directors; 3 of whom were independent directors, 1 non-executive director and the President. The CC was chaired by Mr. Chotchai Charoenngam, with 4 members, namely Mr. Bandhit Sotipalalit, independent director; Mrs. Puangthip Silpasart; director; Mr. Chanin Chaonirattisai, EGCO's President and Mr. Pongstorn Kunanukorn, independent director who had been appointed by the Board of Directors in its meeting no. 4/2016 to replace Pol. Gen. Pansiri Prapawat. The Corporate Secretary Division served as a secretary to the CC Committee.

The CC Committee performed its duties as assigned by the Board of Directors. It oversaw and followed up the company's operations by adhering to good corporate governance principle and promoting corporate social responsibility policy with the ultimate objectives of the equitable treatment to every stakeholder, leading to the sustainable development.

In 2016, the CC Committee held 5 meetings were held to perform its duties of which the significant issues were summarized as follow.

1. Good Corporate Governance

1.1 The CC Committee reviewed the good corporate governance policy and practices of EGCO Group focusing benefits of every stakeholder and elevating EGCO's corporate governance practice with the reference of the Good Corporate Governance Principles for Listed Companies issued by SET, the Corporate Governance Report of Thai Listed Companies (CGR) by the Institute of Directors and ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). As a result, the CC endorsed the revision of EGCO Group's CG policy and practices with some adjustment on the following issues.

- (a) Limit of number of listed companies where the directors could hold directorship from not more than 5 companies to not more than 3 companies,
- (b) Limit of independent director's term from 3 years a term but not exceeding 3 terms or 9 years to 3 years a term but not exceeding 2 terms or 6 years, starting from the 2016 Annual General Meeting onward,
- (c) Establishment of a written tax policy and practices to reflect EGCO's systematic tax management to comply to national and international tax laws and regulations for ultimate benefits of EGCO Group and create shareholder value.

1.2 The CC Committee considered and endorsed the 2017 action plans on CG activities and activities to promote Anti-Corruption. Also, in 2016, the CC committee followed up the progress of both CG and Anti-Corruption activities to ensure the compliance to EGCO's CG principles and raise up the Company's CG practices to the international standard as specified in the corporate strategic plan.

1.3 The Committee also reviewed the comparison study of EGCO's internal control system with the 8 guidelines for internal control measures as recommended by Office of the National Anti-Corruption Commission ("NACC"), aiming to prevent the bribery of the juristic entity to national and international

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government officials. After due consideration, the CC viewed that a sufficient and proper internal control system had been put in place in EGCO and aligned to the NACC's recommended guidelines.

1.4 The Committee promoted and encouraged anti-corruption policy and measure promotion, education and training to establish good understanding leading to appropriate implementation and corporate culture.

1.5 The Committee encouraged EGCO's subsidiaries to appropriately adopt Anti-Corruption procedure.

With respect to this, EGCO Engineering and Service Co., Ltd, one of EGCO's subsidiaries, has been certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption on August 16, 2016.

2. Corporate Social Responsibility for Sustainable Business Operations

2.1 The CC Committee provided "EGCO's Supplier Code of Conduct" and its criteria to encourage suppliers to run their business ethically such as Anti-Corruption, community and social responsibility including safety, occupational health and environment.

2.2 In 2016, the CC Committee Considered and endorsed "Stakeholders Policy" to continue the implementation in 2015 by adding 4 stakeholders' criteria which are business partners, contractors, public sectors, and non-government organization. Such policy was set as the guidelines to practice for each stakeholder fairly and transparently.

2.3 The CC Committee considered and endorsed 2 long term CSR projects which are the "Khanom Learning Center" with operation period of 25 years and "Child and Youth Development" projects with operation period of 5 years.

The CC Committee reported to the Board of Directors after every meeting in accordance with good corporate governance principle.

Mr. Chotchai Charoenngam
Chairman of the Corporate Governance
and Social Responsibility Committee



Internal Control and Risk Management

The Audit Committee reviews the internal control system and risk management every year. For 2016, the Audit Committee reviewed the appropriateness and effectiveness of the internal control system from the internal control system assessment report provided by the Management. This is to ensure that the internal control system of Electricity Generating Public Company Limited (EGCO) and monitoring of the subsidiaries' operation is adequate, appropriate by considering compliance with the guidelines of The Securities and Exchange Commission (SEC), The Stock Exchange of Thailand's (SET), and the internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In reviewing the internal control, there is a consideration covering management control, operational control, financial control, and compliance control including the audit reports of Internal Audit Division as well as comments of the external auditors on the company's internal control system, and the Audit Committee's activities are reported to the Board.

Regarding risk management, the Audit Committee reviews and endorses risk management policy concerning significant risks of EGCO group which covers strategic, operation, financial, compliance, and human resources risks annually. Such risk management policy is included in EGCO's strategic plan for the Board of Directors' consideration. In addition, the Audit Committee monitors risk mitigation actions twice a year to ensure that such risks are prevented or mitigated to acceptable level.

In the Board's meeting no. 1/2017 on January 20, 2017 attended by all 3 members of the Audit Committee, the Board assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee. After considering EGCO's 5 components of internal control according to COSO which are Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring including the result of the answers to SEC's internal control assessment form, the Board agreed with the Audit Committee that

1. The internal control system of EGCO was considered appropriate and adequate. Sufficient staffs were assigned to uphold the internal control system and that the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard EGCO's and subsidiaries' assets from misuse or unauthorized use by the Directors or the Management.
2. In the recent year, the Audit Committee and the Board had not received any significant finding of internal control system reported by the external auditors and Internal Audit Division. The 2016 Audit Committee's activities were disclosed under "Audit Committee's Report" in this Annual Report.

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

1. Control Environment

- Clear vision, mission statements, and business objectives are set by the Board as guidelines for the management and employees. Operation was carried out with fair treatment to stakeholders and was constantly reviewed to ensure target achievements for sustainable benefits of EGCO.

- Organization structure was designed by the Board to accommodate business growth, and would be adjusted over time to cope with the business environments.
- The Board set Code of Conduct and the good corporate governance principles in writing to be abide by directors, management and employees and be reviewed periodically. New employees were given the orientation to understand their roles and responsibilities in upholding the practices and to avoid the conflict of interest.
- The Board set regulations, orders and table of authority for accounting, finance, budgeting, procurement, and human resource management in writing and publicly announced to be abided by all employees. Failure to comply with the regulations and orders could be resulted in disciplinary actions.
- The Board set Anti-Corruption Policy and endorsed the Anti-Corruption Manual in 2015 as a practice guideline to be complied by directors and employees.

2. Risk Assessment

- The Audit Committee was assigned by the Board to review with the management the risk management policy and implementation including future risks and prevention measures.
- According to the current organization structure, risk management function is under the Corporate Planning and Project Assessment Division so that business plan, corporate objectives, and corporate risks could be linked and effectively managed. The Risk Management Committee (RMC) comprises EGCO's top executives, chaired by the President, reviews risk management of EGCO and subsidiaries and regularly reports to the Audit Committee and the Board.

The details of risk assessment and risk management of EGCO Group were disclosed under "Risk Factors" in the annual report.

3. Control Activities

Control of accounting, finance, operation, and governance were implemented as follows:

- Authorities and levels of transaction approval were classified in the Table of Authority and reviewed regularly as appropriate.
- Responsible units for transaction approval, operation or account recording, and asset safeguarding were properly segregated for check and balance control.
- EGCO's subsidiaries and joint ventures' performance was regularly monitored by the Asset Management Division.
- Connected transactions were executed in compliance with SET's regulations, with consideration of all rationales and ultimate benefits of EGCO and that transactions were approved by the authorized approvers who have no conflicts of interest.

- The Corporate Secretary Division was responsible for the compliance, including information disclosure, of EGCO and the Board, with the Securities and Exchange Acts, SET's and SEC's notifications and regulations, and other related laws and regulations.
- EGCO's IT compliance guidelines were to ensure full compliance with computer related crime acts and other governing laws and regulations, with all employees' acknowledgement and signing the IT compliance statement to confirm their non-violation.

4. Information and Communication

Adequate important information was provided for the decision making of the Board, Committees, and the Management as well as the effective internal communication channels within the company as follows:

- The Board and committee members received the meeting notice together with the meeting documents which contain necessary and sufficient information well before the meeting which was not less than 5 days except for urgent cases. Discussions, recommendations, and remarks from the directors were recorded in the minutes of meetings for future reference or audit trail.
- Meetings among the Audit Committee, external auditors, and concerned Management were held to review the compliance of financial accounting with the General Accepted Accounting Principles and International Accounting Standards.
- Business Update Meetings between the President and the management team of each group were held regularly for progress monitoring and problem solving (if any) which provided all team members adequate information to perform their tasks and make decisions.
- Company's intranet was utilized as internal communication channel for corporate information on policies, regulations, orders, and good corporate governance including Anti-Corruption Manual. In 2016, Anti-Corruption activities were publicized through the company's intranet to educate employees continuously.
- Accounting records and supporting documents of the financial statements are completely kept in orderly manner. There was no report on the deficiency in those documents from the auditors.
- Governing laws, regulations, and orders were kept as compliance database for reference and tracking. Legal Division was responsible for updating such database and providing consultations to responsible units.
- Various communication channels are provided to communicate with external parties. EGCO website at www.egco.com was provided as the communication channel for shareholders and investors to reach corporate information. Meetings with investors and analysts were held quarterly as well as press conferences and EGCO newsletters.
- Whistleblower system was stated in EGCO's Code of Conduct and available in EGCO's website to provide shareholders and employees the channel to report suspected violations of the Code of Conduct to the Management, the Audit Committee, and the Board of Directors while message providers would be protected.

5. Monitoring

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

- Asset Management, Power Plant Management, and Project Management functions were assigned for the follow up, monitoring, and appraisal of EGCO group's performance against the KPIs with constant reports to the Management and the Board together with the gap analysis.
- Information system was continuously developed. Performance monitoring system was adopted to increase efficiency and reduce operating cost of domestic and overseas subsidiaries.
- External auditors performed their tasks independently and regularly reported to the Audit Committee.
- EGCO's internal control systems were to be evaluated annually by using the internal control assessment form which was aligned with SEC's guidelines for the evaluation.
- Representation statements of EGCO's Management and employees confirmed their compliance with the company's Code of Conduct. Managing Directors of subsidiaries also represented their compliance to the President, in his capacity as companies' chairman while the President represented himself to Chairman of the Board.
- The adequacy and appropriateness of internal control systems was reviewed, and compliance with Anti-Corruption Policy was monitored by the Internal Audit Division regularly.
- In accordance with SET's notification : The Audit Committee's Qualifications and Scope of Works B.E. 2558, the Audit Committee Charter defined its responsible to approve the appointment, rotation, and removal of the Chief Internal Audit.
- The Audit Committee appointed Mr. Nattanont Meesuksabai who was considered having sound academic background and experiences as the Chief Internal Audit.
- External auditors' review of the financial statements included the review of internal control on accounting and finance to define the audit approach, timing and scope of work. For 2016, there was no significant finding for improvement on internal control systems.



Employee Caring

With corporate social responsibility, EGCO gives priority to such major stakeholders as employees, customers, and communities surrounding its power plants. EGCO, therefore, is emphasis on employees' welfare and competency development together with employees' participation and engagement. EGCO also focuses on improvement of the community and society's quality of life, as well as safety, occupational health and environmental management to participate in sustainable society development, build trust and credibility with the community and society.

Besides its commitment to business growth with satisfactory operating results, EGCO places importance on building and improving employees' capabilities on a continual basis as well as strengthening core values which are fundamental to corporate culture in accordance with its vision and business strategies.

Accordingly, EGCO's human resource management and organizational development policy focuses on developing personnel competitiveness to serve business expansion in both domestic and overseas. Appropriate organizational structure and manpower have been set up. Personnel Capabilities at all levels have been developed to deliver good performance in response to the Company's targets and their own progress in career path. Employee engagement has also been promoted to retain talented people to continue working for the Company.

Recruitment and Employment Policy

EGCO emphasizes taking care of “**personnel**” or its employees, starting from recruiting employees with knowledge and expertise under **appropriate recruitment and employment policy** and clear guidelines in line with “**respect for human rights**” and “**fair treatment for labor**” as follows:

Recruitment and Selection

- (1) Recruitment and selection shall proceed with consideration of success, moral, equality, competency, and necessity for business operation of EGCO Group.
- (2) Recruitment and selection shall be carried out only when there is vacancy according to the approved manpower.
- (3) Selection shall be made through a committee so that an appropriate person is employed regardless of personal relationship, privilege or any enticement.
- (4) EGCO Group has a policy to avoid employment of relatives or spouses of employees whether they have the same surnames or not to ensure transparency in its operation and to avoid favoritism that will affect its business management under a code of conduct according to corporate governance principles.

Respect for Human Rights and Fair Treatment for Labor

EGCO has set up a Welfare Committee in the workplace. The committee members are elected by employees with a maximum of two year term in dealing with welfare matters and recommendations beneficial to welfare arrangement. Also, there are communication channels for employees to voice concerns and file complaints on working and living in the workplace. Any recommendations will be seriously considered and corrective actions will be carried out in order to achieve mutual benefits and promote good relationship at work. So far, there has been no report or complaint on violation of human rights and unfair labor treatment.

Moreover, EGCO has expressed its intention to promote and strengthen a strong labor relations system between the Company and its labor union along with legitimate labor organizations through the establishment of two labor unions, namely executive labor union and operational labor union. Guidelines and procedures dealing with the labor unions have been developed as practice standards to ensure clarity, compliance with labor laws, fair labor treatment, and mutual understanding.

Fair and Appropriate Remuneration and Welfare Policy

EGCO has set a policy on appropriate remuneration and welfare being consistent with the Company's operational performance. EGCO's Employees Provident Fund has been established to provide a stable financial security of its employees after their termination of employment or retirement. EGCO also provides other welfare programs on a par with leading peers in the industry for its employees, such as membership of EGAT Saving and Credit Cooperative Limited.

In 2016, a survey on remuneration of the industry peers was conducted by EGCO in cooperation with a consulting firm and HR Power Network, consisting of human resource units from 14 companies in power business. The HR Power Network has continuously exchange ideas and information on human resource management, especially remuneration and welfare package for employees. That information is applied to develop and improve the criteria for EGCO Group's employee remuneration.

In addition, EGCO adjusted its employees' contribution rate to the Employees Provident Fund as deemed appropriate for each period and their own investment policy. The Company also provides investment guidelines and analysis reports done by the Provident Fund Manager for decision making.

Fair Performance Assessment Policy

EGCO has a fair performance assessment policy covering both work performance and relevant competencies with emphasis on result-oriented performance, corporate goals or objectives, and mutual goal setting between supervisor and employee. Also, the performance assessment result is partly used to support career development planning for employees.

Personnel Development Policy

EGCO is committed to developing the capabilities of its employees at all levels toward higher competence and expertise to accommodate EGCO Group's continuous business expansion and also to prepare the potential ones to assume key positions in the future. Personnel development plan is linked to employees' competencies, including core competency, managerial competency, and functional competency. Corporate values and culture are instilled in all employees to pave a concrete foundation for the Company's coherent growth and development.

EGCO carries out various kind of development plan as follows:

- In-house & Public Training
- Knowledge Sharing within the Organization
- Knowledge on SHE Awareness
- Job Rotation
- Succession Planning and Individual Development Plan

In-house & Public Training

EGCO has organized training courses for employees at all levels from operational to top managerial levels within the scope as necessary and needed by relevant levels and work units. These courses are divided into three categories as follows:

Program	Employee Level
Business Knowledge Program	All levels
People Development Program	Officer - Senior Officer
Management Development Program	First-line Manager to Senior Executive

After training, the supervisors will assess and follow up their employees’ training results for further improvement of personnel development roadmap. The training process is as follows:

- (1) Analyze training needs.
- (2) Prepare a personnel development plan according to functional position.
- (3) Execute the personnel development plan.
- (4) Assess and follow up training results.





Examples of training courses provided for employees at all levels are Systematic Thinking: Applied Mind Map for Business; Analytical Thinking: Maximizing Your Thinking Power; The Power of Innovative Thinking; Business Presentation; and Leadership 101: Management Skills for Managers. In addition, EGCO has executed some training courses to raise its employees' awareness of natural resources and care for the environment, for instance, the course of Energy Reduction and Resource Conservation towards a Green Organization.

Knowledge Sharing within the Organization

EGCO has developed employees' potentials with knowledge sharing within the Company and across its subsidiaries. Beneficial courses are provided for employees at all levels to allow for learning opportunities and knowledge sharing within the Company so that employees can get new perspectives from such experience or real study cases of executives or persons with dependable expertise and experience in such matter. This is to open to employees at all levels and of all work units who are interested in and passionate about learning to apply to their work as well as broaden their viewpoints and ideas. Example courses are Knowledge Sharing: Overseas Projects Experiences, etc.



In addition, some work units have initiated to conduct the knowledge sharing session for their own work units. For instance, the executives selected books which provide knowledge beneficial to their employees' work performance, then some representatives are selected to disseminate and share knowledge and experience at EGCO library. This is considered as another development way aiming to create a learning organization and encourage employees to become eager to learn more.

Knowledge on SHE Awareness

EGCO has encouraged its employees to attend the training on awareness of Safety, Occupational Health and Environment (SHE). In 2016, the average hour per year for SHE awareness training is equivalent to 14.57 or 32% of hours for all employees.

In addition, care of environmental impact and the community surrounding EGCO Group's power plants are taken into account in all power plants and put into action. Especially, Khanom Power Plant, a pilot power plant in environmental friendly and living sustainably with the community, has stipulated its objectives and goals to operate power plant in conformity with the Environmental Management System: ISO 14001 in its annual business plan. Accordingly, the 12-hour training course on "Raising Environmental Awareness" has been organized annually.

Job Rotation

EGCO has developed its employees' potentials by job rotation to enable employees to learn in a broader scale and a more diverse range. This aims to improve their capabilities for higher positions in the future according to their career path. Job rotation is considered based on job family, which can be rotated, and employees' potentials, including educational background, work experience, and work performance.

Moreover, an Individual Development Plan (IDP) is developed for each work unit. Supervisors collaborate with subordinates consider and discuss about individual development planning, which includes necessary job skills and various individual development methods. Various methods are applied such as On the Job Training, Special Project Assignment, Oversea Project Assignment, Coaching, Mentoring, Job Shadowing, Training & Development, Knowledge Sharing and Self-study.



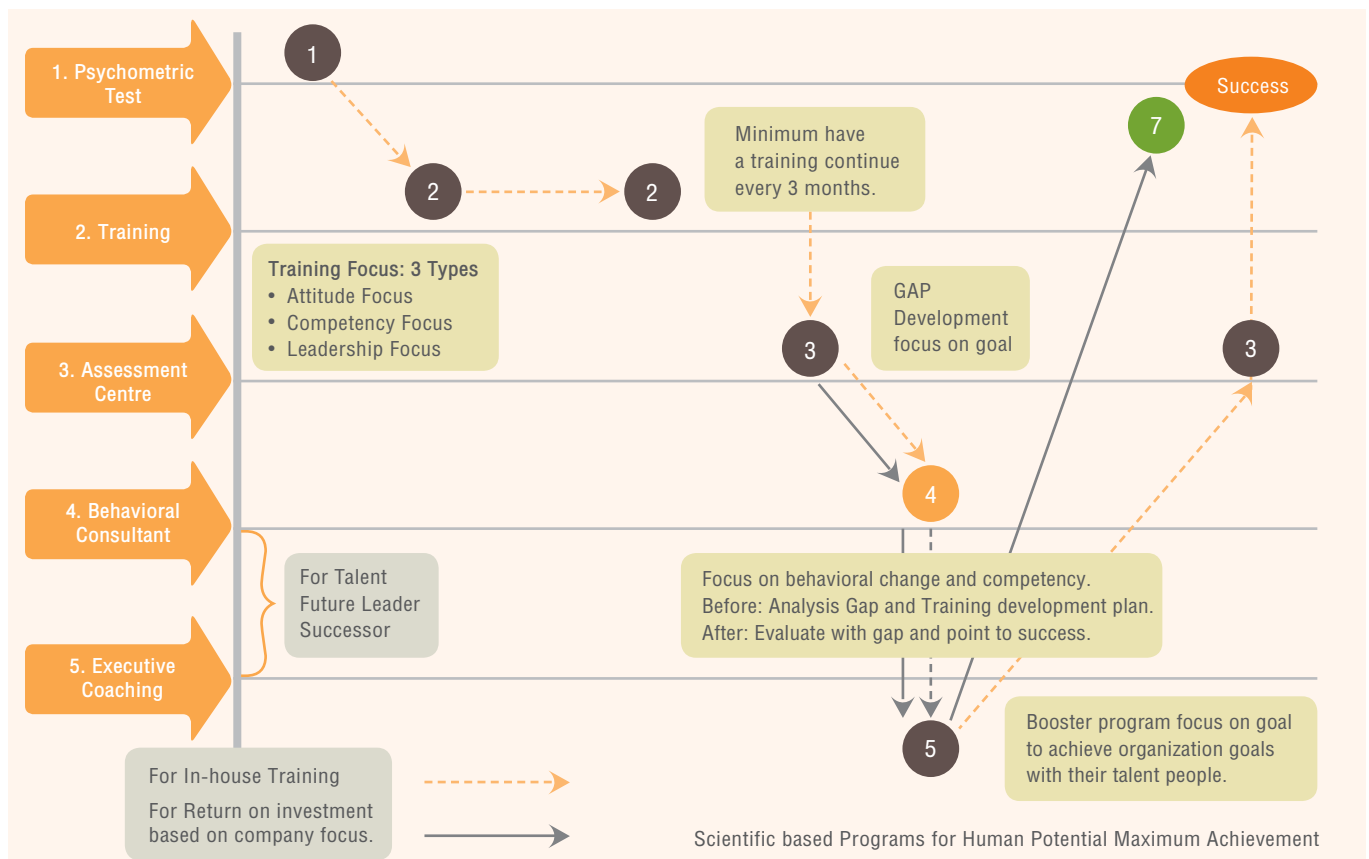
Succession Planning and Individual Development Plan

EGCO has developed a succession plan to get their employees prepared for succeeding executives of higher positions, or Key Positions, to be important drivers of the Company. The Key Positions are Senior Executive Vice President (SEVP) and Executive Vice President (EVP).

