

# 25 YEARS ..... PATH OF SUCCESS

Annual Report 2017

Electricity Generating  
Public Company Limited



**2 5**  
YEARS  
PATH OF  
SUCCESS

# CONTENTS

<b>12</b> Message from the Chairman	<b>15</b> Message from the President CEO's review	<b>18</b> 2017 Highlights	<b>27</b> Shareholder Structure	<b>30</b> Sustainable Business Operations	<b>52</b> EGCO's Organization Structure
<b>54</b> Management Structure	<b>75</b> Board of Directors and Management	<b>104</b> The Positions of EGCO's Management	<b>106</b> EGCO's Group Structure and Shareholders	<b>108</b> Business Characteristics	<b>119</b> Risk Factors
<b>126</b> Power Industry and Competition	<b>133</b> Revenue Structure	<b>135</b> Management Discussion and Analysis	<b>160</b> Related Transaction	<b>169</b> Statement of Directors' Responsibilities	<b>170</b> Financial Overview
<b>172</b> Independent Auditor's Report	<b>179</b> Report and Consolidated Financial Statements	<b>261</b> Audit Fee for the year 2017	<b>262</b> Corporate Governance	<b>293</b> Audit Committee's Report	<b>296</b> Investment Committee's Report
<b>297</b> Nomination and Remuneration Committee's Report	<b>299</b> Corporate Governance and Social Responsibility Committee's Report	<b>301</b> Internal Control and Risk Management	<b>304</b> Employees Caring	<b>317</b> Responsibility towards the Community and Society	<b>336</b> Responsibility towards the Environment
<b>348</b> General Information	<b>360</b> Reference Persons	<b>361</b> Index of articles required for the 56-2 form	<b>362</b> Performance Data	<b>370</b> GRI Content Index and Mapping with SDGs	<b>388</b> Glossary

# Financial Success

## Continuous Revenue Growth

2017

**9,268**

million

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2016	9,157
2015	7,920
2014	7,705
2013	7,375
2012	6,060

## Continuous Increase in Assets

2017

**200,332**

million

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

# Investment Success

Share Transfer Completion of

# 20.07%

stake in “Salak” and “Darajat”  
geothermal power plants  
in Indonesia.



New Investment in  
**Nam Theun 1**  
**Hydropower Project**

in Lao PDR.



Klongluang,  
Pathumthani Province



Commercial operation  
on July 20, 2017

Banpong,  
Ratchaburi Province



Commercial operation  
on October 1, 2017

## Success and Progress of Projects Under Construction

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Xayaburi  
Completed Construction ●

**88.12%**

Scheduled commercial  
operation in the 4<sup>th</sup> quarter  
of 2019

Nam Theun 1  
Completed Construction ●

**25%**

Scheduled commercial  
operation in the 2<sup>nd</sup> quarter  
of 2022



Masinloc Unit 3  
Completed Construction ●

**75.48%**

Scheduled commercial  
operation in the 2<sup>nd</sup> quarter  
of 2019

San Buenaventura  
Completed Construction ●

**75.81%**

Scheduled commercial  
operation in the 4<sup>th</sup> quarter  
of 2019

# Commitment to Community and Society's Quality of Life Development



Support of  
local employment

Learning promotion  
among the youth  
and communities

Development  
of skills beneficial  
to occupation

Promotion  
of sanitation

Improvement  
of public utilities

Conservation  
of natural resources  
and environment

## Significant Initiatives to Celebrate EGCO Group's 25<sup>th</sup> Anniversary



### “Youth Development” Project

Take part in developing capabilities among the youth surrounding EGCO Group's power plants through a variety of activities covering 3 major areas, including:

- Promotion of sanitation of youth
- Promotion of learning and development of energy and environmental skills
- Awareness raising on energy and environmental conservation



### “Khanom Power Plant Learning Center”

Develop decommissioned Khanom Power Plant Unit 1, which is Thailand's only one power plant that was specifically built on a large vessel assembled in Japan, into a learning center on energy and environment for the youth and the interested visitors. Such learning center is expected to open in 2018.



### Conservation of “Watershed Forests” Project

The Thai Conservation of Forest Foundation signed a memorandum of understanding (MOU) with the Department of National Parks, Wildlife and Plant Conservation to carry out the project to preserve watershed forests during 2017-2021 in protected forest areas of Chiangmai, Nakhon Si Thammarat and Chaiyaphum provinces.

Focus on  
Good Corporate Governance

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Significant Awards in 2017

**THAILAND  
SUSTAINABILITY  
INVESTMENT  
(THSI)** or “sustainable stock” for 3rd consecutive year  
from the Stock Exchange of Thailand

Corporate Governance Report of Thai Listed Companies (CGR)  
at the 'Excellent' recognition level with the score of

**96** percent level  
from the survey conducted  
by the Thai Institute of Directors (IOD)

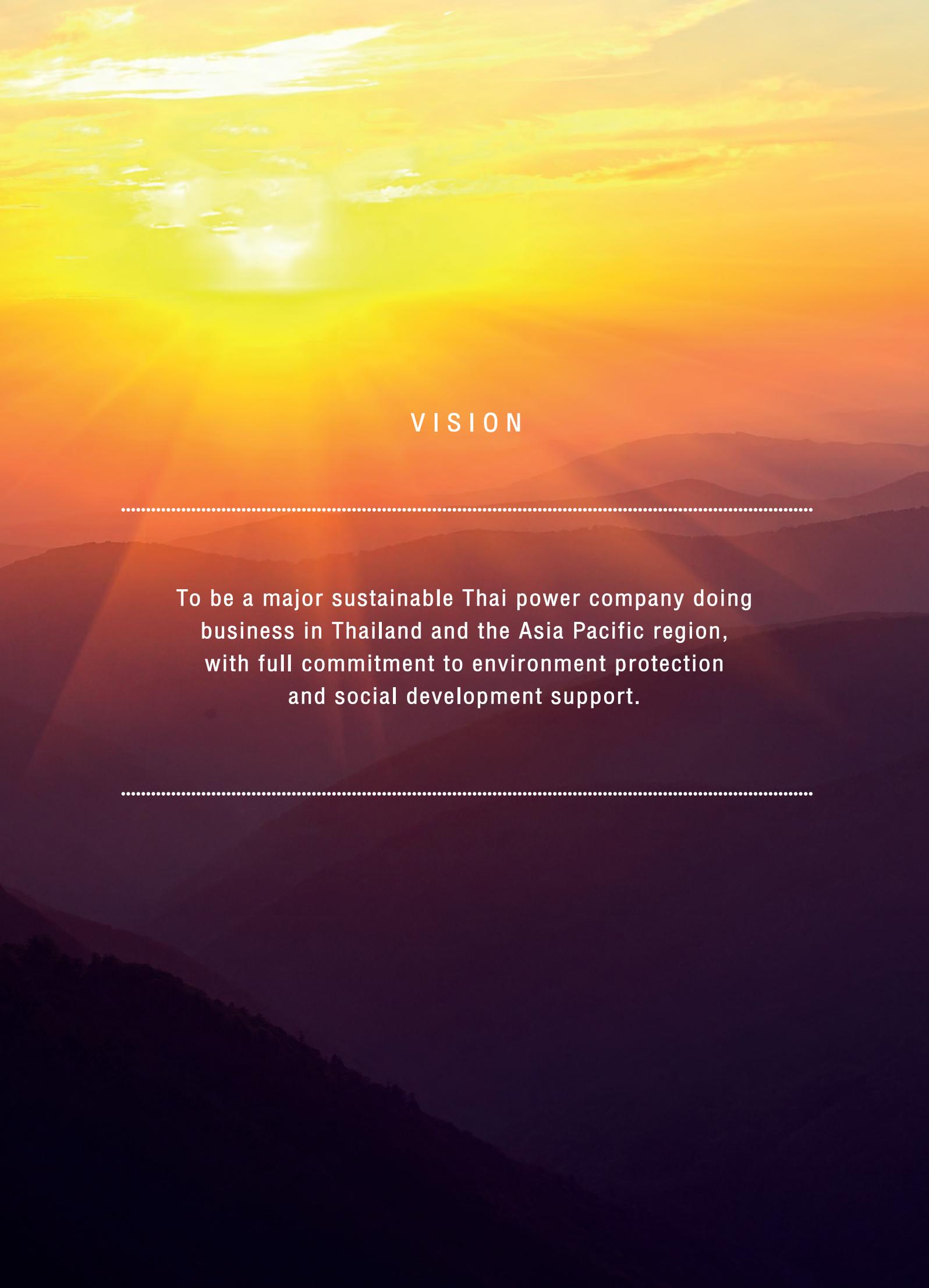
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...2017 is considered a remarkable year as it celebrates EGCO's 25th anniversary. We started off as Thailand's first independent power producer and, with strong commitment and determination, have grown steadily ever since. Presently, EGCO is accepted as a renowned power producer in Thailand with great potential to be a top player in Asia Pacific region....



Mr. Sombat Sarntijaree  
Chairman of the Board of Directors



## VISION

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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.

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# MISSION

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To secure continuous growth in order to maximize shareholder's value.

To offer reliable power supply.

To be a good corporate citizen and be considerate to society and environment.

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A man in a dark suit and orange tie is smiling and sitting on a chair. He is leaning his right arm on a dark wooden railing. The background is a blurred office setting with a potted plant and a window.

“... Today EGCO is ready for its ultimate investments, targeting in foreign markets where the demand for electric power is on a continuously rising trend. Besides its firm business foundation, competent personnel, financial strength and reliability...”

## Message from the Chairman

2017 is considered a remarkable year as it celebrates EGCO's 25<sup>th</sup> anniversary. We started off as Thailand's first independent power producer and, with strong commitment and determination, have grown steadily ever since. Presently, EGCO is accepted as a renowned power producer in Thailand with great potential to be a top player in Asia Pacific region. At present, EGCO has its business in five countries, namely Thailand, Lao PDR, Philippines, Indonesia and Australia, and it operates power plants of various sizes and fuel sources.

Today EGCO is ready for its ultimate investments, targeting in foreign markets where the demand for electric power is on a continuously rising trend. Besides its firm business foundation, competent personnel, financial strength and reliability, EGCO recognizes that sustainable growth must be based upon knowledge and continuous development. Accordingly, the Company actively encourages both commercial and social innovations to create distinctiveness and competitive advantage for the business as well as to benefit society and the environment alongside. This is to ensure that the Company will grow with stability and efficiency, thus yielding steady annual return for the shareholders, higher revenues, and long-term expansion opportunities amidst the increasing competition in the power industry, the social and environmental changes, and the new challenges.

Over the past year, EGCO continued to grow steadily. The Company surpassed its performance targets and managed to start commercially operating **"Klongluang" power plant in Pathumthani Province and "Banpong" power plant in Ratchaburi Province** as scheduled. Furthermore, the co-investment with Star Energy Group Holdings Pte. Ltd. and AC Energy Holdings, Inc. was completed successfully that EGCO now owns 20.07% shares in **"Salak" and "Darajat" geothermal power plants** in Indonesia.

As an independent power producer, EGCO is fully aware of its role in supporting power system security while taking part in creating community and social sustainability as well as helping to conserve the environment in a sustainable manner. On the occasion of its 25<sup>th</sup> anniversary, EGCO initiated the **Khanom Power Plant Learning Center project**, to turn its decommissioned Khanom Unit 1 Power Plant into a learning center on energy and the environment for youths and the interested visitors. Such

learning center is expected to open in 2018. Another significant initiative was the “**Youth Development**” project with the aim to provide continuous support for the development of children and youths in areas surrounding the power plants. Moreover, the Company is supporting the Thai Conservation of Forest Foundation (TCOF), a public charity organization founded and sponsored by EGCO, to expand its areas of preservation and restoration of watershed forests from its present site area in the north to the northeast and the south of the country.

In 2017, EGCO was widely recognized both domestically and internationally. For instance, **Banpong Utilities Co., Ltd. won the Power Deal of the Year** from the Asset, a leading finance magazine in Asia, from its Triple A Asian Infrastructure Awards. EGCO was also rated “**Excellent**” according to the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institution of Directors, 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 received the **2017 Sustainability Report Award at the “Outstanding” level** for the third consecutive year from the Thai Listed Companies Association in collaboration with the Office of the Securities and Exchange Commission and the Thaipat Institute. The Company also received the award for **Organization Benefiting Children and Youth** in the category of Natural Resources and Environment from the Ministry of Social Development and Human Security.

On behalf of the Board of Directors, management and all employees, I would like to extend my sincere thanks to all shareholders, co-investors, partners, customers, communities and all supporters for your ongoing trust and support rendered to EGCO over our 25 years of operation. Please rest assured that our Company will continue to exercise prudence in its business undertakings, adhere to the good corporate governance principle, accountable to all stakeholders, and always strive for sustainable growth of EGCO.



Mr. Sombat Sarntijaree  
Chairman of the Board of Directors



“... EGCO strives to improve power plant efficiency to exceed industry’s environmental standards. In pursuit of this commitment, the Company adopts state-of-the-art power generating technologies; uses environmentally friendly fuels...”

## Message from the President CEO's review

EGCO's 2017 performance satisfactorily exceeded its expected goals. The Company recorded the total assets of 200,332 million baht, an increase of 3,077 million baht from 2016. The profit from operation excluding the effects of foreign exchange, deferred tax, impairment and lease income was 9,268 million baht or 17.60 baht per share, increasing by 111 million baht or 1% when compared to the previous year. EGCO reached its return on shareholders' equity (ROE) at 11.02% in 2017, as compared to the minimum target of 10% which has been committed to the shareholders.

In terms of growth, EGCO has expanded its investments in both domestic and overseas markets. As of the end of 2017, the Company has 28 commercially operating power plants in Thailand and other countries with a total equity contracted capacity of 4,574 MW, and has 4 more projects under construction with a total equity contracted capacity of 691 MW.

### Performance towards Sustainability

#### 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 such respective countries.

In 2017, most of EGCO's power plants in Thailand and overseas successfully yielded their availability at higher rates than as specified in the power purchase agreements.

#### Support Environmental Sustainability

EGCO strives to improve power plant efficiency to exceed industry's environmental standards. In pursuit of this commitment, the Company adopts state-of-the-art power generating technologies; uses environmentally friendly fuels; consistently inspects and improves machine quality; and conducts air, water, waste, and noise quality management to meet all standards. Additionally, the Company envisions to increase the proportion of its renewable power plant portfolio to 30% within 2026, which will help reduce the environmental problems as well as building a balance between achieving business growth and conserving the environment with tangible outcomes.

At the end of 2017, EGCO's renewable portfolio comprises 17 operating power plants in Thailand and overseas with a total equity contracted capacity of 881 MW, accounting for 19.26% of the Company's total equity contracted capacity. These power plants altogether **reduce approximately 1.95 million tons of carbon dioxide equivalents per year.**

Moreover, EGCO has supported Thai Conservation of Forest Foundation which actively participated in the preservation of watershed forests project, covering an area of over 70,000 rai by promoting community involvement under the concept of "Forest Survival leading to Human Survival". In 2017, the Foundation began to take part in the restoration of watershed forests, targeting to complete the work on an area of over 1,300 rai by 2021.

#### **Strengthen the Well-being of Communities and Society**

EGCO continued its human resource development projects, including succession planning, job rotation, individual development plan, and knowledge sharing, while encouraging employees to maintain safe working environments and volunteer for community and social service activities on a regular basis.

In 2017, EGCO contributed approximately 348 million baht to Power Plant Development Fund. The Company also conducted 86 ongoing community and social service activities, focusing on the collaboration among power plants, government agencies, and local communities to ensure the communities' sustainable development. These activities included **the improvement of the quality of life in the communities surrounding the power plants**; for example, local hiring, with more than 90% of contractors and workers for power plants being local people; developing occupational skills; promoting health; providing and improving public utilities; promoting learning among the youth; and joining the communities in natural resource conservation efforts.

Throughout all these years, EGCO has conducted its business with full commitment and graciously received great support from all stakeholders. 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, which give us the strength to continue developing our organization for mutual benefits and sustainability in the long run.



Mr. Jakgrich Pibulpairoj  
President

## 2017 Highlights

### Award and Recognition



- EGCO won the **“Power Deal of the Year”** award on developing Banpong Utilities project from the Asset, a leading finance magazine in Asia, from its Triple A Asian Infrastructure Awards.



- EGCO received **“Thailand Sustainability Investment (THSI)”** award for the 3<sup>rd</sup> consecutive year set by the Stock Exchange of Thailand with its outstanding performance in Environmental, Social and Governance aspects.



- EGCO received **“2017 Sustainability Report Award** at the **“Recognition”** level from the Thai Listed Companies Association in collaboration with the Office of the Securities and Exchange Commission and the Thaipat Institute. This award aims at helping elevate the list companies' information disclosure.



- KEGCO received **“2017 The Best Corporate Governance”** award with the highest scores, hosted by Department of Business Development, Ministry of Commerce.



- Roi-Et Green received “National Safety Awards” for the 8<sup>th</sup> consecutive year by the Ministry of Labour.

## Business Activities



- “Klongluang” cogeneration power plant in Pathumthani province started commercial operation in July 2017 under the 90 MW Power Purchase Agreement with EGAT for 25 years term while the rest of the electricity output and stream from electricity generating process will be sold to the industrial users.



- “Banpong” cogeneration power plant in Ratchaburi province started commercial operation in October 2017 under the 180 MW Power Purchase Agreement with EGAT for 25 years term while the rest of the electricity output and stream from electricity generating process will be sold to the industrial users.



- Star Energy Geothermal (Salak - Darajat), which is the affiliate of EGCO (20.07% indirect interest), was completely transferred the shares from Chevron’s affiliates.



- EGCO signed Shareholders’ agreement of Nam Theun 1 Power Company Limited (NT1PC) with 25% stake and NT1PC entered into PPAs with EGAT and EDL to supply 514.3 MW power to EGAT and additional 130 MW to EDL for 27 years starting from the commercial operation date in 2022.

## Activities for Community and Society

On the occasion of its 25<sup>th</sup> Anniversary, EGCO Group initiated the “Youth Development Project” with an aim to provide continuous support for the development of children and youths in areas surrounding the power plants in implementing through the 3 key activities including the youth health enhancement, the knowledge and skill enhancement, and the energy and environmental conservation awareness promotion.

### Highlighted Events in 2017



- The Vocational Scholarships Presentation to 1<sup>st</sup> Batch of 25 students with an aim to give youth having high GPAs but lacking financial resources to pursue vocational and high vocational certificates in electrical industry-related fields.

- Development of Public Utilities for Youth Sanitation Activity for 24 primary schools around its power plants with an aim to promote good sanitation to primary school students which would be a foundation for learning in other areas.



- 1<sup>st</sup> Batch of Energy and Environmental Conservation Youth Camp Activity for the secondary school students with an aim to educate and build awareness about energy and environment conservation. There were 19 schools nearby EGCO Group power plants joining the camp at Ruam Tawan Center, Saiyok District, Kanchanaburi Province.



EGCO initiated the “**Khanom Power Plant Learning Center**” project in Nakhon Sri Thammarat, to turn its decommissioned Khanom Unit 1 Power Plant into a learning center on energy and the environment. The building which is a special power plant built on a large vessel completely assembled in Japan is the first and only in Thailand whose commercial operation contract has expired. Such learning center is expected to open in 2018.

Khanom Power Plant has developed “**Khanom Power Plant Sustainable Agricultural Demonstration and Learning Center**” project, aiming to promote sustainable agriculture to improve quality of life for the elderly, handicapped, and needed people in Khanom District to earn sufficient income for their livings.



Lopburi Solar Power Plant has extended the results of knowledge dissemination within the experimental area in **NED-CSR Center to the communities by developing the “NED Solar Cells for Ban Chor Muang Agricultural Land Plots”** project. The project was aimed to disseminate and pass on knowledge on the use of solar energy with agriculture in households to reduce expenses and promote self-dependence in terms of resource capital cost. The project was firstly conducted in Ban Chor Muang community as a model community for a learning center and further extended to other communities.



Quezon Power Plant in collaboration with Philippine Business for Social Progress (PBSP) has continuously conducted the “**Skill and Occupation Development**” project. In 2017, local products of housewife groups were continuously produced and distribution of agricultural and meat products in the community cooperative and Quezon Power Plant canteen was promoted to ensure adequate distribution channels of products that were in continuous demand as well as initiate a pilot project of bee farming of Buklurang Magsasakang Mauban Group.



The Thai Conservation of Forest Foundation signed MOU with National Park, Wildlife and Plant Conservation Department on natural resources conservation project in protected forest areas during 2017-2021 and handed over 3 nature trails i.e. Phrom Lok Waterfall, Karom Waterfall, and Ai Khew Waterfall to Khao Luang National Park. Initiated to celebrate EGCO Group's 25<sup>th</sup> anniversary, this project aims to create a learning area on watershed forest ecosystem in Southern provinces for children and youth, public people and tourists.



EGCO Group together with Doi Inthanon National Park, Khao Luang National park and Thai Conservation of Forest Foundation carried out the "49<sup>th</sup> - 50<sup>th</sup>" EGCO Forest Youth Camp" at Doi Inthanon National Park, Chiangmai and Khao Luang National Park, Nakhon Sri Thammarat respectively. A total of 136 children participated in the project.

## 2017 Highlights

### Award and Recognition

#### EGCO

- Being rated “Excellent” in Corporate Governance Rating (CGR) with the score of 96 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 2017 “Recognition” hosted by Thai Listed Companies Association in cooperation with the The Securities and Exchange Commission as well as Thaipat Institute.
- “Power Deal of the Year” of Banpong Utilities Company Limited from The Asset Triple A Asian Infrastructure Awards 2017 by The Asset Magazine of Asia.

#### Khanom Electricity Generating Company Limited (KEGCO)

- National Safety Award 2017 by Department of Labour Protection and Welfare, Ministry of Labour.
- Corporate Governance “Outstanding” of the year 2017 by Department of Business Development, Ministry of Commerce.

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

- National Safety Health and Environment Award for the 8<sup>th</sup> consecutive year, at the 31<sup>st</sup> National Work Safety week by Ministry of Labour.
- National Labour Relations and Welfare Award for the 5<sup>th</sup> 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.

#### EGCO Engineering and Service Company Limited (ESCO)

- “Partnership Supplier Award” by BLCP Power Limited

## Activities for Shareholders and Investors

### A. Shareholders' Meeting

April 19, 2017	2017 Annual General Shareholders' Meeting
April 28, 2017	2016 Final Dividend Payment at 3.25 baht per share
September 15, 2017	2017 Interim Dividend Payment at 3.50 baht per share

### B. Opportunity Day/Analyst Meeting

February 27, 2017	Opportunity Day/Analyst Meeting No. 1/2017 to announce 2016 annual performance
May 25, 2017	Opportunity Day/Analyst Meeting No. 2/2017 to announce 2017's first quarter performance
August 24, 2017	Opportunity Day/Analyst Meeting No. 3/2017 to announce 2017's second quarter performance
November 29, 2017	Opportunity Day/Analyst Meeting No. 4/2017 to announce 2017's third quarter performance

### C. Investor Meeting

March 23-26, 2017	SET in the City 2017 #1 in Bangkok by SET
August 29-31, 2017	Thailand Focus 2017 in Bangkok by Bank of America Merrill Lynch
November 16-19, 2017	SET in the City 2017 #2 in Bangkok by SET

### D. Knowledge Sharing and Site Visit

March 30, 2017	Newsletter to Shareholders & Investors
June 7-8, 2017	Shareholders Site Visit to Lopburi Solar Power Plant at Lopburi province
June 15, 2017	Newsletter to Shareholders & Investors
October 2, 2017	Newsletter to Shareholders & Investors
November 30 - December 2, 2017	Analysts Site Visit to Xayaburi Hydroelectric Power Project at Lao PDR

## Activities for Employees

Communication Day #1 between President and Employees	January 23
Dek Doi Project	February 22-26
Annual Health Check-up for Employees	March 28
Songkran Festival and Water Blessing Ceremony	April 12
EGCO Group's 25 <sup>th</sup> Anniversary Celebration	May 12
Annual Ceremony for Paying Respect at Shrine of Lord Brahma (Phra Phrom) and Merit Making Ceremony	June 9
"Our Core Values – Easy Word" Contest	August - September 29
Annual Fire Drills and Evacuation	September 13
EGCO Group's Annual Merit Making for Robe Offering (Pha Pa) Ceremony	September 1-2
Retirement and Farewell Party	September 29
Communication Day #2 between President and Employees	October 10
New Year Celebration and Annual Party	December 22

## Activities for Community and Society

### Promotion of learning about energy and environmental conservation among the “Youth”

January - December	<p><b>Khanom Learning Center Project, Nakhon Sri Thammarat Province (2017-2023).</b></p> <p>To renovate the decommissioned Khanom power plant Unit 1 as a power plant learning centre, This project was expected to be completed by 2018.</p>
January - December	<p><b>Youth Development Project (2017-2021)</b></p> <ul style="list-style-type: none"> <li>• May 9-11, 2017 : <b>The Vocational Scholarships Presentation Ceremony and Orientation Study Trip</b> to power plants for 1<sup>st</sup> Batch Students.</li> <li>• September 1 - November 30, 2017 : <b>Development of Public Utilities for Youth Sanitation Activity</b> for the primary schools.</li> <li>• October 19-21, 2017: <b>Energy and Environmental Conservation Youth Camp Activity</b> for the secondary schools.</li> </ul>

### Promotion and development of “quality of life of communities” surrounding power plants

January - December	<p><b>Khanom Power Plant Sustainable Agricultural Demonstration and Learning Center</b></p> <p>Occupational skills development for elderly and handicapped people to earn a sufficient income from sustainable agriculture. The product quality development and agricultural products distribution were conducted.</p>
January - December	<p><b>NED-CSR Learning Center, Lopburi Solar power plant</b></p> <p>To disseminate and pass on knowledge on the use of solar energy with agriculture in households to reduce expenses and promote self-dependence in terms of resource capital cost.</p>
January - December	<p><b>Skill and Occupation Development Project, Quezon Power Plant, Philippines, producing and distributing the products from local housewives thru out the year.</b></p>

### Conservation of “watershed forest” natural resources by The Thai Conservation Forest Foundation

January - December	<p><b>Restoration of 1,300 Rais of Watershed Forests Projects within 5 Years (2017-2021)</b></p>
March 18-25, - October 16-19, 2017	<p><b>“EGCO Forest Youth and Thai Rak Pa Camp” Project</b> 49<sup>th</sup> batch was held at Doi Inthanon National Park, Chiang Mai Province, and 50<sup>th</sup> batch was held at Khao Luang National Park, Nakhon Sri Thammarat Province.</p>
June 7, 2017	<p><b>The Memorandum of Understanding Signing Ceremony between EGCO and The Department of National Park and Plant Conservation.</b> To hand over 3 nature trails at Khao Luang National Park, Nakhon Sri Thammarat Province.</p>

## Shareholder Structure

EGCO is a listed company on the Stock Exchange of Thailand (SET). Details of the registered capital as of December 31, 2017 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.

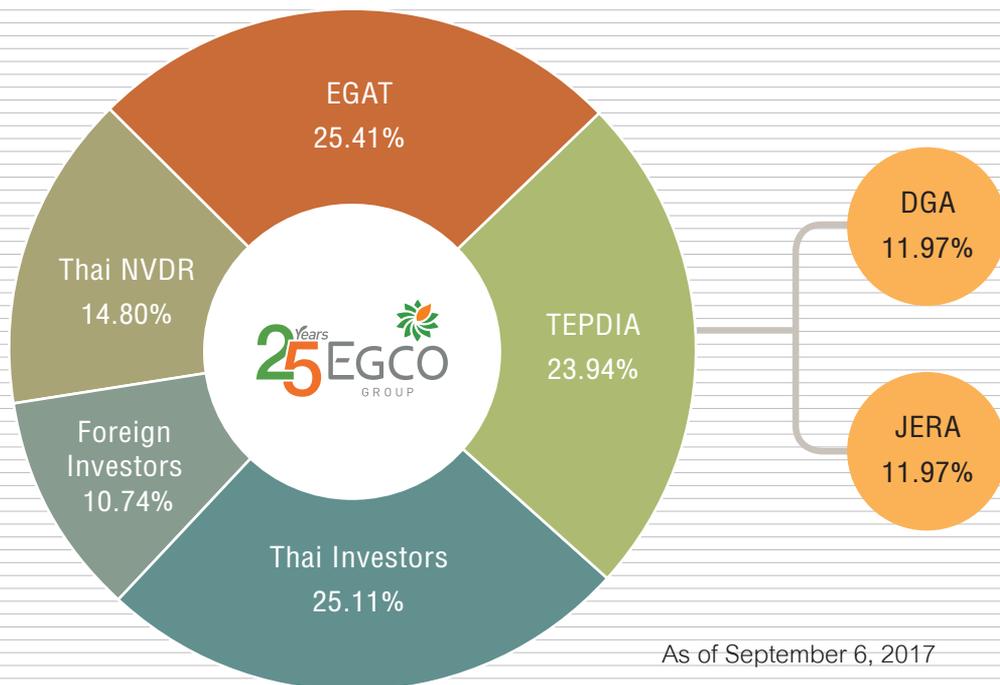
The top 10 shareholders as of September 6, 2017, the closing date of shareholders' roster for the right to receive the interim dividend payment, were as follows.

No.	Shareholders	Shares	% of Total
1	Electricity Generating Authority of Thailand	133,773,662	25.41
2	TEPDIA Generating B.V.	126,054,178	23.94
3	Thai NVDR Company Limited	77,931,567	14.80
4	Bualuang LTF	10,347,000	1.97
5	Social Security Office	8,699,700	1.65
6	Bualuang LTF 75/25	5,749,100	1.09
7	CHASE NOMINEES LIMITED	5,398,923	1.03
8	HSBC (SINGAPORE) NOMINEES PTE LTD	4,694,000	0.89
9	Mr. Suwan Aisuriyakornthep	4,625,000	0.88
10	Thanachart Prime Low Beta Fund	3,560,700	0.68

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

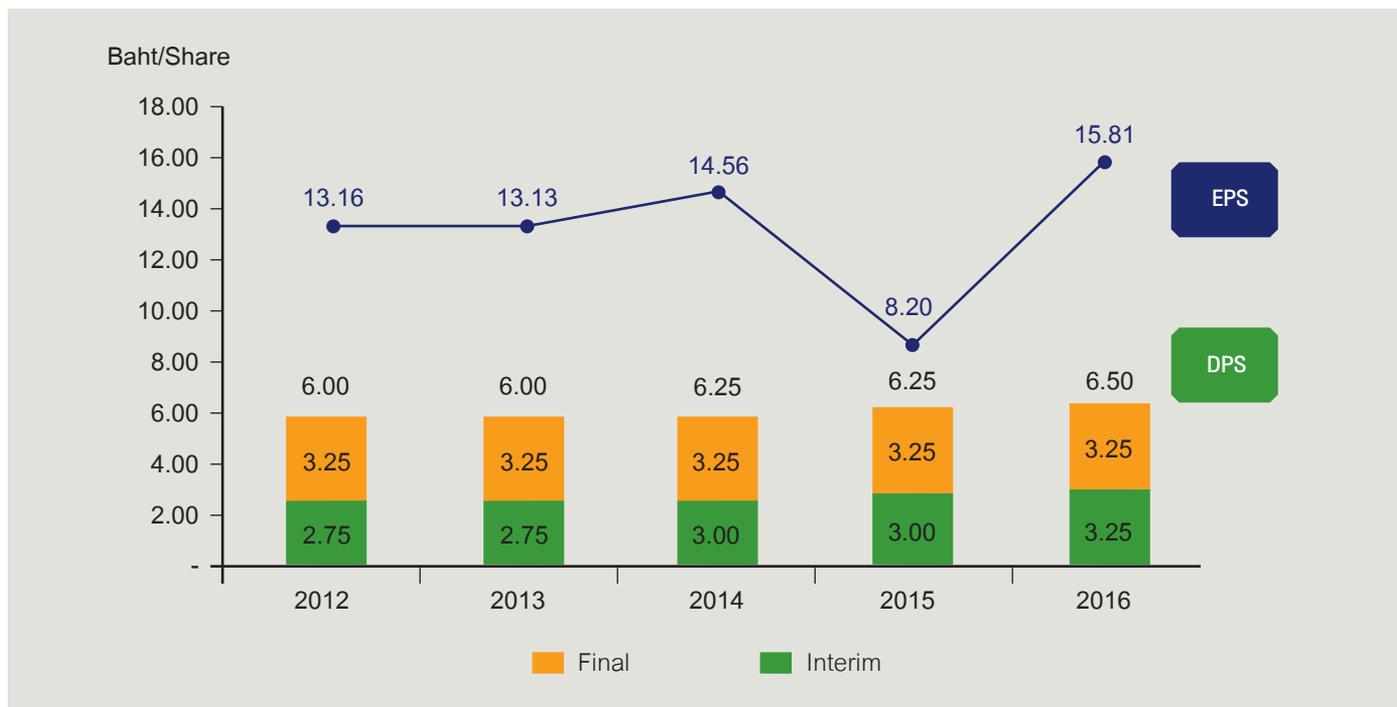
1. **Electricity Generating Authority of Thailand ("EGAT"):** EGAT is a state utility which has the mission in generating, acquiring and sales of bulk electric energy through its transmission network. EGAT also provides the operation and maintenance services and invests in electricity related business. 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 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 2012 and 2016 is as follows:

Year	2012	2013	2014	2015	2016
Earnings per share (baht)	13.16	13.13	14.56	8.20	15.81
Dividend per share (baht)	6.00	6.00	6.25	6.25	6.50
Dividend payout Ratio (%)	47	46	43	76	41

### 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.



EGCO Group's vision is to be a leading sustainable Thai power company with full commitment to environment protection and social development



## Sustainable Business Operations

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.

## 7. Tax Policy

Aiming to comply with tax regulations with efficient tax management for the utmost benefits to the Company and create value to its shareholders, the Company places importance on compliance to relevant laws and regulations. This will help reduce the tax risks caused by complicated transactions and support EGCO's stable pace forwarding to sustainability, gaining acceptance from the society and keeping an image of good corporate citizen.

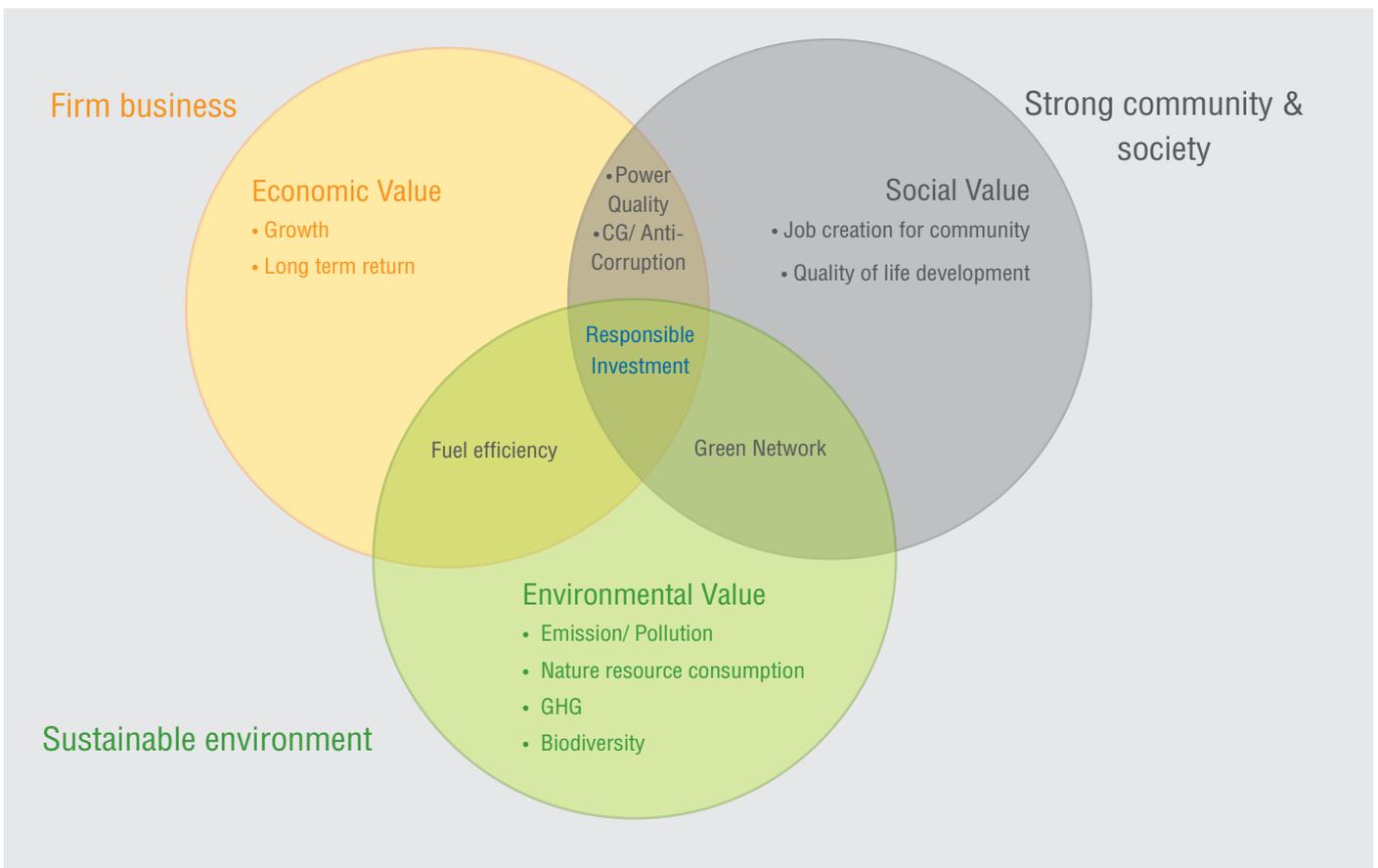
In 2017, the Company established an "Information Disclosure Policy and Practices" in writing. Realizing that the Company's all information affects to the decision-making of investors, stakeholders and the public, EGCO has set up guidelines of disclosure of both financial and non-financial information including positive and negative information through accessible channels in a correct, complete, and timely manner and in accordance with relevant laws and regulations.

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

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.

In addition, 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.

Regarding sustainability efforts extension to its business counterparts, EGCO has extended the anti-corruption practices to Engineering & Service Co., Ltd. (ESCO) in 2016 and Khanom Electricity Generating Co., Ltd. in 2017, respectively.

### 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.

EGCO Group 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 Group has less than 50% shareholding, EGCO Group 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 all 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.
- Refrain from any action that infringes or derogates the rights of shareholders.
- Strive to foster growth based on actual potential or capabilities of the Company so that the shareholders can receive sustainable returns from work efficiency 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 by taking into account the required qualifications for each position, educational background, experience, and other requirements necessary for the job and without discrimination on the basis of gender, age, race, and religion.
- The Company will determine employee compensation and benefits which are fair and appropriate for job descriptions and conditions, work performance, and the Company's ability to pay such compensation.
- The Company will encourage employees to participate in training and development activities to improve their proficiency and create better career opportunities.
- The Company realizes that good communication will bring about efficiency and good working relationship. 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 work-related grievances. All suggestions and grievances will be seriously considered and remedial actions will be determined for the benefits of all parties and good working relationships.

### 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 customers advice on 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 relationships 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 business 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 fulfillment of contract conditions and to prevent frauds or other malpractice in all stages of the procurement process.
- Making 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

- Ensure strict compliance with loan agreements and no concealment of true financial status.
- Take remedial actions promptly in case where there is any situation that may affect the creditors, such as the Company's insecure financial status or possible business dissolution.

#### 6. Treatment of Competitors Policy

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

#### 7. Participation in Community and Social Development 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 by taking into account community participation and community needs.
- Instill and promote employees and related parties' awareness of responsibility for the communities.
- Consistently disseminate information on operating results to the communities and the public.
- Seek knowledge and experience sharing opportunities with other agencies for further improvement of operation regularly.

##### 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 knowledge and experience sharing opportunities with other agencies for further improvement of operation regularly.

## 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.
- Disclose no confidential information of business partners without their consents.
- Respect for intellectual property rights and ensure no intellectual property infringement.

## 9. Treatment of Contractors/Subcontractors Policy

The Company will abide by its commitment to all contractors/subcontractors by

- Conduct business on an equitable, transparent, fair and honest basis.
- Ensure strict compliance with the conditions in the trade agreements in accordance with the Code of Conduct.
- Take or offer no benefits in a dishonest or inappropriate way to contractors/subcontractors in accordance with the anti-corruption policy.
- Require contractors/subcontractors to abide by and be aware of safety, occupational health and environment as well as comply with labor 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 relevant laws and regulations.
- Disclose complete information as required by laws.
- Cooperate and build good relationships 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 Stakeholder Engagement Approaches

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

Stakeholders	Expectations	Stakeholder Engagement Approaches
<b>1. Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Sustainable return on investment</li> <li>• Commitment to good corporate governance principles</li> <li>• Risk management</li> <li>• Respect for and safeguarding of rights with equitable treatment</li> <li>• Disclosure of genuine, complete and sufficient information</li> <li>• Compliance with relevant laws</li> <li>• Professional and honest executives</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meetings</li> <li>• Preparation of annual reports</li> <li>• Power plant visits</li> <li>• Quarterly analyst meetings</li> <li>• One-on-One meetings</li> <li>• Conference calls</li> <li>• Roadshows</li> <li>• LIFE quarterly magazine</li> <li>• Acceptance of complaints through designated channels</li> <li>• Information dissemination through the Company's website</li> </ul>
<b>2. Employees</b>	<ul style="list-style-type: none"> <li>• Compensation and benefits compared with peers in the same industry</li> <li>• Support of career paths</li> <li>• Capability development</li> <li>• Job security</li> <li>• Good and safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Annual compensation surveys of general labor markets and power plant business groups</li> <li>• Arrangement of trainings to enhance knowledge and skills necessary to perform the job</li> <li>• Business update meetings</li> <li>• Communication Day</li> <li>• Employee relations and team building activities</li> <li>• Arrangement of activities for public benefits</li> <li>• Internal communication through various channels such as e-newsletters, intranet, bulletin boards, posters, and wire broadcasting</li> <li>• Employee satisfaction surveys on internal communication</li> <li>• Employee engagement surveys</li> </ul>
<b>3. Customers</b>	<ul style="list-style-type: none"> <li>• Power generation and distribution as specified in Power Purchase Agreements (PPAs)</li> <li>• Provision of correct information on production and transport system</li> <li>• Power supply stability</li> <li>• Reasonable price</li> <li>• Operations not affecting the community, society and environment</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings for exchange of information and opinions with Transmission Control Unit of Electricity Generating Authority of Thailand (EGAT)</li> <li>• EGAT Group relationship building activities</li> <li>• Meetings with customers in industrial estates to develop a production plan in response to customers' needs</li> </ul>

Stakeholders	Expectations	Stakeholder Engagement Approaches
4. Creditors	<ul style="list-style-type: none"> <li>• Strict fulfillment of conditions in loan agreements</li> <li>• Repayment capacity in a complete, accurate, and punctual manner</li> <li>• No concealment of true financial status</li> <li>• Fair and equitable treatment of all creditors</li> <li>• No solicitation, acceptance, or payment of any wrongful benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings for exchange of opinions</li> <li>• Power plant visits</li> <li>• Report of non-fulfillment of conditions in loan agreements to creditors in advance and mutual participation in the search for solutions to the problems</li> </ul>
5. Competitors	<ul style="list-style-type: none"> <li>• Conduct of business within the competition framework</li> <li>• Free, transparent, and fair competition</li> <li>• Strict compliance with good corporate governance principles</li> <li>• Conduct of business according to international standards</li> </ul>	<ul style="list-style-type: none"> <li>• Receipt of information from public forum</li> <li>• Dissemination of information through the Company's website, annual reports, and other publications</li> <li>• Commitment to becoming one of the companies receiving public praise for compliance with good corporate governance principles</li> </ul>
6. Community and Society	<ul style="list-style-type: none"> <li>• Conduct of business with responsibility, safety and good environment</li> <li>• Disclosure of factual information without concealment</li> <li>• Participation in the improvement of the quality of life of communities</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings of Tri-party Committee (only power plants under EIA)</li> <li>• Power Development Fund meetings</li> <li>• Power plant visits of students and communities</li> <li>• 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</li> <li>• SUKJAI quarterly magazine</li> <li>• Acceptance of complaints through designated channels</li> </ul>
7. Business Partners	<ul style="list-style-type: none"> <li>• Financial strength</li> <li>• Knowledge and expertise of personnel</li> <li>• Fair and transparent business operation</li> <li>• Synergy of strengths of each company</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Company visits</li> <li>• Mutual activities</li> <li>• Channels for raising complaints, opinions, and suggestions</li> </ul>
8. Contractors/ Subcontractors	<ul style="list-style-type: none"> <li>• Operating business as good business alliances and maintaining good relationships</li> <li>• Fair and equitable treatment with focus on mutual benefits</li> <li>• Appropriate and acceptable payment period</li> <li>• Financial stability</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Company visits</li> <li>• Activities for public benefits</li> <li>• Channels for raising complaints, opinions, and suggestions</li> </ul>

Stakeholders	Expectations	Stakeholder Engagement Approaches
9. Government Agencies	<ul style="list-style-type: none"> <li>• Compliance with relevant laws, rules and regulations</li> <li>• Environmental management</li> <li>• Care for and support of community activities</li> <li>• Prevention of and resistance to corruption, and conduct of business with fairness</li> <li>• Disclosure of correct, complete, and sufficient information</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Company visits</li> <li>• Channels for raising complaints, opinions, and suggestions</li> </ul>
10. Private Development Organizations	<ul style="list-style-type: none"> <li>• Conduct of business having the least possible impact on the environment and community</li> <li>• Participation in caring for the environment and development of the community</li> <li>• Disclosure of correct, complete, and sufficient information in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental conservation projects of Thai Rak Pa Foundation</li> <li>• Company visits</li> <li>• Channels for raising complaints, opinions and suggestions</li> </ul>

## Business Operations in 2017

### 1. Shareholders and Investors

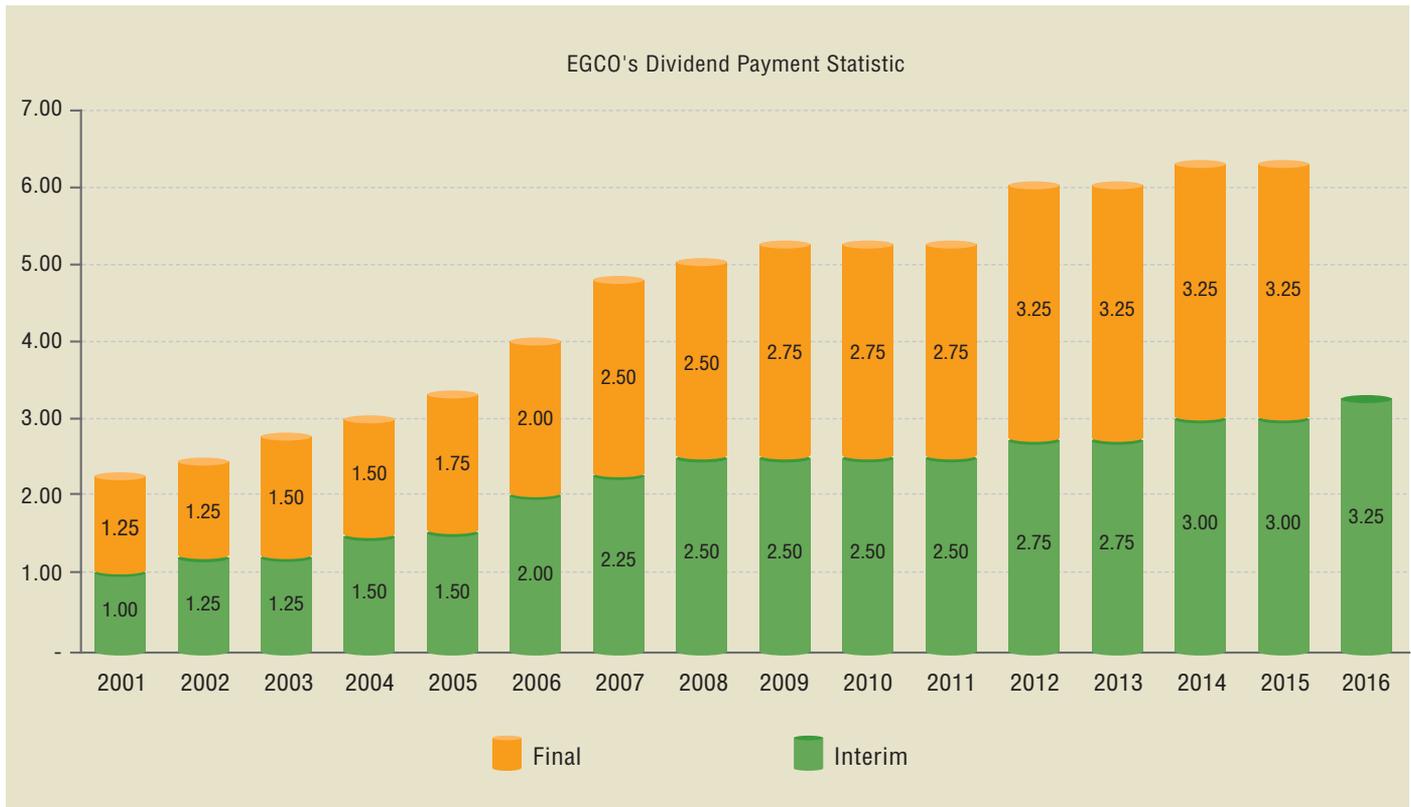
EGCO states in its Code of Conduct to foster growth based on genuine competencies or capabilities so that shareholders can gain sustainable returns from the effective and solid operational performance of the Company. EGCO respects the rights of shareholders and investors to equally access necessary information 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 2017 was 216.10 Baht per share, up from 2016 by 16.53%, and closing highest at 217 Baht on September 15, 2017 and lowest at 198.50 Baht on January 5, 2017. The price-earning ratio (P/E ratio) as of December 29, 2017 was 10.48.

#### 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 Shareholder Relationships

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 the Investor Relations Unit for additional information or to voice opinions at Tel. 0 2998 5147-9 or email: [ir@egco.com](mailto: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 Meetings**

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

- **Power Plant Visits**

EGCO organizes EGCO Group's power plant visits for shareholders and investors to enable them to understand its business operation and meet the Company's executives on a yearly basis. In 2017, shareholders and investors were invited to visit Lopburi Solar power plant, Lopburi Province, where presentation about the power plant was also provided, and Xayaburi Hydro power plant in Lao PDR.

- **One-on-One Meetings**

EGCO has held one-on-one meetings with 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.

- **Roadshows**

In 2017, EGCO, in collaboration with SET and Bank of America Merrill Lynch, met individual investors and institutional investors both domestically and internationally.

- **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 also 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 roadshows, 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 or 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 and continuous basis. In 2017, 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 5 major areas as below:

- **Compensation and Benefits**

EGCO Group has in place a fair compensation system according to duties, responsibilities, and capabilities of employees to retain its best and talented employees. It also provides benefits and welfare for employees and family members mainly based on employees’ necessity and demand and under proper rationale and principles. EGCO’s annual pay increase for employees at all levels takes into account the following 2 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

In addition, EGCO Group has regularly studied, analyzed, and compared compensation and benefits of the Group with those of peers in the same industry to ensure that employees receive compensation, 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 units of companies in the electricity business to consistently exchange ideas and information on human resource management, 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 not over 2 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 work-related grievances, 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 relationships. So far, there has been no reporting or complaining of violation of human rights and unfair treatment of labor.

- **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 conducted based on clear criteria and in accordance with the human resource management policy which is employee-based. The consideration process is undertaken by a committee comprising related executives who jointly and reasonably consider, select and express opinions. In addition, the Company is committed to developing its potential employees to accommodate business expansion and growth.

In 2017, the Company held training courses for employees at all levels to increase their knowledge suitable for the competitive business environment and enhance work efficiency and effectiveness such as the courses on "Inspiring Innovation" and "Processing on SDGs through GRI Disclosure". The courses, which were designed to enhance necessary skills for employees and executives in preparation for higher positions and levels, included "Analytical Thinking for Problem Solving and Decision Making", "Executive Program for SVPs" and "Coaching Programs for "EVPs".

Moreover, the results of the employee engagement survey in 2016 showed 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 thus set up workshops for executives at the level of Senior Vice President to prepare an operation plan to further develop and improve things that were employee expectations.

In 2017, EGCO made some adjustments to the criteria for employee promotion to offer its best and talented employees more opportunities for career advancement. Also, the employee compensation and benefits system was modified to be more appropriate for the employees working overseas. Regarding employee learning and development, EGCO

increased a training budget and required superiors and subordinates to jointly review, discuss, and develop individual development plans for employees at all levels to further accommodate 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 jobs, will be able to produce efficient and effective outputs to enable the organization to eventually reach the targets set forth.

In 2017, EGCO Group organized Employee Relations activities as follows:

- **Communication Day:** A semi-formal event held quarterly for the President and 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 40 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 relationships such as New Year's party, and religious and cultural activities such as offering of robes to Buddhist monks off-season and after Buddhist Lent. In 2017, the Company held merit-making ceremonies on the auspicious occasion, made offerings to the Brahma or Phra Phrom shrine, offered food and robes to the monks, organized an event celebrating Songkran festival and a water blessing ceremony to ask for blessings from the former executives, held a company anniversary party, conducted activities to promote its core values as well as supported club activities of employees, namely Photo Club, Dhamma Practice Club, Golf Club, and Sports and Recreation Club.

Moreover, in 2017, 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 e-newsletters, intranet, bulletin boards, posters, and wire broadcasting. This aimed to foster a learning society and encourage employee engagement in business and activities.

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

EGCO Group is well aware of the importance of safety, occupational health, and environment. "EGCO Group Safety, Occupational Health and Environment Standards Manual" has therefore been developed for EGCO employees and power plants in the Group together with persons concerned to follow. 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 2017, EGCO Group organized annual health check-up for employees and rehearsal of fire drill and evacuation, safety exhibition, information dissemination, and organization of activities to enhance safety knowledge and consciousness. The Safety, Occupational Health and Environment Committee met once a month to consistently monitor the 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 power 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 2017, EGCO Group employees joined social and community activities organized continuously by the organization, namely volunteering in the “Youth Development” project by improving public utilities in schools surrounding EGCO Group’s power plants, an “EGCO Forest Youth Camp” project, and a “Repair and Maintenance of Public Electricity System” project, and so on.

Besides 5 major areas of responsibility for employees as mentioned above, the Human Resources Department developed a communication plan and increased communication channels for employees to access related information and matters by launching a column titled, “HR Corner”, on the intranet. Also, the Company still reached the new generation by continuously arranging EGCO Group site visits for engineering students to educate them about engineering careers in preparation for their career choices in the future.

### 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 2017, 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 adequate power supplies for the public and its own activities. EGCO Group’s 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.

**Power Service Provision Business:** Satisfaction with EGCO Group’s service provision was maintained at an excellent level. According to a survey of customers’ satisfaction with its maintenance business, customers were satisfied with EGCO Group employees’ service provision and operations at 94.99%.

#### 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 2017, EGCO Group traveled to meet, exchange viewpoints, and answer 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 operating power plants as follows:

- Visited Chaiyaphum Wind Farm and Theppana Wind Farm, Chaiyaphum Province
- Participated in the opening ceremony and visited Klongluang power plant (Klongluang Utilities Co., Ltd.), Pathum Thani Province

#### 5. Competitors

EGCO Group operates its business on a fair play basis, without taking advantage of its competitors in a wrongful way. It also provides beneficial opinions concerning regulations and standards for common operating procedures. No access to information of business partners and competitors is made in a dishonest way, nor is business partners' and competitors' reputation tarnished with false accusation. In 2017, 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 regard to corporate participation in and demand from communities, covering the following areas:

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

In 2017, EGCO Group carried out operations on responsibility for community through local employment. Over 90% of contractors and subcontractors were local labor. The Group also developed and implemented 84 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, 14 projects on development of skills beneficial to occupation, 19 sanitation promotion projects, 16 projects on development of public utilities and other supports, and 18 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. Besides EGCO Forest Youth Camp project undertaken since 1997 until present to celebrate the 25<sup>th</sup> anniversary of the Company, in 2017, EGCO initiated a 5-year project (2017-2021) titled, "Youth Development", as part of the development of children and youth surrounding EGCO Group's power plants project covering 3 areas: youth sanitation promotion, learning and development of energy

and environment skills, and awareness raising for energy and environment conservation, to reflect EGCO Group's commitment to participation in development of all communities where the Company operated its business in a continuous manner. EGCO also launched a “Khanom Power Plant Learning Center” project by turning Thailand's only power plant built on a large vessel assembled in Japan, of which the commercial operation contract had been expired, into the power learning center for youths and nearby communities. The project was to be completed by 2018.

### 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 2017, EGCO Group held meetings and visited its partners' businesses to continuously exchange opinions and accept complaints and suggestions. The Company also organized activities to enhance relationships with its business partners such as field trips, and information exchange and team building activities. In 2017, EGCO Group had no dispute with any business partners.

### 7. Contractors / Subcontractors

EGCO Group places importance on good business partnership, and ensures equality and fairness for contractors/subcontractors. Meetings with contractors/subcontractors 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 2017, EGCO Group had no dispute with any contractors/subcontractors.

### 8. Government Agencies

EGCO Group strictly abides by relevant laws and regulations, discloses complete information as required by laws as well as cooperates and establishes good relationships 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.

For the operation with government agencies at local level, in 2017, EGCO Group always held a meeting with government agencies at local level. The meeting is run by the Community Participation Committee (Tri-party Committee) comprising government agencies, community representatives and company representatives. The issues addressed in the meeting included follow-up of construction progress and operations of power plants, environmental and community development operations, and acceptance of community 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.

The Company also collaborated with government agencies in community development in a continuous manner such as a collaboration with health promoting hospitals in subdistricts surrounding power plants to provide health check-ups and vocational skills training for the seniors to help them deal with loneliness and generate their own income, which can be considered as part of the development of quality of life of the communities.

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

## 9. 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 2017, private development organizations collaborated with Thai Conservation of Forest Foundation (TCOF) which was a charity organization founded and supported by EGCO to undertake projects such as a reforestation project to generate revenues project, an occupation development project, a watershed network project, a nature study trail development project in Chiang Mai Province, a Thai Rak Pa Village project in Nakhon Si Thammarat Province, a forest restoration project to maintain water springs in Chaiyaphum Province and a youth network project in Chiang Mai and Nakhon Si Thammarat Provinces.

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

Moreover, EGCO considers the media as instrumental to communicate with 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 3 perspectives as below:

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

In 2017, EGCO held 2 sessions of press conference on its operating results, business direction and corporate social responsibility project, 3 sessions of press interview with top executives, 1 natural resources preservation activity for the media, and 22 pieces of press releases, photo releases and articles. Issues and target groups of communication were, for instance, dissemination of information on operations to shareholders, investors, and the public; dissemination of corporate social responsibility information, especially the participation in youth sanitation promotion, support of learning and development of energy and environmental skills; and instilling of consciousness among youths of energy and environment value and participation in conservation efforts. In 2017, 805 pieces of news were released, of which 713 pieces were business-related, and 92 pieces were related to corporate social responsibility.

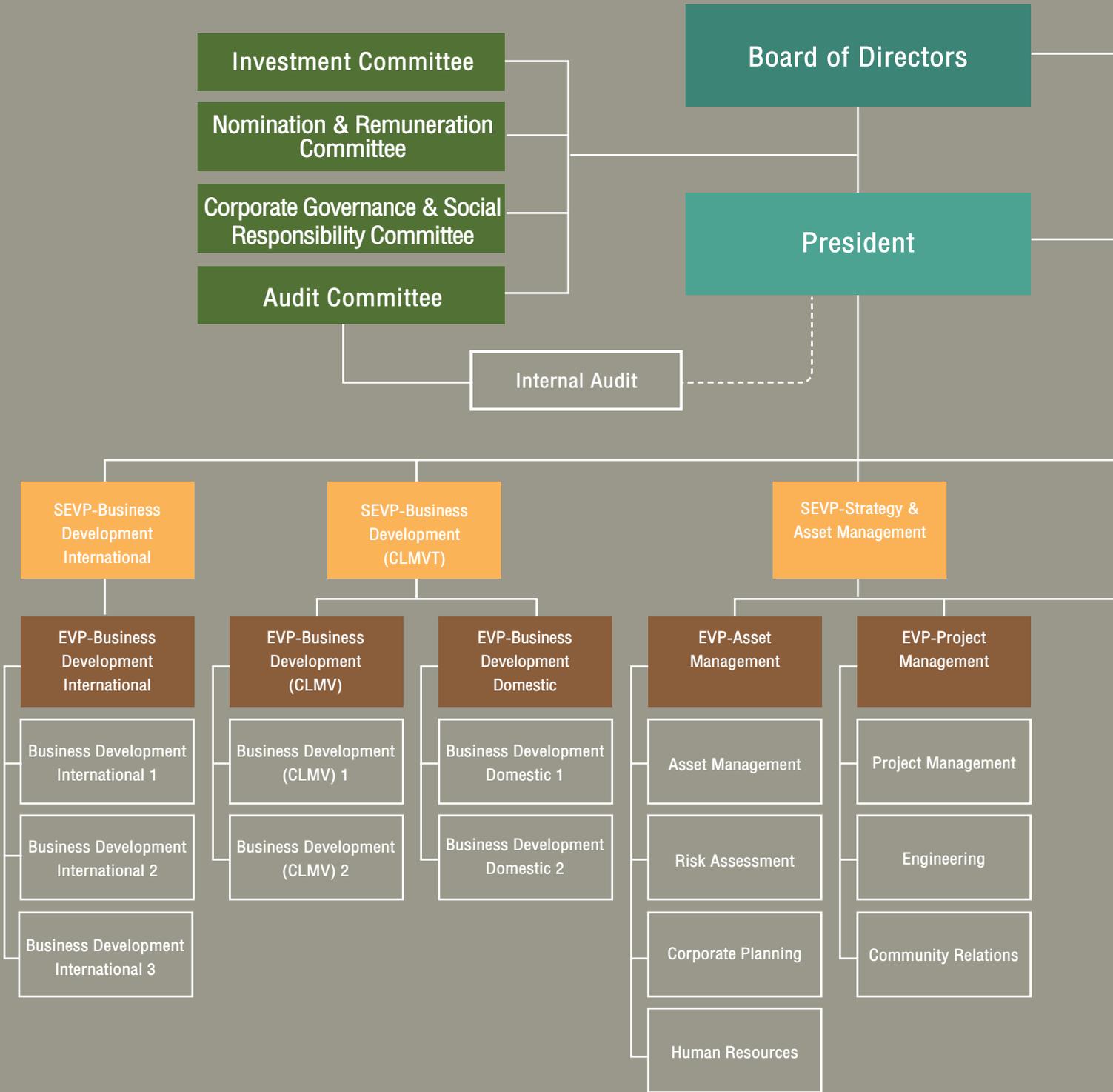
- **Media Relations activities**

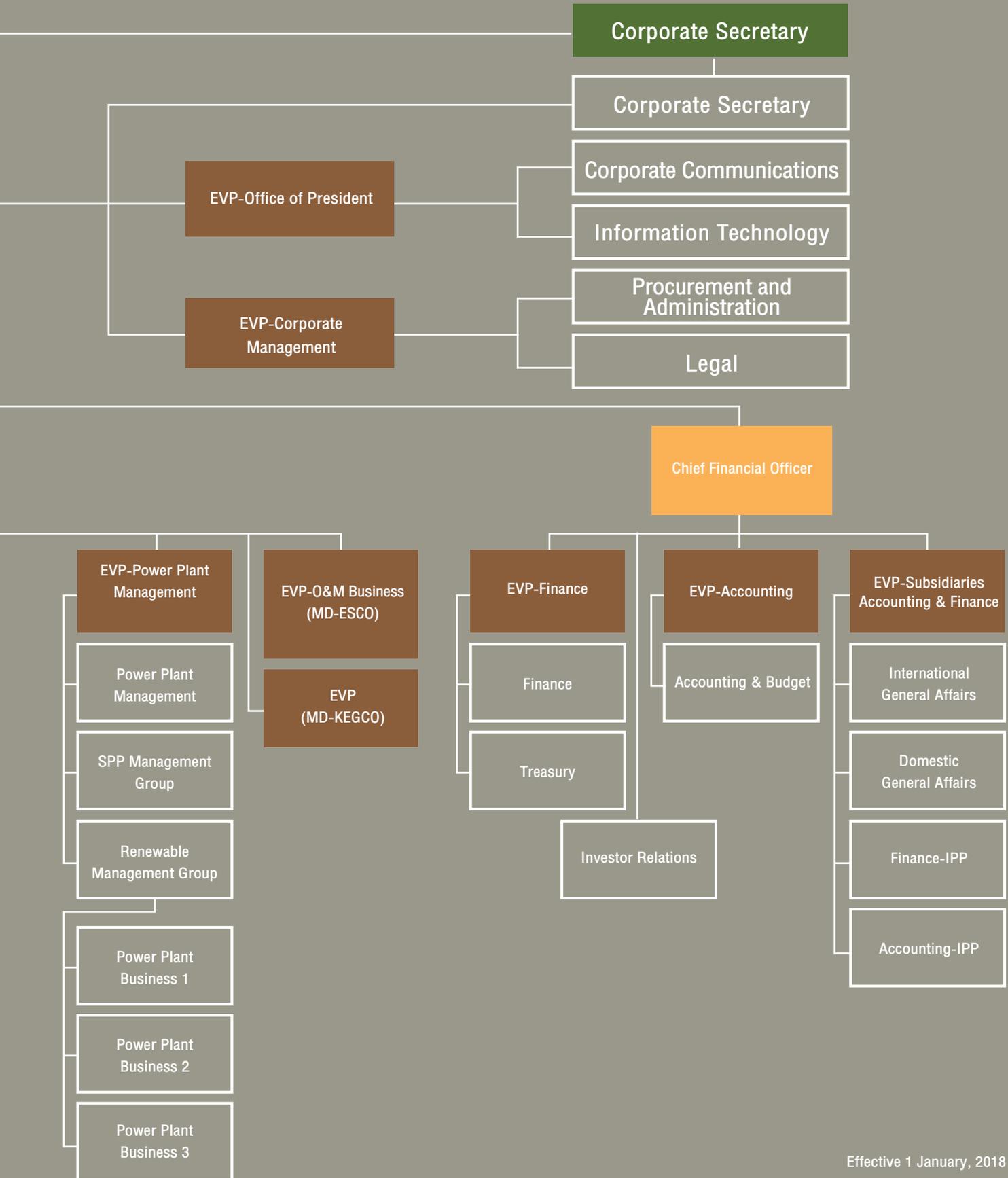
EGCO Group believes that good relationship will help gain trust, acceptance, and good cooperation. In 2017, EGCO Group enhanced relationship between the organization and the media through various activities, such as participating in New Year's party with the media, congratulating the media on their anniversary celebration occasions, and joining hands with the media in public contribution activities like charity golf tournament, etc.

- **Participation in development of 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 2017, the Company supported 1 activity to promote education and public utilities for the communities in remote areas and 1 activity for knowledge and competency development.

# EGCO 's Organization Structure





## Management Structure

### Structure of the Board of Directors

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.