The process of succession planning for Key Positions is as follows:

1. Criteria are defined for screening qualified persons to be in the eligible list.
2. The Management of each function nominates successors for both SEVP and EVP level positions based on education and direct or work-related experience.
3. "Management Assessment Test" is conducted on competencies and personal attributes for gap analysis and further improvement of the successors. The Company will draw up an Individual Development Plan (IDP) to develop the successors.
4. Successors develop their skills via IDP.
5. The Company selects the potential and qualified person to be in successor shortlist via the tool of "Assessment Center".
6. The selected person in successor shortlist is further developed by "Executive Coaching (One-on-one)".
7. The Management will select the potential person for the position to be further proposed to the Nomination and Remuneration Committee.

In 2016, the Company executed the succession plan for executives at EVP level moving up to SEVP in different functions to replace those who will retire in 2017. The successors were in the process of development as picture shown below:



When it comes to selection of a successor, the Management will select the potential person for the position to be further proposed to the Nomination and Remuneration Committee.

Internal Corporate Activities or Labor Relations

Internal corporate activities or labor relations provide opportunities for employees at all levels from operational to managerial levels to meet and take part in the activities of the Company. This helps promote team building and fosters good relationship between the Company and employees as well as enhance the employees' good attitudes towards the Company, thereby resulting in employee engagement to the Company.

In 2016, EGCO Group organized activities to build good relationship among the employees as follows:

Communication Day: Semi-formal meeting between EGCO's President and employees on a quarterly basis to inform information, news, and updates both inside and outside the organization together with to enable employees to raise opinions and submit inquiries to the executives.

There were also activities aimed at promoting internal relations, such as New Year's celebration party, as well as religious and cultural activities, such as Robe-offering to Buddhist priests at the end of Buddhist Lent. In 2016, the Company made merit at 9 temples and supported activities of employees' clubs, such as Photo Club, Dharma Practice Club, Golf Club, and Sports and Recreation Club.

Occupational Health and Safety Operation

EGCO realizes the significance of good occupational health and safety operation, and work environment, striving to make it accident-free, a workplace that is safe to work in, one that offers a good environment among employees, workers, and contractors. EGCO Group also highlights environmental conservation and responsibility for nearby community, which is considered a mission of the organization to develop and execute on a systematic basis. Our occupational health and safety management covers such areas as strict compliance with relevant laws, making available a safe work environment, and promotion of sanitary conditions. Employees are encouraged to participate in the ongoing enhancement of occupational health and safety at workplace, and creation of safety awareness among employees and nearby community. With recognition of such importance, power plants of EGCO Group have adopted international standards, namely, Quality Management System (ISO 9001), Environmental Management System (ISO 14001), and Occupational Health and Safety Management Systems (OHSAS 18001) for power plants to prevent erroneous operation likely to bring loss of lives and properties to the organization, as well as to build confidence in power plants' efficient management that is harmless to the community, society and environment.

At present, EGCO Group power plants are certified by international standards, details of which are as shown in Table below.

No.	Power Plants	Fuel Type	Standard			Other
			ISO 9001:2015 Quality Management System	ISO 14001:2015 Environmental Management System	OHSAS 18001:2007 Occupational Health and Safety Management System	
1	KEGCO	Natural Gas	✓	✓	✓	TIS 18001:2011
2	GPG	Natural Gas	ISO 9001:2008	ISO 14001:2008	N/A	
3	BLCP	Coal	N/A	ISO 14001:2004	✓	ISO/IEC 27001:2005
4	EGCO Cogen	Natural Gas	N/A	N/A	N/A	
5	Roi-Et Green	Biomass	ISO 9001:2008	N/A	N/A	
6	GCC	Natural Gas	ISO 9001:2008	ISO 14001:2004	N/A	
7	NKCC	Natural Gas	ISO 9001:2008	ISO 14001:2004	N/A	
8	SCC	Natural Gas	ISO 9001:2008	ISO 14001:2004	N/A	
9	GYG	Biomass	ISO 9001:2008	ISO 14001:2004	N/A	
10	NED	Solar	ISO 9001:2008	*	*	
11	SPP2	Solar	✓	N/A	N/A	
12	SPP3	Solar	✓	N/A	N/A	
13	SPP4	Solar	✓	N/A	N/A	
14	SPP5	Solar	✓	N/A	N/A	
15	GPS	Solar	ISO 9001:2008	N/A	N/A	
16	Theppana	Wind	N/A	ISO 14001:2004	N/A	
17	Solarco	Solar	*	N/A	N/A	
18	NTPC	Hydropower	N/A	✓	✓	
19	Quezon	Coal	Own Standards developed from the previous Shareholder	EMSCOP (Environmental Standards of USA)	The Occupational Safety and Health Standards of the Department of Labor and Employment of the Philippines	
20	SEG	Geothermal	✓	✓	✓	ISO/IEC 17025:2008
21	Boco Rock	Wind	N/A	N/A	N/A	
22	MPPCL	Coal	N/A	ISO 14001:2004	✓	

* Remark: Management plan to apply for Quality Control.

In 2016, there are many projects under construction which have defined measures to control contractors working on the site to strictly comply with the EIA and IEE measures for the prevention and mitigation of environmental impacts, with periodically system monitoring and assessment of performance i.e. TJ Cogeneration Project (Pathum Thani Province), TP Cogeneration Project and SK Cogeneration Project (Ratchaburi Province), and Chaiyaphum Wind Farm (Chaiyaphum Province).

In 2016, EGCO instituted a safety, occupational health, and environmental policy with a framework in place to ensure operation and development of safety, occupational health, and environment system is appropriate and compliant with laws and regulations. There are monitoring, assessment, and review of the operation to enable employees' and contractors' understanding and application for practical use to create preventive and remedial awareness of activities that may affect safety, occupational health, and environment. Moreover, to carry out safety, occupational health, and environment operation across the organization according to EGCO vision, policy and strategic plan, a Safety, Health, and Environment Committee of EGCO Group (SHE Committee) has been established. Chaired by Senior Executive Vice President - Operation, the SHE Committee takes charge of determining guidelines, criteria, and work plans, as well as monitoring and assessment of results, improvement and development of safety operation of EGCO Group power plants. In addition, a taskforce has been set up, being composed of representatives from EGCO Group power plants, to carry out operation according to the work plans, objectives, and targets, as well as relevant activities as specified by the Committee. This year, all EGCO Safety Health and Environmental operation are in compliance with related laws and regulations.

The performance in terms of safety, occupational health and environmental of both domestic and international for EGCO Group employees and contractors are represented by the Injury Frequency Rate per one million man-hours (IFR) and the Injury Severity Rate per one million man-hours (ISR) are recorded at 2.90 and 908.78, respectively. This is resulting from one accident case causing the two employees' death at MPPCL, Philippine. After this accident, MPPCL suddenly provided assistance and compensation to the death's family. Moreover, MPPCL had determined the cause of accident to review and improve its safety standard more securely as well as strictly controlled its operation in order not to repeat the same mistakes.

Other EGCO group's power plants also review and improve their safety standard in order to reduce the risk of accident. There are training on wearing personal protective equipment, inspecting working area and encouraging employees and contractors work under safety, occupational health standard strictly. SHE Committee has set annual





goal, objectives and action plan as well as monitoring and assessment in order not to repeat the same mistakes which may bring the loss of lives and property of EGCO group.

In 2016, EGCO Group has an Accumulated Safety Hours of both employees and contractors of 36,935,822 hours.

Moreover, activities to promote occupational health and safety are held continuously, such as annual safety exhibition, and training courses on safety knowledge to ensure maximum safety for employees and workplace.

EGCO Group power plants have devised Emergency Response Plan (ERP). Under the ERP, measures and action plan are set for implementation in case of emergency situations in accordance with the standards stipulated by law, classified by severity level of incidents and covering evacuation of personnel as well as taking into consideration all living things in the nearby ecosystem.

Not only safety work place, but also healthy worker will affect company performance. EGCO pay attention to all employee to be healthy both physically mentally in order to work effectively such as designing working environment for protect worker from danger, monitoring environmental workplace compliance with law and correct risky workplace as soon as possible to make workplace safe for working.





Responsibility towards the Community and Society

Supply Chain Management

EGCO commits to growing business on a sustainable basis with good corporate governance for community, social, and environmental benefits. We embed supply chain management strategy to efficiently prevent and reduce possible environmental and social impacts that may have affected to stakeholders' trust. Supply chain management starts from selection of reputable contractors with good work reference and strict compliance with relevant laws or regulations, such as labor law, environment pollution control law, etc., as well as without lawsuit or tarnished reputation record, to bring about mutual benefits and true business partnership.

Selection and Assessment of Suppliers and Contractors

EGCO recognizes the importance of suppliers and contractors selection by specifying qualification requirement in the Term of Reference (TOR) including EPC contract. EPC contracts also stipulate that suppliers and contractors who intend to join bidding shall have dependable experience and expertise in the products and services concerned, and must not violate labor law, environmental law, and other relevant laws and regulations. Moreover, they must not be found to have "abandoned work" or been sued in cases relating to tenders for government sector contracts, human rights or corruption related issues. Inspection is mainly conducted on their financial position, relationship with other suppliers, and previous operational performances. EGCO shortlists candidates with priority given to supplier registered or having established offices or branches in Thailand or countries where EGCO has business expansion. Local recruitment is also emphasized to reduce operating expenses with enhanced efficiency and contribute to the country's industrial development.

At present, EGCO has power plant projects under development and construction, of which contractors are the Company's long-time business alliances and a new fully qualified supplier. A project management unit is in place to closely track and monitor each step of the contractors' working process. There are regular assessment of progress at construction site, and report on progress and implementation of measures to limit social and environmental impacts as well as labor and safety measures. Furthermore, report on social and environmental impacts is made available to related government offices and financial supporters, i.e. banks and other financial institutions on a regular basis until the project completion and commencement of commercial operation.

In 2016, no social and environmental impacts and no complaints in relation to EGCO project contractors' performances were found.

Procurement of fuels, such as natural gas, coal, and biomass after start of power plant commercial operation is considered a factor instrumental to efficient electricity generation. In this regard, EGCO has entered into long term contracts with fuel suppliers well accepted for experience and expertise in managing deliveries of fuels for electricity generation, which could help relieve fuel procurement risk. EGCO has also executed fuel supply agreements with PTT Public Company Limited and Australia Coal Holdings for Thailand-based power plants fueled by natural gas and coal respectively. However, for the biomass power plant which applies rice husk as the main energy source, no long-term agreement has been executed as rice husk is agricultural residue with uncertain volume of supply due to seasonal nature of agricultural production. Therefore, fuel reserve has to be procured and maintained with negotiations made through local fuel supply agents in the power plant vicinity areas in an average volume of 5,000 tons per month. For overseas coal-fired power plants, long term contracts have been signed with ADARO and KPC in order to secure coal supply.

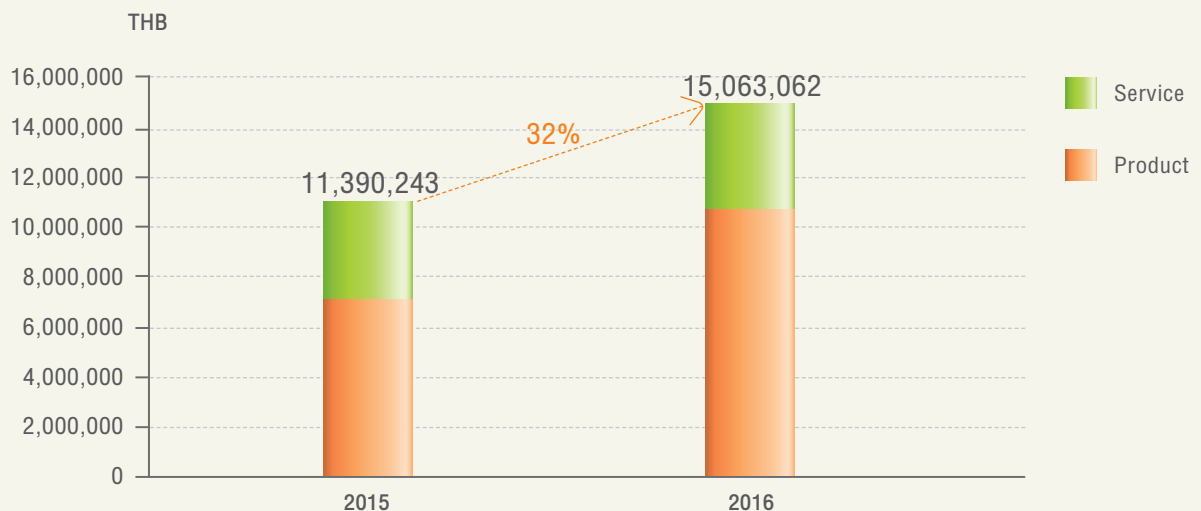
Procurement

EGCO has put in place a goods and service procurement process along the entire business operation, taking into consideration relevant stakeholders both internal and external of the Company and being in line with the procurement policy. This ensures that we will be able to procure quality and reliable products and services according to the specified standards with efficiency, price worthiness and available technical quality, and with competition on the basis of fair access to information for long-term business continuity, as well as strict compliance with contracts and conditions agreed upon in order to develop and maintain trust and relationship with suppliers and contractors on a sustainable basis. We believe that “suppliers” play an important role in delivering quality services punctually with fulfilment of conditions set forth. Thus, we treat them fairly and equally based on mutual benefits and creation of opportunities for exchange of knowledge, experience, and expertise between EGCO Group and suppliers. In 2016, no dispute was found between EGCO Group and suppliers.

Furthermore, in an attempt to reduce adverse impacts on the society and environment, EGCO recognizes the importance of environmentally friendly procurement or “Green Procurement” throughout the Company’s supply chain with focus on quality, price, and punctual delivery of products or services by keeping abreast of information on products and services that are environmentally friendly, products contributing to energy and water resource conservation and waste reduction, products with least or no use of hazardous substances or chemicals, and biodegradable products according to Ministry of Natural Resources and Environment. Data updating is made in the procurement system accordingly.

In 2016, EGCO procured environmentally friendly products and services worth totally 15,063,062 baht, or increased by 32% from 2015.

Graph illustrating comparison of green procurement value during 2015 - 2016



Participation in Development of Community and Society

EGCO has operated business with due regard to participation in the community and society development starting from the communities in the vicinity of power plants, covering openly disclosure of factual information and promotion of appropriate participation of the society before construction, under construction, and after completion of construction of power plants. There is a process in place to assess and rectify possible impacts on the communities. Moreover, EGCO has cooperated with its employees and local and national agencies in initiating projects and activities for the communities and society on a continual basis. Operations mainly cover three areas as below:

Promotion and development of “quality of life of communities” surrounding power plants

EGCO regularly pays attention to the communities in the vicinity of headquarters and power plants by supporting, initiating, and developing projects covering education, occupation, sanitation, and caring for the environment to enhance the quality of life of the community people.

Promotion of learning about energy and environmental conservation among the “Youth”

The way to instill and create a sustainable growth of consciousness of energy and environmental conservation is through education and understanding. The Company has therefore supported and conducted energy and environmental activities for youth through both inside the classroom and hands-on experience outside the classroom as well as instilled public mindedness. Such learning is the basis for social, intellectual, and moral development, which will finally lead to the nation’s success in sustainable development.

Conservation of “watershed forest” natural resources

EGCO realizes the importance of conservation of such natural resources as forest and water, especially watershed forest, which is a source of natural water that originates streams and rivers as factors essential to all living things. It has thus promoted cooperation in sustainable forest preservation for the next generation through operations of Thai Rak Pa Foundation.

Management

EGCO focuses on collaborating with the communities in the vicinity of headquarters and power plants in implementing projects beneficial to the society by setting guidelines for participation in development of communities surrounding the power plants and development of society as follows:

Guidelines for participation in development of communities in the vicinity of power plants

1. **Promotion and improvement of quality of life of community by taking into consideration participation and needs of community**
 - 1.1 Provide information and knowledge regarding operations of the organization to the community before commencement of any operations in any areas. For power plants already in operations, information shall be made available at least three months in advance of any expansion or bidding for contract renewal, and at least one year prior to a meeting to voice comments of stakeholders.
 - 1.2 Establish a process for identifying stakeholders in the community to determine needs or concerns about impacts on the quality of life which is linked to or associated with the operations of the organization.
 - 1.3 Offer opportunities for the community to share viewpoints with the organization based on issues or concerns of the community in an appropriate form at least once a year.
 - 1.4 Disseminate knowledge and distribute income to the community by supporting employment and job creation in the locality based on appropriate conditions.
 - 1.5 Support and promote development of capabilities and skills useful for occupation and extra income generation of the community by giving the community an opportunity to participate in the development of projects.
 - 1.6 Support the community to be competitive and self-reliant, and achieve sustainable growth through, for example, education, culture, tradition, promotion of sanitation and environment, and development of technology in alignment with local wisdom, etc.
 - 1.7 Provide assistance to the community in times of crisis, emergency, and natural disasters, covering provision of necessities, food and medicine, shelter, support of expenses and other related actions.
2. **Instillation and promotion of the sense of responsibility towards the community among employees and concerned parties**
 - 2.1 Disseminate policies, guidelines, targets, and operating results to employees and concerned parties thoroughly
 - 2.2 Provide employees and concerned parties with training and seminar opportunities relevant to participation in the development of community
 - 2.3 Encourage employees and concerned parties to share experiences from participation in the projects for the community and society to other employees and external parties.
 - 2.4 Promote and support employees’ participation in the projects for the community in an appropriate form
 - 2.5 Support participation of concerned parties in the projects for the community in an appropriate form
3. **Dissemination of operating results of the organization to the community and public on a regular basis**
 - 3.1 Arrange a power plant visit at least once a year

- 3.2 Prepare at least one document disseminating information and knowledge about the business operation process and participation in the development of community, and make a channel for accepting opinions from the community
 - 3.3 Disseminate the information and the organization's corporate social responsibility performance and participation in community development to the community and public in the form of the annual sustainability report
- 4. Seeking of opportunities to exchange knowledge and share experiences from operations with other agencies to continuously improve operations**
- 4.1 Participate in activities/projects of networks or agencies relevant to community development at least once a year
 - 4.2 Compile knowledge and experiences from operations and participation in the exchange of experiences with agencies for the benefits of future operations as appropriate
- 5. Tracking and assessment of satisfaction of community with the operation of the organization**
- 5.1 Conduct a survey to assess community's satisfaction with the development of quality of life for better living at least twice a year

Moreover, EGCO has jointly initiated and developed projects as well as supported activities covering education, occupation, sanitation, and environmental conservation under **the framework of improvement of quality of life of the communities surrounding the power plants**, which includes the following:

1. Support of local employment
2. Development of children and youth
3. Development of skills beneficial to occupation
4. Promotion of sanitation of the community
5. Development of public utilities
6. Conservation of natural resources and environment

Guidelines for participation in social development

- 1. Participation in social development by implementing social development projects or activities in alignment with the main capabilities of the organization**
 - 1.1 Support or initiate projects/activities which are aligned with vision, targets, values, and beliefs of the organization
 - 1.2 Support or initiate projects/activities beneficial to the general public, focusing on operations which are aligned with or based on the main capabilities of the organization including knowledge, resources, and personnel
- 2. Encouragement of employees and concerned parties to learn, understand, and take part in social development operations**
 - 2.1 Disseminate progress on the implementation of social contribution projects to employees and concerned parties at least once a month
 - 2.2 Allow employees and concerned parties to take part in operations or projects for social contribution as appropriate
- 3. Execution of projects or activities continuously for true and sustainable benefits to the society**
 - 3.1 Support or initiate projects/activities which respond to the needs of the society, and are aimed at enhancing potential and strength for sustainable social development
 - 3.2 Regularly evaluate operating performance in terms of outcome, output, and impact to ensure true and sustainable benefits to the society
- 4. Seeking of opportunities to exchange knowledge and share experiences from operations with other agencies to further improve operations on a regular basis**
 - 4.1 Participate in activities or projects of relevant external agencies to exchange and share experiences regarding social development at least once a year
 - 4.2 Compile knowledge and experiences from operations and participate in the exchange of experiences with external agencies to benefit future operations at least one issue per year

Operating Results

Development of operations to support participation in improving quality of life of the communities in 2016 through the following significant activities:

- **Establish a tri-party collaboration as part of the corporate strategic plan**

EGCO realizes that good relationship will allow sustainable coexistence with the community, which is a crucial factor affecting its business sustainability. It has therefore stipulated in its corporate strategy for the year 2016 that EGCO Group power plants shall offer the stakeholders, in the areas in which it operates business, an opportunity to participate in the operation regarding promotion of participation in improvement of quality of life of communities surrounding the power plants. The operation of development of communities surrounding the power plants shall also be executed in the form of a tri-party collaboration, comprising power plant, public sector, and community. In 2016, its operations were as follows:

Independent Power Plant (IPP): Khanom Power Plant, BLCP Power Plant, and Quezon Power Plant. The tri-party collaboration was implemented, including both at the tripartite committee level according to the regulatory framework of EIA and the community development project level. The tripartite committee according to the regulatory framework of EIA held one meeting per quarter to jointly plan and give opinions on community development operations of power plants.