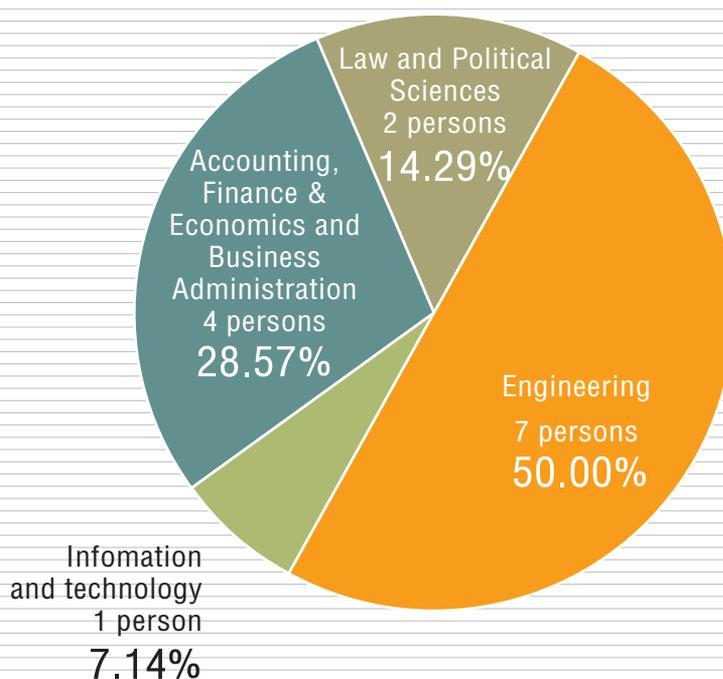
As of December 31, 2017, EGCO's Board comprises 14 directors as follows:

- 13 non-executive directors, 92.86% of total directors, comprising:
  - o 6 independent directors, 42.86% of total directors,
  - o 7 representative directors, 50% of total directors, and
- President, the only executive member, 7.14% 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
<b>Gender</b>		
- Male	12	85.71
- Female	2	14.29
<b>Total</b>	<b>14</b>	<b>100.00</b>
<b>Expertise and experiences</b>		
- Engineering	7	50.00
- Energy	4	28.57
- Accounting, Finance & Economics and Business Administration	2	14.29
- Law and Political Sciences	1	7.14
<b>Total</b>	<b>14</b>	<b>100.00</b>

### EGCO's Board of Directors Structure



The Board and their share ownership in EGCO as of December 31, 2017 are as listed below:

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/Decrease (Jan 1, 2017 - Dec 31, 2017)
1.	Mr. Sombat Samtijaree Chairman	Apr 21, 2015	-	-	-
2.	Ms. Jaruwan Ruangswadipong Independent Director	Apr 20, 2016	-	-	-
3.	Assoc. Prof. Dr. Nualnoi Treerat Independent Director	Sep 1, 2017	-	-	-
4.	Prof. Dr. Anya Khanthavit Independent Director	Apr 19, 2017	-	-	-
5.	Mr. Paisan Mahapunnaporn Independent Director	Apr 19, 2017	-	-	-
6.	Assoc. Prof. Dr. Chotchai Charoenngam Independent Director	Apr 21, 2015	-	-	-
7.	Assoc. Prof. Dr. Bordin Rassameethes Independent Director	Oct 27, 2017	1,000	-	-
8.	Mr. Kornrasit Pakchotanon Director	Apr 20, 2016	-	-	-

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/Decrease (Jan 1, 2017 - Dec 31, 2017)
9.	Mr. Saharath Boonpotipukdee Director	Apr 20, 2016	-	-	-
10.	Mr. Shunichi Tanaka Director	Apr 20, 2016	-	-	-
11.	Mr. Yoichiro Matsumoto Director	May 26, 2017	-	-	-
12.	Mr. Hiromi Sakakibara Director	Aug 1, 2016	-	-	-
13.	Mr. Ken Matsuda Director	Jul 1, 2015	-	-	-
14.	Mr. Jakgrich Pibulpairoj President	Oct 1, 2017	-	-	-

The Board appointed 2 new directors to replace the directors who resigned in 2017 with effect on January 1, 2018. The list of new directors and their share ownership on January 1, 2018 is shown below:

	Name	Appointment Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/Decrease (Jan 1, 2018 - Jan 31, 2018)
1.	Mr. Wisak Watanasap Director	Jan 1, 2018	-	-	-
2.	Mr. Takao Onuki Director	Jan 1, 2018	-	-	-

The list of directors who retired and resigned in 2017 - January 31, 2018 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, 2017 - Jan 31, 2018)
1.	Mr. Somphot Kanchanaporn Independent Director	Apr 19, 2017	-	-	-
2.	Mr. Bandhit Sothipalalit Independent Director	Apr 19, 2017	-	-	-
3.	Mr. Thanapich Mulapruck Independent Director	May 5, 2017	-	-	-
4.	Mr. Yasuo Ohashi Director	May 26, 2017	-	-	-

	Name	Resigning/ Retiring Date	No. of shares		
			Director	Spouse/ Minor Child	Increase/Decrease (Jan 1, 2017 - Jan 31, 2018)
5.	Mr. Pongstorn Kunanusorn Independent Director	Oct 1, 2017			
6.	Mr. Chanin Chaonirattisai Director and President	Oct 1, 2017			
7.	Ms. Puangthip Silpasart Director	Dec 1, 2017			
8.	Mr. Ken Matsuda Director	Jan 1, 2018			

## (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 2015 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 Sarnitjaree, 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 2017 indicated that the Chairman was excellent in leading the meeting and encouraging directors to participate in the discussion around the Board table.

#### (4) Lead of Independent Director

The Board in the Meeting No. 1/2018 held on January 19, 2018, with the recommendation of independent directors to appoint Ms. Jaruwan Ruangswadipong as the Lead of Independent Director with effect on January 19, 2018. The Lead of Independent Director shall support the activities of the Board in compliance to the corporate governance principles and take care the interests of every party with fairness.

The Lead Independent Director's term of office is 3 years starting from the appointment date. When the Lead Independent Director retires, resigns or vacate the office before the end of the term, the new Lead Independent Director shall be appointed by the Board within 3 months after the vacancy.

The responsibilities of Lead Independent Director when acting as such are as follows:

1. Chair the independent directors' meetings and represent the independent directors in discussions with the Chairman and the Management on corporate governance issues and other significant matters,
2. Serve as the principal liaison between the Chairman, the independent directors and President on board-wise issues,
3. Preside and act as Chairman at all meetings of the Board at which the Chairman or the Vice Chairman is not present,
4. Collaborate with the Chairman and the President to develop Board meeting agendas to ensure that the significant issues are included to be proposed in the Board meeting and Non-Executive Directors' meetings, for consideration or acknowledgement,
5. In collaboration with the Chairman and the President, serve as a contact person for shareholders who wish to discuss, negotiate and seek consultation from the Board wishing to communicate with the Board other than through the Chairman.
6. In collaboration with the Chairman and the President, serve as a contact person for shareholders who wish to discuss, negotiate and seek consultation from the Board wishing to communicate with the Board other than through the Chairman.

#### (5) 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.

#### (6) Board of Directors' Duties and Responsibilities

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

##### 1. Duties to EGCO

- Understand its leadership role and assume its responsibilities in overseeing the Company, towards the sustainable value.
- Oversee the Company to create sustainable value and to pursue the following outcomes: competitiveness, performance with long-term perspective, ethical and responsible business, good corporate citizenship and corporate resilience.
- Establish and drive the core value which upholds ethics and be a role model.

- Define policies for directors, executives and employees in writing which represent principles and practices for operating the Company, and put in place the governance mechanism to ensure the compliance with the established policies, monitoring the performance and regularly review of policies and practices.
- Ensure performance of all directors, executives and employees in compliance with their fiduciary duties, and company's operation in compliance with applicable law and standards as well as the shareholders' resolutions.
- Define core objectives and targets and monitor the performance of the Company to achieve the defined objectives, targets and strategies.
- Determine and review the board structure to support the achievement of objectives and targets.
- Select and develop directors and President and determine their remuneration as well assessing their performance.
- Determine the employees' remuneration structure as motivation for employees to drive the Company to achieve the objectives and targets.
- Develop a succession planning for key executives and monitor the performance to ensure that the Company has competent executives to fill in the vacant positions.
- Ensure that a good internal control is established by setting up the Company's regulations including a clear and appropriate working processes, accounting system, standard and reliable financial reports, substantial risk management, efficient compliance system and regular monitor.

## 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 PTTGC'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 2017, 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. In 2018, the responsibilities of the Audit Committee were reviewed and revised as 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 including supervise risk levels to comply with the risk levels designated by the Board of Directors,

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 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 2017 (number of times)					Good Corporate Governance and Corporate Social Responsibilities Committee 4 times
	Board Meeting 13 times	Non-Executive Director Meeting 1 time	Audit Committee 15 times	Investment Committee 12 times	Nomination and Remuneration Committee 10 times	
1. Mr. Sombat Santijaree	13/13	1/1		12/12		
2. Ms. Jaruwan Ruangswadipong	13/13	1/1	15/15			
3. Assoc. Prof. Dr. Nualnoi Treerat <sup>1</sup>	4/4				4/4	2/2
4. Prof. Dr. Anya Khanthavit <sup>2</sup>	9/9	-/1	10/10			
5. Mr. Paisan Mahapunnaporn <sup>3</sup>	9/9	1/1	10/10			
6. Assoc. Prof. Dr. Chotchai Charoengam	12/13	1/1			10/10	4/4
7. Assoc. Prof. Dr. Bordin Rassameethes <sup>4</sup>	3/3				2/2	1/1
8. Mr. Kornrasit Pakchotanon	11/13	-/1		8/12		
9. Mr. Saharath Boonpotipakdee	13/13	1/1			10/10	
10. Mr. Shunichi Tanaka	13/13	1/1		8/8	10/10	
11. Mr. Yoichiro Matsumoto <sup>5</sup>	8/8	1/1				
12. Mr. Hiromi Sakakibara	11/13	1/1				
13. Mr. Ken Matsuda	13/13	1/1		12/12		
14. Mr. Jakgrich Pibulpairaj <sup>6</sup>	3/3			3/3		2/2
15. Mr. Somphot Kanchanaporn <sup>7</sup>	4/4		5/5			
16. Mr. Bandhit Sothipalalit <sup>8</sup>	3/4				2/2	
17. Mr. Thanapich Mulapruk <sup>9</sup>	3/5		5/5			
18. Mr. Yasuo Ohashi <sup>10</sup>	5/5			4/4		
19. Mr. Pongstorn Kuananusorn <sup>11</sup>	10/11	1/1			6/7	2/2
20. Mr. Chanin Chaonirattisa <sup>12</sup>	10/10			9/9		1/2
21. Ms. Puangthip Silpasart <sup>13</sup>	12/12	1/1				1/3

Remarks : <sup>1</sup> Appointed on September 1, 2017  
<sup>2</sup> and <sup>3</sup> Appointed on April 19, 2017  
<sup>4</sup> Appointed on October 27, 2017  
<sup>5</sup> Appointed on May 26, 2017  
<sup>6</sup> Appointed on October 1, 2017

<sup>7</sup> and <sup>8</sup> Expired by the term of their directorships on April 19, 2017  
<sup>9</sup> Resigned on May 5, 2017  
<sup>10</sup> Resigned on May 26, 2017  
<sup>11</sup> and <sup>12</sup> Resigned on October 1, 2017  
<sup>13</sup> Resigned on December 1, 2017

In 2017, the Board held 13 meetings, with 95.39% of the Board of Directors attending. Individually, each director attended more than 94.64% of the total number of meeting.

### 3. Management Structure

The Board appoints the President as the head of management team to respond business management and to deploy the policies to practice by authorizing management duties to the President. The President will delegate his authority to the management team as prescribed in the Table of Authority.

### 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.

EGCO's organization structure was approved by the Board in the meeting no. 10/2016 with effect on January 1, 2018, comprises 5 groups as shown below:

1. **Business Development - International:** this group is headed by a Senior Executive Vice President - Business Development (International) (SEVP-BDI). Under the SEVP-BDI, there is one Executive Vice President (EVP) supervising the international business development.
2. **Business Development - (CLMVT):** this group is headed by a Senior Executive Vice President - Business Development - CLMVT (SEVP-CLMVT). Under the SEVP-CLMV, there are two Executive Vice Presidents (EVPs) as follows:
  - (1) Executive Vice President - Business Development - CLMV
  - (2) Executive Vice President - Business Development - Domestic
3. **Accounting and Finance Group:** this group is headed by a Chief Finance Officer (CFO) with 3 EVPs as namely:
  - (1) Executive Vice President - Accounting
  - (2) Executive Vice President - Finance
  - (3) Executive Vice President - Subsidiaries Accounting and Finance
4. **Strategy and Asset Management Group:** this group is headed by a Senior Executive Vice President - Strategy and Asset Management (SEVP-SAM) with 5 EVPs as follows:

- (1) Executive Vice President - Asset Management
- (2) Executive Vice President - Project Management
- (3) Executive Vice President - Power Plant Management
- (4) Executive Vice President - Managing Director of KEGCO
- (5) Executive Vice President - Operation and Management Business, also assigned as the Managing Director of ESCO

5. **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.

## Management

The list of the Management team and their share ownership in EGCO in accordance with SEC notification as at March 31, 2018 is as follows:

Name	Title	No. of shares		
		Management	Spouse/ Minor Child	Increase/ Decrease (Jan 1, 2017 - Jan 31, 2018)
1. Mr. Jakgrich Pibulpairoj	President	-	-	-
2. Mr. John Palumbo	Senior Executive Vice President- Business Development - International	-	-	-
3. Mr. Niwat Adirek	Senior Executive Vice President- Business Development - CLMVT	-	-	-
4. Mr. Danuja Simasathien	Chief Financial Officer	-	-	-
5. Mr. Gumpanart Bumroonggit	Senior Executive Vice President - Strategy & Asset Management	-	-	-
6. Mr. Suvapan Chomchalem	Executive Vice President - Accounting	-	-	-
7. Ms. Somsiri Yoosuk	Executive Vice President - Finance	-	-	-
8. Ms. Sirobon Boontaworn	Senior Vice President - Accounting and Budget	-	-	-
9. Ms. Ploy Suksrisomboon	Senior Vice President - International General Affairs Management	-	-	-
10. Ms. Sudrudee Lertkasem	Senior Vice President - Domestic General Affairs Management	-	-	-

The list of Management who retired in 2017.

Name	Title	No. of shares		
		Management	Spouse/Minor Child	Increase/ Decrease (Jan 1 - Dec 31, 2017)
1. Mr. Voravit Potisuk	Senior Executive Vice President - Business Development - Domestic	-	-	-
2. Mr. Piya Jetasanon	Chief Financial Officer	-	-	-
3. Mr. Sakul Pochanart	Senior Executive Vice President - Asset Management	-	-	-

#### 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 to 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 2017, 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 2017, 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. 2016 bonus of 25 million baht approved by the shareholders in the 2017's annual general meeting, 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.
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 2017 is summarized below:

Name	Board of Director	Standing Committee				Bonus	Total Remuneration
		AC	IC	NRC	CC		
1. Mr. Sombat Sarntijaree	625,000.00	-	600,000.00	-	-	2,192,982.46	3,417,982.46
2. Ms. Jaruwan Ruangswadipong	500,000.00	632,166.67	-	-	-	1,224,714.79	2,356,881.46
3. Assoc. Prof. Dr. Nualnoi Treerat	160,000.00	-	-	160,000.00	48,000.00	-	368,000.00
4. Prof. Dr. Anya Khanthavit	341,500.00	367,666.67	-	-	-	-	719,166.67
5. Mr. Paisan Mahapunnaporn	351,500.00	367,666.67	-	-	-	-	709,166.67
6. Assoc. Prof. Dr. Chotchai Charoenggam	490,000.00	-	-	420,000.00	120,000.00	1,754,385.96	2,784,385.96
7. Assoc. Prof. Dr. Bordin Rassameethes	120,000.00	-	-	80,000.00	24,000.00	-	224,000.00
8. Mr. Kornrasit Pakchotanon	470,000.00	-	400,000.00	-	-	1,754,385.96	2,624,385.96
9. Mr. Saharath Boonpotipakdee	500,000.00	-	-	420,000.00	-	1,754,385.96	2,674,385.96
10. Mr. Shunichi Tanaka	500,000.00	-	327,666.67	525,000.00	-	1,666,666.65	3,019,333.32
11. Mr. Yoichiro Matsumoto	305,806.45	-	-	-	-	-	305,806.45
12. Mr. Hiromi Sakakibara	480,000.00	-	-	-	-	550,043.15	1,030,043.15
13. Mr. Ken Matsuda	500,000.00	-	480,000.00	-	-	1,931,266.50	2,911,266.50
14. Mr. Jakgrich Pibulpiroj	-	-	-	-	-	-	-

The summary of remuneration of retired and resigned directors during 2016-2017 is as follow:

Name	Retirement/ Resigning Date	Number of months in service		Meeting Attendance (13 times/ year)	Total Remuneration			Total Remunera- tion
		2016	2017		Monthly Retainer and Meeting Allowance		Bonus <sup>1</sup>	
					Director	Standing Committee		
1. Pol. Gen. Pansiri Prapawat	Apr 20, 2016	4	-	-	-	-	529,671.17	529,671.17
2. Mr. Tomitake Maruyama	Aug 1, 2016	8	-	-	-	-	1,020,995.11	1,020,995.11
3. Mr. Somphot Kanchanaporn	Apr 19, 2017	12	4	4/4	148,500.00	172,333.33	1,754,385.96	2,075,219.29
4. Mr. Bandhit Sothipalalit	Apr 19, 2017	12	4	3/4	138,500.00	112,333.33	1,754,385.96	2,005,219.29
5. Mr. Thanapich Mulapruk	May 5, 2017	12	5	3/5	153,870.97	225,413.98	1,754,385.96	2,133,670.91
6. Mr. Yasuo Ohashi	May 26, 2017	12	5	5/5	194,193.55	152,333.33	2,105,263.14	2,451,790.02
7. Mr. Pongstorn Kunanusorn	Oct 1, 2017	12	9	10/11	370,000.00	304,000.00	1,754,385.96	2,428,385.96
8. Mr. Chanin Chaonirattisai	Oct 1, 2017	12	9	10/10	-	-	-	-
9. Mrs. Puangthip Silpasart	Dec 1, 2017	12	11	12/12	460,000.00	24,000.00	1,754,385.96	2,238,385.96

Remarks <sup>1</sup>Bonus of Board of Directors in 2016 was paid in May 2017 as resolved by the Shareholders in the Annual General Meeting for year 2017

## (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 defined by SEC for 2017 is shown below:

Remuneration	2017
	Management (7 persons) <sup>1</sup>
Total Salary	41,394,900.00
Bonus <sup>2</sup>	19,173,660.00
Provident Fund	3,757,044.00
<b>Total</b>	<b>64,328,604.00</b>

<sup>1</sup> 7 executives as defined by SEC are (1) Presidents (Mr. Chanin Chaonirattisai resigned with effect on October 1, 2017 and Mr. Jakgrich Pibulpairoj was appointed as a director and the President on October 1, 2017) (2) SEVP - BDI1 (3) SEVP - CLMV (4) SEVP - BDD (5) CFO (6) SEVP - SAM

<sup>2</sup> The 2016 bonus was paid in January 2017.

## (2) Total Remuneration of Core Subsidiaries' Management

In 2017, EGCO's core subsidiaries which generate electricity for sale and the revenues accounted to more than 10% of the consolidated revenue consists of KEGCO and QPL. However, QPL had no permanent employees but have engaged QMS for the project management while the operation and maintenance works had been engaged to Pearl Energy Philippines Operating Inc. (PEPOI) from the commercial operation date (COD).

## 7. EGCO and Core Subsidiaries' Employees

In 2017, EGCO Group had 776 headcounts, 269 of which were EGCO employees while 507 people worked for subsidiaries namely KEGCO, ESCO, EGCO Cogen, RG, QMS, and PEPOI.

As of December 31, 2017, EGCO has 269 headcounts which include the President, 5 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	79
2. Business Development - International 1	8
3. Business Development - International 2	8
4. Business Development - Domestic	9
5. Strategy and Asset Management	84
6. Accounting and Finance	68
8. Rayong Power Plant	13
<b>Total of EGCO</b>	<b>269</b>
Subsidiaries' Employees	507
<b>Total</b>	<b>776</b>

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 2017 is as shown below.

(Unit : Baht)

Remuneration	Amount	
	EGCO	Subsidiaries
Total Salary	339,123,142.72	137,422,650.74
Bonus <sup>/1</sup>	163,508,523.21	52,195,243.43
Provident Fund	33,507,205.83	13,409,044.32
<b>Total</b>	<b>536,138,871.76</b>	<b>203,026,938.49</b>

<sup>/1</sup> The 2016 bonus was paid in January 2017.

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

**Ms. Jarawan Ruangwadipong**

- Lead Independent Director
- Chairman of Audit Committee

### 03

**Assoc. Prof. Dr. Nualnoi Treerat**

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

### 04

**Prof. Dr. Anya Khanthavit**

- Independent Director
- Member of Audit Committee

### 05

**Mr. Paisan Mahapunnaporn**

- Independent Director
- Member of Audit Committee



**06**

**Assoc. Prof. Dr. Chotchai Charoenngam**

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

**07**

**Assoc. Prof. Dr. Bordin Rassameethes**

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

**08**

**Mr. Kornrasit Pakchotanon**

- Director
- Member of Investment Committee

**09**

**Mr. Saharath Boonpotipukdee**

- Director
- Member of Nomination and Remuneration Committee

**10**

**Mr. Wisak Watanasap**

- Director
- Member of Corporate Governance and Social Responsibility Committee



## 11

**Mr. Shunichi Tanaka**

- Director
- Chairman of Nomination and Remuneration Committee
- Member of Investment Committee

## 12

**Mr. Yoichiro Matsumoto**

- Director

## 13

**Mr. Takao Onuki**

- Director
- Member of Investment Committee

## 14

**Mr. Hiromi Sakakibara**

- Director

## 15

**Mr. Jakgrich Pibulpaioj**

- 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 2017 until January 31, 2018



### 01

**Mr. Somphot Kanchanaporn**

- Independent Director
- Member of Audit Committee

(Retired by rotation in 2017 AGM on April 19, 2017)

### 02

**Mr. Bandhit Sotipalalit**

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

(Retired by rotation in 2017 AGM on April 19, 2017)

### 03

**Mr. Thanapich Mulapruk**

- Independent Director
- Chairman of Audit Committee

(Resigned with effect on May 5, 2017)

### 04

**Mr. Pongstorn Kuananusorn**

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

(Resigned with effect on October 1, 2017)



## 05

### Ms. Puangthip Silpasart

- Director
  - Member of Corporate Governance and Social Responsibility Committee
- (Resigned with effect on December 1, 2017)



## 06

### Mr. Yasuo Ohashi

- Director
  - Member of Investment Committee
- (Resigned with effect on May 26, 2017)



## 07

### Mr. Ken Matsuda

- Director
  - Member of Investment Committee
- (Resigned with effect on January 1, 2018)



## 08

### 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
- (Retired from the presidency and resigned from the directorship with effect on October 1, 2017)

## EGCO's Board of Directors

as of January 31, 2018

### Mr. Sombat Sarntijaree (68)

- 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 PCL.
2012 - 2014	Independent Director and Member of Audit Committee Gunkul Engineering PCL.

##### 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

## Ms. Jaruwan Ruangswadipong (62)

- Lead Independent Director
- Chairman of Audit Committee

### Education

- MBA (Financial Studies), University of Nottingham, UK
- Master of Accountancy, Thammasat University
- Bachelor of 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
- Risk Management: Issues for Boards Program, Thai Institute of Directors Association

### Working Experience during the recent 5 years

Jun 2017 - Present	Secretary General Federation of Accounting Professions
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

## Assoc. Prof. Dr. Nualnoi Treerat (57)

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee  
(Appointed with effect on September 1, 2017)

### Education

- Ph.D. in Economics, Australian National University, Australia
- Master of Economics of Development, Australian National University, Australia
- Bachelor of Economics (Hons.), Thammasat University

### Working Experience during the recent 5 years

2014 - Present	Director of Institute of Asian Studies Chulalongkorn University
1985 - Present	Associate Professor, Faculty of Economics Chulalongkorn University
2008 - 2016	Sub-committee for Research National Anti-Corruption Commission

## Prof. Dr. Anya Khanthavit (55)

- **Independent Director**
- **Member of Audit Committee**  
(Appointed with effect on April 19, 2017)

### Education

- Ph.D. in International Business and Finance, Stern School of Business New York University, USA
- Master of Philosophy in International Business and Finance, Stern School of Business New York University, USA
- Master of Science (Hons.) in Transportation Management, Stern School of Business New York University, USA
- Bachelor of Business Administration (Accounting), Thammasat University
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Certificate of Advanced Audit Committee Program, Thai Institute of Directors Association
- Risk Management: Issues for Boards Program, Thai Institute of Directors Association
- Senior Executive Program, the Capital Market Academy

### Working Experience during the recent 5 years

#### Listed Companies in SET

- |                |   |
|----------------|---|
| 2012 - Present | Member of Risk Management Committee<br>Kiatnakin Bank PCL.  |
| 2010 - Present | Advisor to Risk Management Committee<br>Kiatnakin Bank PCL. |

#### Other Organizations

- |                |   |
|----------------|---|
| 2016 - Present | Member of Sub-committee on the Monitoring of Co-operatives' Financial Problems<br>Office of the National Anti-corruption Commission |
|----------------|---|

- |                |   |
|----------------|---|
| 2015 - Present | Director<br>Thailand Quality Award Office   |
| 2014 - Present | Member of the Board of Directors of State-Owned Enterprises, Chairman of Audit Committee, Chairman of Strategy and Risk Management Committee<br>Thailand Tobacco Monopoly,<br>Ministry of Finance |
| 2012 - Present | Honorary director in the Board of Public Debt Management<br>Ministry of Finance   |
| 2012 - Present | Honorary director in the Board of State-Owned Enterprises Assessment<br>Ministry of Finance   |
| 2012 - Present | Honorary director in the Board of Public Financial Support Committee<br>Ministry of Finance   |
| 2005 - Present | Professor of Finance and Banking Faculty (Level 11)<br>Thammasat University   |
| 2001 - Present | Foundation Director<br>Foundation of Professor Sanvien Intaravichai (non-profit organization)   |
| 2014 - 2017    | Member of the Board of Directors of State-Owned Enterprises,<br>Chairman of Audit Committee,<br>Chairman of Risk Management Committee<br>Government Pharmaceutical Organization                   |

## Mr. Paisan Mahapunnaporn (54)

- Independent Director
- Member of Audit Committee  
(Appointed with effect on April 19, 2017)

### Education

- Master of Laws, Chulalongkorn University
- Bachelor of Laws, Chulalongkorn University
- Certificate of Director Certification Program, Thai Institute of Directors Association
- Risk Management: Issues for Boards Program, Thai Institute of Directors Association
- ASEAN Business and Investment Law Program

### Working Experience during the recent 5 years

2011 - Present	Consultant Piyasombat Group V Food Group
2011 - Present	Director and Member of Audit Committee Masstec Link Co. Ltd.
2011 - 2016	Consultant Green Road Co., Ltd. Metro Group Best Care International Co., Ltd. EMC PCL.
2011 - 2016	Specialist The Senate The Parliament The National Legislative Assembly

## Assoc. Prof. Dr. Chotchai Charoenngam (54)

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

### Education

- Ph.D. in 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) (Hons.), 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
- Risk Management: Issues for Boards 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

## Assoc. Prof. Dr. Bordin Rassameethes (51)

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee  
(Appointed with effect on October 27, 2017)

### Education

- Ph.D. in Management of Technology, Vanderbilt University, USA
- Master of Science in Management, North Carolina State University, USA
- Bachelor of Computer Science, University of Miami, USA

### Working Experience during the recent 5 years

- Jun 2010 - Present Dean of Faculty of Business Administration  
Kasetsart University
- 2009 - Present Bright Animal Partner  
The European Union Seventh Framework Program for Research and Technological Development (FP7)
- Sep 2008 - Present Project Manager for increasing productivity of agricultural products in local and international market project  
National Bureau of Agricultural Commodity and Food Standards (ACFS)
- Aug 2007 - Present Project Manager for e-Agriculture project  
Ministry of Information Communication and Technology
- Aug 2007 - Present Project Manager for The Economic impact on the expansion of electricity in the rural area to use in agricultural sector  
Provincial Electricity Authority

- Sep 2006 - Present Project Manager for ASEAN Rapid Alert System for Food and Feed Pilot Project  
National Bureau of Agricultural Commodity and Food Standards (ACFS)
- Sep 2006 - Present Project Manager for Thailand Organic Agriculture Strategy  
National Economic and Social Development Board (NESDB)
- Oct 2005 - Present Project Manager for i-Community project  
Ministry of Information Communication and Technology
- Jan 2004 - Present Project Manager for i-Community project  
National Research Council of Thailand
- Aug 2000 - Present Executive Director  
Infomining Co., Ltd.
- 1993 - Present Associate Professor in Operations Management Department,  
Faculty of Business Administration  
Kasetsart University
- 2002 - 2016 Head of the Operations Management Department  
Kasetsart University
- 2015 Acting Vice President  
Kasetsart University
- 2013 - 2015 Vice President  
Kasetsart University (Sriracha Campus)

## Mr. Kornrasit Pakchotanon (59)

- 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 Co., Ltd.
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

## Mr. Saharath Boonpotipukdee (59)

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

### Education

- Bachelor of Electrical Engineering, Chulalongkorn University
- Energy Literacy for a sustainable Future TEA, Thailand Energy Academy
- ASEAN Government Leaders Program (AGLP), General Electric Management Research and Development institute, Crotonville New York, USA
- Advanced Management Program, Harvard Business School, USA
- Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Certificate of Director Certification Program, Thai Institute of Directors Association
- 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
- Risk Management: Issues for Boards Program, Thai Institute of Directors Association

### Working Experience during the recent 5 years

Jul 2017 - Present	Deputy Governor - Renewable and New Energy, Serving as EGAT Spokesman Electricity Generating Authority of Thailand
Oct 2016 - Jun 2017	Deputy Governor to Office of the Governor, Serving as EGAT Spokesman 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

## Mr. Wisak Watanasap (58)

- Director
- Member of Corporate Governance and Social Responsibility Committee  
(Appointed with effect on January 1, 2018)

### Education

- Master of Public Administration Program (MPA), Graduate School of Public Administration, National Institute of Development Administration
- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- Bachelor of Engineering Program in Civil Engineering, Khon Kaen University
- Energy Literacy for a sustainable Future TEA, Thailand Energy Academy
- National Defence Course Class, National Defence College
- ICT Management for Non-ICT Executive NIT, NECTEC Academy

### Working Experience during the recent 5 years

- |                     |  |
|---------------------|--|
| Oct 2017 - Present  | Inspector General<br>Ministry of Energy  |
| Nov 2014 - Sep 2017 | Deputy Directors General,<br>Department of Energy Business<br>Ministry of Energy                 |
| Sep 2014 - Nov 2014 | Director Division of Energy,<br>Department of Energy Business<br>Ministry of Energy              |
| Dec 2008 - Aug 2014 | Director Bureau of Strategic Management,<br>Department of Energy Business,<br>Ministry of Energy |

## Mr. Shunichi Tanaka (52)

- Director
- Chairman of Nomination and Remuneration Committee
- Member of Investment 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<br>Diamond Generating Asia, Limited   |
| Apr 2014 - Present  | Managing Director<br>TEPDIA Generating B.V.   |
| Jun 2012 - Mar 2014 | Power Project Development in Domestic Market, New Energy Business Development Japan Team,<br>New Energy & Power Generation Division<br>Mitsubishi Corporation |
| Feb 2008 - May 2012 | Division Manager,<br>Jakarta Representative Office<br>Mitsubishi Corporation  |

## Mr. Yoichiro Matsumoto (40)

- **Director**  
(Authorized Director)  
(Appointed with effect on May 26, 2017)

### Education

- Bachelor of Laws, Kyushu University, Japan

### Working Experience during the recent 5 years

May 2017 - Present	Director Khanom Electricity Generating Co., Ltd.
Apr 2014 - Present	Manager of Asset Management Diamond Generating Asia, Limited
Jan 2012 - Mar 2014	Manager of Strategic Planning Unit, Global Environmental & Infrastructure Business Group CEO Office Diamond Generating Asia, Limited

## Mr. Takao Onuki (57)

- **Director**
- **Member of Investment Committee**  
(Authorized Director)  
(Appointed with effect on January 1, 2018)

### Education

- Bachelor of Economics, Keio University, Japan

### Working Experience during the recent 5 years

Oct 2017 - Present	Senior Vice President, Business Development JERA Energy Development Asia Pte., Ltd.
Jul 2016 - Sep 2017	General Manager, Fukushima Revitalization Headquarters Tokyo Electric Power Company, Inc. (TEPCO)
Jul 2013 - Jun 2016	Chief Representative and General Manager TEPCO Washington Office
Oct 2011 - Jun 2013	General Manager, Overseas Business Planning & Coordination Group, International Affairs Department Tokyo Electric Power Company, Inc. (TEPCO)

## Mr. Hiromi Sakakibara (54)

- Director  
(Authorized Director)

### 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 Co., Ltd.
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)

## Mr. Jakgrich Pibulpairoj (56)

- 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)  
(Appointed with effect on October 1, 2017)

### Education

- Bachelor of Mechanical Engineering,  
Chulalongkorn University
- Certificate of Director Certification Program,  
Thai Institute of Directors Association
- Certificate of Director Accreditation Program,  
Thai Institute of Directors Association
- Advanced Management Program,  
Harvard Business School, USA
- Leadership Succession Program, Institute of Research and  
Development for Public Enterprises
- Foreign Affairs Executive Programme,  
Devawongse Vorapakarn Institute of Foreign Affairs
- Advanced Police Command Course,  
Institute of Police Administration Development

### Working Experience during the recent 5 years

Dec 2017 - Present	Chairman Gulf Electric Public Co., Ltd.
Nov 2017 - Present	Chairman Khanom Electricity Generating Co., Ltd.
Nov 2017 - Present	Director Xayaburi Power Co., Ltd.
Oct 2017 - Present	Chairman EGCO Engineering and Service Co., Ltd.
Oct 2017 - Present	Director BLCP Power Co., Ltd.
Oct 2016 - Sep 2017	Deputy Governor - Business Development Electricity Generating Authority of Thailand
Mar 2016 - Sep 2017	Director EGAT Diamond Service Co., Ltd., Electricity Generating Authority of Thailand
Oct 2015 - Sep 2016	Assistant Governor - Operation and Maintenance Business Electricity Generating Authority of Thailand
Oct 2013 - Sep 2015	Director, Workshop and Spare Parts Division Electricity Generating Authority of Thailand
Oct 2012 - Sep 2013	Engineer Level 12 to the Deputy Governor - Business Development Appointed as General Manager, EGAT Diamond Service Co., Ltd. Electricity Generating Authority of Thailand

## EGCO's Board of Directors

who Vacated the Office during the Year 2017 until January 31, 2018

### Mr. Somphot Kanchanaporn (71)

- Independent Director
- Member of Audit Committee  
(Retired by rotation in 2017 AGM on April 19, 2017)

#### 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

### Mr. Bandhit Sotipalalit (69)

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee  
(Retired by rotation in 2017 AGM on April 19, 2017)

#### 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. Thanapich Mulapruk (68)

- Independent Director
- Chairman of Audit Committee  
(Resigned with effect on May 5, 2017)

### 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 PCL.

#### Other Organizations

Apr 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 Co., Ltd.