Small Power Plant (SPP) and Very Small Power Plant (VSPP): EGCO Cogeneration Power Plant, Roi-Et Green Power Plant, Lopburi Solar Power Plant, SPP 2 Power Plant, SPP 3 Power Plant, SPP 4 Power Plant, SPP 5 Power Plant, Theppana Wind Farm, power plants under GPS, power plants under Solarco. The tri-party collaboration in the form of community development project was implemented to jointly plan and carry out with agencies and communities in the area.

Projects under development and construction: Chaiyaphum Wind Farm project, TP Cogen Power Plant project, SK Cogen Power Plant project, and TJ Cogen Power Plant project. The tri-party collaboration was implemented in form of the public hearing session according to the EIA regulatory framework during the project development period, and in form of tri-party collaboration participation and involvement in community relation activities. The execution of community activities, conducted thru out the year, was carried out accordingly in line with EGCO Group's community project framework, and community needs.

- **Registration of Corporate Social Responsibility Professionals for Plants**

The Ministry of Industry issued a Notification of Ministry of Industry on Registration of Corporate Social Responsibility Professionals B.E. 2559 (2016) to encourage entrepreneurs to engage in corporate social responsibility and participate in overall social development, and offer businesses in the context of plants to send out personnel to attend a training and take a test to be registered as corporate social responsibility professionals for plants pursuant to the notification. In 2016, power plants, in which EGCO held more than 50% stake and that fell within the scope of such notification and already sent out personnel to attend a training and take a test to be registered as corporate social responsibility, included Khanom Power Plant, Nakhon Si Thammarat province, BLCP Power Plant and EGCO Cogeneration Power Plant, Rayong province, Lopburi Solar Power Plant, Lopburi province, and Roi-Et Green Power Plant, Roi-Et province. The total of 10 personnel was registered according to the notification.

- **Arrangement of Knowledge Exchange Activity in Promotion of Participation in Development of Community Quality of Life among EGCO Group Power Plants for the Year 2016** EGCO Group Working Committee on Promotion of Participation in Community Development, comprising 30 members in charge of community relations from EGCO Group power plants in commercial operations and those under construction and development, both domestically and overseas, participated in a knowledge exchange activity in promotion of participation in community development of EGCO Group for 2016 at Khanom Power plant, Nakhon Si Thammarat province.



The objective of this activity was to promote exchange of knowledge among community operational staff of EGCO Group power plants. Contents of operational guidelines for development of communities nearby the power plants were compiled and derived from guidelines on community development of Khanom Power Plant, an IPP of EGCO Group which had continuously gained opportunity and trust from the communities in the area for over 25 years. Khanom Power Plant was a case study for other EGCO Group power plants which would lead to future operation development. This knowledge exchange covered major activities as below:

- **Lecture on “Open House of Khanom Power Plant” Guidelines for Sustainable Coexistence of Community and Environment.** Participants learned about the Khanom Power Plant’s practices covering the principle of fairness applied for interoperability, promotion of participation and acceptance of opinions from all parties through different activities were conducted, emphasis on sincerity and concrete expression of sincerity towards the community. The corporate culture on community awareness were embedded among the power plant staff thru participation in community activities, gaining knowledge and experiences from hands-on operation and self-management.



Lecture on “Open House of Khanom Power Plant” Guidelines for Sustainable Coexistence of Community and Environment by Mr. Suebsak Choorit, Managing Director

- **Seminar on Khanom Power Plant Best Practices on Community Development** The participants were executives and employees of Khanom Power Plants coming from different divisions, levels, and experiences in the operation on corporate social responsibility. However, community development of power plants originated from the same starting point, to say, a community visit which was deemed as necessary for peaceful coexistence of power plants and communities.



- **Field trip** was organized to provide opportunities for participants from the power plants to learn on-site for the case study of water resources development. The participants took a field trip to two learning centers for water resources development for the community, to listen to experiences and opinions of the community towards the operation in promotion of development of quality of life of the communities surrounding Khanom Power Plant. This field trip to Khanom Power Plant indicated that the importance was placed on water resources which jointly used by power plants and communities. The project was then initiated to benefit communities and power plants both directly and indirectly.



- **Presentation of experience in promotion of participation in community development by Nam Theun 2 Power Plant** The materiality, gained from Nam Theun 2 Power Plant, included an issue of power plant operations required in the concession agreement on construction as well as guidelines on operations towards sustainable development upon which nations around the world placed importance.



Opinions of Participants

Activity on Knowledge Exchange of Development of Community Quality of Life of EGCO Group in 2016



Mr. Prapas Phudol
EGCO Cogeneration Co., Ltd.

"I'm pleased with this activity. It allows employees from each power plant to get to know each other and become more familiarized, which will ease future connection and collaboration. There are some benefits of this activity. Firstly, ideas are presented and CSR activities are shared. Secondly, we can learn what each power plant has so far been operating and what are the interesting issues beneficial to the society and organization. Lastly, we can implement those beneficial issues in an appropriate manner."



Ms. Noutthong Alounthong
Nam Theun 2 Power Plant
(Laos)

"I feel that this activity is beneficial to Nam Theun 2 Power Plant since CSR operations have not yet been established concretely. Knowledge gained from this activity can be implemented in future CSR operations. If there is a chance, please arrange this activity every year."



Miss Sitruddee Sooksamran
Klongluang Utilities Co., Ltd.

This is a good activity which enables CSR personnel of each power plant to meet and exchange knowledge and experience in CSR operations beneficial and applicable to CSR activities that we are carrying out to ensure efficient CSR and utmost benefits for the community."



Dr. Ajerico Razo
Quezon Power Plant (Philippines)

"This activity can be a good opportunity for Quezon Power Plant located in Philippines to study on CSR operations of EGCO Group power plants in Thailand. There are some benefits of this activity. Firstly, getting to know to each other with CSR personnel of EGCO Group benefits future connection and collaboration. Secondly, we can learn CSR operations which are considered as best practices of Khanom Power Plant and Nam Thuen 2 Power Plant, which can be appropriately applied in the context of Philippines. Moreover, this activity gives an opportunity to Quezon Power Plant to share experience in CSR operations to the participants."



Mr. Thanapong Rujathanakorn
Manager of Power Plant Business 1

I would like to thank the management to make this activity happen. This activity enables us to learn guidelines for successful CSR operations of different power plants such as Khanom Power Plant's CSR operations which were so successful that the villagers called it as "Kind Elder" or BLCP Power Plant's CSR operations which not only focused on giving but also assisting them to live on their own. In my opinion, the benefit of this activity is implementation of concept of operations as guidelines for CSR operations of the power plant of which I am in charge for further success."

- Lecture on Knowledge and Experience Exchange on Best Practices from External Agencies** The Promotion of Participation in Developing Quality of Life of Community Working Team of EGCO Group, comprising responsible persons for community development at the operational level, arranged a lecture on **"Sustainable Coexistence of Industry, Community, and Environment: Case Study of Bangchak Refinery"** delivered by **Dr. Chongprode Kochaphum**, Vice President, Sustainability Development Office, Bangchak Petroleum PLC, to give an opportunity to staff to listen to experiences in the operations and exchange opinions with external agencies having the accepted operational performance on sustainable coexistence with the community, in order to apply knowledge to the development of future operations. There was a total of 20 participants, comprising staff for community development of power plants and the promotion of participation in developing quality of life of community working team.

Utilization of EGCO Group Power Plants as Learning Centers for Power Generation Process

EGCO promotes dissemination of knowledge and understanding of power generation process by giving youths, communities, and external agencies the opportunities to visit EGCO Group power plants as learning centers for power generation process. Two learning centers, namely Kiang Saket Energy Center at BLCP Power Plant, Rayong province and GreenNEducation at Lopburi Solar Power Plant, Lopburi province, were also established to disseminate knowledge on energy and power generation process for the youth as major target group. In 2016, there were 24,000 visitors in total at EGCO Group power plants and learning centers (only those of which EGCO holds more than 50% stake).

Support of Local Employment

In 2016, EGCO continued to support employment of community people for income distribution and improvement of their well-being. More than 90% of workers (excluding employees) were people in the areas where power plants were located.

Implementation of Projects for Communities Surrounding Power Plants

In 2016, EGCO power plants implemented 87 projects for development of quality of life of the nearby communities according to a previous version of the framework before revision, comprising 17 projects on promotion of skills development and learning among the youth, 16 projects on development of skills beneficial to occupation, 21 projects on promotion of sanitation, 13 projects on development of public utilities and other facilities, and 20 projects on conservation of natural resources and environment. Examples of important projects are as follows:

IPP Power Plants

Khanom Power Plant

- **Health Service for Community Project** carried out jointly with Thongniam municipality, Khanom municipality, Ao Khanom municipality, Khuanthong local administration, and Nakhonpat Hospital to provide an annual medical check-up to over 2,000 people in the community.
- **Provision of Far-sighted Eyeglasses for the Community People Project** was conducted in cooperation with public health agencies and hospitals in the area. Eyesight tests by ophthalmologists were provided and far-sighted eyeglasses were given to the elderly from 34 villages in Khanom district. There were 1,970 service users.
- **Project on Promotion of Quality of Life of Community at Moo 8, Thongniam subdistrict, Khanom district, Nakhon Si Thammarat province.** The power plant joined hands with village public health volunteers to hold activities to disseminate knowledge and provide trainings on the following topics: postpartum health care and visit of mothers and newborns, dissemination of knowledge and tips for prevention/control of diseases, visit of the elderly and the disabled, campaign on AIDS prevention, health screening for children aged not over 15 years, tuberculosis screening for risk groups, dissemination of knowledge for prevention of Dengue hemorrhagic fever and elimination of *Aedes aegypti*. These activities were attended by over 500 community people.
- **Community Relations Project on Electricity Repair and Public Utility Improvement for Temples, Schools, and Public Places** Volunteering employees joined activities six times for six communities surrounding the power plant.
- **Project on Improvement of Quality of Life of Ban Tha Muang Islamic Community** In 2016, improvement of toilets and study building was undertaken for Darus Sa-ahdah Mosque, Moo 1, Thongniam subdistrict, Khanom district, Nakhon Si Thammarat province. Total participants were around 40.
- **Youth Learning Development Project** Khanom Power Plant collaborated with the Office of Nakhon Si Thammarat Primary Educational Service Area 4 and Siang Dek News Bureau, Khanom district, to promote education for good but needy students by giving them annual scholarships. In 2016, 230 scholarships with sports equipment supporting fund worth THB 5,000 each were awarded to 23 schools in Khanom district, Nakhon Si Thammarat province.
- **Educational Field Trip for Students Project 2016** 198 students and teachers from 23 schools in Khanom district were brought on a field trip visiting scientific and environmental learning venues together with historical sites in four provinces, namely Prachuap Khirikhan, Ratchaburi, Bangkok, and Suphanburi.

- **Sufficiency Economy Organic Farming project** The project is aiming to support the low-income people in Khanom District to create income from agricultural-based occupation in sustainable way. In long-term the goal of this project is to generate at least 10,000 Baht/Month/Rai of income. In 2016, 1st year of the project, groups of farmers were established in 3 Tambons; Khanom, Khoun Thong, Thong-nien, with a total agricultural fields of 12 Rai.
- **“Seeding of Virtue” Youth Training Project** by cooperating with Muang Khanom History and Culture Learning Center (Wat Klang), Office of Nakhon Si Thammarat Primary Educational Service Area 4, schools in Khanom district, and Mahachulalongkornrajavidyalaya Student Organization, Nakhon Si Thammarat area, to train the youth in 2016 (classes 1 - 4) at Muang Khanom History and Culture Learning Center (Wat Klang), Khanom district, Nakhon Si Thammarat province. Over 400 youths and parents attended the training.
- **Biological Agriculture for Sustainable Development Project** supported and promoted lunch projects of schools in Khanom district, Nakhon Si Thammarat province by supporting horticulture, olericulture, animal husbandry, and freshwater fish farming in agricultural gardens for school lunches. In 2016, the total amount of harvested vegetables was 3,000 kilograms and 2,500 kilograms was contributed to Pung Tao Kong Shrine during the vegetarian festival.
- **Field Trip for the Elders Project for 2016** by taking the elders from Khanom Hospital and the elders around Khanom Power Plant and Ban Klang and Bang Koo reservoirs on a field trip to several places in the Central and Eastern provinces. A total of 92 elders participated in this project.
- **Breeding of Blue Swimming Crab Project** by coordinating with Nakhon Si Thammarat Coastal Fishery Research and Development Center, Thongniam municipality, and Rak Ban Kerd coastal fisheries club, Khanom district, Nakhon Si Thammarat province, to carry out a breeding of blue swimming crab project since 2006. In 2016, over 350,000 blue swimming crabs of different ages, namely breeder, megalopa, and first crab, were released into the sea.
- **Project on Increase of Freshwater Animal Population and Development of Water Resources for 2016** in the area of Ban Klang Reservoir, Kuan Thong subdistrict, Khanom district, Nakhon Si Thammarat province. The project was conducted in cooperation with the community in the area and aimed at increasing freshwater animal population in such area which was an important freshwater habitat of Khanom district. There were approximately 600 project participants.
- **Project on Promotion of Water Resources at Ban Klong Wang Community** was conducted in cooperation with the community in the area to develop a weir at Ban Klong Wang, Moo 8, Kuan Thong subdistrict, Khanom district, Nakhon Si Thammarat province as water resources for agriculture and public utility. There were 250 community people participating in this project.
- **Project on Mangrove Forest Planting in Public Places along Khanom Canal and Decadent Forests at Ban Tha - Bo Ko** Khanom Power Plant, in cooperation with EGAT Labor Union, Nakhon Si Thammarat Provincial Labor Protection and Welfare, and public and private organizations in Nakhon Si Thammarat province, conducted a project on mangrove forest planting and aquatic animal release on the occasion of the National Labor Day in mangrove forests at Ban Tha Bo Ko, Moo 7, Thongniam subdistrict, Khanom district, Nakhon Si Thammarat province. There were approximately 350 participants.

Gulf Power Generation

- **Improvement of Public Utilities for the Community Activity** by improving and repairing public utilities for Wat Sattha Rueang Si School, with 230 participants.
- **Environmental Conservation Youth Camp Liang Pha 11** was organized in cooperation with agencies in the area to instill environmental consciousness, with 75 youths participated.
- **Coral Reed Planting at Sattahip Naval Base Activity** was organized in cooperation with agencies in the area to promote natural resource conservation in the area, with 80 participants.

BLCPP

- **Hydroponics Vegetables Project** to create jobs and generate income to communities and schools in a remote area from the sea in Rayong province by collaborating with local government agencies to carry out the project continuously. Since the project launch to present, over THB 100,000 of income has been generated.
- **ECO for Life Project** (manufacturing of coal ash bricks) Since 2003 to present, BLCPP Power Plant, in cooperation with the Industrial Estate Authority of Thailand (IEAT), industrial entrepreneurs, community, and local agencies,

has promoted job creation and income generation for the community on a sustainable basis, waste utilization, reduction of consumption of natural resources, and initiation of environmentally-friendly products, through holding of trainings on management of manufacturing, distribution, and financial management for Taguan-Ao Pradu community, and promoting use of coal ashes (fly ashes) from power plants as brick manufacturing mix. Moreover, ECO for Life learning center (manufacturing of bricks from flying ashes) has been set up at Taguan-Ao Pradu community which is open as a learning center for interested persons to visit. The project has so far contributed to generating income to the community from sales of bricks in an average amount of THB 20,000 per month, and the plant mitigating wastes (flying ashes) by at least 450 kilograms per month. In 2016, the production and income are as follows;

Taguan-Ao Pradu community produced total 8,000 bricks, and total sales 48,000 THB

Khao Phai community produced total 16,000 bricks, and total sales 96,000 THB

- **“Talented Youth and BLCP” Scholarship Project** to promote and develop educational potential of the youth in remote areas to enable them to get access to knowledge, motivate them to learn, and reduce burdens of expenses on their families. In 2016, a total of 110 scholarships have been awarded to students at primary, secondary, vocational, and tertiary levels.

SPP Power Plants

EGCO Cogen

- **Training on Natural Farming Based on Sufficiency Economy Project** The training on knowledge of natural farming to enhance environment and mental and physical health, with 35 participants from Mab Kha Pattana community, Power Development Fund, and employees.
- **Mobile Medical Unit Project** EGCO Cogen collaborated with the local public health bureau to provide mobile medical unit services for people free of charge. In 2016, mobile services were offered six times for communities in Mab Kha subdistrict, Nihom Pattana district, Rayong province, covering eight villages and over 300 service users.
- **Volunteer Project for Development of Public Utilities for the Community** in the area by improving Wat Krachet School’s cafeteria, Rayong province, to promote sanitation for the youth, with 30 participants.
- **Community Cleanup Activity**, in cooperation with Nong Kla community and private sectors in Rayong Industrial Park, to clean up the area so that good environment can be maintained. The activity was attended by 80 community people.

Roi-Et Green

- **Healthy Happy Living with Roi-Et Green Power Plant Project**, in collaboration with the local public health bureau, to send out a mobile medical unit to offer health check-up to people free of charge. In 2016, mobile services were provided four times for over 300 people in communities around the power plant.

Samutprakarn Cogeneration

- **Mangrove Forest Planting Activity** was organized in cooperation with the Office of Bangpoo Industrial Estate, local agencies, schools, plants in Bangpoo Industrial Estate, and communities in the area, at Royal Thai Army Recreation and Convalescence Center (Bangpu Recreation Center). There were 200 participants.

Nong Khae Cogeneration

- **Paper Clay, Art for Dad Activity** This activity was organized in cooperation with Wat Nong Pla Mo School, Nong Khae district, Saraburi province to instill environmental consciousness in the youth by reusing surplus papers and turning them into artworks to communicate recognition of the benevolence of King Rama IX as well as determination of doing good deeds. There were 50 students participating in this activity.

Gulf Yala Green

- **Olericulture after Harvest Project** at Ban Pron, Mueang Yala district, by promoting knowledge and supporting the community to grow vegetables after harvesting main agricultural crops, thereby generating income for the community in the area.

- **Promotion of Knowledge on Utilization of Parawood Ashes in Palm Gardens Project** to promote occupation and utilization of surplus materials from power plants for the benefits of the community. The activity was carried out, in cooperation with the land development specialists in Pattani, by organizing meeting activities with the community to give a lecture on guidelines for reducing agricultural production cost through the utilization of parawood ashes replacing Potassium fertilizers. The business owners of palm gardens participated in the activity by trying out the utilization of parawood ashes in over 1,000-rai areas for three consecutive years as well as passing on experiences to the interested communities for further maximizing results.
- **Research Project on Production of Liquid Soap from Parawood Ashes** was conducted in cooperation with the Faculty of Pharmaceutical Sciences, Prince of Songkla University, to carry out an experiment to test the use of parawood ashes as a component for the production of liquid soap for hand washing. The result of experiment indicated that such parawood ashe was a base with property similar to Potassium hydroxide which was a compound for production of liquid soap. Also, the formula could be adjusted for development of antigerm soaps by adding herbal extracts with antibacterial and antifungal agents. The research result would be disseminated for the benefits of the community.

Renewable Energy Power Plants

SPP 2, SPP 3, SPP 4, and SPP 5

- **Eye Check-up Service Project**, in cooperation with local government and private agencies, to provide eyesight test and Pterygium, Pinguecula, and Cataract screenings, and support eyeglasses for the elderly nearby the power plant, with 120 service users.

GPS

- **Public Facilities Maintenance and Improvement for Communities Project**, the power plants under GPS organized total 5 community services, developing temples, schools, and other public facilities for local community.

Theppana

- **Project on Promotion of Occupation and Extra Income for the Community, and Chaiyaphum Province Tourism**, in cooperation with the community in the area, to plant sunflower seeds and develop the area into sunflower fields to become a tourist attraction which would generate revenue for the community.

Solarco

- **Public Facilities Maintenance and Improvement for Communities Project** In 2016, Sai Yai power plant in cooperation with the Bang Klong Luang Public Health Hospital, improving public toilets for elders, and disables, promoting a better sanitation and good health for local community.

NED

- **Project on NED-CSR Center to Foster Engagement with Community**

It is a model space for trial and demonstration to be developed as a learning center for community people's self-reliance regarding renewable energy towards farming, which is practical for household use. The center will subsequently be extended to be a learning center regarding renewable energy towards sufficiency economy to disseminate knowledge to local schools, especially those joining the project on model renewable energy towards sufficiency economy, which has been consistently conducted in cooperation with the power plant. In addition, it will serve as a learning center for visitors of Lopburi Solar Power Plant and GreenEducation learning center, and is targeted for development as center with comprehensive knowledge and diverse activities and space utilization. In 2016, major activities under this project were as follows:

- Community product training to promote supplementary occupation and self-reliance of community in product development so that some of the products were put for sales at NED museum. These products

included natural tie-dyed fabric, herbal soap, balm, herbal massage oil, compost, mosquito-prevention lemon grass spray, local vegetable seedlings, and rice milled in community, etc.