## Mr. Pongstorn Kuanusorn (66)

- Independent Director
- Member of Nomination and Remuneration Committee
- Member of Corporate Governance and Social Responsibility Committee  
(Resigned with effect on October 1, 2017)

### 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
- Risk Management: Issues for Boards 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 PCL.

#### 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)

## Ms. Puangthip Silpasart (63)

- Director
- Member of Corporate Governance and Social Responsibility Committee (Authorized Director) (Resigned with effect on December 1, 2017)

### 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
- Risk Management: Issues for Boards Program, Thai Institute of Directors Association

### Working Experience during the recent 5 years

#### Listed Companies in SET

- |                    |   |
|--------------------|---|
| Apr 2016 - Present | Independent Director, Member of Audit Committee, Member of Remuneration and Nomination Committee<br>TRC Construction PCL.<br>Thai Sugar Terminal PCL. |
|--------------------|---|

#### Other Organizations

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

## Mr. Yasuo Ohashi (43)

- Director
- Member of Investment Committee (Authorized Director) (Resigned with effect on May 26, 2017)

### Education

- Bachelor of Mechanical Engineering, Waseda University, Japan

### Working Experience during the recent 5 years

- |                    |   |
|--------------------|---|
| Apr 2017 - Present | Deputy General Manager,<br>Head of Asset Management Team,<br>International IPP Department<br>Mitsubishi Corporation |
| 2014 - May 2017    | Director<br>Khanom Electricity Generating Co., Ltd.   |
| 2014 - Mar 2017    | Director<br>Diamond Generating Asia, Limited  |
| 2014 - Feb 2015    | Director<br>Natural Energy Development Co., Ltd.  |
| 2011 - 2013        | Director of Business Development<br>Diamond Generating Asia, Limited  |

## Mr. Ken Matsuda (45)

- Director
- Member of Investment Committee  
(Authorized Director)  
(Resigned with effect on January 1, 2018)

### Education

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

### Working Experience during the recent 5 years

Jul 2017 - Present	General Manager Renewable Energy Unit Power Generation Business Department JERA Co., Inc.
Jul 2016 - Jun 2017	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)

## Mr. Chanin Chaonirattisai (61)

- 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)  
(Retired from the presidency and resigned from the directorship with effect on October 1, 2017)

### 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
- IT Governance for Directors Program, Thai Institute of Directors Association
- Risk Management: Issues for Boards Program, 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
- 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 PCL.
---------------------	---

#### Other Organizations

Oct 2015 - Sep 2017	Chairman Khanom Electricity Generating Co., Ltd. EGCO Engineering and Service Co., Ltd.
Oct 2015 - Sep 2017	Director Gulf Electric PCL. BLCP Power Co., Ltd.
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

## 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 (CLMVT)
- Risk Management Committee Member
- Good Corporate Governance Committee Member
- EGCO Management Committee

### 03

#### Mr. Danuja Simasathien

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

### 04

#### Mr. Gumpanart Bumroongit

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



05

**Mr. Suvapan Chomchalerm**

- Executive Vice President - Accounting



06

**Ms. Somsiri Yoosook**

- Executive Vice President - Finance



07

**Ms. Sirobon Boontaworn**

- Senior Vice President - Accounting and Budget



08

**Ms. Ploy Suksrisomboon**

- Senior Vice President - International General Affairs Management



09

**Ms. Sudruedee Lertkasem**

- Senior Vice President - Domestic General Affairs Management



10

**Ms. Wimolwan Sasanawin**  
Executive Vice President -  
Business Development  
(International)



11

**Ms. Saranya Kalawantwanich**  
Executive Vice President -  
Business Development (CLMV)



12

**Mr. Chinnavuth Liurungruang**  
Executive Vice President -  
Business Development (Domestic)



13

**Mr. Thongchai Chotkajornkiat**  
Executive Vice President -  
Corporate Management



14

**Mr. Thawat Hirancharukorn**  
Executive Vice President -  
Asset Management



15

**Mr. Parnuwat Gururatana**  
Executive Vice President -  
Project Management



16

**Mr. Sathit Tanomkul**  
Executive Vice President -  
O&M Business



17

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

18

**Mr. Chaisak Tekhuad**

Executive Vice President



19

**Ms. Pantipa Moolasart**

Executive Vice President



20

**Mr. Suebsak Choorit**

Executive Vice President



21

**Mr. Witchaya Prasertlap**

Executive Vice President

(Retired with effect on December  
31, 2017)

## The positions of the Management and the Control Persons

Resigned by retirement effective December 31, 2017



### 01

#### Mr. Voravit Potisuk

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

### 02

#### Mr. Sakul Pochanart

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

### 03

#### Mr. Piya Jetasanon

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

## The positions of the Management and the Control Persons

as of January 31, 2018

### Mr. John Matthew Palumbo (55)

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

#### Education

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

#### Working Experience in the past 5 years

2017 - Present	Director EGCO Plus Company Limited
2016 - Present	Director AES Normandy Holding B.V.
2014 - Present	Director Masin-AES Pte. Ltd.
2012 - Present	Director Kalilayan Power Holdings Inc. Mauban Holdings Company Inc.
2012 - 2016	Director Pearl Energy Philippines Operating, Inc. Quezon Power, Inc.
2012 - 2014	Director Quezon Management Service Inc. Ogden Power Development Cayman, Inc. Quezon Generating Company Limited
2011 - 2014	Director GPI Quezon Limited Company Khanom Electricity Generating Company Limited EGCO Engineering and Service Company Limited
2011 - 2013	Director North Pole Investment Company Limited

### Mr. Niwat Adirek (59)

- Senior Executive Vice President Business Development (CLMVT)
- 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
- Bachelor of Electrical Engineering, (Honors) Chulalongkorn University
- Certificate of Technology Transfer in Electrical Design of Gas Turbine Combined Cycle Power Plant Black & Veatch International

#### Working Experience in the past 5 years

2018 - Present	Director Khanom Electricity Generating Company Limited EGCO Engineering and Service Company Limited BLCP Power Limited Nam Theun 2 Power Company Limited Dawei Electricity Generating Company Management Pte., Ltd.
2016 - Present	Director Star Phoenix Geothermal JV B.V. Star Energy Geothermal Holdings (Salak - Darajat) B.V. Star Energy Geothermal (Salak - Darajat) B.V.
2014 - Present	Director Star Energy Geothermal Pte. Ltd. Phoenix Power B.V.
2015 - Present	Commissioner PT Tenaga Listrik Cilegon
2013 - 2015	Director South Pacific Power Pty Limited Boco Rock Wind Farm Pty Limited

## Mr. Danuja Simasathien (57)

2013 - 2014	Director Khanom Electricity Generating Company Limited EGCO Engineering and Service Company Limited Millennium Energy B.V. Mauban Holdings Company Inc.
2012 - 2014	Commissioner PT Manambang Muara Enim Company Limited
2011 - 2014	Director EGCO International (B.V.I.) Limited Quezon Power, Inc. Quezon Management Service Inc. Quezon Management Company Limited Quezon Generating Company Limited Ogden Power Development Cayman, Inc. Pearl Energy Philippines Operating, Inc.
2010 - 2014	Director North Pole Investment Company Limited New Growth Cooperatief U.A. New Growth B.V.
2010 - 2013	Director Conal Holdings Corporation Alto Power Management Corporation Northern Mindanao Power Corporation Southern Philippines Power Corporation Western Mindanao Power Corporation Alsing Power Holding Inc.

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

### Education

- MBA (Operating Management),  
University of Wisconsin - Madison
- Master of Engineering (Chemical Engineering),  
Illinois Institute of Technology
- Bachelor of Engineering (Chemical Engineering),  
Chulalongkorn University
- Advance Certificate Course in Management of Public  
Economics for Executive, King Prajadhipok's Institute
- Certificate of Director Certification Program,  
Thai Institute of Directors Association

### Working Experience in the past 5 years

2018 - Present	Director BLCP Power Limited Dawei Electricity Generating Company Management Pte., Ltd.
2018 - Present	Commissioner PT Manambang Muara Enim Company Limited
2017 - Present	Director Khanom Electricity Generating Company Limited EGCO Engineering and Service Company Limited Nam Theun 1 Power Company Limited
2014 - 2014	Director EGCOM TARA Company Limited
2013 - 2014	Director Gulf Cogeneration Company Limited Samutprakarn Cogeneration Company Limited Nong Khae Cogeneration Company Limited Gulf Yala Green Company Limited
2012 - Present	Director Sub Yai Wind Farm Company Limited
2011 - 2012	Director Nam Theun 2 Power Company Limited EGCO Cogeneration Company Limited

## Mr. Gumpanart Bumroonggit (52)

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

### Education

- Ph.D. in Engineering Science (Electrical Engineering), Southern Illinois University at Carbondale, USA
- Master of Science (Electrical Engineering), Southern Illinois University at Carbondale, USA
- Bachelor of Engineering (Electrical Engineering), Chulalongkorn University

### Working Experience in the past 5 years

2018 - Present	Director Nam Theun 2 Power Company Limited South Pacific Power Pty Limited
2018 - Present	Commissioner PT Manambang Muara Enim Company Limited
2017 - Present	Director Khanom Electricity Generating Company Limited EGCO Engineering and Service Company Limited EGCO Plus Company Limited
2015 - Present	Director Boco Rock Wind Farm Pty Limited
2013 - Present	Director BLCP Power Limited
2013 - 2014	Director Absolute Power P Company Limited NED Wind Company Limited
2012 - Present	Director Gulf Electric Public Company Limited Natural Energy Development Company Limited Quezon Power, Inc. Pearl Energy Philippines Operating, Inc. PT Manambang Muara Enim Company Limited
2012 - 2016	Director Quezon Generating Company Limited
2012 - 2013	Director Gulf Cogeneration Company Limited Nong Khae Cogeneration Company Limited Samutprakarn Cogeneration Company Limited Gulf Yala Green Company Limited Absolute Power P Company Limited
2012 - 2017	Executive Vice President - Asset Management Electricity Generating Public Company Limited

## Mr. Voravit Potisuk (60)

(Resigned by retirement effective December 31, 2017)

- 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 in the past 5 years

2014 - 2017	Director Dawei Electricity Generating Company Management Pte., Ltd.
2011 - 2017	Director EGCO Engineering and Service Company Limited Khanom Electricity Generating Company Limited BLCP Power Limited Nam Theun 2 Power Company Limited
2012 - 2016	Director Klongluang Utilities Company Limited Banpong Utilities Company Limited
2011 - 2015	Director Chaiyaphum Wind Farm Company Limited
2012 - 2014	Director Yanhee EGCO Holding Company Limited Solarco Company Limited
2011 - 2014	Director Theppana Wind Farm Company Limited
2011 - 2012	Director Gulf Electric Public Company Limited
2011 - 2017	Senior Executive Vice President - Business Development (Domestic) Electricity Generating Public Company Limited

## Mr. Sakul Pochanart (60)

(Resigned by retirement effective December 31, 2017)

- 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 in the past 5 years

2015 - 2017	Director Xayaburi Power Company Limited
2012 - 2017	Director EGCO Engineering and Service Company Limited Khanom Electricity Generating Company Limited Nam Theun 2 Power Company Limited PT Manambang Muara Enim Company Limited
2008 - 2017	Director BLCP 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 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
2013 - 2017	Senior Executive Vice President - Strategy & Asset Management Electricity Generating Public Company Limited

## Mr. Piya Jetasanon (60)

(Resigned by retirement effective December 31, 2017)

- Senior Executive Vice President - Chief Financial Officer
- Risk Management Committee Member
- Group Business 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 in the past 5 years

2015 - 2017	Director Dawei Electricity Generating Company Management Pte., Ltd.
2012 - 2017	Commissioner PT Manambang Muara Enim Company Limited
2012 - 2017	Director Sub Yai Wind Farm Company Limited
2012 - 2016	Director Klong Luang Utilities Company Limited Banpong Utilities Company Limited
2012 - 2014	Director Solarco Company Limited
2011 - 2017	Director BLCP Power Company Limited EGCO Engineering & Service Company Limited Khanom Electricity Generating Company Limited EGCO International (BVI)
2011 - 2015	Director Gulf Electric Public Company Limited
2011 - 2014	Director North Pole Investment Company Limited Yanhee Solar Power Company Limited

## Mr. Suvapan Chomchalerm (57)

- 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 in the past 5 years

2017- Present	Director Sub Yai Wind Farm Company Limited Nam Theun 1 Power Company Limited
2015 - Present	Director Gulf Electric Public Company Limited
2014 - Present	Director Natural Energy Development Company Limited Solarco Company Limited Yanhee EGCO Holding 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

## Ms. Somsiri Yoosook (53)

- Executive Vice President - Finance

### Education

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

### Working Experience in the past 5 years

2017 - Present	Director EGCO Plus Company Limited
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. Quezon Generating Company Limited Quezon Management Service Inc. Pearl Energy Philippines Operating, Inc. Quezon Power, Inc.
2013 - 2015	Director Nam Theun 2 Power Company Limited
2012 - 2013	Director Chaiyaphum Wind Farm Company Limited EGCO Cogeneration Company Limited

## Ms. Sirobon Boontaworn (46)

- Senior Vice President - Accounting and Budget

### Education

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

### Working Experience in the past 5 years

2013 - Present	Senior Vice President - Accounting and Budget Electricity Generating Public Company Limited
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## Ms. Ploy Suksrisomboon (50)

- 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 Association

### Working Experience in the past 5 years

2017 - Present	Director New Growth Plus B.V. EGCO Plus Company Limited
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. EGCO International (B.V.I.) Limited North Pole Investment Company Limited
2014 - 2017	Director New Growth Cooperative U.A. Quezon Generating Company Limited GPI-I, LTD. GPI-II, LTD. GPI Quezon Limited Company Ogden Power Development Cayman, Inc. Quezon Management 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

## Ms. Sudrudee Lertkasem (46)

- 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 Association

### Working Experience in the past 5 years

2017 - Present	Director Chaiyaphum Wind Farm Company Limited
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

## The Position of EGCO's Management and the Control Persons in the Subsidiaries and Other Related Companies as of January 31, 2018

	Name	EGCO	Major Subsidiaries		Subsidiaries (Core Business)		Subsidiaries						Joint Ventures							
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Mr. Sombat Sarntijaree	Δ, XX																		
2	Ms. Jaruwan Ruangswadipong	O, I, AA, LID																		
3	Assoc. Prof. Dr. Nualnoi Treerat	O, I, N, C																		
4	Mr. Paisan Mahapunnaporn	O, I, A																		
5	Assoc. Prof. Dr. Chotchai Charoenngam	O, I, N, CC																		
6	Prof. Dr. Anya Khanthavit	O, I, A																		
7	Assoc. Prof. Dr. Bordin Rassameethes	O, I, N, C																		
8	Mr. Kornrasit Pakchotanon	O, X	Governor																	
9	Mr. Saharath Boonpotipukdee	O, N	Deputy Governor																	
10	Mr. Wisak Watanasap	O, C																		
11	Mr. Shunichi Tanaka	O, X, NN																		
12	Mr. Takao Onuki	O, X																		
13	Mr. Hiromi Sakakibara	O			O															
14	Mr. Yoichiro Matsumoto	O			O															
15	Mr. Jakgrich Pibulpairoj	President, X, C, GG	Engineer Level 14		Δ		Δ					O								
16	Mr. John Matthew Palumbo	SEVP - Business Development - International																		
17	Mr. Niwat Adirek	SEVP - Business Development - CLMVT			O		O					O								
18	Mr. Gumpanart Bumroonggit	SEVP - Strategy and Asset Management			O		O					O	O							O
19	Mr. Danuja Simasathien	SEVP - Chief Financial Officer			O		O													
20	Ms. Somsiri Yoosook	EVP - Finance								O		O								
21	Mr. Suvapan Chomchalerm	EVP - Accounting										O								
22	Mr. Sathit Tanomkul	Managing Director					Δ	O		Δ		Δ		O						
23	Mr. Winchai Tattamanas	FSVP-Legal								O										
24	Mr. Pasagorn Sasanawin	FSVP - SPP Management					O			O		O								
25	Ms. Sirobon Boontaworn	SVP - Accounting and Budget																		
26	Ms. Ploy Suksrisomboon	SVP - International General Affairs Management							O		O									O
27	Ms. Sudrudee Lertkasem	SVP - Domestic General Affairs Management					O			O		O								
28	Ms. Kulkanok Leongsoithong	Corporate Secretary, SVP - Corporate Secretary																		

### Remarks

A. Δ = Chairman O = Director XX = Chairman of Investment Committee X = Investment Committee Member AA = Chairman of Audit Committee A = Audit Committee Member  
 NN = Chairman of Nomination and Remuneration Committee N = Nomination and Remuneration Committee Member CC = Chairman of Corporate Governance and Social Responsibility Committee C = Corporate Governance and Social Responsibility Committee Member GG = Chairman of Good Corporate Governance Committee G = Good Corporate Governance Committee Member LID = Lead Independent Director

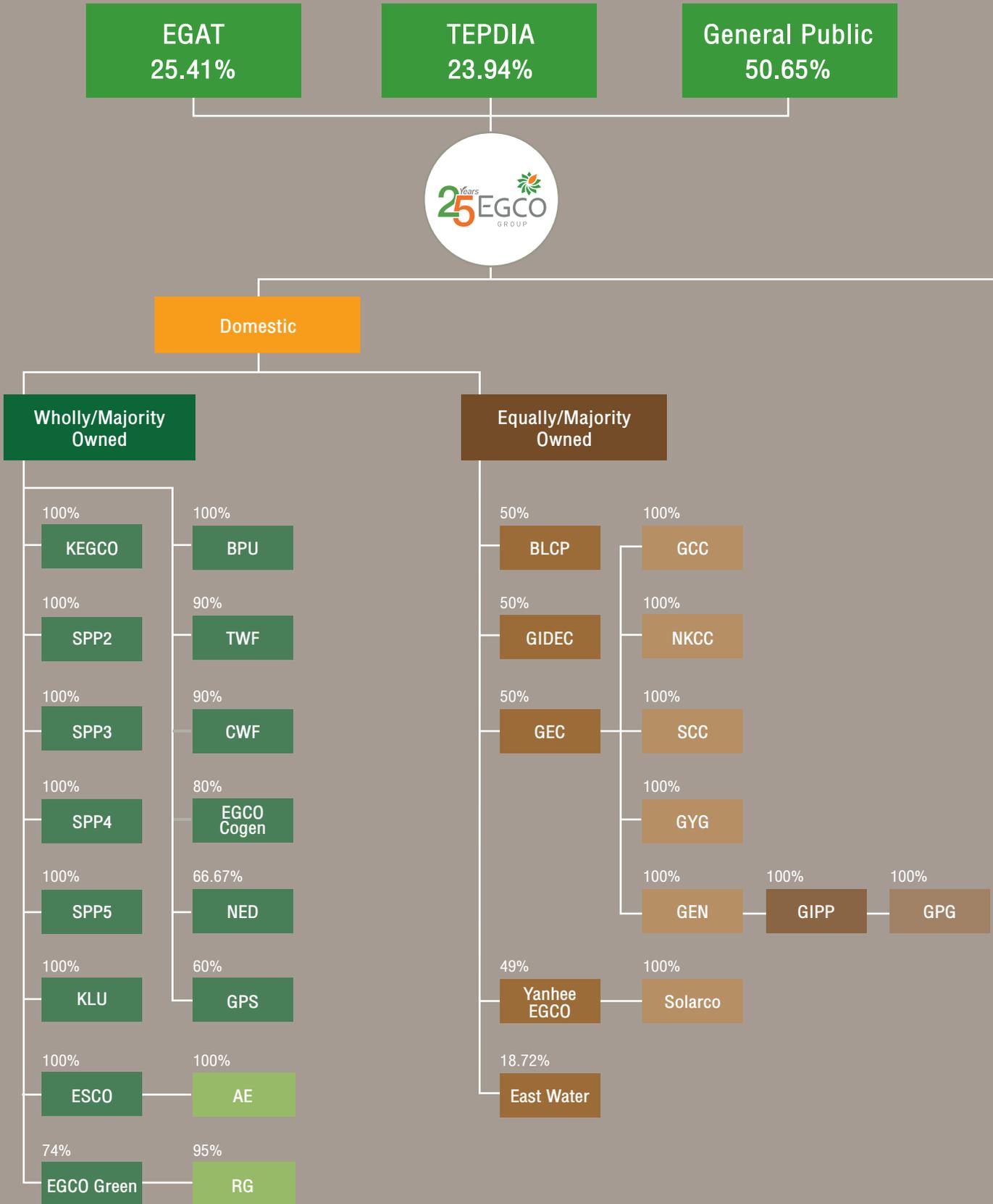
B. 1 = Electricity Generating Authority of Thailand  
 2 = TEPDIA Generating B.V.  
 3 = Khanom Electricity Generating Co., Ltd.  
 4 = EGCO Cogeneration Co., Ltd.  
 5 = EGCO Engineering and Service Co., Ltd.  
 6 = EGCO International (B.V.I.) Limited  
 7 = EGCO Green Energy Co., Ltd.  
 8 = North Pole Investment Co., Ltd.  
 9 = Roi-Et Green Co., Ltd.  
 10 = Nam Theun 2 Power Co., Ltd.

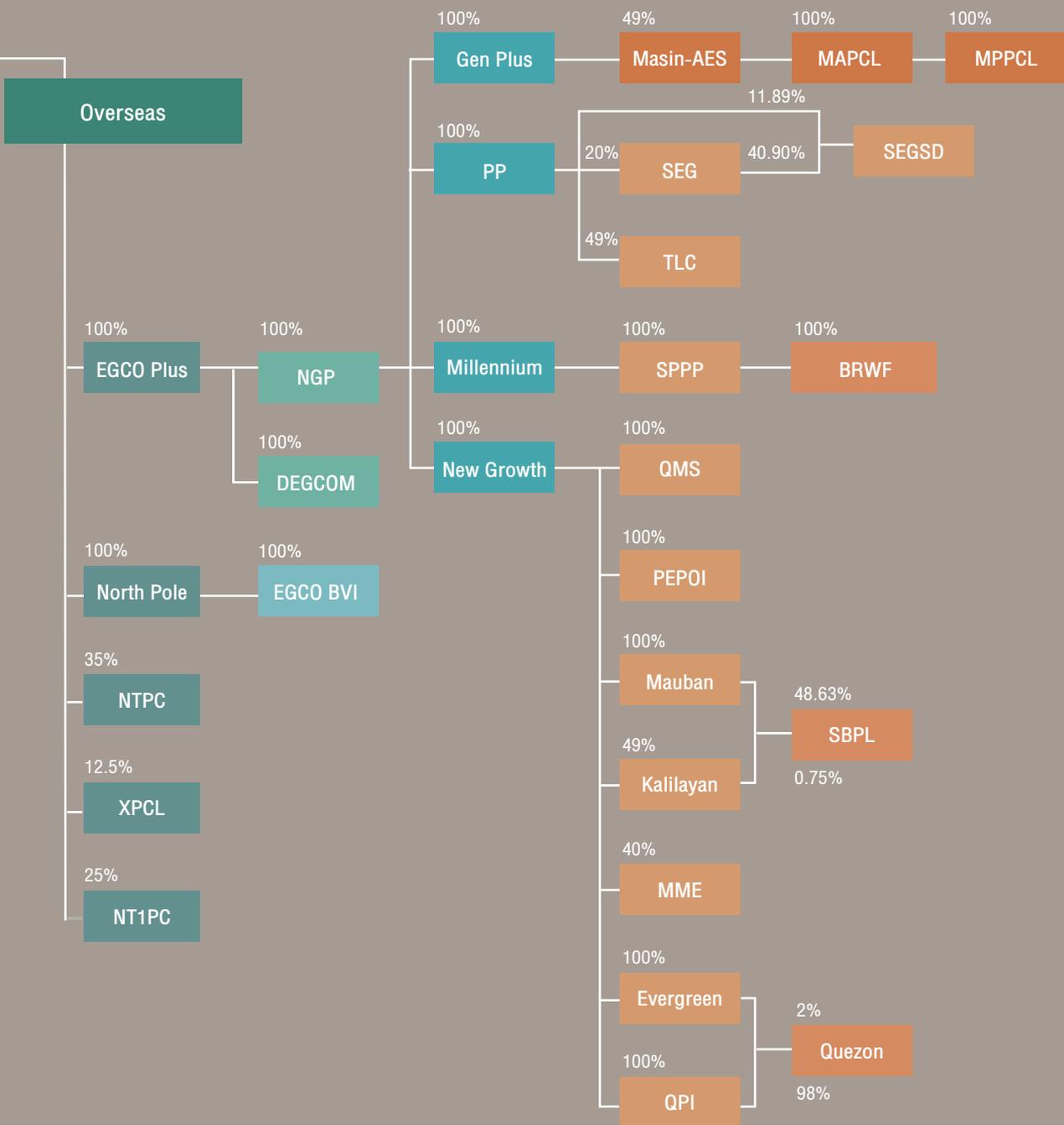
11 = Gulf Electric Pcl.  
 12 = Gulf Power Generation Co., Ltd.  
 13 = Gulf Cogeneration Co., Ltd.  
 14 = Nong Khae Cogeneration Co., Ltd.  
 15 = Samutprakam Cogeneration Co., Ltd.  
 16 = Gulf Energy Co., Ltd.  
 17 = Gulf IPP Co., Ltd.  
 18 = Quezon Power, Inc.  
 19 = Pearl Energy Philippines Operating, Inc.  
 20 = BLCP Power Limited

21 = Natural Energy Development Co., Ltd.  
 22 = SPP Two Co., Ltd.  
 23 = SPP Three Co., Ltd.  
 24 = SPP Four Co., Ltd.  
 25 = SPP Five Co., Ltd.  
 26 = Klongluang Utilities Co., Ltd.  
 27 = Theppana Wind Farm Co., Ltd.  
 28 = Chaiyaphum Wind Farm Co., Ltd.  
 29 = Sub Yai Wind Farm Co., Ltd.  
 30 = G-Power Source Co., Ltd.



# EGCO's Group Structure and Shareholders







EGCO Group operated 28 power plants in both Thailand and abroad with total contracted capacity of 4,573.81 MW equity.



## Business Characteristics

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 51.10% 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. (RG), Gulf Cogeneration Co., Ltd. (GCC), Nong Khae Cogeneration Co., Ltd. (NKCC), Samutprakarn Cogeneration Co., Ltd. (SCC), Gulf Yala Green Co., Ltd. (GYG), Chaiyaphum Wind Farm Co., Ktd. (CWF), Klongluang Utilities Co., Ltd. (KLU), Banpong Utilities Co., Ltd. (BPU) and Lopburi Solar Project (LSP) of Natural Energy Development Co., Ltd. (NED). The combined capacity is 711.84 MW equity, representing 15.56% 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. (TWF), Solarco Co. Ltd. (Solarco), Wang Ploeng Solar Project (WSP) of NED and GIDEC Company (GIDEC). The combined capacity is 88.32 MW equity, representing 1.93% 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) and Star Energy Geothermal (Salak - Darajat) B.V.(SEGSD) in Indonesia and Boco Rock Wind Farm Pty Limited (BRWF) in Australia. The combined capacity is 1,436.40 MW equity, representing 31.40% 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 Manambung Maura Enim Co., Ltd. (MME).

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

## Significant Events in 2017

In 2017, EGCO Group operated 28 power plants in both Thailand and abroad with total contracted capacity of 4,573.81 MW equity. EGCO mainly sold 3,247.00 MW of power to EGAT, 88.32 MW to PEA, 158.86 MW to Industrial Users (IUs) and the rest 1,079.62 MW to overseas customers. Highlights in 2017 were as follows:

1. On March 31, 2017, Star Energy Geothermal (Salak - Darajat) Company Ltd. (SEGSD) in which EGCO indirectly holds 20.07% of stakes successfully acquired and shared transfer was completed from the affiliates of Chevron Corporation.
2. On July 20, 2017, Klongluang Utilities Company Limited (KLU), in which EGCO holds 100%of stakes, has commenced its Commercial Operating Date to supply electricity to national grid.
3. On September 4, 2017, EGCO has entered into a Shareholders' Agreement of Nam Theun 1 (NT1PC), in which holds 25% of stakes. NT1PC has a 514.30 MW Power Purchase Agreement with the Electricity Generating Authority of Thailand (EGAT) and a 130 MW Power Purchase Agreement with Electricite du Laos (EDL). Both Power Purchase Agreements will last for 27 years starting from the Commercial Operation Date in 2022.

4. On September 27, 2017, Star Energy Geothermal (Salak - Darajat) Company Ltd. (SEGSD) in which EGCO indirectly holds 20.07% of stakes successfully acquired and shared transfer was completed of PT Darajat Geothermal Indonesia from PT Austindo Nusantara Jaya Tbk. Therefore, SEGSD indirectly increased its stake in Darajat geothermal power plant project unit 2 and unit 3 from 95% to 99.75%.
5. On October 1, 2017, Banpong Utilities Company Limited (BPU), in which EGCO holds 100% of stakes, has commenced its Commercial Operating Date to supply electricity to national grid.
6. On November 21, 2017, EGCO established EGCO Plus Company Limited (EGCO Plus), in which EGCO holds 100% of stakes, as the Holding Company for overseas investment. And on December 19, 2017, EGCO submitted an International Headquarter (IHQ) application to the Revenue Department.\*

### Table: EGCO's Business Line:

1. IPP Group	
1.1	<p><b>Khanom Electricity Generating Company Limited (KEGCO)</b></p> <p>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 of Khanom unit 4 project (KN4) 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.</p> <p>In 2017, KN4 generated and sold 6,204.73 GWh electricity output to EGAT with 95.89% on average EAF since COD.</p>
1.2	<p><b>BLCP Power Limited (BLCP)</b></p> <p>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.</p> <p>In 2017, BLCP power plant generated and sold 10,091.69 GWh electricity output to EGAT. Its annual average EAF for unit 1 and unit 2 was 80.87% and 91.05%, respectively.</p>
1.3	<p><b>Gulf Power Generation Company Limited (GPG)</b></p> <p>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.</p> <p>In 2017, KK2 power plant generated and sold 1,360.43 GWh electricity output to EGAT. Its annual average EAF for block 1 and block 2 was 87.24% and 95.24%, respectively.</p>

\* Note: The Revenue Department has approved EGCO Plus as IHQ since January 4, 2018.

## 2. 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 2017, EGCO Cogen power plant generated and sold 704.36 GWh electricity output to EGAT and IUs. Its annual average EAF was 96.40% and the steam output to IUs was 54,678.00 tons.

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

EGCO indirectly holds 70.30% stake in RG, 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 2017, RG power plant generated and sold 60.41 GWh electricity output to EGAT. Its annual average EAF was 90.37%.

### 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 2017, GCC power plant generated and sold 714.18 GWh electricity output to EGAT and IUs. Its annual average EAF was 99.75% and the steam output to IUs was 117,400.66 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 2017, NKCC power plant generated and sold 846.63 GWh electricity output to EGAT and IUs. Its annual average EAF was 97.69% and the steam output to IUs was 155,473.63 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 2017, SCC power plant generated and sold 785.53 GWh electricity output to EGAT and IUs. Its annual average EAF was 93.67% and the steam output to IUs was 133,256.59 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 2017, GYG power plant generated and sold 166.12 GWh electricity output to EGAT. Its annual average EAF was 93.49%.

## 2.7 Chaiyaphum Wind Farm Company Limited (CWF)

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

In 2017, CWF generated and sold 124.11 GWh electricity output to EGAT. Its annual average EAF was 99.40%.

## 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 2017, LSP generated and sold 108.65 GWh electricity output to EGAT. Its annual average availability was 99.71%.

## 2.9 Klongluang Utilities Company Limited (KLU)

EGCO holds 100% stake in KLU, which owns and operates a SPP cogeneration power plant located in Pathum Thani Province. It is a 121 MW cogeneration power plant with steam of 13 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 25 years PPA, and remaining electricity along with steam output to IUs under the long-term PPAs.

On July 20, 2017 KLU has commenced its Commercial Operating Date (COD). In 2017, KLU generated and sold 304.88 GWh electricity output to EGAT. Its annual average availability was 90.05 % and the steam output to IUs was 33,499.00 tons.

### 3.0 Banpong Utilities Company Limited (BPU)

EGCO holds 100% stake in BPU, which owns and operates a SPP cogeneration power plant located in Pathum Thani Province. It is a 256 MW cogeneration power plant with steam of 100 tons per hour comprising two identical 128 MW using natural gas as the primary fuel. Under the SPP firm cogeneration program, it generates and sells 180 MW electricity output to EGAT under the 25 years PPA, and remaining electricity along with steam output to IUs under the long-term PPAs.

On October 1, 2017 BPU has commenced its Commercial Operating Date (COD). In 2017, BPU generated and sold 376.79 GWh electricity output to EGAT. Its annual average availability was 99.18 % and the steam output to IUs was 153,450.40 tons.