- Arrangement of monthly meeting among communities, schools, and the Company to foster relationship and serve as a forum for discussions and consultations about the project activities, community merit-making ceremonies, religious events, educational events, etc.
- Distribution of farm produce and community products such as vegetables, foods, herbs, and goods that were safe for company employees and community
- Training local trainers covering activities as listed belows;
 - o Solar power for agriculture workshop training for community leaders in Lopburi province, the first group of leaders are from Koksamrong District. The workshop on the uses of direct current electricity included the instruction of solar water pump, solar power lighting, solar power fan, and nano solar cell.
 - o Development of local products workshop training, such as the production of agricultural products, and natural dyed clothing

Power plants in Oversea

Quezon

- **Teacher Development Program for Enhancement of Quality of Education for Mauban Community**

Quezon Power Plant has collaborated with University of the Philippines Open University (UPOU), Mauban municipality, and government agencies on education to develop teaching capabilities of public elementary school teachers to upgrade quality of education in Mauban municipality and lay foundation for sustainable development of quality of community life. In 2016, 11 scholarships were awarded to teachers. However, since the beginning of implementation of the project to present, 177 teachers have been awarded with scholarships.

- **Support of College Scholarships for Talented but Needy Students in Mauban** by offering scholarships to financially support college students throughout college study. In 2016, 10 newly-enrolled students were awarded for scholarships.
- **“Food For Thought” Project** to support food for enhancing learning potential of primary school students in the community nearby the power plant. At present, 1,400 students were supported through this project.
- **Skill and Occupation Development Project** has been conducted, in cooperation with Philippine Business for Social Progress (PBSP), to provide skill development trainings for the community in Mauban since 2004 to present. In 2016, continuing producing and distributing the products from local housewives thru out the year.
- **Project on Disseminating Knowledge and Enhancing Consciousness regarding Conservation of Natural Resources and Environment for the Youth**, in cooperation with the Department of Environment and Natural Resources’ Dalaw-Turo Team, to hold activities to provide knowledge about conservation of natural resources, environment, and biodiversity for children and youth. In 2016, 6 activities were organized, and the total number of 810 students participated in the project.

NTPC

- **Development of Water Wells for Consumption and Quality Monitoring for the Community Project** was conducted in cooperation with local government agencies to ensure good quality of water used for consumption by the community people. The quality of water was also monitored to enhance the community’s confidence in consumption of safe water. The progress of current operation is that 100% of water wells were monitored as scheduled and the quality of 100% of water samples were assessed.
- **Development of community landfill** for better quality of lives of Gnommalath community, the landfill area was arranged accordingly in line with the same standard quality with the NTPC.

Budgets and Donations

In 2016, EGCO power plants made contributions of over THB 376 million to Electricity Development Fund, provided support in terms of budgets and donations through various projects of both government and private agencies, and supported arrangement of community relations activities and other public activities which were beneficial to the community and society in the total amount of over THB 135 million.

Social Contribution Projects

In 2016, EGCO further promoted learning about energy and environment for the youth as they were in the early ages suitable for learning and instilling good consciousness in a sustainable manner in the future. Consciousness of Value of Natural Resources coupled with promotion of conservation of natural resources, forests, water sources, and streams to ensure sustainability of the next generations, in particular, are primary factors of energy. Important activities included:

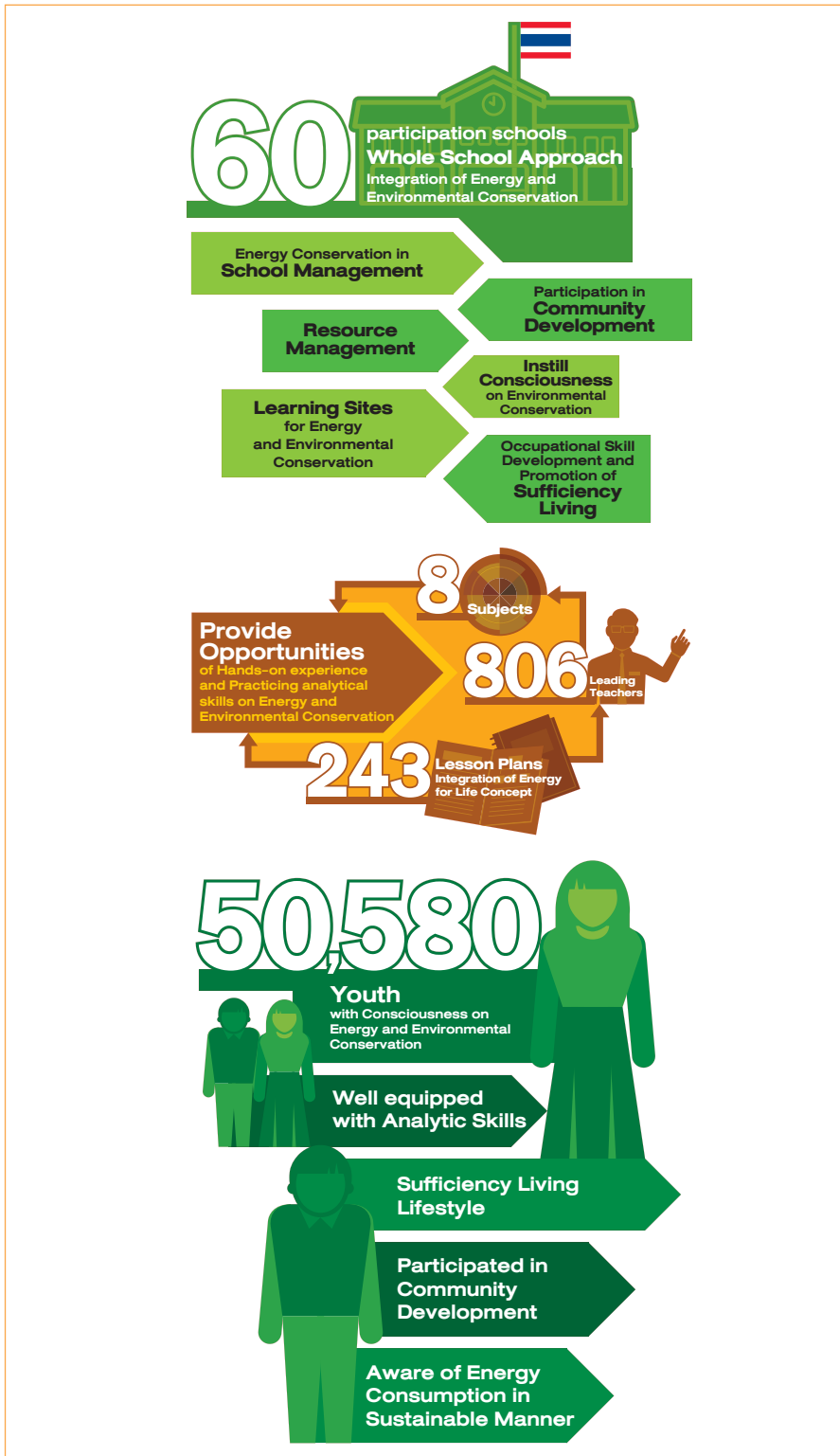
Promotion of Learning about Energy and Environmental Conservation among “the Youth”

- **EGCO Forest Youth Camp Project** In 2016, EGCO carried out the project by joining hands with Doi Inthanon National park and Thai Rak Pa Foundation to hold EGCO Forest Youth Camp, classes 47 - 48, at Doi Inthanon National Park, Chiang Mai province, and Khao Luang National Park, Nakhon Si Thammarat province, respectively. A total of 145 youths participated in the project.



- **“Energy for Life...Fighting Global Warming with Sufficiency Living” Project** (Microsite: www.s-school.egco.com) was conducted in collaboration with three parties, namely EGCO Group, Energy Policy and Planning Office (EPPO), Ministry of Energy, and Office of the Basic Education Commission of Thailand (OBEC), Ministry of Education, to encourage schools joining the project to provide learning classes on integrated management of energy and environment as well as promote the youth’s efficient use of energy according to the sufficiency economy concept, which would be further expanded to the community.

Throughout three years of operation (2013 - 2015), the project focused on participation of schools, teachers, and youths in continuously enhancing schools’ potential of energy and environmental knowledge management by applying the project concept of “Energy for Life...Fighting Global Warming with Sufficiency Living” to the whole operation process of schools so that these schools could be role models for other schools. The project also aimed at strengthening knowledge, skills, and experiences in energy and environment for teachers to be “Role Model Teachers” who integrated the project concept into knowledge management, linked the related community way of life to energy and environment, and therefore created concrete work to foster understanding, analytical skills, awareness of values and behavior adjustment for sustainable use of energy, creativeness, and participation in developing their own community and locality in the youths. In 2016, overall project results were evaluated and summarized with the following major activities:



- **60 Participating Schools** placed importance on integration of energy and environmental conservation into the whole teaching and learning system of schools.
- **Network of 806 Teachers** engaging in an all-round knowledge management in energy and environmental conservation was established. With EGCO Group power plants serving as learning centers, 243 learning and teaching schemes, which integrated the concept of “Energy for Life...Fighting Global Warming with Sufficiency Living”, were created in 8 subject groups, including science, social studies, religion and culture, occupation and technology, mathematics, Thai language, foreign languages, and health education and physical education.
- **50,580 Youths** developed an understanding, analytical skills, awareness of values and behavior adjustment for sustainable use of energy, creativeness, and participation in developing their own community and locality.

- **Learning Media** Presentation of background, highlights, and electricity generation process as well as guidelines for sustainable energy conservation: “Energy for Life” was conducted in the form of posters and animation videos for schools joining the project and disseminated in “Sukjai” magazine which were distributed to all communities surrounding power plants as well as disperse knowledge arising from the “Energy for Life...Fighting Global Warming with Sufficiency Living” Project via Microsite : www.s-school.egco.com as a place for knowledge exchange among 60 participating schools.

Learning Media



Animation of Life Cycle Thinking towards Knowledge of Energy for Life

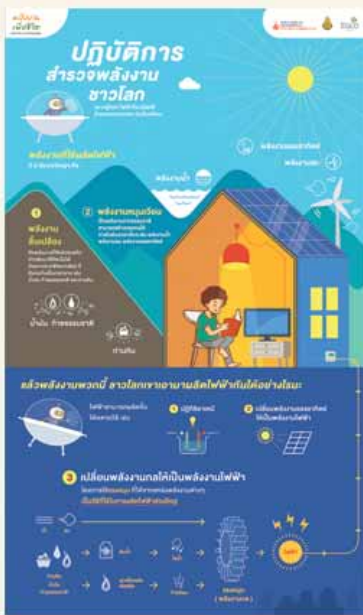


Animation LCA

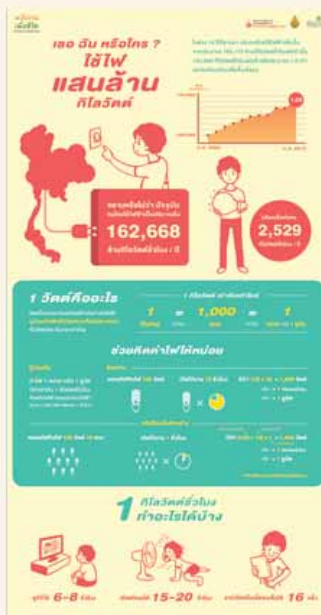


Eco Go Game

Posters



Energy Knowledge



Thailand's Energy Situation



EGCO Group power plants



Biomass Power Plant



Solar Power Plant



Wind Power

In 2016, EGCO Group continued the “Energy for Life...Fighting Global Warming with Sufficiency Living” Project which covered the following main activities:

➤ Annual Award Presentation

• Energy for Life Model School Award

Energy for Life Model School Award is based on the selection of schools which integrates knowledge on energy and environmental conservation into classroom learning. Selection takes into consideration the entire administration system of schools as in compliance with the project operation concept and the local context, the degree of importance given by the schools to engagement with the community in the learning process as well as **the continuous operations of at least two years for the participation of the project**. The objectives are to give encouragement to schools with creative operation performance to produce youths who have consciousness of energy and environmental conservation, and give praise and honor to schools with clear and consistent performance in this area. Five schools which won Most Outstanding School Award were as listed here:

Primary School Level

Excellent Energy for Life Model School Award

1. Ban Wa School,
Khon Kaen province

Distinguished Energy for Life Model School Award

2. Ban San Pa Sak School,
Chiang Mai province

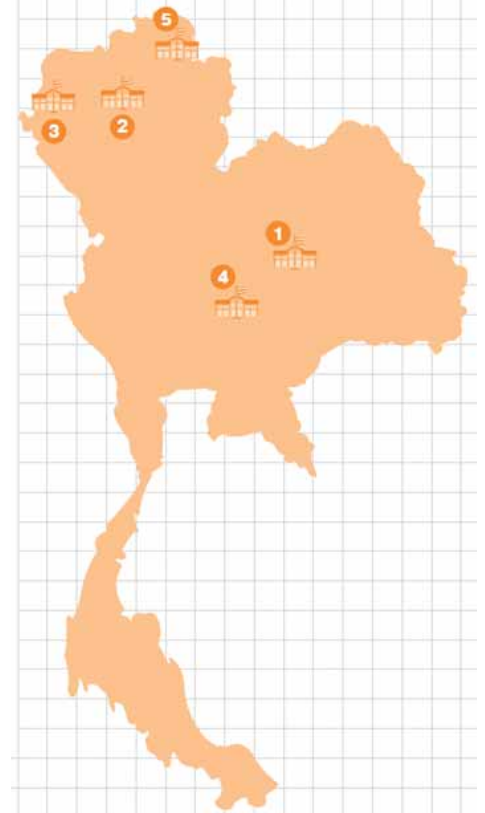
Secondary School Level

Excellent Energy for Life Model School Award

3. Mae Sariang “Boripat Suksa” School,
Mae Hong Son province

Distinguished Energy for Life Model School Award

4. Thepsathitwittaya School,
Chaiyaphum province
5. Boon Reung Wittayakom School,
Chiang Rai province



In this picture: Energy for Life Model School Awards

General Anantaporn Kanjanarat, Minister of Energy (5th from the right) presided over the award-giving ceremony.

Mr. Chanin Chaonirattisai, President of EGCO Group (4th from the right)

Dr. Twarath Sutabutr, Director General of Energy Policy and Planning Office, Ministry of Energy (4th from the left)

Mr. Sanit Yamgesorn, Advisor for Policy and Planning, Office of the basic Education Commission, Ministry of Education (3rd from the right)

- **Role Model Teacher (Origin of Knowledge) Award**

Role Model Teacher (Origin of Knowledge) Award is based on the selection of role model teachers whose works include knowledge management in energy for life and reducing global warming with sufficiency living in the local context and under sustainable energy use in a concrete and continuous manner for not less than 2 years (2013 - 2015). Altogether 37 teachers from 16 schools in 14 provinces were selected to present their works. A total of 18 teachers were selected to win the role model teacher award from 5 subjects. The awards served as an encouragement for teachers who devoted themselves to creative working and a forum for creative experience sharing and knowledge application to learning and teaching as well as promotion of consciousness raising about energy and environmental conservation for the youths who were key forces of future environmental maintenance.



- **Overseas Field Trip of “Energy for Life” in Kitakyushu city, Fukuoka prefecture, Japan** which was an eco-town with systematic environmental management and clean technology used according to the 3Rs (Reduce Reuse Recycle) under tri-party cooperation of public, private, and people sectors.

Inspirations of Role Model Teachers, as Origin of Knowledge

Today's children were born amidst a lot of changes. It is then necessary to help them develop environmental knowledge. The environment cannot speak for itself but it surrounds us. It does its best for the entire human population. The teacher's duty is to be a role model and develop students' knowledge with focus on hands-on learning.

Reflect energy and environmental problems through teaching aids which facilitate students' understanding of those problems. The Life Cycle Assessment (LCA) is integrated into learning to enable children to make an analysis of energy and resource consumption and environmental impacts, ranging from material supply, production, distribution, usability, disposal, and assessment. Students are required to compare energy consumption of objects in daily life. They enjoy analyzing objects close to them such as snacks and stuff and adjust their behaviors to opt for more energy-saving stuff.

SCIENCE • CHEMISTRY

Role Model Teacher (Origin of Knowledge) Award

Teacher Sirakarn Chaichana
Mae Sariang "Boripat Suksa" School,
Mae Hong Son province

Social Studies, Religion,
and Culture Subject Group

Today's climate change and global warming have caused various environmental impacts. It is therefore necessary that children, as a starting point for the future, realize the global warming problem and participate in the environmental conservation by using locally available and natural materials in the locality for waste reduction.

Energy and environmental resources crisis such as foam and plastic waste problem, which directly affects students, is used as a lesson. Students are required to use the LCA to assess environmental impacts and propose solutions to problems by reducing use of plastics and increasing use of locally available and natural materials such as banana leaves, to reduce waste problem and waste incineration contributing to global warming.

Role Model Teacher (Origin of Knowledge) Award

Teacher Yuthitham Khantiya
Ban San Pa Sak School, Chiang Mai province

Science Subject Group

This overseas field trip was a reward for role model teachers and youths receiving outstanding youth awards to enhance their energy experiences gained from public, private, and people sectors and apply knowledge to energy and environmental learning and teaching. Learning center visits were:

- Kitakyushu Asian Center for Low Carbon Society and Kitakyushu Environment Museum: to learn the concept and strategy of environmental management and background of the eco-town and environmental management of Kitakyushu city
- AEON Mall Yahata-Higashi: an energy and environment conservation building which implements state-of-the-art technologies to measure energy consumption in the building so as to enable shop tenants and buyers to realize how much energy they consume in this building.
- Yokoshiro Citizen Center: a role model community for systematic waste management by giving people knowledge and understanding of waste sorting



Moreover, they visited Kitakyushu Next Generation Energy Park which was a learning center for knowledge and understanding of utilization of renewable energy such as solar power plants, wind power plants, etc, Zero Emission Transportation System, and Hydrogen Town.

Conservation of “Watershed Forest” Natural Resources

Thai Rak Pa (Thai Forest Conservation) Foundation: “Watershed Forest” Conservation Network for Sustainability was established in 2002 by EGCO Group and Department of Forestry with the objective of continuing natural resource conservation. An initial capital of THB 10,000,000 was presented to Her Majesty the Queen who graciously returned the amount for the establishment of the foundation which began its operation in 2007. Thai Rak Pa Foundation was acknowledged by Ministry of Finance as a charity organization no. 752 on November 9, 2011. An evaluation report on the foundation’s operating results over the past five years has been prepared and disseminated on www.egco.com and www.thairakpa.org. In 2016, Thai Rak Pa Foundation supported watershed forest conservation of watershed community in the vicinity of Doi Inthanon National Park, Chiang Mai province, covering an area of approximately 70,000 Rai. Operation has started to be expanded to watershed forest near Khao Luang National Park, Nakhon Si Thammarat province in the South, and Lam Pa Tao watershed forest, Chaiyaphum province in the Northeast.





A GREAT YEAR
OF SUCCESS

Responsibility towards the Environment



EGCO Group has committed to improve efficiency in its environmental operation surpassing industrial standards to move towards a corporate social responsibility organization.



EGCO commits to operate its power generation business along with highest responsibility towards the society, community, and environment to ensure sustainable business operation. Throughout the past twenty-four years, EGCO has proved its smooth business operation and confidence gained from the community to continuously maintain sustainability of domestic and overseas power generation.

For the overall environmental operation in 2016, EGCO Group has committed to improve efficiency in its environmental operation surpassing industrial standards to move towards a corporate social responsibility organization. EGCO prepared an environmental operation report covering operational performance of a total of 24 power plants which have already started commercial operations domestically and overseas. Major environmental issues addressed included:

1. Greenhouse Gas Management
2. Environmental Quality Management
3. Business and Social Innovations

1. Greenhouse Gas Management

The 22nd session of the Conference of the Parties (COP 22) to the United Nations Framework Convention on Climate Change (UNFCCC) was held in Marrakech, Morocco, serving as the Meeting of the Parties to the Paris Agreement to set out initiatives and practices to reduce greenhouse gas

emissions and cooperate to tackle global climate change impacts. For Thailand, General Prayuth Chan-o-cha, Prime Minister of Thailand, ratified the Paris Agreement and submitted Intended Nationally Determined Contributions (INDCs) with the goals to reduce greenhouse gas emissions from all segments of Thailand for 20-25% by 2030. With its efforts to enabling the country to achieve the goals, EGCO Group has therefore focused on more investments in environmentally-friendly businesses and innovations by formulating strategies for expansion of investments in more renewable energy power plants along with efficient power generation technologies. This does not only reduce and mitigate different environmental problems, but also create a concrete balance between business growth and environmental conservation. EGCO Group has implemented greenhouse gas management in the following areas:



1.1 Power Generation from Renewable Energy

At present, EGCO Group has a total of 16 renewable energy power plants which started commercial operations domestically and overseas, accounting for electricity generating capacity of 751.07 megawatts based on the contractual proportion under PPAs or 18% of EGGO Group's total electricity generating capacity. Electricity generation from such renewable energy power plants can reduce 1,493,687 tons of carbon dioxide equivalent emissions per year or equivalent to plantation of 157 million trees. EGCO Group also has another one renewable energy power plant under construction, namely Xayaburi project (Hydropower Plant), with a contracted capacity by shareholder proportion of 160 megawatts (12.50% shareholding). For future projects, EGCO Group will continue to explore for further investments opportunities in renewable energy power plants as part of its efforts toward clean energy as well as take part in reducing environmental impacts and global warming problems. EGCO Group aims to increase renewable energy portfolio to achieve 30% by 2026 from both domestic and overseas.