## 3. 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 2017, WSP generated and sold 16.27 GWh electricity output to PEA. Its annual average availability was 99.49%.

### 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 2017, SPP 2 power plant generated and sold 15.60 GWh electricity output to PEA. Its annual average availability was 99.70%.

### 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 2017, SPP 3 power plant generated and sold 16.10 GWh electricity output to PEA. Its annual average availability was 98.88%.

### 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 2017, SPP 4 power plant generated and sold 11.76 GWh electricity output to PEA. Its annual average availability was 99.05%.

### 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 2017, SPP 5 power plant generated and sold 16.66 GWh electricity output to PEA. Its annual average availability was 99.66%.

### 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 has 4 sites comprising 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 2017, all GPS's solar power plants generated and sold 42.99 GWh electricity output to PEA. Its annual average availability was 98.81%.

### 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 2017, all Solarco's power plants generated and sold 115.56 GWh electricity output to PEA. Its annual average EAF was 99.78%.

### 3.8 Theppana Wind Farm Company Limited (TWF)

EGCO holds 90% stake in TWF, which owns and operates the 7.5 MW wind power plant located in Chaiyaphum Province. TWF 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 2017, TWF power plant generated and sold 12.37 GWh electricity output to PEA. Its annual average EAF was 99.28%.

### 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 2017, GIDEC power plant generated and sold 21.39 GWh electricity output to PEA. Its annual average EAF was 62.69%.

## 4. 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 2017, Quezon power plant generated and sold 2,876.48 GWh electricity output to MERALCO. Its annual average EAF was 81.63%.

### 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.

In 2017, MPPCL generated and sold 4,228.46 GWh electricity output to its customers. Its annual average EAF was 88.16%.

#### 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 2017, NTPC power plant generated and sold 5,990.76 GWh electricity output to EGAT and 367.31 GWh electricity output to EDL. Its annual average EAF was 96.21% for EGAT and 96.23% 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 2017, SEG power plant generated and sold 1,909.75 GWh electricity output to its customers. Its annual average EAF was 99.98%.

#### 4.5 Boco Rock Wind Farm Pty Limited (BRWF)

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

In 2017, BRWF power plant generated and sold 345.79 GWh electricity output to the Australian Energy Market Operator (AEMO) and EnergyAustralia Pty Ltd. Its annual average EAF was 98.35%.

#### 4.6 Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD)

EGCO indirectly holds 20.07% stake in SEGSD, which owns and operates a 647.27 MW two geothermal power plant projects located in Indonesia. It comprises of Salak project 6 units of 376.80 MW and Darajat project 3 units 270.46 MW. Under the long-term PPA, it generates and sells steam and electricity output to PT PLN (Persero), an Indonesian government-owned electricity corporation.

On March 31, 2017 SEGSD has successfully acquired and shared transfer from the affiliates of Chevron Corporation. In 2017, Salak power plant generated and sold 2,904.74 GWh electricity output to its customers. Its annual average EAF was 95.16% and Darajat power plant generated and sold 2,099.09 GWh electricity output to its customers. Its annual average EAF was 95.44%

## 5. 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 2017 was at 1.24 million tons.

## Risk Factors

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 review with the Management the risk management policy and compliance as well as EGCO's risk management guidelines and potential risks with preventive measures of such risks.

At the Management level, the appointed Risk Management Committee comprises EGCO's top executives with the President as the chairman of the Committee, all Senior Executive Vice President as members and the Executive Vice President - Asset Management as the secretary. The Risk Management Committee's duties and responsibilities include the oversight of EGCO's risk management compliance with risk management policy and guidelines, promotion and support of enterprise risk management policy and well as regular reporting to the Audit Committee and the Board. In the case of significant risk factors arising, the Risk Management Committee shall promptly report to the Audit Committee and the Board of Directors.

In addition, EGCO has established Risk Assessment Division and that its division manager serves as assist secretary to the Risk Management Committee, and responsible for monitoring and report of EGCO's risk management practice, cooperation with the risk owners on risk identification, risk assessment and risk response and report regularly to the Risk Management Committee the matters about EGCO's risk management practice at least once a quarter to ensure that the risk management processes are implemented throughout the corporation and that all functions are fully aware of risk management and have their preventive measures of relevant risks.

In 2017, the Board approved EGCO Group's Risk Management Philosophy which aims to be applied throughout the Company to support the enterprise risk management, following COSO's ERM Integrated Framework. Such philosophy declares that:

**"EGCO Group believes that despite the risks implicit in doing business, we strive to manage risk efficiently with consideration of balancing risk and return for all stakeholders' benefits. Our risk management shall increase opportunity for achieving corporate goals and creating sustainable corporate values."**

A summary of EGCO Group's 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 2017, EGCO successfully acquired 20.07% shares indirectly in Star Energy Geothermal (Salak-Darajat) B.V. (SEGSD which invested in Salak and Darajat geothermal power projects in Indonesia, and later, increased its investment through SEGSD's indirect ownership interest in Darajat Geothermal Project Unit 2 and Unit 3 from 95% to 99.75%. In addition, EGCO has entered into the Shareholder's Agreement of Nam Theun 1 Power Company Limited (NT1PC) to hold 25% share in order to develop the Nam Theun 1 Hydropower Plant Project in Laos.

### 1.2 Risk from Overseas Asset Management

Overseas investment creates opportunities for long-term growth of EGCO. Nevertheless, there are various factors that may impact the performance of such 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 competent personnel to work at the assets such as Nam Theun 2 Power Co., Ltd. ("NTPC"), Quezon Power (Philippines) Ltd., Co. ("Quezon") and San Buenaventura Power Ltd. Co. ("SBPL"). 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 Construction Project Management

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 2017, there were five projects under construction. The construction of two projects being Klongluang Utilities (TJ Cogeneration Power Plant) and Banpong Utilities (TP Cogeneration and SK Cogeneration Power Plants) were completed and achieved COD in 2017 as scheduled. Other three projects being Xayaburi Hydro Power Plant, Masinloc Expansion Unit 3 Coal-Fired Power Plant and San Buenaventura Coal-Fired Power Plant 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 2017, 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, RG 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. RG power plant using rice husks and Gulf Yala Green Power Plant consuming para wood chips also reserve the fuel sufficient for 20-day and 22-day continuous operations respectively. Besides, RG has supplied alternative fuels such as sawdust and cassava rhizome to mix with rice husk to reduce fuel costs and diversify the risk of fuel in electricity generation.

### 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, Sabotage and Natural Disaster

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, sabotage or natural disaster events.

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.
- Fire drills and fire evacuation every year to respond to emergency in the EGCO Group's power plants and its Head Office Building.
- Business Continuity Plan for Crisis Management with EGCO Head Office Building to ensure that EGCO's business operation is continuous and sustainable.
- Secure the insurance policy that covers all risks, property damage, machinery breakdown, business interruption, third party liability and political violence (e.g. the effects of loss from terrorism, sabotage, riot, political conflict, revolution and coup d'état) and disaster events (e.g. flood, storm, earthquake, landslide) to assure that loss from damages in the unexpected case would be properly and adequately protected, 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 2017, 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

- The Succession Plan Program aiming to develop competent employees for succeeding the key positions including the individual development plan and job rotation.
- The Knowledge Sharing and Knowledge Center through the EGCO Group Net.
- Employees receive fair remuneration in return for their work performance and efforts contributing to the organization success. EGCO compensates its employees with salary according to its salary structure as well as other fringe benefits, designed to be appropriate and competitive in the market with the consideration of employees' knowledge, competency and expertise proper to their job positions. In order to retain good and talented personnel.

Such measures would ensure that EGCO's personnel have required knowledge and competency which would lead to sustainable growth for the company.

## 8. Climate Change Risk

Taking into account the problems of climate change impact, EGCO implemented greenhouse gas management to mitigate climate change problem by targeting its renewable energy portfolio to 30% by 2026. Presently, the Company's renewable power plants, domestic and overseas, accounted 19.26% of EGCO Group's total electricity generating capacity which reduced 1.95 million tons of carbon dioxide equivalent emissions per year.

In the power generation process, EGCO's measures included plant efficiency enhancement, adoption of state-of-the-art power generation technology and environmental friendly technology for its future investment. EGCO also exercised energy reduction activities at EGCO's Group power plants and EGCO headquarter building while reducing greenhouse gas emissions from trade partners by selecting trade partners who have environmentally-friendly policy or operational guidelines.

Furthermore, EGCO supports and promotes the increase of greenhouse gas storage through green area projects in its power plants. EGCO also supported the reforestation projects through Thai Conservation of Forest Foundation such as the Income-Generating Reforestation Project at Chiangmai Province and the Ecological Reforestation with Native Plants Project at Chaiyaphum Province.



EGCO determines business strategies to explore investment opportunities in the Asia Pacific region. EGCO presently has investment in Philippines, Lao PDR, Indonesia and Australia.



## Power Industry and Competition

### 1. Electricity industry and Economic situation in Thailand

In 2017, Thailand's peak demand was 28,578 megawatts on May 4, at 02.20 pm, lower than the peak demand of 29,619 megawatts in 2016 by 3.51%. A decrease in the peak demand was mainly influenced by the lower temperature than previous year and the success of implementing energy saving programs, which had pushed down the power consumption. Peak demand for electricity consumption is shown in Figure 1. Meanwhile, Electricity consumption of the country reached 188,066.71 gigawatt-hours which were 86.09 gigawatt-hours or 0.04 percent slightly decrease from 188,152.80 gigawatt-hours in 2016. A decrease in electricity consumption was mainly resulted from an increasing trend of Independent Power Supply and the governmental promotion of energy saving programs even though the country's economy favorably expanded, which supported by the acceleration of exports in accordance with economic expansion in key trading partners and the continual expansions of private consumption.

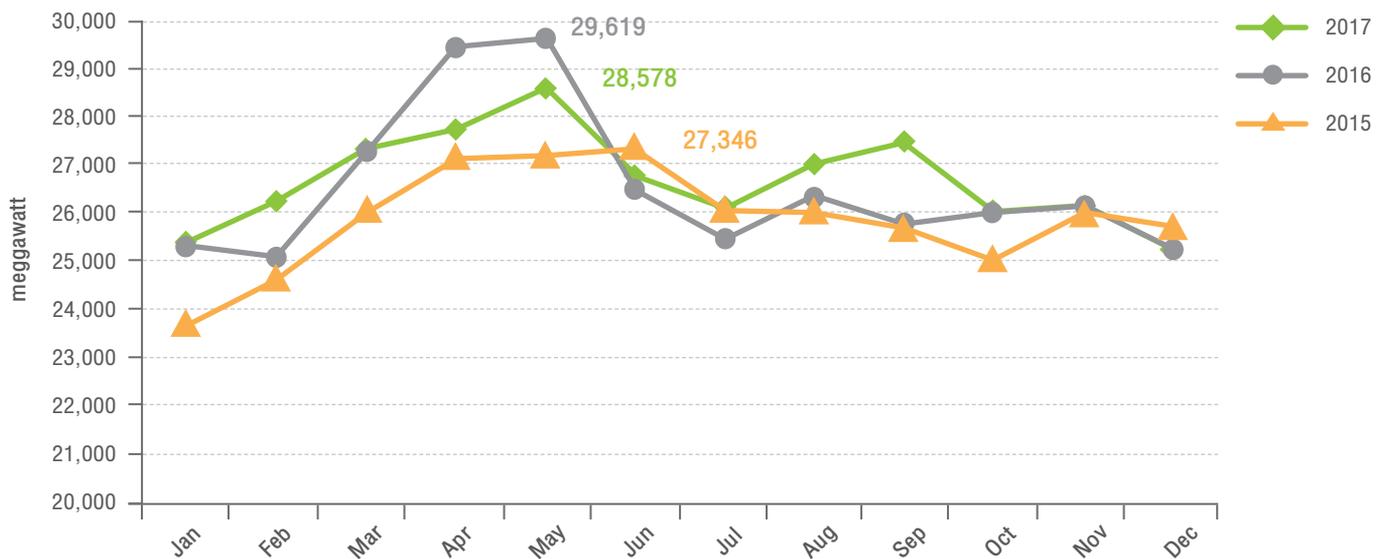


Figure 1 Peak demand for electricity consumption during 2015-2017 (source:EGAT)

According to Thailand Power Development Plan 2015-2036 (PDP 2015), peak demand was forecasted to reach 31,269 megawatts in 2018, which increased by 9.42 percent from peak demand in 2017. At the same time, electricity consumption was forecasted to be 193,771 gigawatt-hours, higher than electricity consumption in 2017 by 3.03 percent.

As for economic outlook in 2018, National Economic and Social Development Board (NESDB) forecasted Thailand's economy to expand in the range of 3.6 to 4.6 percent, driven mainly by a favorable growth of the global economy which positively impacts on export sector, an acceleration of public investment along with the progress of key investment projects and higher capital budget framework.

As of December 31, 2017, the country's contracted capacity in EGAT system was 42,433.25 megawatts, 16,071.13 megawatts or 37.87% of which were generated by EGAT power plants, and the remaining from other producers, i.e.

- Independent Power Producers (IPPs) 14,948.50 megawatts or 35.23 percent
- Small Power Producers (SPPs) 7,536.02 megawatts or 17.76 percent
- Import from neighboring countries 3,877.60 megawatts or 9.14 percent

EGCO's contracted capacity of electricity sold to EGAT was 3,247 megawatts, representing 7.65% of the country's contracted capacity in EGAT system, as presented in Figure 2

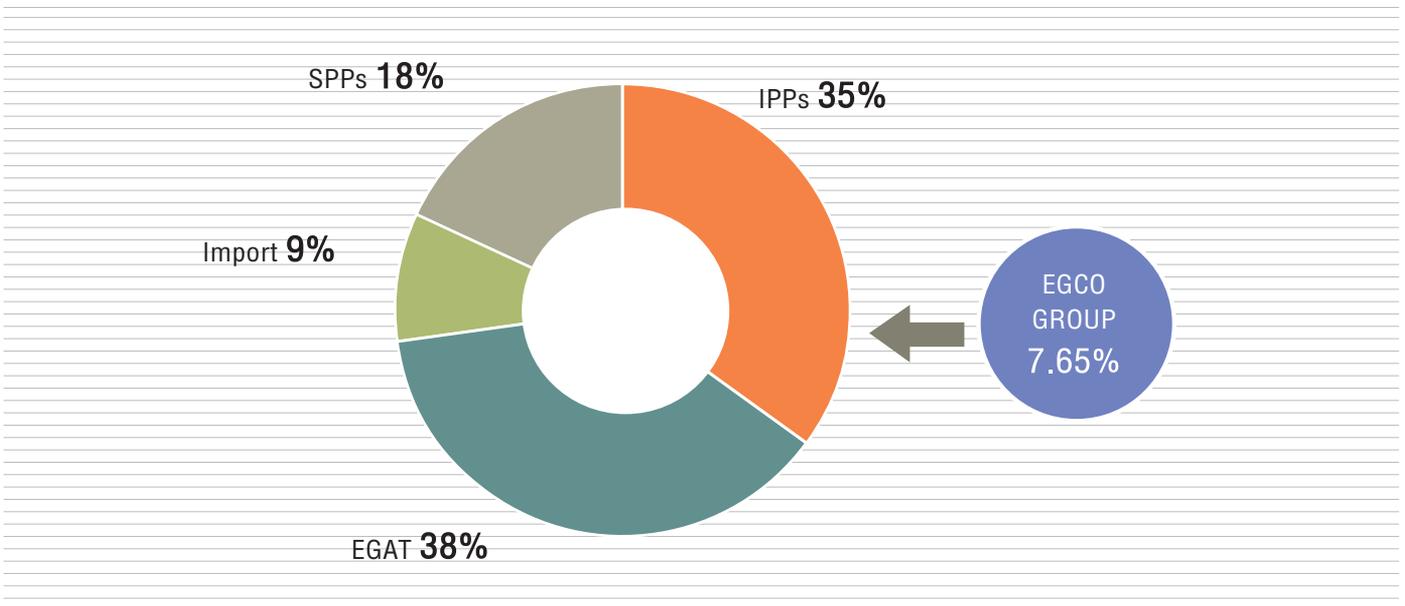


Figure 2 The country's contracted capacity of electricity in 2017 classified by producer (source:EGAT)

In the second quarter of 2017, Ministry of Energy is conducting a study and preparing data to revise PDP 2015 to be suitable for current situations, which economy grew lower than expected, the increasing trend of Independent Power Supply along with the efficiency of energy saving programs resulted in lower electricity consumption than estimated in PDP 2015 and power generation from renewable energy theoretically increases as a result of governmental support. The new PDP is expected to be completed and implemented in 2018.

Regarding the Alternative Energy Development Plan of 2015-2036 (AEDP 2015), power generation from renewable energy is targeted to be 19,684 megawatts in 2036. In 2017, the government has continuously promoted power generation from renewable energy occupied with lower development cost. This resulted in a continuous growth of power generation from renewable energy. According to Department of Alternative Energy Department and Efficiency, the current status of renewable energy power plants as of November 31, 2017, which achieved COD was 10,174.93 megawatts, increased from which of 2016 by 738.41 megawatts or 7.83 percent.

In 2017, the government continuously announced to open the applications for renewable energy projects, as detailed below.

- The phase 2 of solar PV program for government agencies and agricultural cooperatives with targeted capacity of 219 megawatts selected by drawing lots process. A number of applicants were 16 times more than the target, where 35 projects were finally selected with total capacity of 154.52 megawatts.
- The phase 2 of Biogas projects (waste/wastewater) in the area of Pattani, Yala or Narathiwat Province or in one of the 4 districts in Songkla Province (Chana, Thepa, Saba Yoi, Na thawi) with targeted capacity of 8 megawatts under Feed in Tariff (FiT) scheme. Competitive bidding system is employed as a selection process. A number of applicants were exceeded the target, where 2 projects were successfully awarded with total capacity of 3.7 megawatts.
- SPP Hybrid firm with targeted capacity of 300 megawatts under Feed in Tariff (FiT) scheme. A number of applicants were 5 times more than the target, where 17 projects with total capacity of 300 megawatts were finally selected by competitive bidding system.

## 2. Electricity industry in Asia-Pacific countries

EGCO is fully aware of the limited growth prospect in domestic electricity industry. Therefore, EGCO determines business strategies to explore investment opportunities in the Asia Pacific region. EGCO presently has investment in Philippines, Lao PDR, Indonesia and Australia. Investment of EGCO in each country is shown in Figure 3. With an aim for continuous growth, EGCO has also been seeking for investment opportunities in other countries in the Asia Pacific region such as Vietnam, Myanmar and Cambodia. Additionally, EGCO explores opportunities to invest in renewable energy projects in India and Taiwan as the board has approved the business strategies to expand renewable energy portfolio to achieve target of 30% by 2026.

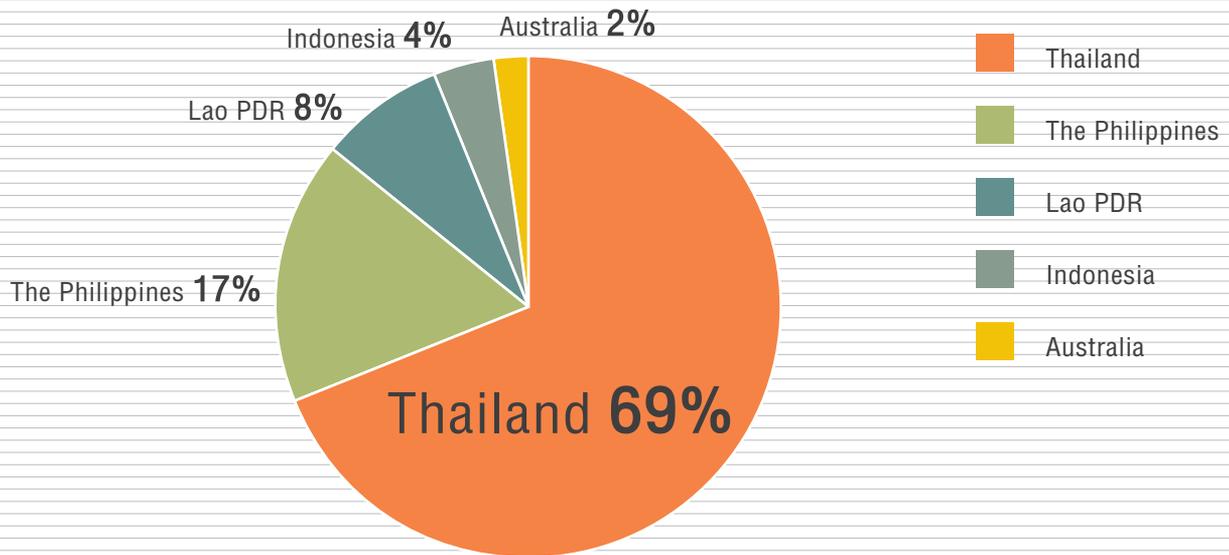


Figure 3 EGC0's equity contracted capacity of electricity in 2017 classified by country

The overview of electricity situations for each country is briefed below.

**2.1 The Philippines**

The Philippines's installed capacity is approximately 21,000 megawatts, which are mainly from coal-fired power plants. Peak demand in the Philippines is estimated to increase 5 percent annually. The Philippines plan to increase its generating capacity to 37,000 megawatts by 2020 with significant portion of coal-fired power plant. Moreover, The Philippines set target renewable energy generation of 15,000 megawatts and 20,000 megawatts by 2030 and 2040 respectively, which emphasis on power generation from hydropower, geothermal energy and wind power.

**2.2 Lao People's Democratic Republic (Lao PDR)**

Lao PDR's installed capacity is approximately 6,300 megawatts, which are domestic consumption of 2,100 megawatts, export to Thailand and Vietnam (3,600 megawatts and 600 megawatts respectively). Hydropower is the primary source of fuel supply. Demand growth in Lao PDR is estimated to increase 13.20 percent annually. The government of Lao PDR has a policy to drawing investment in hydropower plants from private sector with abundant hydropower potential up to 29,000 megawatts in its effort towards being Battery of Asia by 2020.

Presently, Thailand has signed Memorandum of Understanding (MOU) to purchase electricity of 9,000 megawatts from Lao PDR.

**2.3 Indonesia**

Indonesia's installed capacity is approximately 60,000 megawatts. Coal-fired power plants and natural gas power plants play a significant role as baseload generation. Demand growth in Indonesia is estimated to increase 8.46 percent annually. In order to cope with future power shortage, the government of Indonesia plans to expand its electricity generating capacity of 78,000 megawatts and reduces reliance on natural gas for electricity generation. Meanwhile, the government of Indonesia has set renewable energy target of 23 percent of total capacity, with significant portion of geothermal power plants, hydropower plants and solar energy power plants.

## 2.4 Australia

Australia's installed capacity is approximately 46,000 megawatts based on National Electricity Market which accounts for 83 percent of total country capacity. Australia plans to retain 48 percent of total installed capacity from coal-fired power plants in order to maintain energy security and affordable price. Due to energy efficiency and a continuous increase in rooftop PV capacity, demand growth in Australia is estimated to be flat over the 20-year outlook period. Furthermore, the government of Australia puts an effort to increase renewable energy generation to 33,000 gigawatt-hours by 2020, which focus on power generation from wind power and rooftop PV. Power generation from wind power and rooftop PV are forecasted to be more than triple from present by 2027.

## 2.5 Vietnam

Installed capacity of Vietnam is approximately 39,000 megawatts, which are primarily from coal-fired power plants and hydropower plants. Demand growth is estimated to increase 8.40 percent annually. According to revision of power master plan VII, Vietnam's electricity generating capacity is forecast to increase to 97,000 megawatts by 2020. The government of Vietnam attempts to develop power generation from renewable energy to achieve target of 48,000 megawatts by 2030, with emphasis on solar energy, hydropower and wind power.

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

## 2.6 Myanmar

Installed capacity of Myanmar is approximately 5,600 megawatts. Electricity generation is mainly from hydropower plants and natural gas power plants. Demand growth in Myanmar is estimated to increase 9 percent annually. Myanmar has a plan to expand its electricity generating capacity to 14,000 megawatts, which are significantly generated by hydropower plants and coal-fired power plants. 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 1,600 megawatts. Hydro and coal are primary source of fuel supply in Cambodia. Demand growth in Cambodia is estimated to increase 9.50 percent annually. The government of Cambodia plans to increase 2,600 megawatts of electricity generating capacity, which reduce reliance on diesel and promote power generation from natural gas. Thailand has signed Memorandum of Understanding (MoU) for the purchase of electricity from Cambodia, with no specific capacity.

## 2.8 India

India's installed capacity is approximately 331,000 megawatts, which are significantly from coal-fired power and renewable energy. The government of India has a plan to develop power generation from renewable energy to achieve 175,000 megawatts by 2022, with target of 100,000 megawatts and 50,000 megawatts from solar energy and wind power respectively.

## 2.9 Taiwan

Taiwan's installed capacity is approximately 50,000 megawatts, which are mainly from coal-fired power plant. The government of Taiwan plans to generate 20 percent of total capacity from renewable energy, with significant portion of solar energy and wind power to replace existing nuclear power plants, which will be decommissioned in 2025. In 2020, power generation from renewable energy in Taiwan is expected to be 27,000 megawatts.

### 3. Competition

Overall picture in 2017, power industry in Thailand had intensified competition. Electricity purchase was mainly from renewable energy projects in accordance with AEDP 2015, which faced many competitors. Simultaneously, 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. In 2017, despite the high competition in power industry, EGCO has successfully achieved investment both in domestic and international markets, as shown below.

- EGCO has successfully acquired indirect ownership interest of 20.07 percent in Salak and Darajat geothermal power plants in Indonesia, which increased total equity contracted capacity by 129.90 megawatts.
- EGCO has signed a joint venture agreement to develop Nam Thuen 1 hydropower project in Lao PDR, which EGCO holds 25 percent of stake with expected Commercial Operation Date in 2022. This increased total equity contracted capacity by 161.08 megawatts.
- Klongluang Utilities power plant and Banpong power plant, which EGCO hold 100 percent of stake, have been commenced Commercial Operation Date on July 20, 2017 and October 1, 2017 respectively. This increased total equity contracted capacity by 322.00 megawatts.

These investments are consistent with EGCO's key investment strategies on seeking new opportunities to acquire operating assets and complete the construction of projects on schedule which generate revenue to EGCO, develop greenfield projects to support company's growth in long-term and expand investment in renewable energy both in Thailand and Asia Pacific region. In addition, EGCO not only expertise in power generation from various sources but also maintain its competitiveness in the market based on several key success factors including, but not limited to :

- **Human resources**

EGCO believes 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 invests in project that generates satisfactory return at acceptable risk level leading to its satisfactory financial status, liquidity, and profit growth. Consequently, EGCO can earn trust and confidence from banks and financial institutions in supporting continuous investment growth.

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

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## Revenue Structure

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

Unit : Million Baht

Product Service	Transaction	% Shareholding	2017		2016	
			Revenue	%	Revenue	%
Electricity	EGCO Cogen	80.00%				
	Capacity Charge		260.93	0.69%	270.37	0.88%
	Energy Charge		1,811.21	4.76%	1,859.73	6.05%
	Solarco	49.00%				
	Energy Charge		363.68	0.96%	372.59	1.21%
	SPP 2	99.99%				
	Energy Charge		47.88	0.13%	49.51	0.16%
	SPP 3	99.99%				
	Energy Charge		48.98	0.13%	49.85	0.16%
	SPP 4	99.99%				
	Energy Charge		35.96	0.09%	37.49	0.12%
	SPP 5	99.99%				
	Energy Charge		51.14	0.13%	52.43	0.17%
	Boco Rock	100.00%				
	Energy Charge		981.12	2.58%	1,013.95	3.30%
	Theppana	90.00%				
	Energy Charge		31.85	0.08%	36.39	0.12%
	Chaiyaphum <sup>A</sup>	90.00%				
Energy Charge		313.22	0.82%	16.92	0.06%	
Klongluang <sup>B</sup>	99.99%					
Capacity Charge		185.61	0.49%	-	-	
Energy Charge		727.22	1.91%	-	-	
Banpong <sup>C</sup>	99.99%					
Capacity Charge		219.05	0.58%	-	-	
Energy Charge		929.47	2.44%	-	-	
Finance lease income under power purchase agreements	KEGCO <sup>D</sup>	99.99%	3,291.22	8.65%	2,017.28	6.56%
	Roi-Et Green	70.30%	9.59	0.03%	28.50	0.09%
Operating lease income under power purchase agreements	Quezon	100.00%	3,606.51	9.48%	3,750.91	12.20%
Lease service income under power purchase agreements	KEGCO	99.99%	9,835.44	25.84%	5,769.85	18.77%
	Roi-Et Green	70.30%	189.51	0.50%	205.85	0.67%
	Quezon	100.00%	6,170.27	16.21%	6,427.79	20.91%
Service	ESCO	99.99%	908.11	2.39%	835.01	2.72%
Interest Income	ESCO		91.60	0.24%	43.90	0.14%
	Solarco		10.57	0.03%	13.24	0.04%

Unit : Million Baht

Product Service	Transaction	% Shareholding	2017		2016	
			Revenue	%	Revenue	%
Interest Income (Cont.)	KEGCO		29.71	0.08%	22.94	0.07%
	Rayong Power Plant, EGCO Cogen, Roi-Et Green, SPP2, SPP3, SPP4, SPP5, Quezon, Theppana, Boco Rock, Banpong, Klongluang, Chaiyaphum, ESCO, PEPOI, QMS and Northpole		26.27	0.07%	25.62	0.08%
Others	Solarco <sup>E</sup>		918.86	2.41%	927.41	3.02%
	EGCO		215.19	0.57%	301.78	0.98%
	SPP 2 <sup>E</sup>		135.87	0.36%	125.80	0.41%
	SPP 3 <sup>E</sup>		127.82	0.34%	128.13	0.42%
	SPP 4 <sup>E</sup>		93.53	0.25%	95.99	0.31%
	SPP 5 <sup>E</sup>		132.83	0.35%	134.05	0.44%
	Chaiyaphum <sup>E</sup>		434.38	1.14%	22.97	0.07%
	Rayong Power Plant, EGCO Cogen, Roi-Et Green, Quezon, Theppana <sup>E</sup> , Boco Rock, Banpong, Klongluang, KEGCO, ESCO, PEPOI, QMS and Northpole		51.59	0.14%	45.84	0.15%
Share of profit (loss)	BLCP	50.00%	1,217.79	3.20%	1,825.70	5.94%
	GEC	50.00%	1,256.21	3.30%	1,467.69	4.77%
	NTPC	35.00%	1,354.77	3.56%	1,474.32	4.80%
	NED	66.67%	558.24	1.47%	540.65	1.76%
	GPS	60.00%	129.33	0.34%	127.73	0.42%
	Masin-AES <sup>F</sup>	49.00%	780.78	2.05%	493.83	1.61%
	SEG <sup>G</sup>	20.00%	310.17	0.81%	293.88	0.96%
	MME	40.00%	6.73	0.02%	(31.03)	(0.10%)
	SBPL	49.00%	(5.69)	(0.01%)	(105.05)	(0.34%)
	GIDEC	50.00%	(48.72)	(0.13%)	(29.82)	(0.10%)
	TLC <sup>H</sup>	49.00%	-	-	4.20	0.01%
	SEGSD <sup>I</sup>	11.89%	216.99	0.57%	-	-
	NT1PC <sup>J</sup>	25.00%	(4.06)	(0.01%)	-	-
	<b>Total revenues (revenues item in consolidated)</b>			<b>38,058.71</b>	<b>100%</b>	<b>30,744.20</b>

## Notes

- /A Chaiyaphum Wind Farm Company Limited (Chaiyaphum), which is EGCO holds a 90% stakes. The commercial operation date was on December 16, 2016.
- /B Klongluang Utilities Company Limited (Klongluang), which is EGCO holds a 99.99% stakes. The commercial operation date was on July 20, 2017.
- /C Banpong Utilities Company Limited (Banpong), which is EGCO holds a 99.99% stakes. The commercial operation date was on October 1, 2017.
- /D 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.
- /E Adder is an income, which is supported by the government.
- /F 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. Meanwhile, EGCO divested all 49% stakes in Masin-AES on December 17, 2017.
- /G 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. Additional, SEG acquired 8.18% stakes in Star Energy Geothermal (Salak-Darajat) B.V. (SEGSD) on March 31, 2017.
- /H 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.
- /I EGCO acquired 11.89% stakes in Star Energy Geothermal (Salak-Darajat) B.V. (SEGSD) on March 31, 2017.
- /J EGCO signed a Shareholder's Agreement of Nam Theun 1 Power Company Limited (NT1PC), which is EGCO holds a 25% stakes, in order to develop the Nam Theun 1 Hydropower Plant Project on September 4, 2017.

## Management Discussion and Analysis

### For the Annual Operating Results 2017

Ended December 31, 2017

**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

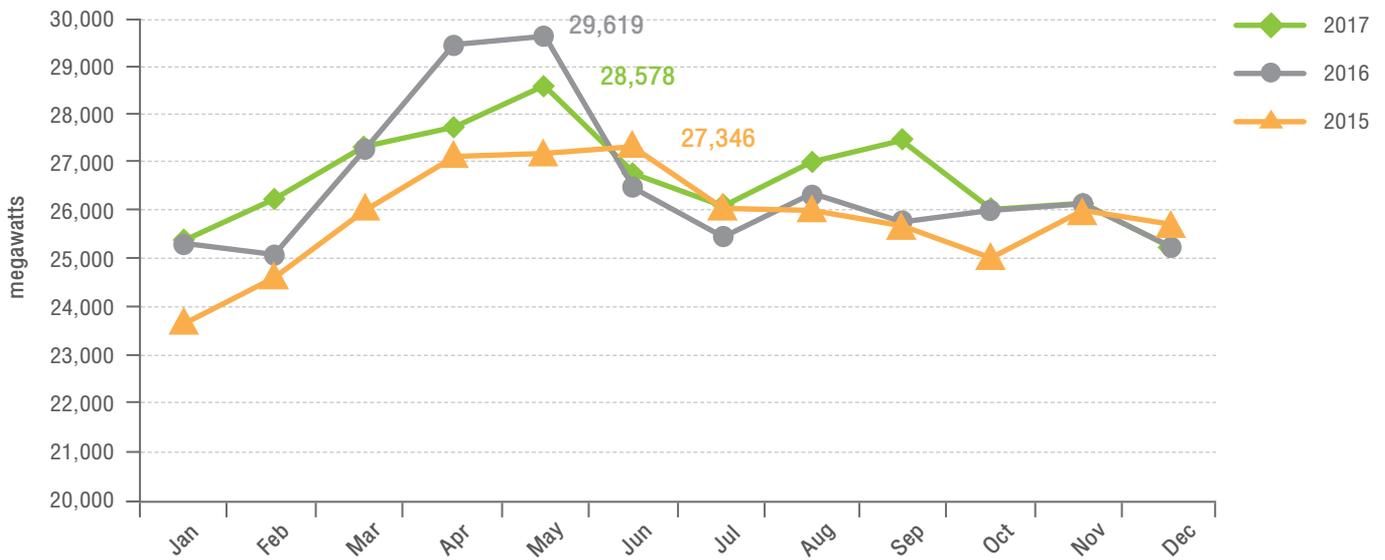
## Management Discussion and Analysis

### 1. Power Industry and Competition

#### 1.1 Electricity industry and Economic situation in Thailand

In 2017, Thailand's peak demand was 28,578 megawatts on 4 May at 02.20 pm, lower than the peak demand of 29,619 megawatts in 2016 by 3.51%. A decrease in the peak demand was mainly influenced by the lower temperature than previous year and the success of implementing energy saving programs, which had pushed down the power consumption. Peak demand for electricity consumption is shown in Figure 1. Meanwhile, Electricity consumption of the country reached 188,067 gigawatt-hours which were 86.09 gigawatt-hours or 0.04 percent slightly decrease from 188,153 gigawatt-hours in 2016. A decrease in electricity consumption was mainly resulted from an increasing trend of Independent Power Supply and the governmental promotion of energy saving programs even though the country's economy favorably expanded, which supported by the acceleration of exports in accordance with economic expansion in key trading partners and the continual expansions of private consumption.

Figure 1 Total electricity usage, 2015-2017



Source: Electricity Generating Authority of Thailand

According to Thailand Power Development Plan 2015-2036 (PDP 2015), peak demand was forecasted to reach 31,269 megawatts in 2018, which increased by 9.42 percent from peak demand in 2017. At the same time, electricity consumption was forecasted to be 193,771 gigawatt-hours, higher than electricity consumption in 2017 by 3.03 percent.

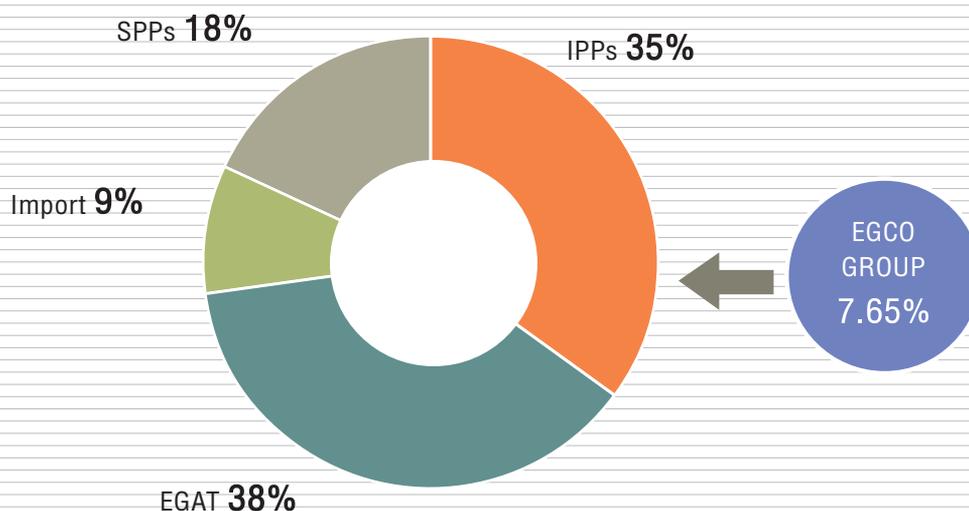
As for economic outlook in 2018, National Economic and Social Development Board (NESDB) forecasted Thailand's economy to expand in the range of 3.6 to 4.6 percent, driven mainly by a favorable growth of the global economy which positively impacts on export sector, an acceleration of public investment along with the progress of key investment projects and higher capital budget framework.

As of December 31, 2017, the country's contracted capacity in EGAT system was 42,433 megawatts, 16,071 megawatts or 37.87 percent of which were generated by EGAT power plants, and the remaining from other producers, i.e.

- Independent Power Producers (IPPs) 14,949 megawatts or 35.23 percent
- Small Power Producers (SPPs) 7,536 megawatts or 17.76 percent
- Import from neighboring countries 3,878 megawatts or 9.14 percent

EGCO's contracted capacity of electricity sold to EGAT was 3,247 megawatts, representing 7.65% of the country's contracted capacity in EGAT system, as presented in Figure 2.

**Figure 2 The country's contracted capacity of electricity in 2017 classified by producer**



Source: Electricity Generating Authority of Thailand

In the second quarter of 2017, Ministry of Energy is conducting a study and preparing data to revise PDP 2015 to be suitable for current situations, which economy grew lower than expected, the increasing trend of Independent Power Supply along with the efficiency of energy saving programs resulted in lower electricity consumption than estimated in PDP 2015 and power generation from renewable energy theoretically increases as a result of governmental support. The new PDP is expected to be completed and implemented in 2018.

Regarding the Alternative Energy Development Plan of 2015-2036 (AEDP 2015), power generation from renewable energy is targeted to be 19,684 megawatts in 2036. In 2017, the government has continuously promoted power generation from renewable energy occupied with lower development cost. This resulted in a continuous growth of power generation from renewable energy. According to Department of Alternative Energy Department and Efficiency, the current status of renewable energy power plants as of October 31, 2017, which achieved COD was 10,148 megawatts, increased from which of 2016 by 711 megawatts or 7.54 percent.

In 2017, the government continuously announced to open the applications for renewable energy projects, as detailed below.

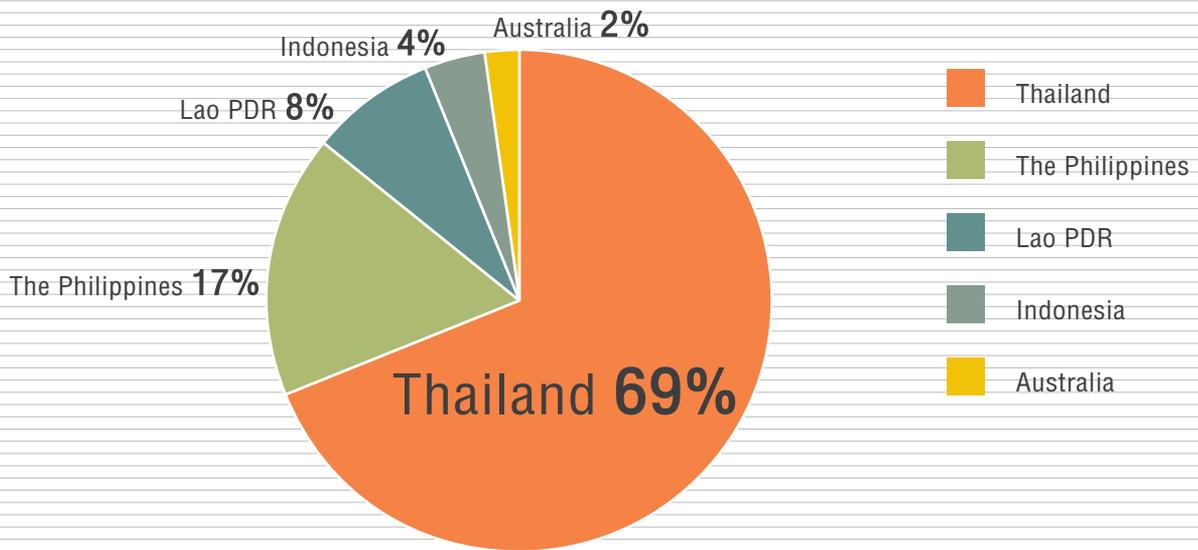
- The phase 2 of solar PV program for government agencies and agricultural cooperatives with targeted capacity of 219 megawatts selected by drawing lots process. A number of applicants were 16 times more than the target, where 35 projects were finally selected with total capacity of 155 megawatts.
- The phase 2 of Biogas projects (waste/wastewater) in the area of Pattani, Yala or Narathiwat province or in one of the 4 districts in Songkla Province (Chana, Thepa, Saba Yoi, Na thawi) with targeted capacity of 8 megawatts under Feed in Tariff (FiT) scheme. Competitive bidding system is employed as a selection process. A number of applicants were exceeded the target, where 2 projects were successfully awarded with total capacity of 3.7 megawatts.

- SPP Hybrid firm with targeted capacity of 300 megawatts under Feed in Tariff (FiT) scheme. A number of applicants were 5 times more than the target, where 17 projects with total capacity of 300 megawatts were finally selected by competitive bidding system.

**1.2 Electricity industry in Asia-Pacific countries**

EGCO is fully aware of the limited growth prospect in domestic electricity industry. Therefore, EGCO determines business strategies to explore investment opportunities in the Asia Pacific region. EGCO presently has investment in Philippines, Lao PDR, Indonesia and Australia. Investment of EGCO in each country is shown in Figure 3. With an aim for continuous growth, EGCO has also been seeking for investment opportunities in other countries in the Asia Pacific region such as Vietnam, Myanmar and Cambodia. Additionally, EGCO explores opportunities to invest in renewable energy projects in India and Taiwan as the board has approved the business strategies to expand renewable energy portfolio to achieve target of 30% by 2026.

**Figure 3 EGCO's equity contracted capacity of electricity in 2017 classified by country**



The overview of electricity situations for each country is briefed below.

**- The Philippines**

The Philippines's installed capacity is approximately 21,000 megawatts, which are mainly from coal-fired power plants. Peak demand in the Philippines is estimated to increase 5 percent annually. The Philippines plan to increase its generating capacity to 37,000 megawatts by 2020 with significant portion of coal-fired power plant. Moreover, The Philippines set target renewable energy generation of 15,000 megawatts and 20,000 megawatts by 2030 and 2040 respectively, which emphasis on power generation from hydropower, geothermal energy and wind power.

- **Lao People's Democratic Republic (Lao PDR)**

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- **Indonesia**

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#### - Taiwan

Taiwan's installed capacity is approximately 50,000 megawatts, which are mainly from coal-fired power plant. The government of Taiwan plans to generate 20 percent of total capacity from renewable energy, with significant portion of solar energy and wind power to replace existing nuclear power plants, which will be decommissioned in 2025. In 2020, power generation from renewable energy in Taiwan is expected to be 27,000 megawatts.

### 1.3 Competition

Overall picture in 2017, power industry in Thailand had intensified competition. Electricity purchase was mainly from renewable energy projects in accordance with AEDP 2015, which faced many competitors. Simultaneously, 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. In 2017, despite the high competition in power industry, EGCO has successfully achieved investment both in domestic and international markets, as shown below.

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## 2. Significant events in 2017

### 2.1 The progress in construction projects

#### 2.1.1 Project completion

- **Klongluang Utilities Company Limited**, (EGCO holds a 100% ownership interest.), is a cogeneration power plant project. The power plant has an installed capacity of 121 MW. The project is located in Klongnueng sub-district, Klonglaung district, Pathumthani province. The project 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 project is extendable for up to an additional every 2 years. Construction works of the project was completed and its operation started on July 20, 2017.
- **Banpong Utilities Company Limited**, (EGCO holds a 100% ownership interest.), consists of 2 units of cogeneration power plant project. The projects have an installed capacity of 128 MW each, which are located in Thapha sub-district, Banpong district, Ratchaburi province. The projects 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 electricity along with steam output. It consists of Power Plant Unit 1 and Unit 2 with an installed capacity of 23 MW along with 40 tonnes per hour and installed capacity of 17 MW along with 60 tonnes per hour, respectively. Construction works of the projects were completed and its operation started on October 1, 2017.

### 2.1.2 Process of construction

- **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. 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 75.48% (The construction plan was 76.84%). 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. The projects are located 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 and Electricite De Laos (EDL) with the contracted capacity of 60 MW for 29 years. The construction of the project has progressed 88.12% (The construction plan was 87.20%). The commercial operation date is scheduled in the fourth quarter of 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 75.81% (The construction plan was 72.71%). The commercial operation date is scheduled in the fourth quarter of 2019.

## 2.2 Additional Investments in Joint Ventures and Associated

- On March 31, 2017, **Star Energy Geothermal (Salak - Darajat) B.V. (SEGSD)**, which is the affiliate of EGCO (20.07% indirect ownership interest), Star Energy Group Holdings Pte. Ltd., and AC Energy Holdings, Inc., have successfully acquired the shares from the affiliates of Chevron Corporation. The project is composed of assets and operations of the Salak and Darajat geothermal fields in West Java, Indonesia, with the aggregate capacity of 235 MW equivalent of steam and 413 MW of electricity. The project has secured the long-term Energy Sale Contract with PT PLN (Persero), an Indonesian government-owned electricity corporation.

Additionally, on July 14, 2017, SEGSD has entered into Share Sale and Purchase Agreements with PT Austindo Nusantara Jaya Tbk ("ANJ") to acquire 95% share of PT Darajat Geothermal Indonesia ("DGI"). DGI holds the participating interest of 5% in Darajat Geothermal Project Unit 2 and Unit 3, which have total capacity of 216 MW. Therefore, the transaction increase SEGSD's indirect ownership interest in Darajat Geothermal Project Unit 2 and Unit 3 from 95% to 99.75% while SEGSD remains to hold 100% indirect ownership interest in Darajat Geothermal Project Unit 1. Consequently, the share transfer was completed on September 27, 2017.

- On September 4, 2017, EGCO has entered into a Shareholder's Agreement of **Nam Theun 1 Power Company Limited ("NT1PC")** in order to develop the Nam Theun 1 Hydroelectric Power Plant Project. The project is located on Nam Kading River in Bolikhamxay, Laos PDR. NT1PC's shareholding structure consists of Phonesack Group Company Limited, EGCO and EDL-Generation Public Company in the proportion of 60%, 25% and 15%, respectively. Additionally, on September 23, 2017, NT1PC has entered into the PPA with EGAT with the contracted

capacity of 514 MW and EDL with the contracted capacity of 130 MW for 27 years starting from the Commercial Operation Date in 2022. On December 6, 2017, NT1PC has entered into the financial agreements with Thai Commercial Banks to fund the development and construction of Nam Theun 1 Hydroelectric Power Plant.

### 2.3 Other significant events

- On December 17, 2017, Gen Plus B.V. has entered into Share Purchase Agreement with SMC Global Power Holdings Corp. and AES Phil Investment Pte. Ltd. to dispose its 49% indirect ownership interest in MASINLOC POWER PARTNERS CO. LTD. (“MPPCL”) to SMC Global Power Holdings Corp. Consequently, the transaction is expected to complete in the first half of 2018.

## 3. Business overview

EGCO Group have 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
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### 2.2 Overseas Other Businesses

Pearl Energy Philippines Operating Inc. (PEPOI)	O&M
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Quezon Management Service Inc. (QMS)	Management Services
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## (2) Associated in overseas power generation business

Star Energy Geothermal Pte. Ltd. (SEG)

Star Energy Geothermal (Salak – Darajat) B.V. (SEGSD)

## (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.
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• Gulf Cogeneration Co., Ltd. (GCC)	SPP
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• Nong Khae Cogeneration Co., Ltd. (NKCC)	SPP
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• Samutprakarn Cogeneration Co., Ltd. (SCC)	SPP
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• Gulf Yala Green Co., Ltd. (GYG)	SPP
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• Gulf Power Generation Co., Ltd (GPG)	IPP
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BLCP Power Limited (BLCP)	IPP
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Natural Energy Development Co., Ltd. (NED)	SPP & VSPP
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G-Power Source Co., Ltd. (GPS)	VSPP
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GIDEC Company Limited (GIDEC)	VSPP
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#### 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)

Nam Theun 1 Power Co., Ltd. (NT1PC)

## 2. Others businesses

### • Overseas Other Business

PT Manambang Muara Enim Co., Ltd. (MME)	Coal Mining
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#### (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, 2017, EGCO Group's portfolio consists of 28 operating power plants, with a total contracted capacity of 4,574 MW equity and 4 construction projects, with a total contracted capacity of 691 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 2017

Unit: Million Baht

	Power Generation		Others		Total		Change Increase (Decrease)	
	2017	2016	2017	2016	2017	2016	Amount	%
Total Revenues	32,331	25,373	1,072	968	33,403	26,341	7,062	27%
Total Expenses	(30,541)	(23,693)	(923)	(867)	(31,464)	(24,560)	6,904	28%
Share of Profit (Loss)	7,264	7,355	65	21	7,329	7,376	(47)	(1%)
Profit (Loss) before FX, deferred income tax, impairment and impact of lease income	9,054	9,035	214	122	9,268	9,157	111	1%
Loss from impairment	(352)	(509)	-	-	(352)	(509)	157	31%
Profit (Loss) before FX, deferred income tax and impact of lease income	8,702	8,526	214	122	8,916	8,648	268	3%
Deferred income (expense) tax	346	(182)	(1)	1	345	(181)	526	291%
Profit (Loss) before FX and impact of lease income	9,048	8,344	213	123	9,261	8,467	794	9%
Profit (Loss) from FX	3,785	(144)	-	(1)	3,785	(145)	3,930	100%
Net profit (Loss) before impact of lease income	12,833	8,200	213	122	13,046	8,322	4,724	57%
Impact of lease income	(1,228)	(1)	-	-	(1,228)	(1)	(1,227)	(100%)
Net Profit (Loss)	11,605	8,199	213	122	11,818	8,321	3,497	42%

For focusing on the operating performance, the impact of lease income 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 for the year 2017 were 9,268 million Baht, increasing by 111 million Baht comparing the year 2016, which came from a increase in power generation business of 19 million Baht and an increase in other business of 92 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 for the year 2017 of power generation business increased by 19 million Baht from the year 2016, mainly due to an increase in the operating results of SEGSD, Masin-AES, Banpong, NTPC, Klongluang and GPG. On the other hand, those of BLCP, EGCO, SEG, KEGCO, Quezon and Boco Rock decreased as follows:

##### SEGSD:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	963	-	963	100%
Other income	1	-	1	100%
<b>Total revenues</b>	<b>964</b>	<b>-</b>	<b>964</b>	<b>100%</b>
Cost of sale	(160)	-	160	100%
Other expenses	(586)	-	586	100%
<b>Total expenses</b>	<b>(746)</b>	<b>-</b>	<b>746</b>	<b>100%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>218</b>	<b>-</b>	<b>218</b>	<b>100%</b>

- **SEGSD** : The operating result was increased by 218 million Baht mainly due to EGCO's indirect ownership interest in SEGSD at 11.89% since March 31, 2017.

## Masin-AES:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	7,473	6,619	854	13%
Other income	-	-	-	-
<b>Total revenues</b>	<b>7,473</b>	<b>6,619</b>	<b>854</b>	<b>13%</b>
Cost of sale	(4,416)	(3,531)	885	25%
Other expenses	(1,659)	(1,874)	(215)	(11%)
<b>Total expenses</b>	<b>(6,075)</b>	<b>(5,405)</b>	<b>670</b>	<b>12%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>1,398</b>	<b>1,214</b>	<b>184</b>	<b>15%</b>

- **Masin-AES** : The operating result was increased by 184 million Baht mainly due to a decrease in administrative expenses and interest expenses. Whereas, electricity profit was down, caused by more unplanned outage than the previous year.

## Banpong:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	1,149	-	1,149	100%
Other income	-	-	-	-
<b>Total revenues</b>	<b>1,149</b>	<b>-</b>	<b>1,149</b>	<b>100%</b>
Cost of sale	(946)	-	946	100%
Other expenses	(178)	(54)	124	230%
<b>Total expenses</b>	<b>(1,124)</b>	<b>(54)</b>	<b>1,070</b>	<b>100%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>25</b>	<b>(54)</b>	<b>79</b>	<b>146%</b>

- **Banpong** : The operating result was increased by 79 million Baht. This was resulted from the commencement of Banpong on October 1, 2017.

## NTPC:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	3,076	3,127	(51)	(2%)
Other income	5	5	-	-
<b>Total revenues</b>	<b>3,081</b>	<b>3,132</b>	<b>(51)</b>	<b>(2%)</b>
Cost of sale	(918)	(919)	(1)	(1%)
Other expenses	(701)	(811)	(110)	(14%)
<b>Total expenses</b>	<b>(1,619)</b>	<b>(1,730)</b>	<b>(111)</b>	<b>(6%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>1,462</b>	<b>1,402</b>	<b>60</b>	<b>4%</b>

- **NTPC** : The operating result was increased by 60 million Baht mainly due to a decrease in interest expense.

## Klongluang:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	913	-	913	100%
Other income	1	1	-	-
<b>Total revenues</b>	<b>914</b>	<b>1</b>	<b>913</b>	<b>100%</b>
Cost of sale	(781)	-	781	100%
Other expenses	(135)	(25)	110	440%
<b>Total expenses</b>	<b>(916)</b>	<b>(25)</b>	<b>891</b>	<b>100%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(2)</b>	<b>(24)</b>	<b>22</b>	<b>92%</b>

- **Klongluang** : The operating result was increased by 22 million Baht. This was resulted from the commencement of Klongluang on July 20, 2017.

## GPG:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	2,213	2,333	(120)	(5%)
- Energy Payment (EP)	2,046	3,102	(1,056)	(34%)
Other income	27	40	(13)	(33%)
<b>Total revenues</b>	<b>4,286</b>	<b>5,475</b>	<b>(1,189)</b>	<b>(22%)</b>
Cost of sale	(2,924)	(4,099)	(1,175)	(29%)
Other expenses	(494)	(515)	(21)	(4%)
<b>Total expenses</b>	<b>(3,418)</b>	<b>(4,614)</b>	<b>(1,196)</b>	<b>(26%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>868</b>	<b>861</b>	<b>7</b>	<b>1%</b>

- **GPG** : The operating result was increased by 7 million Baht mainly due to a decrease in maintenance cost, caused by lower major maintenance than the previous year. Additionally, administrative expenses and interest expenses were decreased. Meanwhile, Availability Payment (AP) decreased according to the PPA and electricity profit was down by lower dispatch of EGAT.

## BLCP:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	3,851	4,084	(233)	(6%)
- Energy Payment (EP)	5,038	5,527	(489)	(9%)
Other income	93	92	1	1%
<b>Total revenues</b>	<b>8,982</b>	<b>9,703</b>	<b>(721)</b>	<b>(7%)</b>
Cost of sale	(6,341)	(6,529)	(188)	(3%)
Other expenses	(661)	(753)	(92)	(12%)
<b>Total expenses</b>	<b>(7,002)</b>	<b>(7,282)</b>	<b>(280)</b>	<b>(4%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>1,980</b>	<b>2,421</b>	<b>(441)</b>	<b>(18%)</b>

- **BLCP** : The operating result was decreased by 441 million Baht mainly due to a decrease in Availability Payment (AP) and electricity profit, caused by longer maintenance period than the previous year. Whereas, interest and corporate income tax expenses were decreased.

**EGCO:**

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	-	-	-	-
Other income	609	642	(33)	(5%)
<b>Total revenues</b>	<b>609</b>	<b>642</b>	<b>(33)</b>	<b>(5%)</b>
Cost of sale	-	-	-	-
Other expenses	(4,176)	(4,015)	161	4%
<b>Total expenses</b>	<b>(4,176)</b>	<b>(4,015)</b>	<b>161</b>	<b>4%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(3,567)</b>	<b>(3,373)</b>	<b>(194)</b>	<b>(6%)</b>

- **EGCO** : The operating result was down 194 million Baht owing to an increase in finance costs for invested in SEGSD and NT1PC.

**SEG:**

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	1,897	1,162	735	63%
Other income	85	5	80	100%
<b>Total revenues</b>	<b>1,982</b>	<b>1,167</b>	<b>815</b>	<b>70%</b>
Cost of sale	(391)	(293)	98	33%
Other expenses	(1,217)	(360)	857	238%
<b>Total expenses</b>	<b>(1,608)</b>	<b>(653)</b>	<b>955</b>	<b>146%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>374</b>	<b>514</b>	<b>(140)</b>	<b>(27%)</b>

- **SEG** : The operating result was decreased by 140 million Baht mainly due to an increase in finance costs for invested in SEGSD at 40.90% (8.18% indirect ownership interest of EGCO). Corporate income tax expense was increased since the utilization of tax loss carry forward led to no corporate income tax in Q3/2016. Meanwhile, electricity profit was increased from higher tariff rate than the previous year. Other income was increased by received of insurance claim from landslide in 2015 and recognition of operating performance of SEGSD.

**KEGCO:**

## • Khanom Power Plant Unit 4:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	4,144	2,472	1,672	68%
- Energy Payment (EP)	9,603	5,442	4,161	76%
Other income	16	18	(2)	(11%)
<b>Total revenues</b>	<b>13,763</b>	<b>7,932</b>	<b>5,831</b>	<b>74%</b>
Cost of sale	(11,255)	(6,250)	5,005	80%
Other expenses	(1,153)	(850)	303	36%
<b>Total expenses</b>	<b>(12,408)</b>	<b>(7,100)</b>	<b>5,308</b>	<b>75%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>1,355</b>	<b>832</b>	<b>523</b>	<b>63%</b>

## • Khanom Power Plant Unit 2 and 3:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue				
- Availability Payment (AP)	-	972	(972)	(100%)
- Energy Payment (EP)	-	26	(26)	(100%)
Other income	19	13	6	46%
<b>Total revenues</b>	<b>19</b>	<b>1,011</b>	<b>(992)</b>	<b>(98%)</b>
Cost of sale	-	(508)	(508)	(100%)
Other expenses	(66)	53	119	225%
<b>Total expenses</b>	<b>(66)</b>	<b>(455)</b>	<b>(389)</b>	<b>(85%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(47)</b>	<b>556</b>	<b>(603)</b>	<b>(108%)</b>

- **KEGCO** : The operating result was decreased totalling 80 million Baht. This was resulted from the decrease in profit from the shutdown of Khanom Power Plant Unit 2 and 3, which in 2016 has a high profit from the reduction of provision for decommissioning liability.

## Quezon (Include PEPOI and QMS):

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	10,331	10,667	(336)	(3%)
Other income	-	-	-	-
<b>Total revenues</b>	<b>10,331</b>	<b>10,667</b>	<b>(336)</b>	<b>(3%)</b>
Cost of sale	(5,579)	(5,681)	(102)	(2%)
Other expenses	(1,732)	(1,901)	(169)	(9%)
<b>Total expenses</b>	<b>(7,311)</b>	<b>(7,582)</b>	<b>(271)</b>	<b>(4%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>3,020</b>	<b>3,085</b>	<b>(65)</b>	<b>(2%)</b>

- **Quezon** : The operating result was down 65 million Baht mainly due to a decrease in electricity profit from longer maintenance period than the previous year. Whereas, finance costs was down by repricing of loan interest and corporate income tax.

## BOCO ROCK:

Unit : Million Baht

	2017	2016	Change Increase (Decrease)	
			Amount	%
Electricity revenue	981	1,014	(33)	(3%)
Other income	9	12	(3)	(25%)
<b>Total revenues</b>	<b>990</b>	<b>1,026</b>	<b>(36)</b>	<b>(4%)</b>
Cost of sale	(425)	(398)	27	7%
Other expenses	(481)	(515)	(34)	(7%)
<b>Total expenses</b>	<b>(906)</b>	<b>(913)</b>	<b>(7)</b>	<b>(1%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>84</b>	<b>113</b>	<b>(29)</b>	<b>(26%)</b>

- **BOCO ROCK** : The operating result was decreased by 29 million Baht due to lower wind speed, leading to lower electricity generation.

## 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Electricity revenue	-	-	1,282	1,300	164	177	172	175	177	178	129	134	184	186
Other income	11	96	11	13	1	1	12	2	-	1	1	1	1	1
<b>Total revenues</b>	<b>11</b>	<b>96</b>	<b>1,293</b>	<b>1,313</b>	<b>165</b>	<b>178</b>	<b>184</b>	<b>177</b>	<b>177</b>	<b>179</b>	<b>130</b>	<b>135</b>	<b>185</b>	<b>187</b>
Cost of sale	-	-	(328)	(321)	(162)	(139)	(53)	(52)	(49)	(49)	(39)	(38)	(49)	(49)
Other expenses	(51)	(145)	(360)	(391)	(13)	(23)	(51)	(55)	(45)	(51)	(36)	(41)	(46)	(51)
<b>Total expenses</b>	<b>(51)</b>	<b>(145)</b>	<b>(688)</b>	<b>(712)</b>	<b>(175)</b>	<b>(162)</b>	<b>(104)</b>	<b>(107)</b>	<b>(94)</b>	<b>(100)</b>	<b>(75)</b>	<b>(79)</b>	<b>(95)</b>	<b>(100)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>(40)</b>	<b>(49)</b>	<b>605</b>	<b>601</b>	<b>(10)</b>	<b>16</b>	<b>80</b>	<b>70</b>	<b>83</b>	<b>79</b>	<b>55</b>	<b>56</b>	<b>90</b>	<b>87</b>

## Other Subsidiaries in Power Generation business (continue):

Unit : Million Baht

	Theppana		EGCO Cogen		Chaiyaphum *		North pole		Total		Change Increase (Decrease)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Amount	%
Electricity revenue	67	76	1,658	1,704	673	36	-	-	4,506	3,966	540	14%
Other income	1	1	2	3	4	1	6	8	50	128	(78)	(61%)
<b>Total revenues</b>	<b>68</b>	<b>77</b>	<b>1,660</b>	<b>1,707</b>	<b>677</b>	<b>37</b>	<b>6</b>	<b>8</b>	<b>4,556</b>	<b>4,094</b>	<b>462</b>	<b>11%</b>
Cost of sale	(27)	(27)	(1,441)	(1,441)	(332)	(14)	-	-	(2,480)	(2,130)	350	16%
Other expenses	(26)	(30)	(73)	(82)	(230)	(31)	(223)	(519)	(1,154)	(1,419)	(265)	(19%)
<b>Total expenses</b>	<b>(53)</b>	<b>(57)</b>	<b>(1,514)</b>	<b>(1,523)</b>	<b>(562)</b>	<b>(45)</b>	<b>(223)</b>	<b>(519)</b>	<b>(3,634)</b>	<b>(3,549)</b>	<b>85</b>	<b>2%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>15</b>	<b>20</b>	<b>146</b>	<b>184</b>	<b>115</b>	<b>(8)</b>	<b>(217)</b>	<b>(511)</b>	<b>922</b>	<b>545</b>	<b>377</b>	<b>69%</b>

\* The commercial operation date of Chaiyaphum was on December 16, 2016.

## Other Joint Ventures in Power Generation business:

Unit : Million Baht

	GPS (JV)		GEC (JV)		NED (JV)		GIDEC (JV)		Others* (JV)		Total		Change Increase (Decrease)	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	Amount	%
Electricity revenue	286	297	3,723	3,717	927	940	73	94	-	-	5,009	5,048	(39)	(1%)
Other income	3	-	26	33	12	12	1	1	7	-	49	46	3	7%
<b>Total revenues</b>	<b>289</b>	<b>297</b>	<b>3,749</b>	<b>3,750</b>	<b>939</b>	<b>952</b>	<b>74</b>	<b>95</b>	<b>7</b>	<b>-</b>	<b>5,058</b>	<b>5,094</b>	<b>(36)</b>	<b>(1%)</b>
Cost of sale	(97)	(102)	(3,166)	(3,204)	(242)	(254)	(72)	(61)	-	-	(3,577)	(3,621)	(44)	(1%)
Other expenses	(56)	(61)	(237)	(219)	(136)	(155)	(50)	(63)	(38)	(32)	(517)	(530)	(13)	(2%)
<b>Total expenses</b>	<b>(153)</b>	<b>(163)</b>	<b>(3,403)</b>	<b>(3,423)</b>	<b>(378)</b>	<b>(409)</b>	<b>(122)</b>	<b>(124)</b>	<b>(38)</b>	<b>(32)</b>	<b>(4,094)</b>	<b>(4,151)</b>	<b>(57)</b>	<b>(1%)</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>136</b>	<b>134</b>	<b>346</b>	<b>327</b>	<b>561</b>	<b>543</b>	<b>(48)</b>	<b>(29)</b>	<b>(31)</b>	<b>(32)</b>	<b>964</b>	<b>943</b>	<b>21</b>	<b>2%</b>

\* SBPL and NT1PC are 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 for the year 2017 in other businesses increasing by 92 million Baht comparing to the previous as the following details:

## Subsidiaries and Joint Ventures in Other business:

Unit : Million Baht

	ESCO (Sub)		MME (JV)		Total		Change Increase (Decrease)	
	2017	2016	2017	2016	2017	2016	Amount	%
Revenue	-	-	565	450	565	450	115	26%
Service income	1,063	959	-	-	1,063	959	104	11%
Other income	9	9	4	3	13	12	1	8%
<b>Total revenues</b>	<b>1,072</b>	<b>968</b>	<b>569</b>	<b>453</b>	<b>1,641</b>	<b>1,421</b>	<b>220</b>	<b>15%</b>
Cost of sale	(809)	(752)	(448)	(373)	(1,257)	(1,125)	132	12%
Other expenses	(114)	(115)	(56)	(59)	(170)	(174)	(4)	(2%)
<b>Total expenses</b>	<b>(923)</b>	<b>(867)</b>	<b>(504)</b>	<b>(432)</b>	<b>(1,427)</b>	<b>(1,299)</b>	<b>128</b>	<b>10%</b>
<b>Profit (Loss) before FX, deferred income tax, impairment and impact of lease income</b>	<b>149</b>	<b>101</b>	<b>65</b>	<b>21</b>	<b>214</b>	<b>122</b>	<b>92</b>	<b>75%</b>

## 5. Report and Analysis of Financial Position

Comparing the Statements of Financial Position as at December 31, 2017 to the Statements of Financial Position as at December 31, 2016 is shown below:

	Consolidated Financial Statement (Million Baht)			
	Year		Change Increase (Decrease)	
	2017	2016	Amount	%
<b>Assets</b>				
Current Assets	39,543	19,998	19,545	97.73%
Investments in joint ventures and associated, net and advance payments for investment	49,325	63,208	(13,883)	(21.96%)
Property, plant and equipment, net	61,723	62,420	(697)	(1.12%)
Other non-current assets	49,741	51,629	(1,888)	(3.66%)
<b>Total Assets</b>	<b>200,332</b>	<b>197,255</b>	<b>3,077</b>	<b>1.56%</b>
<b>Liabilities</b>				
Current Liabilities	7,689	5,420	2,269	41.86%
Long-term loans and debenture (including current portion of long-term loans)	97,664	100,689	(3,025)	(3.00%)
Other current liabilities	8,123	8,548	(425)	(4.97%)
<b>Total Liabilities</b>	<b>113,476</b>	<b>114,657</b>	<b>(1,181)</b>	<b>(1.03%)</b>
<b>Shareholders' Equity</b>				
Parent's shareholders' equity	86,238	81,973	4,265	5.20%
Non-controlling interests	618	625	(7)	(1.12%)
<b>Total Shareholders' Equity</b>	<b>86,856</b>	<b>82,598</b>	<b>4,258</b>	<b>5.16%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>200,332</b>	<b>197,255</b>	<b>3,077</b>	<b>1.56%</b>

### 5.1 Asset Analysis

As of December 31, 2017 the total assets were 200,332 million Baht, increasing by 3,077 million Baht or 1.56% from the year 2016. The details are as follows:

- Current assets increased by 19,545 million Baht or 97.73%. This was caused by reclassification of investment in MPPCL to assets held for sale in the amount of 16,590 million Baht. Cash, cash equivalents and short-term investments increased by 2,496 million Baht from EGCO, Banpong, Klongluang, Quezon and EGCO Cogen. In addition, trade receivable and trade receivable from a related party rose by 1,192 million Baht. Spare parts and supplies of Quezon, Banpong and Klongluang increased by 221 million Baht. KEGCO's financial lease receivable increased by 124 million Baht. Meanwhile, dividend receivable from BLCP and other current assets decreased by 873 million Baht and 205 million Baht, respectively.