To demonstrate its strong commitment in reducing environmental impacts, the NED power plant under EGCO Group, as the first solar power plant in Thailand and one of the world's largest thin - film solar power plants, was certified by the Clean Development Mechanism (CDM) under the UNFCCC. It was registered in the Compliance Market and executed a contract of purchase and sale of certified emissions reductions (CERs) with the Asian Development Bank (ADB) for 7 years (2014 - 2020). This was an example of a great success of project model which contributed to reducing greenhouse gas emissions, thus further leading to expansion of other renewable energy projects of EGCO Group.

1.2 Enhancement of Efficiency of Power Generation Technologies

All EGCO Group's power plants always prioritize in increasing efficiency of power generation by scheduling routine check and maintenance of equipment. For example, EGCO Cogen power plant, in cooperation with the Department of Alternative Energy Development and Efficiency, has conducted thermal energy conservation projects to implement energy reduction measures on regular cleaning of blade compressors. As when the power generators have been operating for a certain period of time, blade compressors may be clogged with dust and dirt which will decrease power generating capacity and require higher energy consumption per unit of power generation. Therefore, regular cleaning of blade compressors will enhance efficiency of power generation, reduce energy costs as well as contribute to reducing and alleviating impacts on the environment and surrounding society.

While Khanom Power Plant Unit 4, with contracted capacity of 930 megawatts, is a single shaft combined cycle power plant using natural gas as primary fuel to generate electricity. Technologies used in Khanom Power Plant Unit 4 can reduce the amount of natural gas used in electricity generation and the amount of heat used as well as increase efficiency of power generation compared to Khanom Power Plant Unit 3 as shown in the table below.

Information	Khanom Power Plant Unit 3	Khanom Power Plant Unit 4
Heat Rate (BTU/kWh)	8,394	6,560
Efficiency	41%	54%

For future coal-fired power plants, EGCO will consider to apply clean coal technology which is found to be more efficient in power generation and waste disposal than the former one. EGCO has also established additional pollution control systems in coal-fired power plants in support of reduction of pollution discharged into the atmosphere such as Electrostatic Precipitator (ESP), Flue Gas Desulphurization (FGD), and Selective Catalytic Reduction (SCR). It has been found that installation of those devices can control the origin of air pollution and the test results of small dust particles around the power plant areas within a 5-kilometer radius represent good air quality.

However, when considering the operating results of the previous year, it was found that enhancement of efficiency of power generation technologies in each power plant could reduce 1,493,687 tons of carbon dioxide equivalent emissions per year or equivalent to plantation of 157 million trees.

1.3 Energy Reduction

EGCO Group and affiliated power plants have organized activities aiming in raising employees' awareness of their behavior changes in efficient energy use to mitigate climate change problems. In 2016, EGCO headquarter has continued with activities to encourage its employees to take part in the maximum efficiency of energy use. To achieve the policy on energy conservation, the "EGCO Unplug" activity was arranged to encourage for employees' participation in energy saving. In the previous year, a working committee on energy management and a committee on energy management assessment has reviewed, improved, and monitored energy action plans on a monthly basis. Energy saving knowledge was continuously disseminated through EGCO Groupnet website, internal broadcast radio, and other public relations media. It was found that there were significant reductions in electricity consumption in EGCO headquarter building. At the same time, the working committee also conducted other electricity-saving projects for the headquarter building such as projects of changing of light bulbs of car park building from T8 type to LED type and changing of light bulbs of both inside copying rooms and toilets of each floor to automatic on/off light switches with infrared motion sensor. Such projects helped reduce electricity consumption by 0.22% unit area or equivalent to reductions of 58.64 tons of greenhouse gas equivalent emissions per year and electricity billing of 44,864.40 Baht.

EGCO Group also extended results of energy efficiency reduction activities to its affiliated power plants such as changing of turbine blades of Roi-Et Green Power Plant which could reduce energy consumption by 10 - 15%, changing of all light bulbs in SPP 2, SPP 3, SPP 4, SPP 5, and Theppana Wind Farm Power Plants from fluorescent type to LED type as well as installing of Photocell Control which automatically turned lights on/off with light sensor along the fence and in the building and control room.

1.4 Reduction of Greenhouse Gas Emissions from Trade Partners

Selection of trade partners and contractors is one of key success factor in business operation. EGCO not only selects trade partners who are experienced, efficient, internationally accepted, and expert in such products or services, but also those who have an environmentally-friendly policy or operational guidelines and shall not violate laws or environment-related regulations. EGCO realizes that procurement from trade partners with appropriate environmental management can help reduce both direct and indirect environmental impacts arising from production processes of trade partners and use of EGCO Group's products and services.

1.5 Increase of Greenhouse Gas Storage

EGCO Group supports and promotes increase of greenhouse gas storage in the form of continuous projects conducted both in the areas nearby power plants such as a green area project and outside power plants such as a restoring the natural environment project in honor of HRH Princess Maha Chakri Sirindhorn at the Sirindhorn International Environmental Park, located in the Rama VI Camp, Cha-am District, Phetchaburi Province, which is a cooperation between EGCO and RATCH to jointly restore forests and plant trees on 33-rai of forests to increase biodiversity in the Sirindhorn International Environmental Park as well as build nature trails and improve the energy learning exhibition room of the Sirindhorn International Environmental Park to be a learning center for public participation and an offset for carbon dioxide emissions to the atmosphere arising from EGCO Group's business operation.

2. Environmental Quality Management

With its mission to focus on operation excellence at international level along with responsibility towards the society and environment, EGCO Group has regularly developed and improved its air, water, waste, and noise management system to ensure the quality that meets standards and is in accordance with requirements, laws as well as relevant regulations on environmental quality management of each country in which the Group operates its business. Details are as follows:

2.1 Air Quality Management

Power generation business takes part in causing air pollution. As the power producer, EGCO Group places great importance on its power plant management by ensuring that the production process is recorded at the rate of environmental monitoring better than the standard rate of air quality required. All power plants have been monitored and reported the emission quality through plant-stacks. Moreover, air pollution control equipment has been inspected every three months by external auditor registered under Department of Industrial Works. The air pollution control report with information on air pollutant parameter and quantity (pollution control report form 1, 2, 3 and 3/1) has been publicly available on the Department of Industrial Works' website (www.diw.go.th) every six months. Additional equipment has also been installed to help control or mitigate emissions of air pollutants such as NO_x , SO_2 , etc. In the previous year, it was found that all EGCO Group's power plants which commercially operated recorded an environmental monitoring rate in line with the required standard, hence no penalty is applied.

2.2 Water Management

In the previous year, EGCO Group has continued the implementation of water management strategic plan based on the 3Rs (Reduce, Reuse, and Recycle) to increase water utilization efficiency and reduce impacts to the society and environment. EGCO Group also conducted analysis of water situation and prepared a plan for water utilization for each power plant to mitigate risks that might affect the Availability Factor of power plants and financial performance. As each type of power generation technology used different amount of water especially in coal, natural gas, and biomass-fired power plants which required substantial amount of water in the cooling system.

Water Consumption

EGCO realizes that water use for power generation of each power plant may have an impact on water consumption of the community and ecosystem. Thus, EGCO Group has required all power plants to assess needs of water used for the whole year and prepare emergency water reserves, for example:



Power Plant	Water Source	Amount of Water Reserves (Cubic Meters)	Amount of Water Used (Cubic Meters)
Roi-ET Green Power Plant	Chi River	12,000 (Continuously operate for approximately 10 days under the PPAs)	292,222
EGCO Cogen Power Plant	Eastern Pro Watersupply Co., Ltd.	12,000 (Continuously operate for approximately 3 days under the PPAs)	969,551

In 2016, EGCO Group power plants recorded the amount of water used in power generation of 207 m³/megawatt-hour which slightly higher than 2015. However, all power plants considered to apply 3Rs measure and closely monitored to ensure the optimization of resource usage that affect lower wastewaters released to environment.

Wastewater Management of Power Plants

EGCO Group gives priority to wastewater management and continues monitoring and control of the quality of water discharged from the power plants to be at the level better than the standards and regulations of each area to prevent possible impacts on retention ponds of wastewater discharged from power plants and utilization of the community. Quezon Power Plant in Philippines, for example, which is a coal-fired power plant, has categorized water use and water treatment processes into 3 types including:

- Water from coal yards will be stored in water storage ponds and then released to sedimentation ponds to remove sediments from water. Partially separated water will be treated by reverse osmosis process which uses membrane filtration with extreme delicacy in screening to solutions, contaminants and germs. This produces pure water for consumption, while another portion of water will be sprayed on coal yards to reduce dust diffusion and clean roads, etc.
- Water from production process is categorized into:
 - Water from boilers cleaning will be released to storage ponds of water from coal yards and then to sedimentation ponds and will be treated for other useful purposes.
 - Water contaminated with chemicals; its pH will be adjusted in neutralization tank and then released to waste water collection basin.
 - Water blowdown from boiler will be released to waste water collection basin.
 - Water from desalination plants is separated into 2 parts: water from fresh water production process which will be released in waste water collection basin; while water from cooling system or waste water with high salinity will be treated before released to seal weir.
 - Water contaminated with oil will be treated with water/oil splitting system.
 - Water from cooling system; its temperature will be lowered closest to the ambient air before transported to equalization tanks.
- Water from employees' residences and offices is separated into 2 parts: one part is laundry / gray water which will be treated in sedimentation ponds; another part is domestic waster water which will be transported to waste water treatment plants to be maintained within the standard criteria from industrial plants.

However, apart from being recycled within the power plants, water from all sources will be collected and released to seal weir. The quality of water will be monitored and drainage will be controlled each day as in accordance with the criteria and standards to mitigate impacts on ecosystem and biodiversity of water sources.

2.3 Waste Management

Waste Management is based on the 3Rs - Reduce, Reuse and Recycle. In case where such waste is not reusable, each power plant will further hire agencies or companies providing waste treatment or disposal services. Type of waste from power plants can be divided into two main categories:

- Non-hazardous waste is general municipal waste or low-hazard waste such as leftover food, wood, paper, electrical wire, plastic bags, and construction materials. Power Plants will segregate waste before disposal based on the 3Rs. In case of non-reusable or non-modified waste, such waste will be collected and then transported to sanitary landfills.
- Hazardous waste is waste that contains or is contaminated with hazardous substances or has hazardous properties such as transformer oil, engine oil, and chemical containers. Therefore, proper disposal is required. Power plants have strictly monitored and controlled waste collection and disposal in compliance with the laws. A list of waste and details of waste disposal is prepared at all times and a request for waste transport out of the plant area is conducted via the Department of Industrial Works website (www.diw.go.th) once a year. This information is publicly available and can be examined by outsiders. EGCO also places importance on the selection, verification of license, and monitoring of waste disposal operation of responsible agencies on a regular basis.

3. EGCO Group's Business and Social Innovations

Strong business growth is based on knowledge along with ongoing development. EGCO Group has thus created new innovations that not only create its distinction and competitive advantage, but also focus on creating positive impacts on both the society and environment. EGCO Group classifies innovations into two categories: business innovation and social innovation as follows:

3.1 Business Innovation

Battery Energy Storage

Current power systems in Philippines have more installed capacity of power loads and some loads vary rapidly which could contribute to frequency variations in power systems and may lead to blackout throughout the country in case of severe frequency variations. EGCO Group has therefore cooperated with the AES Corporation (AES) which is a strategic partnership holding stakes in Masinloc Power Plant in Philippines to develop a project of 10 MW lithium-ion battery energy storage systems at the same location of the power plant. Such project is regarded as the first pilot project of Philippines which applies battery energy storage to power network systems to enhance stability and reliability of Masinloc Power Plant and security Luzon power systems. Such battery energy storage systems were completely established in June 2016.

Use of Mixed Fuels

Roi-Et Green Power Plant has installed capacity of 9.9 megawatts and contracted capacity of 8.8 megawatts throughout the duration of the 21-year PPAs to Electricity Generating Authority of Thailand on May 29, 2003. Such power plant is deemed as a pilot biomass-fired power plant supported by the Energy Policy and Planning Office to promote power plants to reduce dependence on fossil fuels and turn to use environmentally-friendly fuels. For this reason, EGCO Group has opted for rice husk to be major fuel in power generation since it considers that rice husk is an abundant

agricultural waste which has no economic value. Moreover, if rice husk was abandoned, it will cause methane emission and dust diffusion, which negatively impact to nearby community. Therefore, the use of rice husk as fuel for power generation not only helps improve the quality of life of people living in Roi-Et Province and nearby provinces, but also increases stability for the country's power generation system. However, after Roi-Et Power Plant has been operating its power generation for a certain period of time, it was found that boiler tubes were leaked due to silica, a component of rice husk, which scraped the boiler tubes in the combustion process, hence resulting in frequent tube erosion. For this reason, the power plant immediately conducted a research to solve such problem and found that the use of sawdust and cassava rhizome, which are agricultural waste, to be rice husk-mixed fuels could reduce tube erosion in boilers. It can be regarded as another way to reuse abundant materials and bring back their benefit and value. This not only boosts revenue for the people in the community, but also extends the lifespan of equipment in the machines and lowers production costs.

3.2 Social Innovation

Renewable Energy Learning Center and Khanom Power Plant Learning Center

Over the past several years, EGCO Group has still operated its business along with corporate social responsibility activities in a continuous manner through supports and development projects concerning education, environment, and competency of youths. All activities are conducted within the concept of promoting "learning" as EGCO always aware that education and learning are key forces of creative changes and sustainable development of "Man" and "Society". EGCO Group has therefore established learning centers in the power plant areas such as the GreenEducation, a renewable energy learning center located at NED Power Plant to educate and promote renewable energy through interactive media and acts as an important platform in raising the awareness of renewable energy in the community. In addition, another learning center under development is Khanom Power Plant Learning Center arising from the development of Khanom Power Plant 1 which is previously a thermal power plant and then developed into an energy and environmental learning center for youths and interested persons. The Learning Center is planned to be open in 2018.

Protection and Restoration of Ecosystem and Biodiversity

EGCO and Group power plants have implemented ongoing projects in the operations of IPP power plants as below:

EGCO

- **Collaboration Project under the name of EGAT Group with Electricity Generating Authority of Thailand and Ratchaburi Electricity Generating Holding Public Co., Ltd. to join the project of "Environment Rehabilitation in Honor of HRH Princess Maha Chakri Sirindhorn" to celebrate the 5th Cycle Birthday Anniversary of HRH Princess Maha Chakri Sirindhorn. The Sirindhorn International Environmental Park Foundation under the patronage of HRH Princess Maha Chakri Sirindhorn, Cha-am District, Petchaburi Province, has executed restoration of mangrove forest and biodiversity of the 33-rai park within the 6-year project period (2015 - 2020). In 2016, there were significant operations as follows:**
 - *Maintenance of trees in the 2nd - 6th years* by planting trees to replace dead ones and taking care of planted trees to be strong and healthy. In the previous year, tree growth was consistently followed up, measured, and recorded.
 - *Development of nature trail* together with preparation of signboards in order to be a living learning site of ecosystem of coastal mangrove forest for the public. In 2016, nature trail was designed and bidding and selection of contractors for construction were executed and completed as planned. Guidelines for installation of water flow systems along the nature trail were also established for further maintenance of trees.

- *Dissemination of Royal prestige and initiatives of HRH Princess Maha Chakri Sirindhorn* in the area of restoration of natural resources and environment. The International Academic Conference on Energy and Environment in Honor of HRH Princess Maha Chakri Sirindhorn was held with a total of 300 participants from 20 countries, 70 contributions submitted, and 30 participating companies setting up exhibition booths. EGCO joined the EGAT GROUP to set up exhibition booth to display an ecosystem learning center model and instructional media for restoration and conservation of coastline natural resources in the event.

Khanom Power Plant

- **Mountainous Landscape Improvement Project**

Realizing the importance of community engagement and value of indigenous plants, Khanom Power Plant has therefore launched a project to improve the landscape of the mountains by planting 14 types of indigenous trees that represent 14 southern provinces in the area at the foot of the Chaison Mountain. Apart from being the recreational area for employees and general public, this area also provides knowledge about indigenous plants to the community.

In 2016, plant maintenance was continued so that they remained healthy and beautiful, including grass cutting, weeding, decorating, and fertilizing.

- **Biofertilizer to Reduce Chemicals Project**

As Khanom Power Plant realizes the importance of protecting ecosystem, environment, and sustainable use of natural resources, this project has therefore been carried out continuously. In 2016, grass residue from lawn mowing and fallen leaves were used and mixed with chicken manure and rice bran together with EM liquid for making biofertilizers to replace the use of chemical fertilizers. Approximately over 20,905 kilograms of biofertilizers could be produced this year.

- **Species Diversity and Abundance of Plankton and Benthic Animals Assessment Project**

Khanom Power Plant conducted biannual assessment of species diversity and abundance of plankton and benthic animals in the area of Khanom Gulf and Khanom Canal. It was found that the diversity and abundance of plankton and benthic animals were not directly affected by the water discharged from the power plant. Rather, they depended on environmental factors of Khnom Canal, namely chemical and physical properties of water, quantity of light and nutrients, water discharge from households, and development for land exploitation.

BLCP Power Plant

- **Saket Island Ecosystem Restoration Project**

Saket Island is a small island of approximately 10-rai area and is about 300 meters from Maptaphut Industrial Port to the east. Before the industrial development, Saket Island had an abundance of coral reefs. However, most of them have been damaged and only 10 - 20% is left today. Therefore, BLCP has initiated a 5-year project (2014 - 2018) to restore the ecosystem surrounding the island to maintain its abundance being habitat of aquatic animals. The Company has joined hands with experts in aquatic ecosystems to conduct a study on current conditions of this area, covering quality of seawater and underwater residue, existing coral reefs, and causes of diminishing coral reefs, and consult with local fishery groups on the past conditions, and prepare a master plan on sustainable development of Saket Island. Related communities and government agencies, including provincial fishery authorities, regional fishery authorities, Maptaphut municipality, Maptaphut Industrial Estate, and local fishery groups have taken part in proposing guidelines on development of Saket Island by establishing Saket Island Development and Rehabilitation Committee, as a provincial working committee, chaired by Rayong Deputy Governor.

In 2016, project progress was as follows:

- There was a study on an abundance of mangrove forest ecosystems in cooperation with the Department of Marine and Coastal Resources, Rayong Province, to prepare development plans of ecosystems and artificial reef projects.
- The 12x12-meter equipment for coral nurseries were prepared, which could be used for planting approximately 3,000 corals and for an 8-month period of operation.
- 10 coastal fisherman volunteers were trained to take care of coral nurseries.
- 400 sets of artificial reefs were created and released into the sea near Saket Island, providing habitats for marine species.
- **Release of Aquatic Animal Breeds in Honor of HM The Queen's Birthday Anniversary on 12th August and HM The King's Birthday Anniversary on 5th December**

In honor of and as merit-making for **HM The King and HM The Queen**, approximately 5 million aquatic animals are annually released to increase and disseminate aquatic animals in the eastern region sea (Rayong estuary-Baan Chang District), in collaboration with 13 small local fishery groups. Since 2012, collaboration has been expanded to the government and private sector alliances in the area consisting of Maptaphut Industrial Port Office, Glow, SCG and PTT Group, in releasing aquatic animals eight times a year. In 2016, a total of 6,242,696 aquatic animals were released into the sea.

NTPC

- **Protection, Restoration, and Conservation of Wild Animals and Ecosystems in Nakai-Nam Theun National Biodiversity Conservation Area** Located in the east of Nam Theun 2 Dam, the area covers the plateau that slopes upward toward the ridge where the Lao-Vietnamese border lies and consists of watershed forest that conveys water to Nam Theun 2 Dam and is protected and undisturbed. The project budget of \$46.5 million has been allocated throughout 31 years for conservation of such area to the Watershed management and Protection Authority which was specially established to maintain the catchment area of approximately 4,000 kilometers as well as other conservation projects conducted with local communities, covering restoration and maintenance of wetlands, development of dry licks as a source of food for wild animals, protection, restoration, and preservation of plants, wildlife conservation and rescue by expert doctors, follow-up of terrestrial and aquatic animal population such as wild elephants and turtles as well as dissemination of knowledge and campaign to promote cooperation in natural resources and wild animals conservation for local communities.

Quezon Power Plant (Philippines)

Realizing the importance of living creatures to the ecosystem, Quezon Power Plant has cooperated with employees and surrounding communities to keep record of animals found in the area in terms of size, weight, and quantity since 2007 until present and report to the Environment Management Committee of the power plant. The information has also been forwarded to related agencies for verification of species and status in comparison with the IUCN Red List Species and CITES List. After that, the animals have been released to natural settings as before to preserve the population of local animals and prevent impacts on biodiversity.