- Investments in joint ventures and associated (net) and advance payment for investment decreased by 13,883 million Baht or 21.96% mainly due to reclassification of investment in MPPCL to assets held for sale. Meanwhile, investment increased from acquisition of SEGSD, NT1PC and recognition of share of profits after dividend deduction from joint ventures and associated.
- Property, plant and equipment (net) decreased by 697 million Baht or 1.12% mainly due to Quezon's write-off of asset.
- Other non-current assets decreased in the amount of 1,888 million Baht or 3.66%. This was caused by a decrease of KEGCO's financial lease receivable by 2,311 million Baht. The long-term loan receivable from SEG, for convert to equity to purchase of SEGSD, decreased by 839 million Baht. Deferred expenses decreased by 232 million Baht. Whereas, dividend receivable from BLCPP increased by 709 million Baht. The investment in Xayaburi and other non-current assets increased by 692 million Baht and 93 million Baht, respectively.

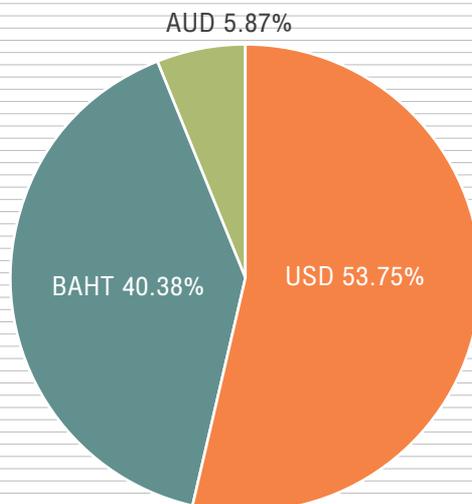
**5.2 Liability Analysis**

As of December 31, 2017 the total liabilities were 113,476 million Baht, decreasing by 1,181 million Baht or 1.03% from the year 2016. The details are as follows:

- Current liabilities increased in the amount of 2,269 million Baht or 41.86% mainly due to the drawn down of short-term loan of EGCO in the amount of 1,150 million Baht. Furthermore, trade payable and trade payable to a related party of Banpong, Klongluang, Quezon and EGCO Cogen rose by 934 million Baht. Other current liabilities increased by 185 million Baht mainly from retention of Banpong Chaiyaphum and Klongluang.
- Long-term loans and debenture decreased by 3,025 million Baht or 3.00% mainly due to the principle repayment of long-term loan. Whereas, the drawn down of long-term loan of EGCO to invest in SEGSD and NT1PC.

\* Outstanding long-term loans are as follows:

- USD loans : 1,528 million US dollars, equivalent to 50,127 million Baht
- Baht loans : 37,664 million Baht
- AUD loans : 216 million Australian dollars, equivalent to 5,477 million Baht



## Loan maturities schedule as at December 31, 2017

Unit : Million Baht

Maturity	EGCO	KEGCO	Banpong	Quezon	Boco Rock	CWF	Klongluang	Yanhee EGCO	SPP 2,3,4,5	Theppana	Total
Within 1 year	-	1,247	356	1,438	5,460	316	187	397	353	29	9,783
2 - 5 years	35,552	5,502	1,394	5,001	-	1,515	690	1,760	1,211	139	52,764
Over 5 years	7,591	9,260	5,824	-	-	2,855	3,224	1,105	110	98	30,067
<b>Total</b>	<b>43,143</b>	<b>16,009</b>	<b>7,574</b>	<b>6,439</b>	<b>5,460</b>	<b>4,686</b>	<b>4,101</b>	<b>3,262</b>	<b>1,674</b>	<b>266</b>	<b>92,614</b>

\* 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 decreased by 425 million Baht or 4.97% mainly due to deferred income tax liabilities of Quezon and advance payment to contractor decreased by 552 million Baht and 51 million Baht, respectively. Meanwhile, other non-current liabilities increased by 178 million Baht.

### 5.3 Shareholders' Equity Analysis

As of December 31, 2017, total Shareholders' Equity were 86,856 million Baht increasing by 4,258 million Baht or 5.16% from the year 2016. The main reasons are as follows: Firstly, EGCO's operating profit in Income Statement increased by 11,818 million Baht. Secondly, the additional unrealised gains on investments in marketable securities was 148 million Baht. Thirdly, the effect from the translation adjustment of currencies to Thai Baht for offshore subsidiaries, associated and joint ventures decreased by 4,120 million Baht and lastly, a decrease by dividend payment in the amount of 3,554 million Baht.

### 5.4 Cash Flow Analysis

As of December 31, 2017 cash and cash equivalents were 6,787 million Baht, increasing by 2,299 million Baht comparing to December 31, 2016. The details are as follows:

	Unit: Million Baht
Net cash <u>received from</u> operating activities	11,019
Net cash <u>payment for</u> investing activities	(2,896)
Net cash <u>payment for</u> financing activities	(5,167)
Loss from the effect of foreign exchange rate	<u>(657)</u>
Net increase in cash	<u><u>2,299</u></u>

- Net cash received from operating activities was 11,019 million Baht from operating of EGCO and its subsidiaries.

- **Net cash payment for investing activities** was 2,896 million Baht. The amount of 4,059 million Baht was used for construction costs and development costs of Banpong, Klongluang and Chaiphaphum. Investment in SEGSD were 2,687 million Baht. Cash payment for investments and advance for additional share capital of NT1PC were 770 million Baht. Equity injection in Xayaburi was 695 million Baht. Short-term and long-term payments used as collateral were 391 million Baht. Meanwhile, the dividend received from joint ventures and other company were 5,348 million Baht. Interest income and Cash receipts for short-term and long-term investments were 212 million Baht and 146 million Baht, respectively.
- **Net cash payment for financing activities** was 5,167 million Baht, resulted from the principle repayment of short-term and long-term loans totalling 11,221 million Baht, interest payment of loans and financing fees totalling 4,468 million Baht and the dividend payment to shareholders amounting to 3,605 million Baht and. Meanwhile, the drawn down loans was 14,127 million Baht.

## 6. Financial Ratios

### Profitability Ratios

	2017	2016	Change Increase / (Decrease)
Gross Profit Ratio (%)	36.07	38.52	(2.45)
Operating Profit Ratio before FX (%)	29.12	30.80	(1.68)
Profit Ratio before FX (%)	14.08	14.60	(0.52)
Profit before FX per share (Baht)	17.59	16.08	1.51

### Trade receivables aging summary

Aging periods of trade receivables as at December 31, 2017 are shown in the table below:

Unit: Million Baht

	2017	2016	Change Increase / (Decrease)	
			Amount	%
Current	1,966	1,913	53	3%
Overdue less than 3 months	-	7	(7)	(100%)
Overdue between 3 - 6 months	3	-	3	100%
Overdue between 6 - 12 months	-	14	(14)	(100%)
Overdue more than 12 months	-	-	-	-
<b>Trade receivables, net</b>	<b>1,969</b>	<b>1,934</b>	<b>35</b>	<b>2%</b>

### Leverage Ratio and Liquidity Ratio

	2017	2016	Change Increase / (Decrease)
Debt to equity ratio (Time)			
- Consolidated	1.31	1.39	(0.08)
- Company	0.80	0.81	(0.01)
Book value per share (Baht)			
- Consolidated	163.81	155.70	8.11
- Company	120.83	112.37	8.46
Current ratio (Time)			
- Consolidated	2.26	1.49	0.77
- Company	1.71	0.82	0.89
Interest Coverage Ratio (Time)			
- Company	5.56	4.66	0.90

### 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

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 41 and 44 of the Notes to Financial Statements for the year ended December 31, 2017.

### 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 2017

EGCO's related transactions in 2017 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 2017 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 2017 in detail:

#### 1.1 Electricity Sales with EGAT

Six subsidiaries of EGCO namely KEGCO, KLU, BPU, EGCO Cogen, RG and CWF were engaged in the Power Purchase Agreement ("PPA") with EGAT. The PPA term is 25 years, 25 years, 25 years, 21 years, 21 years and 5 years. However, the agreement between CWF and EGAT is continued for a period of 5 years automatically.

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, 2017 (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	1,174	-	-	210
KEGCO		-	3,291	9,835	1,664
RG		-	10	190	40
CWF		313	-	-	206
KLU		791	-	-	260
BPU		935	-	-	663

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, 2017 (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	3,495	1,765	2,443	846
BLCP		-	2,495	5,038	660
NTPC		3,207	-	-	399
NED		927	-	-	158

### 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, 2017 (million baht)	
		Back up Power Fee	Account Payables
KEGCO	Subsidiaries	17	3

- GEC Group has engaged EGAT as its advisor for maintenance works and back up power. The fee was charged in accordance with standard price for those contractual fees.

Companies	Relationship	Transaction value for the year ended December 31, 2017 (million baht)		
		Back up Power Fee	Maintenance Advisory Fee	Account Payables
GEC Group	Joint Ventures	47	5	8

## 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 2017 in detail:

### 2.1 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, 2017 (million baht)	
		Maintenance Services Fee	Account Payables
KEGCO	Subsidiaries	547	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, 2017 (million baht)	
		Technical Services Fee	Account Payables
KEGCO	Subsidiaries	14	4

## 2.2 Purchases of Spare parts Agreement

- KEGCO has entered into purchases of spare parts 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, 2017 (million baht)	
		Spareparts	Account Payables
KEGCO	Subsidiaries	64	-

- KEGCO has entered into purchases of spare parts 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, 2017 (million baht)	
		Spareparts	Account Payables
KEGCO	Subsidiaries	13	-

## 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 15 companies namely KEGCO, ESCO, EGCO Cogen, RG, CWF, BPU, KLU, Solarco, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, TWF 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, RG, EGCO BVI, PEPOI, Quezon, TWF, SPP2, SPP3, SPP4, SPP5, Yanhee EGCO, Solarco, CWF, BPU, KLU, BLCP, GPS, NED, KPI 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 BPU and KLU.

3.4 Land Rental Agreement for construction with KLU.

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, 2017 (million baht)
		Financial Statements
KEGCO	Subsidiaries	42
ESCO		4
EGCO Cogen		9
EGCO Green		1
RG		8
CWF		7
PEPOI		24
Quezon		9
TWF		5
SPP2		5
SPP3		5
SPP4		4
SPP5		5
Yanhee EGCO		2
Solarco		15
BPU		13
KLU		20
EGCO BVI		1
<b>Total for subsidiaries</b>		<b>179</b>

Companies	Relationship	Transaction values for the year ended December 31, 2017 (million baht)
		Financial Statements
NTPC	Joint Ventures	8
BLCP		14
GPS		6
NED		4
SBPL		3
KPI		2
<b>Total for joint ventures</b>		<b>37</b>

#### 4. Financial Support to related business partners

EGCO has provided financial support to subsidiaries and joint ventures in proportional to its ownership in such companies. Such supports are normal business practices and are aimed at optimizing shareholders' returns. The transactions were approved by the Board under the Company's Table of Authority and disclosed in the notes to financial statements as of December 31, 2017.

##### 4.1 Loan

Companies	Relationship	Transaction values by December 31, 2017 (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 drawdown. 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 provide 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.

Companies	Relationship	Transaction values by December 31, 2017 (million baht)	Terms and conditions
SPP 5	Subsidiaries	78	On January 7, 2013, EGCO entered into loan agreement to provide 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	1,204	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.
TWF	Subsidiaries	26	On October 8, 2012, EGCO entered into the loan agreement providing the loan of 31 million baht to TWF. TWF drew down the loan amounting 29 million baht. The principal will be paid at a lump sum on the 10 <sup>th</sup> anniversary of the COD, at the interest rate of MLR minus a certain margin. The repayment should be made every 6 months starting from the COD.
CWF	Subsidiaries	150	On December 14, 2016, EGCO entered into the loan agreement providing the loan of 293 million baht to CWF. CWF drew down the loan amounting 150 million baht. The principal will be paid at a lump sum on the 10 <sup>th</sup> anniversary of the COD, at the interest rate of MLR. The repayment should be made every 6 months starting from the 12 <sup>th</sup> month of COD.
BPU	Subsidiaries	650	On September 7, 2015, EGCO entered into the loan agreement providing the loan of 1,000 million baht to BPU. BPU drew down the loan amounting 650 million baht. The principal will be paid at a lump sum by the year 2038, at the interest rate of MLR. The repayment should be made every 6 months starting from 2018.
KLU	Subsidiaries	400	On May 22, 2015, EGCO entered into the loan agreement providing the loan of 500 million baht to KLU. KLU drew down the loan amounting 400 million baht. The principal will be paid at a lump sum by the year 2038, at the interest rate of MLR. The repayment should be made every 6 months starting from 2018.

## 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, 2017 as follows:

#### CWF

EGCO was liable under the Letter of Guarantee for the electricity sales proposal to PEA, Land Lease Guarantee to the Agricultural Land Reform Office, Chaiyaphum Province, with the total amount of 5 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 and also has the liability under 2 Standby Letters of Credit issued by Mizuho Corporate Bank to guarantee the debt obligation in reserve accounts for Khanom Project 4 in the amount of 16 million USD (equivalent to 525 million baht) and 543 million baht, respectively.

#### SPP2

EGCO has the liability under the Standby Letter of Credit amounted to 77 million baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP2 Project.

#### SPP3

EGCO has the liability under the Standby Letter of Credit amounted to 85 million baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP3 Project.

#### SPP4

EGCO has the liability under the Standby Letter of Credit amounted to 64 million baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP4 Project.

#### SPP5

EGCO has the liability under the Standby Letter of Credit amounted to 37 million baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for SPP5 Project.

#### 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 156 million baht) and 646 million baht, respectively.

**GPS**

EGCO has the liability under the Standby Letter of Credit amounted to 92 million baht, issued by Kasikorn Bank to guarantee the debt obligation in reserve accounts for GPS .

**SBPL**

EGCO has the liability under the Standby Letter of Credit amounted to 143 million US Dollar equivalent to 4,697 million baht, issued by BNP Paribas to guarantee the capital payment for SBPL project.

**SEGSD**

EGCO has provided a guarantee from 31 March 2017 to 31 December 2037 of up to US Dollar 23.96 million (equivalent to 787 million baht) for an associate's obligations as the buyer under share sales and purchase agreements for geothermal operations in Indonesia. The guarantee will be for up to US Dollar 23.78 million (equivalent to 781 million baht) from 1 January 2038 to 31 December 2049. A subsidiary will pay US dollar 5 million (equivalent to 164 million baht) to Star Energy Group Holding Pte Ltd. during 2040 to 2047 in accordance with the relevant consortium agreement to be released from obligations.

**Policy and Tendency of Future Related Transactions**

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

## Statement of Directors' Responsibilities

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

To adhere with such responsibilities, the Board of Directors of the Electricity Generating Public Company Limited (EGCO) has issued the Company's regulation on accounting, finance and budgeting B.E. 2550 that the Management must comply with while the Audit Committee is reviewed 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, 2017 in compliance with the Thai Generally Accepted Accounting Principles under the Accounting Profession Act B.E. 2547. The appropriate accounting policies were consistently applied and the financial statements were prepared in a prudent and justified manner with adequate disclosure of significant information in the notes to the financial statements and that the consolidated and company financial statements were audited by the auditor with unqualified opinions.

The Board of Directors is of the opinion that both the consolidated and company financial statements for the year 2017 presented EGCO's financial position, operating results, changes in shareholders' equity and cash flows fairly, in all material respects and reliable manner and that such statements were in compliance with the Generally Accepted Accounting Principles and all governing laws and regulations.



Mr. Sombat Sarntijaree

Chairman

## Financial Overview

### Consolidated Financial Statements

FINANCIAL PERFORMANCE (Million Baht)	2017	2016	2015	2014	2013
				Restated	Restated
Sales and services income	30,018	22,794	15,914	16,897	17,458
Other income	2,268	1,888	1,893	1,849	983
Gain from sell subsidiary	-	-	1,079	-	-
Cost of sales and services	21,332	14,840	9,934	10,227	10,396
Administrative expenses and income taxes	3,480	4,091	3,610	3,694	4,155
Finance costs	(210)	3,610	6,657	2,794	2,824
Share of profit (loss) from investments in associates and joint ventures	5,773	6,062	5,948	5,461	6,156
Profit (loss) from discontinued operation, net of income tax	-	-	115	171	-
Net Profit (loss) attributable to Non-controlling interests	45	60	87	140	164
Fx gain (loss)	(1,594)	178	(342)	144	107
Net Profit (loss) attributable to owners of the parent	11,818	8,321	4,319	7,667	7,164
Net Profit (loss) attributable to owners of the parent before the effects of Foreign Exchange (FX) gain (loss), Deferred Tax, Impairment, Lease Income <sup>(1)</sup> and Income from service concession <sup>(2)</sup>	9,268	9,157	7,920	7,705	7,375
<b>FINANCIAL POSITION (Million Baht)</b>					
Total assets	200,332	197,255	179,812	160,687	131,120
Total liabilities	113,476	114,657	102,062	86,468	60,867
Equity attributable to the owners	86,238	81,973	77,242	73,264	69,343
Non-controlling interests	618	625	508	955	910
Issued and paid-up share capital	5,265	5,265	5,265	5,265	5,265
<b>PER SHARE DATA (Baht)</b>					
Earnings per share	22.45	15.81	8.20	14.56	13.61
Book Value	163.81	155.70	146.72	139.16	131.71
Dividend	N/A	6.50	6.25	6.25	6.00
<b>RATIO ANALYSIS</b>					
Liquidity ratio (Time)	2.26	1.49	1.22	0.91	2.23
Cashflows liquidity ratio (Time)	0.71	0.62	0.36	0.54	0.43
Gross profit ratio (%)	28.94	34.90	37.58	39.48	40.45
Earnings ratio (%)	31.05	27.06	17.24	31.27	29.13
Return on equity ratio (%)	14.05	10.45	5.74	10.75	10.73
Return on assets ratio (%)	5.95	4.41	2.54	5.25	5.93
Debt to equity ratio (Time)	1.31	1.39	1.31	1.17	0.87

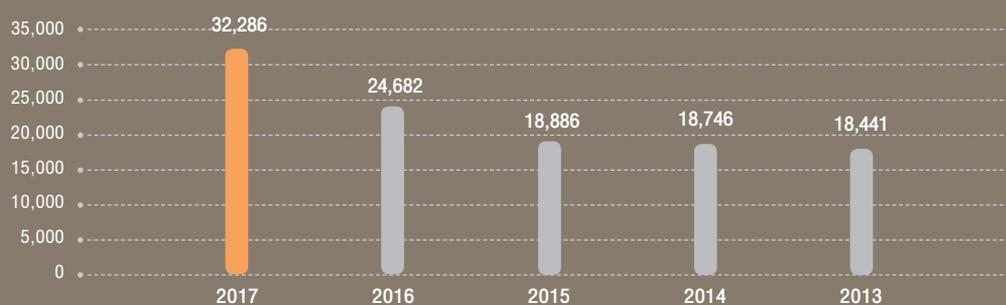
**Remarks:**

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

(2) TFRIC 12 Service concession arrangements

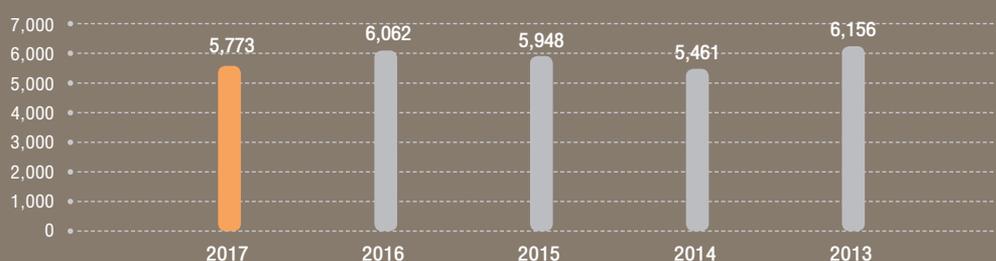
### Total Revenues

Unit : Million Baht



### Share of profit from investments in associates and joint ventures

Unit : Million Baht



### Total Expenses excluding Currency Exchange Gains or Losses

Unit : Million Baht



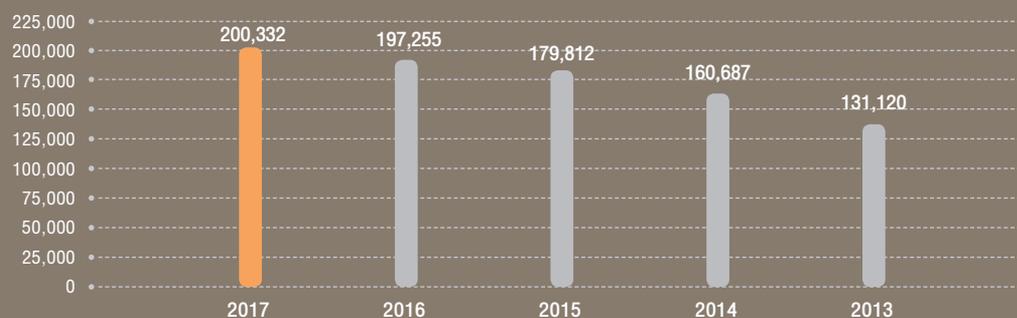
### Net Profit excluding Currency Exchange Gains or Losses

Unit : Million Baht



### Total Assets

Unit : Million Baht



## Independent Auditor's Report

### 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 2017 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

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of income for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include 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	How my audit addressed the key audit matter
<p><b><i>Goodwill impairment assessment</i></b></p> <p>Refer to Note 3.1 Impairment of goodwill and Note 19 Goodwill.</p> <p>As at 31 December 2017, the Group had goodwill of Baht 10,012 million less a provision for impairment of Baht 505 million. This is a net book value of Baht 9,507 million, which represents 4.74% of the total consolidated assets. Goodwill arose from the acquisitions of electricity generation businesses in Thailand and other countries. Management considered the businesses located in each country as cash generating units (CGU). Goodwill mostly arose from the acquisition of an electricity generation business in the Philippines Baht 9,725 million less provision for impairment of Baht 483 million which was recognised in 2015, the net goodwill amount to be equal to Baht 9,242 million. However, the Group did not recognise additional impairment loss of goodwill arose from the acquisition of an electricity generation business in the Philippines in the 2017 consolidated financial statements.</p> <p>Management tests the impairment of goodwill annually and calculates its recoverable amount by applying the value-in-use model. This model involves significant judgements by management 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 the market risk obtained from available public information.</p> <p>I focused on the valuation of goodwill arising from the acquisition of the electricity generation business in the Philippines due to its significant value and the fact that the determination of value-in-use depends on a number of assumptions. Those assumptions involve significant management judgement in assessing the feasibility of future business plans.</p>	<p>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.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Held discussions with management to understand the basis for the assumptions applied and evaluated and whether the goodwill impairment testing process and assumptions had been applied consistently across the Group.</li> <li>• Challenged management's significant assumptions used in the goodwill impairment testing, especially the electricity tariffs, assumed capacity of the power plants, operating expenditures, and discount rate. My procedures included comparing those assumptions to the underlying agreements, external sources, foreign exchange rate forecasts and the approved business plan.</li> <li>• Assessed reasonableness of the business plan by comparing the 2017 plans with actual results.</li> <li>• 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.</li> <li>• Tested the sensitivity analysis of key assumptions in the model prepared by the management in order to assess factors sensitive to assumptions and the potential impact of a range possible outcomes.</li> </ul> <p>None of the items noted above resulted in a change to the impairment charge recorded by management. I found the key assumptions used by management in assessing the feasibility of future business plans were within the acceptable range.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Acquisition of investment in a joint venture</b></p> <p>As disclosed in Note 3.4 Fair value estimation on acquisition of investment in a joint venture and Note 15.1.3 Investments in subsidiaries, associates and joint ventures, the Group has an additional indirect portion of investment in a joint venture which invests in an energy related business in the Philippines. The total purchase consideration paid is Baht 3,049 million. Management identified the additional acquisition is maintained as a joint venture of the Group by applying the 'Joint arrangement' definition in TFRS11 (revised 2016). The accounting standard requires management to apply the concepts in TFRS3 (revised 2016) 'Business Combination' for the purpose of determining fair value of the net identifiable assets acquired and reviewing purchase price allocation (PPA). The fair value of net identifiable assets are presented as part of investment costs.</p> <p>Management determined that the fair value of the net identifiable assets acquired is Baht 1,699 million which mainly comprised of fair value of net identifiable assets which net liabilities acquired of Baht 853 million and rights in a long-term power purchase agreement of Baht 846 million. Valuations of the fair value were performed as a part of the purchase price allocation. Management completed the process of determining fair value of the acquired net assets and PPA. The excess amount from purchased consideration paid and fair value of the net identifiable assets is Baht 1,350 million. This is presented in investments in joint ventures by applying the requirement under TFRS3.</p> <p>I focused on the identification of the fair values of the property, plant and equipment and rights in a long-term power purchase agreement which arose from the acquisition of the investment. I focused here because the valuation methodology and assumptions used in the financial model involved significant management judgment. Key assumptions used include the electricity tariffs, assumed capacity of the power plants, operating expenditures, the projected available cash flows for future, the approved business plan and the market risk obtained from available public industry information.</p>	<p>I performed the following procedures in order to obtain evidence of management's assessment of the acquisition of investment in a joint venture which invests in an energy related business in the Philippines and their determination of fair value of net identifiable assets and liabilities acquired.</p> <ul style="list-style-type: none"> <li>• Read the sale and purchase agreements to understand the key terms and conditions, and confirmed our understanding of the transaction with management.</li> <li>• Reviewed management's assessment that the acquisitions of the investment should be accounted for as investment in a joint venture.</li> <li>• Assessed the appropriateness of the identifiable assets acquired and the liabilities assumed at the acquisition date and also evaluated management's procedures for determining the fair values of the net identifiable assets acquired.</li> <li>• Evaluated the competency, qualifications, experience and independence of management's experts.</li> <li>• Tested the calculation of the fair value of property, plant and equipment and rights in a long-term power purchase agreement and also challenged management's judgement in relation to the assumptions used in the cash flow forecasting. This included, for example, the electricity tariffs, assumed capacity of the power plants, operating expenditures, the projected available cash flows for future and discount rate. My procedures included comparing management's assumptions to the underlying agreements and external sources to see whether the discount rate used by management was within the acceptable range.</li> </ul> <p>As a result of the procedures performed, I determined that the assessment of the acquisition of the investment in a joint venture which invests in an energy related business in the Philippines was appropriately performed in accordance with the definition and requirements set out in TFRS 11. I also determined the assumptions used in identifying the fair values of the property, plant and equipment and rights in a long-term power purchase agreement were reasonable and in line with the accounting for the business combination.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment assessment of property, plant and equipment</i></b></p> <p>Refer to Note 3.2 Impairment of property, plant and equipment and Note 17 Property, plant and equipment.</p> <p>As at 31 December 2017, the Company has property, plant and equipment with an aggregate carrying value of Baht 1,600 million. The Company's power plants, net book valued at Baht 1,225 million, have ceased operations and no longer sell electricity to Electricity Authority of Thailand because the power purchase agreement was expired. The management appointed an independent valuer to appraise the residual values of the power plants. Management plans to sell the power plants to third parties.</p> <p>The appraised residual values of the power plants involve significant management judgements and assumptions. These include the characteristics and conditions of individual assets, expected disposal period, and the list of total assets expected to be disposed to the third parties. Management provided this information to the independent valuer.</p> <p>Management noted that the residual values prepared by the independent valuer were significantly lower than prior years and, therefore, their carrying values were higher than the recoverable amount. The additional provision for impairment of Baht 309 million was recognised in the 2017 consolidated and separate statements of comprehensive income.</p> <p>I focused on the residual value of the ceased power plants due to the significant values involved and the nature of the judgements involved in determining the appropriate level of impairment of asset to be recorded.</p>	<p>I carried out the following procedures in relation to management's impairment assessment of the ceased power plants.</p> <ul style="list-style-type: none"> <li>• Challenged management and the independent valuer on the characteristics of individual assets and their overall quality, geographic location, expected disposal period, the list of total assets expected to be disposed to the third parties and desirability of the assets as a whole.</li> <li>• Assessed the methodologies used by both management and the independent valuer to estimate the residual values of the power plants.</li> <li>• Evaluated the competencies and capabilities of the independent valuer including the terms of engagement to determine whether there were any matters that might affect objectivity or impose scope limitations on their work.</li> <li>• Tested, on a sample basis, the accuracy and relevance of the input data provided by management.</li> <li>• Considered the appropriateness of the residual values estimated by the independent valuer and challenged the management on significant movements in the valuations.</li> </ul> <p>None of the items noted above resulted in a change to the impairment charge recorded by management. Management's assumptions in relation to the fair value less costs to sell appeared to be reasonable.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment assessment of investments in joint ventures</i></b></p> <p>Refer to Note 3.3 Impairment of investments in subsidiaries, associates and joint ventures.</p> <p>The Company, as the holding company, invests in shareholding interests of seven joint ventures which generate and sell electricity under power purchase agreements. The total cost of investments in these joint ventures in separate statements of financial statement was Baht 25,504 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.</p> <p>As at 31 December 2017, the costs of investments in some joint ventures presented in the separate financial statement were significantly higher than their net equity value. Management considered this as an impairment indicator of investments in joint ventures and therefore performed impairment tests on these investments by applying the value-in-use model in the calculation of recoverable amounts. This model involves the significant management 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, growth rate, expected changes to operating expenditures, the market risk obtained from available public industry information and projected dividend payouts of joint ventures.</p> <p>I focused on the valuation of the investment in a joint venture which is a coal-fired power plant in Thailand. I focused here because the joint venture's 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 management judgement in assessing the feasibility of future business plans.</p> <p>As a result of management's impairment tests, the recoverable amount of this investment is higher than the carrying value. Therefore, the Company did not recognise provision for impairment of such investment in a joint venture in the 2017 separate financial statement.</p>	<p>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.</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of management's identification of the indicators for impairment of investment in a joint venture.</li> <li>• Held discussions with management to understand the basis for assumptions applied to the cash flow projections.</li> <li>• Challenged management's significant assumptions used in the impairment test, especially the electricity tariffs, assumed capacity of the power plants, operating expenditures, discount rate, and 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.</li> <li>• 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 management was within the acceptable range.</li> <li>• Tested the sensitivity analysis of key assumptions in the model prepared by management in order to assess factors sensitive to assumptions and the potential impact of a range possible outcomes.</li> </ul> <p>None of the items noted above resulted in a change to the impairment charge recorded by management. The key assumptions used by management in assessing the feasibility of future business plans are within the acceptable range.</p>

## 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.

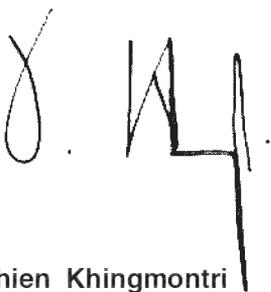
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going 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.