- **Tracking of Quantity of Living Population, Rescue of Wild Animals, and Protection of Biodiversity of Animal Species of the IUCN and CITES lists**

From the tracking and survey of living things in the ecosystem since 2007 until present, a total of 99 wild animals have been found, recorded, and rescued. During November 2015 - November 2016, 14 animals were found and recorded, comprising of monitor lizards, birds, snakes, bats, and turtles. The recorded of animals found are as below:



Juvenile marbled water monitor lizard
rescued on Nov 14, 2015



Common emerald dove
rescued on Nov 19, 2015



Slaty backed seagull
rescued on Nov 19, 2015



Rock pigeon
rescued on Jan 8, 2016



Geoffroy's rousette
or common rousette rescued
on Feb 27, 2016



Sea snake
rescued on Mar 2, 2016



Little file snake and 3 sea snakes
rescued on Mar 9, 2016



Yellow-vented bulbul
rescued on Jun 15, 2016



Southeast Asian Box Turtle
rescued on Jul 4, 2016



Marbled Water
Monitor Lizard
rescued on Jul 6 and 25, 2016

Starting January 2016, not only wildlife rescues, but reported wildlife sightings were also recorded by EnviCom. A total of 23 wildlife sighting reports were received by EnviCom from January to November 2016. Out of the 23 wildlife sighting reports, 11 were considered wildlife rescue and the rest were mostly sighted or relocated only. And in case of exposure, but do not count on the rescue of 12.

- **Sea Turtle Conservation Project** The project was initiated as sea turtles had been found at risk of being detained or consumed by people and extinction, and may have impacts on the entire marine ecosystems. Quezon Power Plant thus joined the sea turtle conservation project executed by government agencies in the local area to alleviate the problem, starting from holding knowledge dissemination activities and trainings for local communities, especially fishermen group to take part in the sea turtle conservation through photography, measurement of found animals, records, type identification, data collection as well as submission of records to related local authorities for data recording, rescuing, and releasing animals into the sea, respectively. From 2007 until present, a total of 38 sea turtles have been found and recorded. In 2016, one (1) sea turtle rescue has been recorded for 2016. A hawksbill sea turtle accidentally caught during net fishing was turned-over to QPL EnviCom on June 18 by a local fisherman. There was an evident damage on the left side carapace and tag number PH0645E was attached on its right flipper. The turtle was immediately released back to Lamon Bay in front of QPL plant jetty after completion of documentation. Afterwards, QPL sea turtle tagging database was reviewed and found out that the turtle was previously tagged by QPL on May 19, 2014 when it was rescued at the QPL plant intake structure. From May 19, 2014 to June 18, 2016, the turtle profile increased from 43 cm to 53 cm CCL (Curved Carapace Length), 39 cm to 46 cm CCW (Curved Carapace Width) and 6.5 kg to 13.75 kg weight.

In the last year, QPL was judged as Winner on Ensuring a Safe & Clean Environment Category for its Quezon Power Habitat Protection - COMMITMENT & COMPASSION entry in the 5th American Chamber of Commerce of the Philippines CSR Excellence Awards.

- **Protection and Restoration of Submarine Ecosystem**

Quezon Power Plant has conducted a survey of the environment and population of submarine plants and animals vital to the ecosystem or living things under protection such as coral and scaly giant clam to compile information and follow up results every three years. In addition, during difficult weather and monsoon season, the agencies and communities in the area collaborate in moving plants and animals at risk of experiencing severe conditions to an area suitable to their survival. The goal is to help protect and preserve the abundance of ecosystem and marine biodiversity.



General Information

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
<p>Electricity Generating Public Company Limited (EGCO)</p> <p>Registration 0107537000866 (No.BorMorJor.333)</p> <p>Head Office 14th, 15th Floor EGCO Tower, 222 Moo 5, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210, Thailand Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Rayong Power Plant Bangkok Office 12th Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2955 0931</p> <p>Rayong Office 35 Rayong Highway No. 3191 Huay Pong District, Amphur Muang, Rayong 21150, Thailand Tel. +66 (0) 3868 1012, +66 (0) 3868 1016, +66 (0) 3868 1020 Fax. +66 (0) 3868 1784</p> <p>Sector Energy & Utilities Industry Resources Foreign Limit 44.81% Share of Minor Shareholder (% Free Float) 51.90% Website www.egco.com</p>	<p>Holding Company focusing on Power business and others related to power business</p> <p>Independent Power Producer (IPP) Electricity Generating and supply business</p>	5,300	10	5,264.65	-

Subsidiaries

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
<p>Khanom Electricity Generating Company Limited (KEGCO)</p> <p>Office 12th Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2955 0931</p> <p>Site Office 112 Moo 8, Tongnean, Khanom, Nakhon Sri Thammarat 80210, Thailand Tel. +66 (0) 7552 9173, +66 (0) 7552 9179 Fax. +66 (0) 7552 8358</p>	<p>IPP Electricity Generating and supply business</p>	8,005.02	10	8,005.02	99.99

Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
EGCO Engineering & Service Company Limited (ESCO) Office 13 th Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2955 0933 Site Office 35 Rayong Highway No. 3191 Huay Pong, Amphur Muang, Rayong 21150, Thailand Tel. +66 (0) 3868 2611-4 Fax. +66 (0) 3868 2823	Engineering, operation and maintenance services for power plants and manufacturers	400	10	400	99.99
North Pole Investment Company Limited (North Pole) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 6 th Floor, Tower A, 1 Cyber City, Ebene, Republic of Mauritius	Holding company focusing on investment in electricity generating companies in foreign countries	52,747.56 ^{/1} <i>(1,475,769,857 USD)</i>	35.7424 ^{/1} <i>(1 USD)</i>	52,747.56 ^{/1} <i>(1,475,769,857 USD)</i>	100
EGCO International (B.V.I.) Limited (EGCO B.V.I.) (North Pole is the company's 100% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands, P.O. Box 3136	Holding company focusing on investment in electricity generating companies in foreign countries	12.51 ^{/1} <i>(350,000 USD)</i>	35.7424 ^{/1} <i>(1 USD)</i>	12.51 ^{/1} <i>(350,000 USD)</i>	100
Dawei Electricity Generating Company Management Pte., Ltd. (DEGCOM) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 60 Paya Lebar Road, #08-43, Paya Lebar Square, Singapore, 409051	Holding company focusing on investment in electricity generating companies in Myanmar	0.71 ^{/1} <i>(20,000 USD)</i>		0.71 ^{/1} <i>(20,000 USD)</i>	100
New Growth Cooperatief U.A. (Coop) (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Atrium Building, 8 th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	52,375.76 ^{/1} <i>(1,465,367,737 USD)</i>		52,375.76 ^{/1} <i>(1,465,367,737 USD)</i>	100

Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
<p>New Growth B.V. (New Growth) (North Pole is the company's 100% indirect shareholder)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Oversea office Atrium Building, 8th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands</p>	Holding company focusing on investment in electricity generating companies in foreign countries	1.04 ^{/1} (28,988 USD)		1.04 ^{/1} (28,988 USD)	100
<p>Quezon Power, Inc. (QPI) (North Pole is the company's 100% indirect shareholder)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Oversea office 14th Floor Zuellig Building Makati Avnue corner Paseo de Roxas 1225 Makati City, Philippines</p>	Holding company focusing on investment in electricity generating companies in Philippines	7.15 ^{/1} (200,000 USD)		7.15 ^{/1} (200,000 USD)	100
<p>Quezon Power (Philippines), Limited Co. (Quezon) (North Pole is the company's 100% indirect shareholder)</p> <p>Makati office 14th Floor Zuellig Building Makati Avnue corner Paseo de Roxas 1225 Makati City, Philippines</p> <p>Oversea office Barangay, Cagsiay I, Mauban Quezon Province, Philippines 4330</p>	IPP Electricity Generating and supply business	7,421.60 ^{/1} (207,641,268 USD)		7,421.60 ^{/1} (207,641,268 USD)	100
<p>Pearl Energy Philippines Operating, Inc. (PEPOI) (North Pole is the company's 100% indirect shareholder)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Oversea office Barangay, Cagsiay I, Mauban, Quezon, Philippines 4330</p>	Operation and Maintenance of QPL	7.15 ^{/1} (200,000 USD)		7.15 ^{/1} (200,000 USD)	100
<p>Quezon Management Service Inc. (QMS) (North Pole is the company's 100% indirect shareholder)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Oversea office 14th Floor Zuellig Building Makati Avnue corner Paseo de Roxas 1225 Makati City, Philippines</p>	Management service for Quezon Power Plant	3.78 ^{/3} (5,260,000 PESO)		3.78 ^{/3} (5,260,000 PESO)	100

Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
Mauban Holdings Company Inc. (Mauban) (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 14 th Floor Zuellig Building Makati Avenue cor. Paseo de Roxas 1225 Makati City, Philippines	Holding company focusing on investment in electricity generating companies	226.52 ^{/3} <i>(315,000,100 PESO)</i>	71.79 ^{/3} <i>(100 PESO)</i>	226.52 ^{/3} <i>(315,000,100 PESO)</i>	100
Evergreen Power Venture B.V. (Evergreen) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Atrium Building, 8 th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in Philippines	0.00 ^{/1} <i>(1 USD)</i>	35.7424 ^{/1} <i>(1 USD)</i>	0.00 ^{/1} <i>(1 USD)</i>	100
Millennium Energy B.V. (Millennium) (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Atrium Building, 8 th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 ^{/1} <i>(1 USD)</i>	0.3574 ^{/1} <i>(0.01 USD)</i>	0.00 ^{/1} <i>(1 USD)</i>	100
South Pacific Power Pty Limited (SPPP) (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Darling Park Tower 2, 201 Sussex Street, Sydney, New South Wales, 2000	Holding company focusing on investment in electricity generating companies in Australia	2,848.57 ^{/4} <i>(110,506,987 AUD)</i>	25.7773 ^{/4} <i>(1 AUD)</i>	2,848.57 ^{/4} <i>(110,506,987 AUD)</i>	100
Boco Rock Wind Farm Pty Limited (Boco Rock) (North Pole is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 81 Flinders Street, Adelaide, South Australia, 5000 Tel. +61 8 8384 7755 Fax. +61 8 8384 7722	Electricity Generating and supply business	2,622.79 ^{/4} <i>(101,747,980 AUD)</i>	25.7773 ^{/4} <i>(1 AUD)</i>	2,622.79 ^{/4} <i>(101,747,980 AUD)</i>	100

Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
<p>Gen Plus B.V. (Gen Plus) (North Pole is the company's 100% indirect shareholder)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Oversea office Atrium Building, 8th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands</p>	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 ^{/1} <i>(1 USD)</i>	35.7424 ^{/1} <i>(1 USD)</i>	0.00 ^{/1} <i>(1 USD)</i>	100
<p>Phoenix Power B.V. (PP) (North Pole is the company's 100% indirect shareholder)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Oversea office Atrium Building, 8th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands</p>	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 ^{/1} <i>(1 USD)</i>	35.7424 ^{/1} <i>(1 USD)</i>	0.00 ^{/1} <i>(1 USD)</i>	100
<p>EGCO Cogeneration Company Limited (EGCO Cogen)</p> <p>Office 13th Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Site Office 222 Moo 8, Mabkha, Nikhom Phattana, Rayong 21180, Thailand Tel. +66 (0) 3863 7051-57 Fax +66 (0) 3863 7063</p>	Small Power Producer (SPP) Electricity and steam generating and supply business	1,060	10	1,060	80
<p>EGCO Green Energy Company Limited (EGCO Green)</p> <p>Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p>	Holding company focusing on power business	175	10	175	74
<p>Roi-Et Green Energy Company Limited (Roi-Et Green) (EGCO Green is the company's 95% shareholder)</p> <p>Office 13th Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999</p> <p>Site Office 222 Moo 10, Nua-Muang, Amphur Muang, Roi-et 45000, Thailand Tel. +66 (0) 4351 9825-6 Fax. +66 (0) 4351 9827</p>	SPP utilizing Biomass as primary fuel	180	10	180	70.30

Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
Agro Energy Company Limited (AE) (ESCO is the company's 99.99% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Trading/delivery service of fuel from natural scrap	2	10	2	99.99
SPP Two Company Limited (SPP 2) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Salangpan, Wang Muang, Saraburi 18220, Thailand	VSP Electricity Generating and Supply Business using Solar Power	196.7	10	196.7	99.99
SPP Three Company Limited (SPP 3) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Tha-Klor, Benjaluck, Srisaket 33110, Thailand	VSP Electricity Generating and Supply Business using Solar Power	197.5	10	197.5	99.99
SPP Four Company Limited (SPP 4) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Tha-Klor, Benjaluck, Srisaket 33110, Thailand	VSP Electricity Generating and Supply Business using Solar Power	148.7	10	148.7	99.99
SPP Five Company Limited (SPP 5) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Koomueng, Muengsuang, Roi-Et 45220, Thailand	VSP Electricity Generating and Supply Business using Solar Power	198.4	10	198.4	99.99
Theppana Wind Farm Company Limited (Theppana) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Watabaek, Thepsathit, Chaiyaphum 36230, Thailand	VSP Electricity Generating and Supply Business using Wind Power	157.32	100	145.23	90
Yanhee EGCO Holding Company Limited (Yanhee EGCO) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Holding Company investing in electricity generating from Solar Power	10.01	100	10.01	49

Subsidiaries (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
Solarco Company Limited (Solarco) (Yanhee EGCO is the company's 100% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	VSPP Electricity Generating and Supply Business using Solar Power	1,650	100	1,650	49
Chaiyaphum Wind Farm Company Limited (Chaiyaphum) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Small Power Producer (SPP) Electricity Generating and Supply Business using Wind Power	1,514	100	1,514	99.99
Klongluang Utilities Company Limited (Klongluang) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Small Power Producer (SPP) Electricity and steam generating and supply business	1,000	10	257.5	99.99
Banpong Utilities Company Limited (Banpong) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Small Power Producer (SPP) Electricity and steam generating and supply business	2,000	10	507.5	99.99

Joint Ventures

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
Gulf Electric Public Company Limited (GEC) Office No.87, 11 th Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax. +66 (0) 2654 0156-7 Website http://www.gulfelectric.co.th	Holding company focusing on IPP and SPP	14,000	10	13,784.35	50
Gulf Energy Company Limited (GEN) (GEC is the company's 100% shareholder) Office No.87, 8 th Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax. +66 (0) 2654 0156-7	Holding company focusing on IPP and SPP	9,782	10	9,782	50

Joint Ventures (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
Gulf IPP Company Limited (GIPP) (GEC is the company's 100% shareholder) Office No.87, 8 th Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax. +66 (0) 2654 0156-7	Holding company focusing on IPP	9,779	10	9,779	50
Gulf Power Generation Company Limited (GPG) (GEC is the company's 100% shareholder) Site office 64 Moo 2 Ban Pa, Kaeng Khoi, Saraburi 18110, Thailand Tel. +66 (0) 3626 2403-9 Fax. +66 (0) 3626 2402	Independent Power Producer (IPP) Electricity Generating and supply business	9,607	10	9,607	50
Gulf Cogeneration Company Limited (GCC) (GEC is the company's 100% shareholder) Site office 79 Moo 3, Tandeow, Kaeng Khoi, Saraburi 18110, Thailand Tel. +66 (0) 3624 6203-4 Fax. +66 (0) 3624 6531	Small Power Producer (SPP) Electricity and steam generating and supply business	850	10	850	50
Nong Khae Cogeneration Company Limited (NKCC) (GEC is the company's 100% shareholder) Site office 111/11 Moo 7 Nongplamor, Nong Khae, Saraburi 18140, Thailand Tel. +66 (0) 3637 3676 Fax. +66 (0) 3637 3691	Small Power Producer (SPP) Electricity and steam generating and supply business	1,241.72	74	1,241.72	50
Samutprakarn Cogeneration Company Limited (SCC) (GEC is the company's 100% shareholder) Site office 745 Moo 2 Bang Pu Mai, Amphur Muang, Samutprakarn 10280, Thailand Tel. +66 (0) 2709 0751 Fax. +66 (0) 2709 1842	Small Power Producer (SPP) Electricity and steam generating and supply business	981.54	76	981.54	50
Gulf Yala Green Company Limited (GYG) (GEC is the company's 100% shareholder) Site office 80 Moo 1, Pron, Amphur Muang, Yala 95160, Thailand Tel. +66 (0) 7325 2721 Fax. +66 (0) 7325 2722	SPP utilizing Biomass as primary fuel	460	10	460	50

Joint Ventures (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
BLCP Power Limited (BLCP) Office No. 9, I-8 Road, Map Ta Phut Industrial Estate, Amphur Map Ta Phut, Rayong 21150, Thailand Tel. +66 (0) 3892 5100, Fax. +66 (0) 3892 5199	IPP Electricity Generating and supply business	12,010	100	12,010	50
Nam Theun 2 Power Company Limited (NTPC) Office Unit 9, Tat Luang Road Nongbone Village, P.O. Box 5862 Vientiane, Lao PDR Tel. (856-21) 263 900 Fax. (856-21) 263 901	IPP Electricity Generating and supply business	16,084.08 ^{/1} 450,000,000 (USD)	3,574.24 ^{/1} 100 (USD)	13,349.79 ^{/1} 373,500,000 (USD)	35
G-Power Source Company Limited (GPS) Office 1046 Nakornchaisri Rd., Nakornchaisri, Dusit, Bangkok 10300 Thailand Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office - Branch 1 11/1, 111, 111/1 Moo 11 Tumbon Dong Khon, Sankhaburi, Chai Nat 17140 - Branch 2 11/1, 11/11 Moo 5 Tumbon Ta Khit, Banphot Phisai, Nakhon Sawan 60180 - Branch 3 11, 11/1 Moo 2 Tumbon Ta Sang, Banphot Phisai, Nakhon Sawan 60180 - Branch 4 311, 311/1 Moo 2 Tumbon Sap Samo Thot, Bueng Sam Phan, Phetchabun 67160	VSPP Electricity Generating and Supply Business using Solar Power	930	100	930	60
GIDEC Company Limited (GIDEC) Office 408/70 Paholyothin Place Tower 16 th Floor Paholyothin Road, Samsennai, Phyathai, Bangkok 10400, Thailand Site Office Sanambin Road, Moo 3 Kuanlung, Hat Yai, Song Khla 90110, Thailand	VSPP Electricity Generating and Supply Business using waste	400	100	400	50

Joint Ventures (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
Natural Energy Development Company Limited (NED) Office 188 Moo 3, Wang Ploeng, Khok Samrong, Lopburi 15120, Thailand Site Office 188 Moo 3, Wang Ploeng, Khok Samrong, Lopburi 15120, Thailand Tel. +66 (0) 3641 8400 Fax. +66 (0) 3641 8401	SPP Electricity Generating and Supply Business using Solar Power	2,304	10	2,283	66.67
PT Manambang Maura Enim (MME) (North Pole is the company's 40% indirect shareholder) Head Office Puri Matari 2, 1 st Floor JL.HR. Rasuna Said Kav. H1-2, South Jakarta 10210, Indonesia Site Office Lawang Kidul and Tanjung Enim, Muara Enim City, Sumatera Selatan (South Sumatra) Province, Indonesia	COAL MINING industry, covering coal mining, coal concession development, coal trading and shipping.	1,972.43 ^{/2} 750,000,000 (Thousand Rupiah)	2,629.90 ^{/2} 1,000 (Thousand Rupiah)	493.11 ^{/2} 187,500,000 (Thousand Rupiah)	40
Kalilayan Power Inc. (Kalilayan) (North Pole is the company's 49% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 62 H. Dela Costa Street, Barangay Daungan Mauban, Quezon Province, Philippines	Holding company investing in San Buenaventura Power Ltd	6.47 ^{/3} (9,000,000 PESO)		6.47 ^{/3} (9,000,000 PESO)	49
San Buenaventura Power Ltd (SBPL) (North Pole is the company's 49% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 62 H. Dela Costa Street, Barangay Daungan Mauban, Quezon Province, Philippines	Electricity Generating and supply business	429.30 ^{/3} (597,000,000 PESO)		429.30 ^{/3} (597,000,000 PESO)	49
Masin-AES Pte Ltd (Masin-AES) (North Pole is the company's 49% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Atrium Building, 8 th Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in Philippines	9,043.69 ^{/1} (253,024,063 USD)	35.7424 ^{/1} (1 USD)	9,043.69 ^{/1} (253,024,063 USD)	49

Joint Ventures (continued)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
Masinloc Power Partners Co., Ltd. (Philippines) (MPPCL) (North Pole is the company's 49% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 18 th Floor, Bench Tower, 30 th Street, Cor. Rizal Drive, Crescent Park, West 5, Bonifacio Global City, Taguig 1634, Metro Manila, Philippines	IPP Electricity Generating and supply business	9,829.16 ^{/1} (275,000,000 USD)	35.7424 ^{/1} (1 USD)	9,829.16 ^{/1} (275,000,000 USD)	49
Alpha Water & Realty Services Corp (Alpha Water) (North Pole is the company's 19.60% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 3 rd Floor, Glass Tower Building, 115 C. Palanca Street, Makati City 1229, Philippines	Water Supply, equipment supply, and coal offloading and delivery service for Masinloc coal-fired thermal power plant	125.12 ^{/3} (174,000,000 PESO)	0.7191 ^{/3} (1 PESO)	125.12 ^{/3} (174,000,000 PESO)	19.6
PT Tenaga Listrik Cilegon (TLC) Oversea office Wisma Barito Pacific Tower B, 5 th Floor, Jl. Let. Jend. S. Parman Kav. 62-63, Jakarta 11410, Indonesia	Development of Coal Power Plant in Indonesia	89.36 ^{/1} (2,500,000 USD)	357.42 ^{/1} (10 USD)	89.36 ^{/1} (2,500,000 USD)	49

Associate

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
Star Energy Geothermal Pte Ltd (SEG) (North Pole is the company's 20% indirect shareholder) Office 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910	Holding company focusing on investment in geothermal power plants in Indonesia	3,732.82 ^{/1} (104,436,650 USD)		3,732.82 ^{/1} (104,436,650 USD)	20

Other

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+ Indirect) (%)
Eastern Water Resources Development and Management Public Company Limited (East Water) Office 23-26/F Eastwater Building, 1Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900, Thailand Tel. +66 (0) 2272 1600 Fax. +66 (0) 2272 1601-3 Website www.eastwater.com	Water resources development and management for supplying raw water to the customers	1,663.73	1	1,663.73	18.72
Xayaburi Power Company Limited (XPCL) Office 215 Lanexang Avenue, Ban Siang Yuen Chantaburi District, Vientiane, Lao PDR Tel. (856-21) 223 215, (856-21) 252 060 Fax. (856-21) 215 500	Feasibility study on Hydroelectric project in Lao PDR	26,861	10	16,504.66	12.5

Note : The Exchange rate as at December 30, 2016

^{/1}	1 USD	=	Baht	35.7424
^{/2}	1,000 Rupiah	=	Baht	2.6299
^{/3}	1 PESO	=	Baht	0.7191
^{/4}	1 AUD	=	Baht	25.7773



Referenced Persons

<p>Regulator</p>	<p>Securities and Exchange Commission, Thailand 333/3 Viphavadi Rangsit Road, Chomphon, Chatuchak, Bangkok 10900, Thailand Tel: +66 (0) 2033 9999 Fax: +66 (0) 2033 9660 E-mail: info@sec.or.th Website: www.sec.or.th</p>
<p>Regulator</p>	<p>The Stock Exchange of Thailand 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel: +66 (0) 2009 9000 Fax: +66 (0) 2009 9991 SET Contact Center +66 (0) 2009 9999 E-mail: SETContactCenter@set.or.th Website: www.set.or.th</p>
<p>Share and Debenture registrar</p>	<p>Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand Tel: +66 (0) 2009 9000 Fax: +66 (0) 2009 9991 SET Contact Center +66 (0) 2009 9999 E-mail: SETContactCenter@set.or.th Website: http://www.set.or.th/tsd</p>
<p>Auditor</p>	<ol style="list-style-type: none"> 1. Mr. Somchai Jinnovart Certified Public Accountant (Thailand) No. 3271 2. Mr. Vichien Khingmontri Certified Public Accountant (Thailand) No. 3977 3. Ms. Amornrat Pearmpoonvatanasuk Certified Public Accountant (Thailand) No. 4599 <p>PricewaterhouseCoopers ABAS Limited 15th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand Tel: +66 (0) 2286 9999, +66 (0) 2344 1000 Fax: +66 (0) 2286 5050</p>



A GREAT YEAR
OF SUCCESS

Index of articles required for the 56-2 form

(This is prepared in accordance with the Notification of the Capital Market Supervisory Board no. Tor Jor 44/2556 re: Criteria and Conditions of Information Disclosure on financial status and operation performance of Listed Company)

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The investors can find further information of the Listed Company from the Company's Annual Registration Statement (form 56-1) which is posted on www.sec.or.th or www.egco.com

Performance Data

A GREAT YEAR
OF SUCCESS

Generation and Distribution of Economic Value to Stakeholders

In 2016, EGCO and power plants under EGCO Group except GIDEC and power plants in oversea generated and distributed economic value to stakeholders as described below.

Unit : Million Baht

Staff remuneration comprising salary, wages, bonus, company contribution to provident fund and expense on staff development	1,488
Dividend paid to shareholders	3,422
Interest and financial expense for money lenders	3,755
Tax paid to the government and local authorities	1,417
Payment for the Fund for Empowerment of Persons with Disabilities	11
Payment for the Power Development Fund	376
Expense on community and social contribution	135

EGCO and the power plants in EGCO Group have contributed to the economic development, both in the local communities surrounding the power plants and at the national level.

At the local level, EGCO and its power plants have stipulated the practice guidelines regarding procurement and employment of contractors and local communities. At present, over 90% of the contractors and outsourced operators of EGCO Group's power plants are local workers.

At the national level, EGCO's electricity-generating business influences the enhancement of quality of life of people in society and industry development. In other words, the availability of electricity thoroughly and sufficiently is conducive to economic development.

EGCO currently producing electricity to serve the country's demand with total contracted capacity of electricity sold to EGAT was 2,993 megawatts, representing 7.20% of the country's installed capacity.

Payment for the Power Development Fund in 2016

Power Plants	Amount of Payment (Million Baht)
Domestic	
KEGCO	56
GPG	26
BLCP	219
EGCO COGEN	7
Roi-Et Green	0.6
GCC	11
SCC	13
NKCC	16
GYG	1.6
NED	1.3
SPP 2	0.2
SPP 3	0.2
SPP 4	0.1
SPP 5	0.2
GPS	0.5
Theppana	0.1
Solarco	1.2
Overseas	
NTPC	Not Applicable
Quezon	23
MPPCL	Not Applicable
Boco Rock	Not Applicable
SEG	Not Applicable
Total payment for the power development fund from EGCO's power plants in Thailand	353
Total payment for the power development fund from EGCO's power plants in overseas	23
Total payment for power development fund from EGCO's power plants both domestic and overseas in 2016	376

Human Resource

	Unit	2016		
		Male	Female	Total
Total number of Employee	person	2,019	516	2,535
- Permanent Employee	person	1,499	348	1,847
- Outsource	person	162	41	203
- Staffs under O&M Agreement and/or Service Agreement	person	358	127	485
Gender Diversity (Permanent employee only)	person	1,497	350	1,847
- Executive ⁽¹⁾	person	37	9	46
- Middle Management ⁽²⁾	person	99	34	133
- First-Level Management ⁽³⁾	person	166	58	224
- Employee (Non-management level)	person	1,195	249	1,444
Turnover of Permanent Employee by Age Group	person	88	20	108
- Below 30 years old	person	17	3	20
- 30-50 years old	person	53	17	70
- Over 50 years old	person	18	0	18
Turnover rate	% of total employee	5.87%	5.75%	5.85%
New employees hired by Age Group	person	85	18	103
- Below 30 years old	person	44	12	56
- 30-50 years old	person	40	6	46
- Over 50 years old	person	1	0	1
Total new hire rate	% of total employee	5.67%	5.17%	5.58%
Parental Leave	person	46	26	72
- Employee taken parental leave	person	23	13	36
- Employee returned to work after parental leave	person	23	13	36
Total training hours by level group⁽⁴⁾	hour/year	72,628	11,012	83,641
- Executive	hour/year	1,520	419	1,939
- Middle Management	hour/year	5,081	1,525	6,606
- First-Level Management	hour/year	9,213	1,704	10,917
- Employee (Non-management level)	hour/year	56,815	7,364	64,179
Total training hours by type	hour/year	72,628	11,012	83,641
- Environment, Health and Safety ⁽⁵⁾	hour/year	24,829	2,077	26,906
- Others	hour/year	47,800	8,935	56,735
Average training hours by level group	hour/person/year	48.52	31.46	45.28
- Executive	hour/person/year	41.08	46.56	42.15
- Middle Management	hour/person/year	51.32	44.85	49.67
- First-Level Management	hour/person/year	55.50	29.38	48.74
- Employee (Non-management level)	hour/person/year	47.54	29.58	44.45
Average training hours by type	hour/person/year	48.45	31.64	45.28
- Environment, Health and Safety	hour/person/year	16.56	5.97	14.57
- Others	hour/person/year	31.89	25.68	30.72
Grievances about human resources				
- Number of grievance about human resource	case	0	0	0
- Number of grievance addressed	case	0	0	0
- Number of grievance resolved	case	0	0	0

Notes :

Data is based on EGCO's head office and EGCO's power plant which its operation more than 1 year. GIDEC is not include.

(1) Executives includes President, Senior Executive Vice President and Executive Vice President or the Band 6 upward

(2) Middle Management includes the senior vice president, division manager or the Band 5 upward

(3) First-Level Management includes the vice president or the Band 4 upward

(4) In-house training and public training

Safety Performance

Occupational Health and Safety	Unit	2016
Total Manhours worked of Year 2016	hour	13,445,434
- Employee	hour	3,608,404
- Contractor	hour	9,837,031
Safety Manhours of Year 2016	hour	13,436,317
- Employee	hour	3,606,652
- Contractor	hour	9,829,666
Accumulated Safety Hours of Year 2016	hour	36,935,822
- Employee	hour	10,296,247
- Contractor	hour	26,639,576
Fatality	case	2
- Employee	case	2 ⁽¹⁾
- Contractor	case	0
Total Number of Injuries	case	37
- Employee	case	14
- Contractor	case	23
Number of days away from work	day	12,219
- Employee	day	12,216
- Contractor	day	3
Injury Frequency Rate ; I.F.R.	case per million manhour	2.90
- Employee	case per million manhour	4.43
- Contractor	case per million manhour	2.34
Injury Severity Rate ; I.S.R.	day per million manhour	908.78
- Employee	day per million manhour	3,385.43
- Contractor	day per million manhour	0.30

Remark : Report data is not include GIDEC.

⁽¹⁾ There is one accident case causing the two employees' death at MPPCL, Philippines

Renewable								Oversea				
NED	SPP 2	SPP 3	SPP 4	SPP 5	GPS	Theppana	Solarco	NTPC	Quezon	MPPCL	Boco Rock	SEG
99.44	99.21	99.67	99.81	99.91	99.86	99.09	99.82	97.82	89.50	90.00	97.84	99.82
0.36	0.49	0.33	0.19	0.09	0.14	0.48	0.18	0.12	5.30	4.60	2.16	0.13
N/A	-	-	-	-	-	-	-	N/A	9,862	9,991	N/A	18,382
Solar	Solar	Solar	Solar	Solar	Solar	Wind	Solar	Hydropower	Coal	Coal	Wind	Geothermal
126,144	15,842	16,130	12,099	16,831	44,442	14,401	116,477	5,603,050	3,513,610	4,732,133	373,874	1,924,579
454,118	57,032	58,069	43,556	60,591	159,989	51,844	419,318	20,170,979	12,648,996	17,035,679	1,345,946	6,928,484
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	30,286,907	46,752,836	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	185,705	36,810	-	-
-	-	-	-	-	-	-	-	-	928	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	21,232,609	-	-	-	-
4,245,991	510,255	523,333	379,173	545,827	1,413,745	-	3,440,486	-	-	-	-	-
-	-	-	-	-	-	77,398	-	-	-	-	1,092,447	-
-	-	-	-	-	-	-	-	-	-	-	-	38,637,092
4,245,991	510,255	523,333	379,173	545,827	1,413,745	77,398	3,440,486	21,232,609	30,473,541	46,789,646	1,092,447	38,637,092
430	438	498	375	293	1,268	344	2,563	-	18	-	-	18
2,603	438	498	375	293	1,268	344	2,563	-	18	-	-	18
33,660	32,209	32,444	31,339	32,430	31,811	5,374	29,538	3,789	8,673	9,888	2,922	20,076
421	71	81	61	47	205	56	414	-	3,345,028	4,386,834	-	137,455
-	-	-	-	-	-	-	-	-	3,341,631	4,379,719	-	137,455
421	71	81	61	47	205	56	414	-	3,398	7,116	-	0.07
0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	-	0.95	0.93	-	0.07
70,060	8,799	8,959	6,720	9,348	24,683	7,998	64,691	2,864,839	-	-	207,650	395,663
46,709	8,799	8,959	6,720	9,348	14,810	7,199	31,699	1,002,694	-	-	207,650	79,133
-	-	-	-	-	-	-	-	-	226.58	<797.28	-	-
-	-	-	-	-	-	-	-	-	173.52	<573.06	-	-
-	-	-	-	-	-	-	-	-	-	<200	-	-
-	-	-	-	-	-	-	-	-	100	100	-	-
-	-	-	-	-	-	-	-	-	100	100	-	-
-	-	-	-	-	-	-	-	-	100	100	-	-

Environmental Performance (Continued)

Environmental Performance	Unit	IPP			SPPs					
		KEGCO	GPG	BLCP	EGCO Cogen	Roi-Et Green	GCC	SCC	NKCC	GYG
Water										
Total water consumption by Source	m ³	764,296,117	3,681,568	687,996	1,160,237	330,621	1,315,198	1,416,630	1,211,033	494,500
- Surface water (including water from rivers, lakes and oceans)	m ³	764,296,117	3,681,568	687,996	1,160,237	330,621	1,315,198	1,416,630	1,211,033	494,500
- Ground water	m ³	-	-	-	-	-	-	-	-	-
- Municipal water supplies or other water utilities	m ³	-	-	-	-	-	-	-	-	-
Recycled Water	m ³	17,200	8,005	264,007	32,467	18,350	-	-	-	21,000
Wastewaters released to environment	m ³	163,760	792,462	302,214	108,222	47,892	43,126	360,160	44,204	75,400
Biochemical Oxygen Demand (BOD)	mg/l	1.37	6.18	-	2.74	3.92	-	-	3.47	2.90
Chemical Oxygen Demand (COD)	mg/l	21.24	52.00	-	40.55	49.47	-	-	43.08	22.00
pH (0-14)	-	7.24	7.51	7.50	8.20	7.62	7.52	7.85	7.70	7.70
Average Temperature	Degree Celcius	36.50	31.90	34.23	38.00	31.00	34.00	30.36	32.40	28.60
Waste Disposal										
Total Hazardous Waste Disposal										
- Landfill	ton	53.68	5.67	63.16	0.10	1.52	7.33	-	2.65	4.53
- Recycle	ton	4.03	-	58.89	1.00	-	-	14.84	5.40	10.50
- Recovery	ton	-	6.60	79.00	-	-	-	-	-	-
- Other	ton	-	5.56	0.00	4.12	3.37	-	-	-	2.20
Total Non-hazardous Waste Disposal										
- Landfill	ton	5.00	30.11	821.22	20.54	4.33	172.70	26.68	5.50	1,053.20
- Recycle	ton	-	-	378.36	-	-	-	5.53	-	5.50
- Recovery	ton	-	-	616,011	-	-	-	-	-	-
- Other	ton	-	-	-	45.23	11,736	-	-	-	4,200
Oil and Chemical Spill										
- Significant oil and chemical spill	Case	-	-	-	-	-	-	-	-	-
Legal Compliance										
- Fines for non-compliance with environmental laws	million THB	-	-	-	-	-	-	-	-	-
- Number of non-compliance with environmental laws	Case	-	-	-	-	-	-	-	-	-
Biodiversity										
Total Number of IUCN Red List Species and National Conservation List Species	Species	-	-	-	-	-	-	-	-	-

Remark: Reported data is not include GIDEC.

1. Environmental data based on relevant requirement of each country where power plant located.
2. KEGCO combine with Unit 2-3 form Jan 1 - Jun 19 and Unit 4 from Jun 19 - Dec 31, 2016

Renewable								Oversea				
NED	SPP 2	SPP 3	SPP 4	SPP 5	GPS	Theppana	Solarco	NTPC	Quezon	MPPCL	Boco Rock	SEG
2,498	607	1,284	1,450	350	10,253	72	21,086	6,108,261,046	587,465,018	727,145,098	-	11,731
-	-	-	-	-	-	-	-	6,108,261,046	587,449,625	727,020,780	-	7,836
2,498	-	1,284	1,450	-	10,253	-	21,086	-	15,393	124,318	-	3,895
-	607	-	-	350	-	72	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,108,261,046	-	-	-	-
-	-	-	-	-	-	-	-	-	-	292,261	-	9,695
-	-	-	-	-	-	-	-	31.00	<9.00	1.00	-	13.63
-	-	-	-	-	-	-	-	80.00	<25.24	1.00	-	-
-	-	-	-	-	-	-	-	7.80	7.48	7.63	-	7.09
-	-	-	-	-	-	-	-	26.50	31.00	32.80	-	-
-	-	-	-	-	-	-	-	10.06	44.60	-	-	-
-	-	-	-	-	-	-	-	-	0.47	65.37	-	-
-	-	-	-	-	-	-	-	-	15.54	-	-	-
-	-	-	-	-	-	-	-	6.42	0.02	22.01	-	8.32
-	-	-	-	-	28.80	-	-	113.20	20,633	53,909	-	3,449
-	-	-	-	-	-	-	-	10.02	38,453	91,995	-	41,967
-	-	-	-	-	-	-	-	11.39	-	-	-	-
-	0.25	0.10	0.20	0.10	-	0.19	-	2.31	9.75	-	-	-
-	-	-	-	-	-	-	-	-	1	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	28	-	-	25



GRI Content Index and Mapping with SDGs

Materiality Assessment and Determination of Scope of Reporting

EGCO Group has selected material sustainability issues and determined scope of reporting by applying GRI (Global Reporting Initiative) reporting principles for defining report content as follows:

1. *Identification of sustainability issues* by considering negative and positive impacts from business operation on stakeholders, nature of business of EGCO Group, sustainability of electricity generation industry, expectations of stakeholders based on results of enquiries with them, feedback from stakeholders through various communication channels, and annual report of the previous year.
2. *Prioritization of materiality aspects by considering the importance to the stakeholders* from score of importance in the perspective of the stakeholders, covering such factors as level of materiality, degree of impact, diversity of affected stakeholders, expectation of correction by the organization, and expectation of information disclosure.
3. *Prioritization of materiality aspects by considering the importance to the organization* from score of importance based on possible level of severity from incurrence of risk to business, impact on the organization in the long run, and opportunity for the organization to get benefit in future.
4. *Presentation of sustainability issues with high score of importance in the annual report* under the item of operation for sustainability, and issues with lower score of importance on the Company's website as well as in media or through channels accessible directly to each group of stakeholders.
5. *Review of report content with relevant criteria* to ensure compliance with report quality principle.

Materiality Matrix in Sustainability Report

Importance to Stakeholders	High	<ul style="list-style-type: none"> • Participation in development of community and society • Protection and restoration of biodiversity • Climate Change 	<ul style="list-style-type: none"> • Operational Excellence • Good Corporate Governance • Accountability to products • Safety and Occupational Health • Environmental Management
	Low		<ul style="list-style-type: none"> • Human Resource Development • Value Chain Management
		Low	High
		Importance to Organization	

Report Preparation

This report presents EGCO's operating approach and its economic, social, and environmental performance considered material for the company and its stakeholders. Drawing business performance from January 1 to December 31, 2016, the report format follows the guidelines of Global Reporting Initiative version 4.0 (GRI G4) in accordance with Core option and GRI's Electric Utilities Sector, and mapping disclosed operations to the Sustainable Development Goals (SDGs). All information disclosed in this report is provided on companies in the electric utilities industry involving all subsidiaries and power plants with EGCO shareholding.

In 2016, EGCO remained committed to enhancing its reporting to follow the GRI guidelines. This report was made certain to cover all groups of stakeholders and sustainability context, to reflect the pivotal role of our vision, mission, and business strategy on corporate value creation. Data has been collected and processed by a central unit on a consistent and comprehensive basis and reviewed by data owner units, with endorsement given by Investment Committee, Audit Committee, and Corporate Governance & Social Responsibility Committee respectively. In this connection, EGCO has a policy in place to prepare our annual report in CD ROM to save costs and reduce cutting down trees for paper manufacture. We donate the cost saving portion to "Thai Rak Pa Foundation" in the name of "Shareholders of Electricity Generating Public Co., Ltd. (EGCO)." In 2016, EGCO donated 2,397,600 baht in total to support environmental conservation activities of Thai Rak Pa Foundation.

GRI Content Index for 'In accordance' - Core

General Standard Disclosures	Description	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Strategy and Analysis				
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	12-17		
Organizational Profile				
G4-3	Report the name of the organization	Cover page		
G4-4	Report the primary brands, products, and services	105-112		
G4-5	Report the location of the organization's headquarters	330, Back cover		
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	107-112		
G4-7	Report the nature of ownership and legal form	28-29		
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	105-112		
G4-9	Report the scale of the organization	102-103,346		
G4-10	Report the total number of employees/workforce	346		Goal 8: Decent work and economic growth - Employment
G4-11	Report the percentage of total employees covered by collective bargaining agreements	288-289, 346		Goal 8: Decent work and economic growth - Freedom of association and collective bargaining
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	105-112		
EU2	Net energy output broken down by primary energy source and by regulatory regime	105-112		
EU3	Number of residential, industrial, institutional and commercial customer accounts	105-112		
EU4	Length of above and underground transmission and distribution lines by regulatory regime	N/A	Transmission of electricity is beyond EGCO's operation	
EU5	Allocation of CO2 emissions allowances or equivalent, broken down by carbon trading framework	317-320, 348-349		
G4-12	Describe the organization's supply chain	298-299		

General Standard Disclosures	Description	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	106, 127-128		
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	250-275		
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	18, 24, 250, 252		
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: <ul style="list-style-type: none"> • Holds a position on the governance body • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic 	18, 24, 250, 252		
Identified Material Aspects and Boundaries				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	152-249		
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	35-37, 352-353		
G4-19	List all the material Aspects identified in the process for defining report content	352-353		
G4-20	For each material Aspect, report the Aspect Boundary within the organization	352-353		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	352-353		
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	352-353		
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	352-353		
Stakeholder Engagement				
G4-24	Provide a list of stakeholder groups engaged by the organization	40		
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	40		
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	40-53		

General Standard Disclosures	Description	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
G4-27	Report the key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	43-53		
Report Profile				
G4-28	Reporting period (such as fiscal or calendar year) for information provided	Cover page, 353		
G4-29	Date of most recent previous report (if any)	-	2015 Report	
G4-30	Reporting cycle (such as annual, biennial)	Cover page		
G4-31	Provide the contact point for questions regarding the report or its contents	262		
G4-32	<ul style="list-style-type: none"> a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines 	353-368		
G4-33	<ul style="list-style-type: none"> a. Report the organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report 	N/A	This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines	
Governance				
G4-34	Report the governance structure of the organization, including committees of the highest governance body	54-55		
Ethics and Integrity				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	250-275		Goal 16: Peace, Justice and Strong Institutions - Ethical and lawful behavior

Specific Standard Disclosures

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Category : Economic Performance					
Economic Performance	G4-DMA	Generic Disclosures on Management Approach	12-17		
	G4-EC1	Direct economic value generated and distributed	124-142, 152-248		Goal 2: Zero Hunger / Goal 5 : Gender Equality / Goal 7: Affordable and Clean Energy / Goal 9: Industry, Innovation and Infrastructure - Infrastructure investments Goal 8: Decent Work and Economic Growth - Economic performance
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	124-125, 317-319		Goal 13: Climate Action - Risks and opportunities due to climate action
	G4-EC3	Coverage of the organization's defined benefit plan obligations	71-72, 257, 289		
	G4-EC4	Financial assistance received from government	107-112		
Market Presence	G4-DMA	Generic Disclosures on Management Approach	118-123		
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	288-289	Entry level wage of EGCO is higher than local minimum wage at significant locations of operation with an equal opportunity to employees regardless of gender	Goal 1: No Poverty / Goal 8: Decent Work and Economic Growth - Earnings, wages and benefits Goal 5: Gender Equality - Equal remuneration for women and men
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	346		
Indirect Economic Impacts	G4-DMA	Generic Disclosures on Management Approach	299-301, 344		
	G4-EC7	Development and impact of infrastructure investments and services supported	299-315, 344-345		Goal 2: Zero Hunger / Goal 5: Gender Equality / Goal 7: Affordable and Clean Energy / Goal 9: Industry, Innovation and Infrastructure / Goal 11: Sustainable Cities and Communities - Infrastructure investments
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	299-315, 344-345		Goal 1: No Poverty - Availability of products and services for those on low incomes - Economic development in areas of high poverty Goal 2: Zero Hunger - Changing the productivity of organizations, sectors, or the whole economy Goal 8: Decent Work and Economic Growth - Changing the productivity of organizations, sectors, or the whole economy - Indirect impact on job creation - Jobs supported in the supply chain Goal 17: Partnerships for the Goals - Foreign direct investment

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Procurement Practices	G4-DMA	Generic Disclosures on Management Approach	298-299		Goal 1: No Poverty / Goal 8: Decent Work and Economic Growth - Economic inclusion
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	298-299, 344		Goal 12: Responsible Consumption and Production - Procurement practices
System	EU 11	Average generation efficiency of thermal plants by energy source and regulatory regime	348-349		Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action - Energy Efficiency
Category : Environment					
Materials	G4-DMA	Generic Disclosures on Management Approach	16-17		
	G4-EN1	Materials used by weight or volume	348-349		Goal 8: Decent Work and Economic Growth - Materials efficiency
	G4-EN2	Percentage of materials used that are recycled input materials	320-321, 350-351		Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production - Materials efficiency / recycling
Energy	G4-DMA	Generic Disclosures on Management Approach	317-323		
	G4-EN3	Energy consumption within the organization	319		Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action - Energy Efficiency
	G4-EN4	Energy consumption outside of the organization	348-349		Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action - Energy Efficiency
	G4-EN5	Energy intensity	348-349		Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action - Energy Efficiency
	G4-EN6	Reduction of energy consumption	318-319		Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action - Energy Efficiency
	G4-EN7	Reductions in energy requirements of products and services	318-319, 348-349		Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action - Energy Efficiency

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Water	G4-DMA	Generic Disclosures on Management Approach	320-322		
	G4-EN8	Total water withdrawal by source	350-351		Goal 6: Clean Water and Sanitation - Sustainable water withdrawals
	G4-EN9	Water sources significantly affected by withdrawal of water	350-351		Goal 6: Clean Water and Sanitation - Sustainable water withdrawals
	G4-EN10	Percentage and total volume of water recycled and reused	350-351		Goal 6: Clean Water and Sanitation / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production - Water recycling and reuse - Water efficiency
Biodiversity	G4-DMA	Generic Disclosures on Management Approach	323-329		
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	324-329		Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Marine biodiversity - Mountain ecosystems - Natural habitat degradation - Terrestrial and inland freshwater ecosystems
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	323-329		Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Marine biodiversity - Mountain ecosystems - Natural habitat degradation - Terrestrial and inland freshwater ecosystems
	G4-EN13	Habitats protected or restored	324-329		Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Marine biodiversity - Mountain ecosystems - Natural habitat degradation - Terrestrial and inland freshwater ecosystems
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	324-329		Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Marine biodiversity - Mountain ecosystems - Natural habitat degradation - Terrestrial and inland freshwater ecosystems
	EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	324-329		Goal 15: Life on Land - Mountain ecosystems

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Emissions	G4-DMA	Generic Disclosures on Management Approach	317-323		
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	348-349		Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production - Air quality Goal 13: Climate Action - GHG emissions Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	348-349		Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production - Air quality Goal 13: Climate Action - GHG emissions Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	N/A	Insignificant compared to GHG emissions from power generation process	Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production - Air quality Goal 13: Climate Action - GHG emissions Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
	G4-EN18	Greenhouse gas (GHG) emissions intensity	348-349		Goal 13: Climate Action - GHG emissions Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	317-319, 348-349		Goal 13: Climate Action - GHG emissions Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
	G4-EN20	Emissions of ozone-depleting substances (ODS)	-	No emission of ozone-depleting substances	Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production - Air quality
	G4-EN21	NO _x , SO _x , and other significant air emissions	320, 348-349		Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production - Air quality Goal 13: Climate Action - GHG emissions Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Effluents and Waste	G4-DMA	Generic Disclosures on Management Approach	320-322		
	G4-EN22	Total water discharge by quality and destination	350-351		Goal 3: Good Health and Well-being / Goal 6: Clean Water and Sanitation / Goal 12: Responsible Consumption and Production / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Water quality - Spills - Water discharge to oceans
	G4-EN23	Total weight of waste by type and disposal method	322, 350-351		Goal 3: Good Health and Well-being / Goal 6: Clean Water and Sanitation / Goal 12: Responsible Consumption and Production - Waste
	G4-EN24	Total number and volume of significant spills	350-351		Goal 3: Good Health / Goal 6: Clean Water and Sanitation / Goal 12: Responsible Consumption and Production / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Spills
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	350-351		Goal 3: Good Health and Well-being / Goal 12: Responsible Consumption and Production - Waste
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	320-322, 350-351		Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land - Water - related ecosystems and biodiversity - Marine biodiversity - Natural habitat degradation - Terrestrial and inland freshwater ecosystems
Products and Services	G4-DMA	Generic Disclosures on Management Approach	317-323		
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	317-323		Goal 6: Clean Water and Sanitation - Sustainable water withdrawals Goal 12: Responsible Consumption and Production - Waste Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	N/A	Not applicable to power generation	

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Compliance	G4-DMA	Generic Disclosures on Management Approach	258		
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	350-351	No incidents of non-compliance with environmental laws and regulations	Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations
Transport	G4-DMA	Generic Disclosures on Management Approach	-	None	
	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	N/A	Insignificant compared to the environment impacts from power generating process	
Overall	G4-DMA	Generic Disclosures on Management Approach	344		
	G4-EN31	Total environmental protection expenditures and investments by type	344-345		
Supplier Environmental Assessment	G4-DMA	Generic Disclosures on Management Approach	298-299		
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	299		
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	298-299		
Environmental Grievance Mechanisms	G4-DMA	Generic Disclosures on Management Approach	348-351		
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	348-351	No grievances about environmental impacts	Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
Category : Social : Labor Practices and Decent Work					
Employment	G4-DMA	Generic Disclosures on Management Approach	288		
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	346		Goal 5: Gender Equality - Gender equality Goal 8: Decent Work and Economic Growth - Employment
	EU15	Percentage of employees eligible to retire in the next 5 and 10 years broken down by job category and by region	346		
	EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	346		
	EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	292, 294-297		
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	71-72, 289		Goal 8: Decent Work and Economic Growth - Earnings, wages and benefits
	G4-LA3	Return to work and retention rates after parental leave, by gender	346		Goal 5: Gender Equality / Goal 8: Decent Work and Economic Growth - Parental leave

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Labor/ Management Relations	G4-DMA	Generic Disclosures on Management Approach	48-49, 288		
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	288-289		Goal 8: Decent Work and Economic Growth - Labor/management relations
Occupational Health and Safety	G4-DMA	Generic Disclosures on Management Approach	294-297		
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	296, 346-347	The ratio of management and employees on the health and safety committee is at 50/50 for EGCO. The ratio differs in each power plant but they are all in accordance with Thailand's laws.	Goal 8: Decent Work and Economic Growth - Occupational health and safety
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	347		Goal 3: Good health and Well-being / Goal 8: Decent Work and Economic Growth - Occupational health and safety
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	347		Goal 3: Good health and Well-being / Goal 8: Decent Work and Economic Growth - Occupational health and safety
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	294-297		Goal 8: Decent Work and Economic Growth - Occupational health and safety
Training and Education	G4-DMA	Generic Disclosures on Management Approach	289		
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	346		Goal 4: Quality Education / Goal 8: Decent Work and Economic Growth - Employee training and education Goal 5: Gender Equality - Gender equality
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	289-294		Goal 8: Decent Work and Economic Growth - Employee training and education
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	346		Goal 5: Gender Equality - Gender equality Goal 8: Decent Work and Economic Growth - Employee training and education
Diversity and Equal Opportunity	G4-DMA	Generic Disclosures on Management Approach	288-289		
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	346		Goal 5: Gender Equality - Gender equality Goal 8: Decent Work and Economic Growth - Diversity and equal opportunity
Equal Remuneration for Women and Men	G4-DMA	Generic Disclosures on Management Approach	48, 288-289		
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	346		Goal 5: Gender Equality / Goal 8: Decent Work and Economic Growth - Equal remuneration for women and men

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Supplier Assessment for Labor Practices	G4-DMA	Generic Disclosures on Management Approach	298-299		
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	298-299		Goal 5: Gender Equality / Goal 16: Peace, Justice and Strong Institutions - Workplace violence and harassment Goal 8: Decent Work and Economic Growth - Labor practices in the supply chain
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	298-299		Goal 5: Gender Equality / Goal 16: Peace, Justice and Strong Institutions - Workplace violence and harassment Goal 8: Decent Work and Economic Growth - Labor practices in the supply chain
Labor Practices Grievance Mechanisms	G4-DMA	Generic Disclosures on Management Approach	288		
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	346	No grievances	Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
Category : Social : Human Rights					
Investment	G4-DMA	Generic Disclosures on Management Approach	33-35		
	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	N/A	All significant contractors are fully complied with the local labor laws	
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	N/A		
Non-discrimination	G4-DMA	Generic Disclosures on Management Approach	33-35, 288-289		
	G4-HR3	Total number of incidents of discrimination and corrective actions taken	-	No incidents of discrimination	Goal 5: Gender Equality / Goal 8: Decent Work and Economic Growth / Goal 16: Peace, Justice and Strong Institutions - Non-discrimination
Freedom of Association and Collective Bargaining	G4-DMA	Generic Disclosures on Management Approach	33-35, 288-289		
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	-	No risk or incidents of violation to human rights to exercise freedom of association for negotiation	Goal 8: Decent Work and Economic Growth - Freedom of association and collective bargaining
Child Labor	G4-DMA	Generic Disclosures on Management Approach	33-35, 288-289		
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	-	No risk or incidents of child labor	Goal 8: Decent Work and Economic Growth / Goal 16: Peace, Justice and Strong Institutions - Abolition of child labor

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Forced or Compulsory Labor	G4-DMA	Generic Disclosures on Management Approach	33-35, 288-289		
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	-	No risk or incidents of forced or compulsory labor	Goal 8: Decent Work and Economic Growth / Goal 16: Peace, Justice and Strong Institutions - Elimination of forced or compulsory labor
Security Practices	G4-DMA	Generic Disclosures on Management Approach	33-35		
	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	N/A		
Indigenous Rights	G4-DMA	Generic Disclosures on Management Approach	33-35, 48-49		
	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	48-49	No incidents of violations rights of indigenous people	Goal 2: Zero Hunger - Indigenous rights
Assessment	G4-DMA	Generic Disclosures on Management Approach	33-35		
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	48-49		
Supplier Human Rights Assessment	G4-DMA	Generic Disclosures on Management Approach	33-35, 298-299		
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	298-299		
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	N/A		
Human Rights Grievance Mechanisms	G4-DMA	Generic Disclosures on Management Approach	288-289		
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	346	No grievances related to human rights filed	Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
Category : Social : Society					
Local Communities	G4-DMA	Generic Disclosures on Management Approach	40, 42, 45, 49-53, 299-301		
	EU22	Number of people physically or economically displaced and compensation, broken down by type of project	-	No impacts that result in displacement of community	
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	40, 42, 45, 51, 299-315, 346-351		
	G4-SO2	Operations with significant actual and potential negative impacts on local communities	299-315, 346-351		Goal 1: No Poverty /Goal 2: Zero Hunger - Access to land

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Anti-corruption	G4-DMA	Generic Disclosures on Management Approach	259-261		
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	259-261		Goal 16: Peace, Justice and Strong Institutions - Anti-corruption
	G4-SO4	Communication and training on anti-corruption policies and procedures	259-261		Goal 16: Peace, Justice and Strong Institutions - Anti-corruption
	G4-SO5	Confirmed incidents of corruption and actions taken	259-261		Goal 16: Peace, Justice and Strong Institutions - Anti-corruption
Public policy	G4-DMA	Generic Disclosures on Management Approach	259-261		
	G4-SO6	Total value of political contributions by country and recipient/beneficiary	259-261		Goal 16: Peace, Justice and Strong Institutions - Anti-corruption
Anti-competitive Behavior	G4-DMA	Generic Disclosures on Management Approach	-	None	
	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	-	The type of business is not related to monopoly practices	Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations
Compliance	G4-DMA	Generic Disclosures on Management Approach	250-275		
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	261-262	No incidents of non-compliance with laws	Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations
Supplier Assessment for Impacts on Society	G4-DMA	Generic Disclosures on Management Approach	298-299		
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	298-299		
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	298-299		
Grievance Mechanisms for Impacts on Society	G4-DMA	Generic Disclosures on Management Approach	289		
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	346		Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
Disaster/ Emergency Planning and Response	G4-DMA	Generic Disclosures on Management Approach	294-297		
	EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/ restoration plans	294-297		Goal 1: No Poverty / Goal 11: Sustainable Cities and Communities - Disaster/emergency planning and response

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Category : Social : Product Responsibility					
Customer Health and Safety	G4-DMA	Generic Disclosures on Management Approach	50		
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	-	None	
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	-	No incidents of non-compliance with regulations as regards the safety of power generation	Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations
	EU25	Number of injuries and fatalities to the public involving company assets, including legal judgments, settlements and pending legal cases of diseases	-	No incidents leading to injuries among the public and local communities	
	EU26	Percentage of population unserved in licensed distribution or service areas	N/A	Distribution of electricity is not beyond EGCO's operation	
	EU27	Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	N/A	Distribution of electricity is not beyond EGCO's operation	
	EU28	Power outage frequency	N/A	Distribution of electricity is not beyond EGCO's operation	
	EU29	Average power outage duration	N/A	Distribution of electricity is not beyond EGCO's operation	
	EU30	Average plant availability factor by energy source and by regulatory regime	348-349		Goal 1: No Poverty / Goal 7: Affordable and Clean Energy - Electricity access
	Product and Service Labeling	G4-DMA	Generic Disclosures on Management Approach	50	
G4-PR3		Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	294-296		
G4-PR4		Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-	None	
G4-PR5		Results of surveys measuring customer satisfaction	50		

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Marketing Communications	G4-DMA	Generic Disclosures on Management Approach	43, 45, 53		
	G4-PR6	Sale of banned or disputed products	-	None	
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-	No incidents of non-compliance with regulations as regards provision of information on power generation	Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations
Customer Privacy	G4-DMA	Generic Disclosures on Management Approach	50, 257		
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	-	None	Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations
Compliance	G4-DMA	Generic Disclosures on Management Approach	50, 257		
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	50, 257		Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations

Glossary

A GREAT YEAR
OF SUCCESS

1. Companies	
AE	Agro Energy Company Limited
Alpha Water	Alpha Water and Realty Service Limited
Banpong	Banpong Utilities Company Limited
BLCP	BLCP Power Limited
Boco Rock, BRWF	Boco Rock Wind Farm Pty Limited
New Growth	New Growth B.V.
Chaiyaphum	Chaiyaphum Wind Farm Company Limited
Coop	New Growth Cooperatief U.A.
DEGCOM	Dawei Electricity Generating Company Management Pte., Ltd.
DGA	Diamond Generating Asia
DGA HK	Diamond Generating Asia Limited
DGA Thailand	DGA Thailand B.V.
East Water	Eastern Water Resources Development and Management Public Company Limited
EGCO, Company	Electricity Generating Public Company Limited
EGCO BVI	EGCO International (B.V.I.) Limited
EGCO Cogen	EGCO Cogeneration Company Limited
EGCO Green	EGCO Green Energy Company Limited
EGCOM Tara	EGCOM Tara Company Limited
ESCO	EGCO Engineering and Service Company Limited
Evergreen	Evergreen Power Venture B.V.
GCC	Gulf Cogeneration Company Limited
GEC	Gulf Electric Public Company Limited
GEN	Gulf Energy Company Limited
Gen Plus	Gen Plus B.V.
GIDEC	GIDEC Company Limited

GI PP	Gulf IPP Company Limited
GPG	Gulf Power Generation Company Limited
GPS	G-Power Source Company Limited
Group companies, EGCO Group	Electricity Generating Public Company Limited and its subsidiaries and joint venture companies.
Gunkul	Gunkul Engineering Public Company Limited
GYG	Gulf Yala Green Company Limited
Kalilayan	Kalilayan Power Holdings Inc.
KEGCO	Khanom Electricity Generating Company Limited
Klongluang	Klongluang Utilities Company Limited
Mauban	Mauban Holdings Company Inc.
MAPCL	Masinloc AES Power Company Limited
Masin-AES	Masin-AES Pte. Ltd.
Millennium	Millennium Energy B.V.
MME	PT Manambang Muara Enim Company Limited
MPPCL	Masinloc Power Partners Company Limited
NED	Natural Energy Development Company Limited
NED Wind	NED Wind Company Limited
NKCC	Nong Khae Cogeneration Company Limited
North Pole	North Pole Investment Company Limited
NTPC	Nam Theun 2 Power Company Limited
PEPOI	Pearl Energy Philippines Operating, Inc.
PP	Phoenix Power B.V.
QMS	Quezon Management Service Inc.
QPI	Quezon Power, Inc.
Quezon, QPL	Quezon Power (Philippines) Limited Company
Roi-Et Green	Roi-Et Green Company Limited
RYPP	Rayong Power Plant
SBPL	San Buenaventura Power Limited Company
SCC	Samutprakarn Cogeneration Company Limited
Solarco	Solarco Company Limited

SPP 2	SPP Two Company Limited
SPP 3	SPP Three Company Limited
SPP 4	SPP Four Company Limited
SPP 5	SPP Five Company Limited
SPPP	South Pacific Power Pty Limited
SEG	Star Energy Geothermal Pte. Ltd.
TEPCO	Tokyo Electric Power Company
TEPCO International	Tokyo Electric Power Company International B.V.
TEPDIA	TEPDIA Generating B.V.
Theppana	Theppana Wind Farm Company Limited
TLC	PT Tenaga Listrik Cilegon
XPCL	Xayaburi Power Company Limited
Yanhee EGCO	Yanhee EGCO Holding Company Limited

2. Government Organizations

EGAT	Electricity Generating Authority of Thailand
EPPO	Energy Policy and Planning Office
ERC	Energy Regulatory Commission
NEPC	National Energy Policy Commission
PEA	Provincial Electricity Authority
PWA	Provincial Waterworks Authority
SEC	Securities and Exchange Commission
SET	Stock Exchange of Thailand

3. Other Institutions

COSO	Committee of Sponsoring Organizations of the Treadway Commission
IOD	Thai Institute of Directors
JBIC	Japan Bank for International Corporation

4. Technical Terms	
Associated Company	A company that: An entity that Listed company or its subsidiary has significant influence but not controlling power. Normally, Listed company or its subsidiary hold 20.00% (twenty percent) of more than but not more than 50.00% (fifty percent) of its overall voting stock.
Controlling Person	A shareholder or person who, through its behavior, can significantly influence the policy, management and operations of a listed company. This is irrespective of the source of its authority: through its rights, contracts, or any others. Specially a “controlling person” includes, but it is not limited to, one who: A) Has direct or indirect voting rights exceeding 25.00% (twenty-five percent) of the total company votes. B) Through its behavior, has control over the appointment or removal of company directors. C) Through its behavior, has de facto control or undue influence over policy, controlling those company members authorized to determine management and operational policies. D) Through its behavior, acts or has the power to act in the same manner as the company management. This includes those who hold other positions in the company, but are able to act in the same manner as the company management.
IPP	Independent Power Producer
Joint ventures	An entity that Listed company or its subsidiary has contractually agreed sharing of control over an economic activity. The strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.
Major Shareholder	A shareholder, whose shares in a listed company exceeds 10.00% (ten percent) of the listed company’s overall voting shares.
PDP	Power Development Plan
SPP	Small Power Producer
Subsidiary Company	An entity that is controlled by Listed company or its subsidiary
VSPP	Very Small Power Producer

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