**Vichien Khingmontri**

Certified Public Accountant (Thailand) No. 3977

Bangkok

19 February 2018

# Statement of Financial Position

Electricity Generating Public Company Limited As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	6,786,801,686	4,487,429,447	1,751,427,342	732,634,458
Short-term investments	7				
- Deposits at financial institutions		458,866,530	611,616,844	-	-
- Marketable securities		4,519,619	3,135,541	-	-
Short-term investments used as collateral	8	4,546,622,078	4,199,034,752	-	-
Trade receivables, net	9	1,969,255,856	1,933,583,538	-	-
Trade receivable from a related party	41.2	1,339,329,729	244,895,441	-	-
Trade receivable from a related party for services under finance lease	41.3	1,704,373,843	1,580,004,902	-	-
Current portion of finance lease receivable from a related party	41.4	1,169,027,241	1,258,243,619	-	-
Current portion of dividend receivables from subsidiaries and joint ventures	15.5	714,331,898	1,587,100,648	714,331,898	2,138,501,987
Current portion of long-term loans to related parties	41.7	-	-	172,000,000	172,000,000
Amounts due from related parties	41.5	244,480,853	93,007,892	103,062,263	71,491,951
Fuel and spare parts and supplies, net	10	2,521,726,885	2,300,421,003	461,951	2,173,390
Non-current assets held-for-sale	11	16,589,593,686	-	-	-
Other current assets	12	1,493,876,839	1,699,563,866	199,973,277	228,744,361
<b>Total current assets</b>		<b>39,542,806,743</b>	<b>19,998,037,493</b>	<b>2,941,256,731</b>	<b>3,345,546,147</b>
<b>Non-current assets</b>					
Finance lease receivable from a related party, net	41.4	18,362,942,881	20,673,562,682	-	-
Long-term investments in marketable securities	13	3,868,988,276	3,679,562,390	3,861,895,556	3,675,029,642
Dividend receivables from subsidiaries and joint ventures	15.5	7,306,566,365	6,597,565,185	7,533,474,077	6,597,565,185
Long-term loans to related parties, net	41.7	-	838,598,835	2,598,962,357	1,723,962,357
Long-term loans to other company	14	1,231,200,000	1,231,200,000	1,231,200,000	1,231,200,000
Long-term investments used as collateral		282,300	282,300	-	-
Investments in subsidiaries	15.2	-	-	64,899,188,343	59,870,560,005
Investments in associates	15.3	10,554,089,613	6,952,429,890	-	-
Interests in joint ventures, net	15.4	38,042,391,214	56,255,855,403	25,504,261,560	25,571,697,638
Other long-term investments	13	2,760,543,500	2,068,523,000	2,760,103,500	2,065,083,000
Investment property	16	448,602,691	448,602,691	669,885,990	669,885,990
Property, plant and equipment, net	17	61,723,550,408	62,419,989,472	1,600,064,347	1,909,548,416
Intangible assets, net	18	4,841,391,029	5,586,246,905	-	1,616,439
Goodwill, net	19	9,506,983,769	9,528,983,769	-	-
Deferred tax assets, net	25	774,495,308	429,190,819	-	-
Advance payment for investment	41.6	728,520,362	-	728,520,362	144,002,000
Other non-current assets	20	639,190,408	545,872,520	423,525,678	194,734,238
<b>Total non-current assets</b>		<b>160,789,738,124</b>	<b>177,256,465,861</b>	<b>111,811,081,770</b>	<b>103,654,884,910</b>
<b>Total assets</b>		<b>200,332,544,867</b>	<b>197,254,503,354</b>	<b>114,752,338,501</b>	<b>107,000,431,057</b>

For Director .....




The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.

## Statement of Financial Position

Electricity Generating Public Company Limited As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	21	1,150,000,000	-	1,150,000,000	-
Trade payables		3,148,524,791	1,967,007,599	-	2,909,178
Trade payable to related parties	41.2	95,924,323	173,306,002	-	-
Amounts due to related parties	41.5	27,105,871	197,264,651	13,920,138	-
Current portion of long-term loans from financial institutions, net	23	9,782,918,049	7,973,864,788	-	3,639,049,060
Other current liabilities	22	3,267,184,745	3,081,947,656	557,062,283	450,450,813
<b>Total current liabilities</b>		<b>17,471,657,779</b>	<b>13,393,390,696</b>	<b>1,720,982,421</b>	<b>4,092,409,051</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions, net	23	82,831,450,051	87,360,712,612	43,142,689,570	37,156,264,013
Long-term loans from a related party	41.8	22,937,302	24,648,196	-	-
Debenture	24	5,026,945,600	5,330,055,200	5,026,945,600	5,330,055,200
Retirement benefit obligations	26	404,363,236	398,817,695	166,018,209	198,814,441
Provision for decommissioning costs	27	1,808,066,021	1,807,496,682	437,176,000	437,176,000
Deferred tax liabilities, net	25	4,430,857,896	4,983,258,787	598,880,947	580,114,728
Other non-current liabilities	28	1,479,787,538	1,358,450,457	45,192,730	45,607,337
<b>Total non-current liabilities</b>		<b>96,004,407,644</b>	<b>101,263,439,629</b>	<b>49,416,903,056</b>	<b>43,748,031,719</b>
<b>Total liabilities</b>		<b>113,476,065,423</b>	<b>114,656,830,325</b>	<b>51,137,885,477</b>	<b>47,840,440,770</b>

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.

## Statement of Financial Position

Electricity Generating Public Company Limited As at 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Liabilities and equity (continued)</b>					
<b>Equity</b>					
Share capital					
Authorised share capital					
- 530,000,000 ordinary shares at par of Baht 10 per share					
		5,300,000,000	5,300,000,000	5,300,000,000	5,300,000,000
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					
29		530,000,000	530,000,000	530,000,000	530,000,000
Unappropriated					
		71,688,431,168	63,411,463,584	46,861,663,313	42,544,384,293
Other components of equity					
		325,261,410	4,336,685,093	2,309,466,676	2,172,282,959
<b>Total equity attributable to the owners of the parent</b>					
		86,238,326,897	81,972,782,996	63,614,453,024	59,159,990,287
Non-controlling interests					
30		618,152,547	624,890,033	-	-
<b>Total equity</b>					
		86,856,479,444	82,597,673,029	63,614,453,024	59,159,990,287
<b>Total liabilities and equity</b>					
		200,332,544,867	197,254,503,354	114,752,338,501	107,000,431,057

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.

## Income Statement

Electricity Generating Public Company Limited For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Sales and services income	31, 41.1	30,017,962,559	22,794,416,250	-	-
Cost of sales and services	32	(21,331,842,664)	(14,840,135,713)	-	-
<b>Gross profit</b>		8,686,119,895	7,954,280,537	-	-
Other income	33	2,268,207,467	1,887,676,331	7,952,123,903	8,373,113,438
Currency exchange gains (losses), net		(1,593,717,394)	177,709,676	(154,209,977)	23,996,347
Administrative expenses		(2,905,226,268)	(3,050,951,687)	(1,175,191,018)	(928,317,350)
Finance costs	35	209,992,404	(3,609,521,019)	1,567,648,573	(1,366,568,681)
Share of profit from investments in associates and joint ventures, net	15.1	5,772,539,998	6,062,101,969	-	-
<b>Profit before income tax expense</b>		12,437,916,102	9,421,295,807	8,190,371,481	6,102,223,754
Income tax expense	36	(574,822,561)	(1,040,207,977)	-	-
<b>Profit for the year from continuing operations</b>		11,863,093,541	8,381,087,830	8,190,371,481	6,102,223,754
<b>Discontinued operation</b>					
Loss for the year from discontinued operation, net of income tax	42	-	-	(331,779,338)	(208,772,505)
<b>Profit for the year</b>		11,863,093,541	8,381,087,830	7,858,592,143	5,893,451,249
<b>Attributable to:</b>					
Owners of the parent					
Profit for the year from continued operations		11,818,280,707	8,320,800,885	8,190,371,481	6,102,223,754
Loss for the year from discontinued operation		-	-	(331,779,338)	(208,772,505)
Profit for the year attributable to the owners of parent		11,818,280,707	8,320,800,885	7,858,592,143	5,893,451,249
Non-controlling interests					
Profit for the year from continued operations		44,812,834	60,286,945	-	-
Profit for the year from discontinued operation		-	-	-	-
Profit for the year attributable to the non-controlling interests		44,812,834	60,286,945	-	-
<b>Profit for the year</b>		11,863,093,541	8,381,087,830	7,858,592,143	5,893,451,249
<b>Earnings per share for the year</b>	37				
Profit for the year from continued operations		22.45	15.81	15.56	11.59
Loss for the year from discontinued operation		-	-	(0.63)	(0.40)

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.

# Statement of Comprehensive Income

Electricity Generating Public Company Limited For the year ended 31 December 2017

	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Profit for the year</b>		11,863,093,541	8,381,087,830	7,858,592,143	5,893,451,249
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
- Remeasurements of post-employment benefit obligations, net of income tax		(11,834,763)	(4,138,226)	(12,309,014)	-
- Share of other comprehensive expenses of associates and joint ventures accounted for using the equity method, net of income tax	15.1	(27,220,126)	(1,580,014)	-	-
<b>Items that will be reclassified subsequently to profit or loss</b>					
- Unrealised gains on investments in marketable securities - available-for-sale, net of income tax		149,492,731	49,830,892	149,492,731	49,830,892
- Share of other comprehensive income (expense) of a joint venture accounted for using the equity method, net of income tax	15.1	(1,831,276)	2,712,119	-	-
- Exchange difference on translation		(4,120,030,249)	(215,011,127)	-	-
<b>Other comprehensive income (expense) for the year, net of tax</b>		(4,011,423,683)	(168,186,356)	137,183,717	49,830,892
<b>Total comprehensive income for the year</b>		<b>7,851,669,858</b>	<b>8,212,901,474</b>	<b>7,995,775,860</b>	<b>5,943,282,141</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		7,806,857,024	8,152,614,529	7,995,775,860	5,943,282,141
Non-controlling interests		44,812,834	60,286,945	-	-
<b>Total comprehensive income for the year</b>		<b>7,851,669,858</b>	<b>8,212,901,474</b>	<b>7,995,775,860</b>	<b>5,943,282,141</b>

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.

# Statement of Changes in Equity

## Electricity Generating Public Company Limited For the year ended 31 December 2017

Note	Attributable to owners of the parent														Consolidated financial statements	
	Other components of equity														Total other equity	Total equity
	Other comprehensive income (expense)															
	Retained earnings				Share of other comprehensive income (expense)				Exchange on translation		Total owners of the parent		Non-controlling interests		Total equity	
	Baht	Baht	Baht	Surplus from acquisition	Appropriated - legal reserve	Unappropriated	Available-for-sale investments	Remeasurements of post-employment benefit obligations	Share of other comprehensive income (expense) of associates and joint ventures	Exchange on translation	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity		
<b>Opening balance as at 1 January 2016</b>	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	(63,392,943)	25,457,551	2,366,606,696	4,504,871,449	77,242,157,079	507,598,551	77,749,755,630		
<b>Changes in equity for the year</b>	-	-	-	-	-	8,320,800,885	49,830,892	(4,138,226)	1,132,105	(215,011,127)	(168,186,356)	8,152,614,529	60,286,945	8,212,901,474		
Total comprehensive income for the year	-	-	-	-	-	(3,421,988,612)	-	-	-	-	-	(3,421,988,612)	-	(3,421,988,612)		
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(54,110,463)	(54,110,463)		
Dividends paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Additional paid-up share capital of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	111,115,000	111,115,000		
<b>Closing balance as at 31 December 2016</b>	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		
<b>Opening balance as at 1 January 2017</b>	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		
<b>Changes in equity for the year</b>	-	-	-	-	-	11,830,589,721	149,492,731	(11,834,763)	(29,051,402)	(4,120,030,249)	(4,011,423,683)	7,819,166,038	44,812,834	7,863,978,872		
Total comprehensive income for the year	-	-	-	-	-	(3,553,622,137)	-	-	-	-	-	(3,553,622,137)	-	(3,553,622,137)		
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(51,550,320)	(51,550,320)		
Dividends paid of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Closing balance as at 31 December 2017</b>	5,264,650,000	8,601,300,000	47,373,035	(218,688,716)	530,000,000	71,688,431,168	2,395,523,768	(99,365,932)	(2,461,746)	(1,968,434,680)	325,261,410	86,238,326,897	618,152,547	86,856,479,444		

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.



# Statement of Changes in Equity

Electricity Generating Public Company Limited For the year ended 31 December 2017

	Note	Separate financial statements									
		Retained earnings					Other components of equity				
		Issued and paid-up share capital	Premium on share capital	Premium on treasury stock	Appropriated - legal reserve	Unappropriated	Available-for-sale investments	Other comprehensive income (expense)	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	
<b>Opening balance as at 1 January 2016</b>		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	
<b>Changes in equity for the year</b>		-	-	-	-	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)	-	-	-	(3,421,988,612)	
Dividends paid		-	-	-	-	-	-	-	-	-	
<b>Closing balance as at 31 December 2016</b>		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	
<b>Opening balance as at 1 January 2017</b>		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	
<b>Changes in equity for the year</b>		-	-	-	-	7,870,901,157	149,492,731	(12,309,014)	137,183,717	8,008,084,874	
Total comprehensive income for the year		-	-	-	-	(3,553,622,137)	-	-	-	(3,553,622,137)	
Dividends paid	38	-	-	-	-	-	-	-	-	-	
<b>Closing balance as at 31 December 2017</b>		5,264,650,000	8,601,300,000	47,373,035	530,000,000	46,861,663,313	2,395,523,768	(86,057,092)	2,309,466,676	63,614,453,024	

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.



## Statement of Cash Flows

Electricity Generating Public Company Limited For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax from continuing operations for the year		12,437,916,102	9,421,295,807	8,190,371,481	6,102,223,754
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation and amortisation		2,865,120,047	2,379,922,301	58,015,134	54,587,655
- Allowance for doubtful accounts		-	6,592,372	-	-
- Allowance for obsolescence of spare parts		30,190,492	44,120,284	-	-
- Retirement benefit expenses		53,057,708	49,240,234	9,488,634	17,498,496
- Interest income		(288,031,972)	(105,701,361)	(227,214,725)	(173,786,178)
- Finance costs		4,322,666,958	3,712,776,586	1,718,925,965	1,597,983,353
- Reversal of provision for decommissioning costs	27	-	(285,611,196)	-	-
- Unrealised gains on exchange rates		(2,333,118,447)	(199,878,537)	(3,035,887,279)	(200,668,385)
- Loss on impairment of investment in joint venture	15.1	-	-	175,416,028	-
- Loss on impairment of goodwill	19	22,000,000	-	-	-
- Losses on impairment of property, plant and equipment	17	329,533,131	508,993,638	-	-
- Losses (gains) on write-off and disposal of equipment		175,755,655	60,999,164	(1,141,240)	690,682
- Dividends received from other company		(155,721,595)	(140,149,436)	(155,721,595)	(140,149,436)
- Dividends received from subsidiaries and joint ventures	15.5	-	-	(7,329,884,539)	(7,702,347,638)
- Share of profit from investments in associates and joint ventures, net	15.1	(5,772,539,998)	(6,062,101,969)	-	-
Cash flows before changes in operating assets and liabilities		11,686,828,081	9,390,497,887	(597,632,136)	(443,967,697)
Changes in operating assets and liabilities: (excluding the effects of acquisition or disposal of subsidiaries)					
- Trade receivables and trade receivable from a related party		(1,155,810,277)	137,981,176	-	-
- Trade receivable from a related party for services under finance lease		(124,368,940)	(1,438,374,662)	-	-
- Finance lease receivable from a related party		682,566,966	662,252,376	-	-
- Amounts due from related parties		(151,305,380)	137,802,999	3,726,527	114,897,946
- Fuel, spare parts and supplies		(138,736,089)	(196,051,742)	-	-
- Other current assets		(109,743,633)	(572,684,473)	(10,808,191)	149,463,013
- Other non-current assets		(28,889,091)	2,239,322	(2,720,000)	(4,250,000)
- Trade payables and trade payable to related parties		1,099,545,934	1,525,480,635	-	-
- Amounts due to related parties		27,406,462	(49,319,836)	-	(214,000)
- Retirement benefit paid		(41,778,862)	(36,992,380)	(6,138,034)	(5,076,585)
- Other current liabilities and other non-current liabilities		265,013,271	563,727,292	31,024,400	(58,677,331)
Cash generated from (used in) operations		12,010,728,442	10,126,558,594	(582,547,434)	(247,824,654)
- Withholding tax refund		158,067,124	229,267,351	11,071,622	-
- Tax paid		(1,148,995,041)	(1,196,659,859)	-	-
Net cash receipts from (payments in) operating activities from continuing operations		11,019,800,525	9,159,166,086	(571,475,812)	(247,824,654)
Net cash receipts from (payments in) operating activities of discontinued operation		-	-	(85,085,860)	169,530,178
<b>Net cash receipts from (payments in) operating activities</b>		<b>11,019,800,525</b>	<b>9,159,166,086</b>	<b>(656,561,672)</b>	<b>(78,294,476)</b>

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.

## Statement of Cash Flows

Electricity Generating Public Company Limited For the year ended 31 December 2017

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash flows from investing activities</b>					
Acquisition of investments in subsidiaries and in joint ventures		(2,728,485,481)	(2,835,910,332)	(4,926,157,088)	(3,116,260,154)
Cash payment in advance for additional share capital of a subsidiary joint ventures	41.6	(728,520,362)	-	(728,520,362)	(144,002,000)
Net cash payments for short-term and long-term investments used as collateral		(391,392,100)	(2,370,223,962)	-	-
Interest received		212,338,493	63,091,750	110,293,543	209,477,077
Net cash receipts from (payment in) short-term investments		150,561,618	(242,120,773)	-	-
Net cash payments from long-term investments in marketable securities		(4,084,317)	(117,485)	-	-
Acquisition of other long-term investments		(695,020,500)	(541,270,500)	(695,020,500)	(541,270,500)
Net cash payments in purchases of equipment and construction in progress and investment property		(3,942,070,588)	(13,401,583,726)	(52,513,337)	(41,835,091)
Net cash payments in purchases of intangible assets		(116,996,900)	(600,485,085)	-	(1,725,799)
Advance payments for construction of power plants		-	(10,725,000)	-	-
Cash payments in long-term loans to related parties	41.7	-	(843,316,317)	(1,050,000,000)	(150,000,000)
Cash receipts from long-term loans to related parties	41.7	-	-	175,000,000	172,000,000
Cash payments in long-term loans to other company	14	-	(1,231,200,000)	-	(1,231,200,000)
Dividends received from subsidiaries and joint ventures	15.5	5,191,707,804	4,826,925,547	7,818,145,736	6,769,383,395
Dividends received from other company		155,721,595	140,149,436	155,721,595	140,149,436
Net cash receipts from (payments in) investing activities from continuing operations		(2,896,240,738)	(17,046,786,447)	806,949,587	2,064,716,364
Net cash receipts from investing activities of discontinued operation		-	-	699,508	89,521
<b>Net cash receipts from (payments in) investing activities</b>		<b>(2,896,240,738)</b>	<b>(17,046,786,447)</b>	<b>807,649,095</b>	<b>2,064,805,885</b>
<b>Cash flows from financing activities</b>					
Payments on finance leases		-	(833,494)	-	-
Interests paid		(4,444,284,339)	(4,299,206,749)	(1,648,863,982)	(1,533,135,844)
Proceeds from short-term loans from financial institutions		4,275,000,000	10,344,377,211	2,795,500,000	7,106,162,160
Payments on short-term loans from financial institutions		(3,125,000,000)	(11,202,377,211)	(1,645,500,000)	(7,106,162,160)
Proceeds from long-term loans from financial institutions	23.3	9,852,410,972	22,537,439,091	8,597,200,000	8,716,296,000
Payments on long-term loans from financial institutions	23.3	(8,095,698,499)	(10,096,253,596)	(3,665,300,000)	(7,677,288,843)
Proceeds from long-term loans from a related party		-	24,132,908	-	-
Payments on deferred financing fee		(24,482,467)	(137,000,369)	(12,655,000)	(13,741,962)
Dividends paid to shareholders		(3,605,336,103)	(3,474,217,183)	(3,552,675,557)	(3,421,217,094)
Net cash receipts from (payments in) financing activities from continuing operations		(5,167,390,436)	3,696,060,608	867,705,461	(3,929,087,743)
Net cash payments from financing activities of discontinued operation		-	-	-	-
<b>Net cash receipts from (payments in) financing activities</b>		<b>(5,167,390,436)</b>	<b>3,696,060,608</b>	<b>867,705,461</b>	<b>(3,929,087,743)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>2,956,169,351</b>	<b>(4,191,559,753)</b>	<b>1,018,792,884</b>	<b>(1,942,576,334)</b>
Beginning balance		4,487,429,447	8,750,562,822	732,634,458	2,675,210,792
Effect of exchange rate changes		(656,797,112)	(71,573,622)	-	-
Ending balance		<b>6,786,801,686</b>	<b>4,487,429,447</b>	<b>1,751,427,342</b>	<b>732,634,458</b>

The notes to the consolidated and separate financial statements on pages 189 to 260 are an integral part of these financial statements.



## Statement of Cash Flows

Electricity Generating Public Company Limited For the year ended 31 December 2017

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash and cash equivalents are made up as follows:</b>				
- Cash in hand and deposits at financial institutions - maturities within three months	5,133,719,271	2,970,841,324	1,050,407,605	162,732,224
- Short-term investments in promissory notes - maturities within three months	1,653,082,415	1,516,588,123	701,019,737	569,902,234
	<b>6,786,801,686</b>	<b>4,487,429,447</b>	<b>1,751,427,342</b>	<b>732,634,458</b>
<b>Non-cash transactions</b>				
- Reclassification of spare parts to property, plant and equipment	53,644,595	678,933,425	-	-
- Payables for purchase of property, plant and equipment (included retention)	456,391,623	1,149,269,248	14,938,488	11,369,669
- Reclassification of intangible asset to property, plant and equipment	980,247,075	205,164,740	-	-
- Reclassification of advance payments for construction of power plants to property, plant and equipment	96,318,981	-	-	-
- Reclassification of property, plant and equipment to finance lease receivable from related parties	-	21,254,999,680	-	-
- Reclassification of property, plant and equipment to spare parts	124,716,784	-	-	-
- Reclassification of advance payment for investment to investment	144,002,000	-	144,002,000	-
- Reclassification of long term loan to other company to investment	838,598,835	-	-	-
- Residual value of asset from finance lease receivable	-	580,654,874	-	-
- Contingent consideration paid for investment in a joint venture	66,449,200	-	66,449,200	-

The notes to the consolidated and separate financial statements on pages 189 to 260 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 2017

## 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, EGCO Tower, 14<sup>th</sup> and 15<sup>th</sup> floor, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210.

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

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

These consolidated and separate financial statements were authorised for issue by the president on 19 February 2018.

## 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 financial reporting 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 are 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 Accounting policies (continued)

### 2.2 Revised financial reporting standards and related interpretations are effective for the accounting periods beginning on or after 1 January 2017

Revised financial reporting standards which have significant changes and are relevant to the Group are as follows:

TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 38 (revised 2016)	Intangible assets
TFRS 11 (revised 2016)	Joint arrangements

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) in addition to measurement at cost or at fair value (when announced) previously allowed. 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 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.

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.

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.

The Group has adopted the aforementioned standards which have no material impact to the group.

## 2 Accounting policies (continued)

### 2.3 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018

Revised financial reporting standards which have significant changes and are relevant to the Group which the Group has not yet adopted these revised standards are as follows:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards will not have a material impact on the Group except for disclosure.

### 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.

## 2 Accounting policies (continued)

### 2.4 Group accounting - investments in subsidiaries, associates and joint arrangements (continued)

#### 2.4.1 Subsidiaries (continued)

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 15.

#### 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.

## 2 Accounting policies (continued)

### 2.4 Group accounting - investments in subsidiaries, associates and joint arrangements (continued)

#### 2.4.4 Associates (continued)

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.

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 15.

#### 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 15.

## 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 in other 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 interest rate swap contracts, foreign currency forward contracts, and cross currency swap contracts.

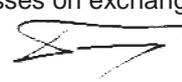
#### Interest Rate Swap Contracts

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.

#### 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.

To reduce the exposure from fluctuations in exchange rate in payable, the forward contract receivables under these contracts are translated into Baht at closing rates on the statement of financial position date. The foreign currency amounts payables under these contracts are translated into Baht at the forward rate. Unrealised gains or losses that result from the translation are recognised as part of the gains or losses on exchange rate.



## 2 Accounting policies (continued)

### 2.6 Accounting for derivatives (continued)

#### Foreign Currency Forward Contracts (continued)

To reduce the exposure from fluctuations in exchange rate in receivable, the forward contract payables under these contracts are translated into Baht at closing rates on the statement of financial position date. The foreign currency amounts receivables under these contracts are translated into Baht at the forward rate. Unrealised gains or losses that result from the translation are recognised as part of the gains or losses on exchange rate.

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 consolidated statement of financial position.

#### Cross Currency Swap Contracts

The Group enters into cross currency swaps contracts to hedge its exposure from movements in exchange rates and interest rates.

To reduce the exposure from fluctuations in exchange rate in payable, the cross currency swap receivables under these contracts are translated into Baht at closing rates on the statement of financial position date. The cross currency swap payables under these contracts are translated into Baht at the forward rate. Unrealised gains or losses that result from the translation are recognised as part of the finance costs.

To reduce the exposure from fluctuations in exchange rate in receivable, the cross currency swap payables under these contracts are translated into Baht at closing rates on the statement of financial position date. The cross currency swap receivables under these contracts are translated into Baht at the forward rate. Unrealised gains or losses that result from the translation are recognised as part of the finance costs.

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 as in the consolidated statement of financial position.

Disclosure about financial instruments to which the Group is a party is provided in Note 40.

### 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 Accounting policies (continued)

### 2.10 Non-current assets held-for-sale

Non-current assets (or disposal Group) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell.

### 2.11 Other investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: trading, 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 that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- 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.
- 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.

Trading and 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.

### 2.12 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 Accounting policies (continued)

### 2.13 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.

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.

### 2.14 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 associates in the consolidated statement of financial position and impairment test included in investment in joint venture or investment in an 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.

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 Accounting policies (continued)

### 2.15 Intangible assets

#### 2.15.1 Right in Power Purchase Agreements and Right to use the transmission facilities

The right in Power Purchase Agreements (“PPA”) arising on acquisitions of subsidiaries, are amortised by using straight-line method over the periods of the PPA which are between 15 and 25 years.

The right to use transmission facilities is an expenditure paid to acquire a right to use the transmission facilities which are amortised by using straight-line method over the useful life of 15 to 25 years, which is in accordance with the PPA.

#### 2.15.2 Licenses for operating power plants

Licenses for operating power plants arising on the acquisition of a subsidiary, which is amortised by using straight-line method over the periods of the licenses for operating power plants, which is 25 years.

#### 2.15.3 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.

### 2.16 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.

### 2.17 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 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.



## 2 Accounting policies (continued)

### 2.17 Long-term lease (continued)

#### 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 2.24.

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 2.24.

### 2.18 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.

### 2.19 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received, net of the transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised to the income statement over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

### 2.20 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.



## 2 Accounting policies (continued)

### 2.20 Current and deferred income taxes (continued)

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.

### 2.21 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.

#### 2.21.1 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.

#### 2.21.2 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 Accounting policies (continued)

### 2.22 Provisions

#### 2.22.1 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.

#### 2.22.2 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.

### 2.23 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.

### 2.24 Revenue recognition

Sales is shown net of 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.

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 right to receive payment is established.

## 2 Accounting policies (continued)

### 2.25 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.

### 2.26 Dividends distribution

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders or 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.

### 3.1 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 19).

### 3.2 Impairment of property, plant and equipment

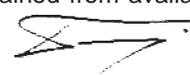
The Group tests impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of asset is greater than its estimated recoverable amount. Recoverable amount is the higher of fair value less costs to sell and its value in use. The calculation 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 Impairment of investments in subsidiaries, associates 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, associates and joint ventures.

### 3.4 Fair value estimation on acquisition of investment in a joint venture

The Group estimates fair value of net assets acquired under business combination since the valuation methodology and assumptions used in the financial model involved significant management judgment. Key assumptions used include the electricity tariffs, assumed capacity of the power plants, operating expenditures, the projected available cash flows for future, the approved business plan and the market risk obtained from available public industry information.



## 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").

	For the year ended 31 December 2017					
	Electricity generation Baht	Other businesses Baht	Consolidated financial statements Baht	Adjustments Baht	Management Discussion and Analysis report Baht	
Sales and services income	29,142,142,001	875,820,558	30,017,962,559	2,674,294,120	(4),(5),(8),(9)	32,692,256,679
Cost of sales and services	(20,524,100,346)	(807,742,318)	(21,331,842,664)	(1,197,820,580)	(5),(8),(9)	(22,529,663,244)
Segment results	8,618,041,655	68,078,240	8,686,119,895	1,476,473,540		10,162,593,435
Other income	2,259,687,859	8,519,608	2,268,207,467	(1,557,590,965)	(4),(8),(9)	710,616,502
Currency exchange gains (losses), net	(1,593,686,839)	(30,555)	(1,593,717,394)	5,379,042,018	(1),(2),(3),(5),(9)	3,785,324,624
Administrative expenses	(2,848,935,079)	(56,291,189)	(2,905,226,268)	(960,150,400)	(6),(7),(8),(9)	(3,865,376,668)
Finance costs	209,992,404	-	209,992,404	(4,472,894,297)	(2),(9)	(4,262,901,893)
Share of profit from investments in associates and joint ventures, net	5,710,351,882	62,188,116	5,772,539,998	1,556,705,590	(1),(5),(6),(7)	7,329,245,588
Profit before income tax expense	12,355,451,882	82,464,220	12,437,916,102	1,421,585,486		13,859,501,588
Deferred tax income (expense)	592,019,246	1,502,249	593,521,495	(248,322,883)	(5),(6),(9)	345,198,612
Income tax expense	(1,127,344,457)	(40,999,599)	(1,168,344,056)	10,559,278	(9)	(1,157,784,778)
Profit for the year	11,820,126,671	42,966,870	11,863,093,541	1,183,821,881		13,046,915,422
Owners of the parent	11,775,313,837	42,966,870	11,818,280,707	1,228,634,715	(5)	13,046,915,422
Non-controlling interests	44,812,834	-	44,812,834	(44,812,834)	(3),(5),(9)	-
Segment of fixed assets	61,629,957,185	93,593,223	61,723,550,408			
Unallocated assets	137,891,000,383	717,994,076	138,608,994,459			
Consolidated total assets	199,520,957,568	811,587,299	200,332,544,867			

(1) Net currency exchange gains (losses) and finance costs of associates and 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, associates 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, associates and joint ventures

(9) Non-controlling interests

## 5 Segment information - consolidated financial statements (continued)

	For the year ended 31 December 2016					Management Discussion and Analysis report Baht
	Electricity generation Baht	Other businesses Baht	Consolidated financial statements Baht		Adjustments Baht	
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 from 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 (expenses)	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 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 of fixed 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 an associate and 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, an associate 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, an associate and joint ventures

(9) Non-controlling interests

### Geographical information

In presenting geographical information, revenue is based on the geographical location of customers and fixed assets are based on the geographical location of the assets.

	Sales and services income		Fixed assets	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Thailand	19,227,767,717	11,548,384,088	32,851,248,139	30,111,633,073
Philippines	9,809,071,223	10,232,085,005	21,665,057,070	24,734,588,143
Australia	981,123,619	1,013,947,157	7,207,245,199	7,573,768,256
Total	30,017,962,559	22,794,416,250	61,723,550,408	62,419,989,472

The Group's main customer is related party which arise from electricity generation totalling 55.10% of all the Group's revenue.

## 6 Cash and cash equivalents

As at 31 December 2017, cash and cash equivalents are mainly comprised of short-term investments in promissory notes with maturities within three months amounting to Baht 1,653 million (2016: Baht 1,517 million). The interest rates range was from 0.10% to 1.50% per annum (2016: interest rate range from 0.10% to 1.80% per annum).

## 7 Short-term investments

Short-term investments are comprised of 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 are mainly comprised of deposits at financial institutions and promissory notes issued by local financial institutions. As at 31 December 2017, deposits at financial institutions, and promissory notes bore interest at rates from 0.85% to 1.75% per annum (2016: interest rate range from 0.10% to 1.65% per annum).

### Marketable securities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<i>Held-to-maturity</i> Debt securities	4,519,619	3,135,541	-	-
Short-term investments in marketable securities	4,519,619	3,135,541	-	-

## 8 Short-term investments used as collateral

As at 31 December 2017, short-term investments used as collateral comprised of deposits at financial institutions of ten subsidiaries (As at 31 December 2016: ten 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 2017, the Group had deposits at financial institutions used as collateral amounting to US Dollar 15 million, Japanese Yen 245 million and Baht 3,980 million which totally equivalent to Bath 4,547 million (31 December 2016: US Dollar 13 million, Japanese Yen 610 million and Baht 3,548 million which totally equivalent to Bath 4,199 million). These included the cash reserve for the purpose of repayment of principal and payment of interest due within one year amounting to Baht 2,228 million (31 December 2016: Baht 1,176 million) and the remaining balance of Baht 2,319 million (31 December 2016: Baht 3,023 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade receivables	642,386,461	532,114,245	-	-
Trade receivable from operating lease	266,529,144	292,232,815	-	-
Trade receivable from services under operating lease	1,082,840,778	1,130,991,114	-	-
	1,991,756,383	1,955,338,174	-	-
<u>Less</u> Allowance for doubtful account	(22,500,527)	(21,754,636)	-	-
Trade receivables, net	1,969,255,856	1,933,583,538	-	-
Outstanding trade receivables as at 31 December can be analysed as follows:				
	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Not overdue	1,966,317,422	1,912,542,531	-	-
Overdue below 3 months	-	7,441,307	-	-
Overdue 3 - 6 months	2,938,434	-	-	-
Overdue 6 - 12 months	-	13,599,700	-	-
Overdue over 12 months	22,500,527	21,754,636	-	-
	1,991,756,383	1,955,338,174	-	-
<u>Less</u> Allowance for doubtful account	(22,500,527)	(21,754,636)	-	-
Trade receivables, net	1,969,255,856	1,933,583,538	-	-

## 10 Fuel and spare parts and supplies, net

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Fuel	896,454,157	654,895,336	-	-
Other specific spare parts	1,491,311,897	1,386,282,028	-	-
Common spare parts	940,091,253	1,046,135,601	3,837,490	6,052,716
Spare parts in transit	7,763,282	-	-	-
	3,335,620,589	3,087,312,965	3,837,490	6,052,716
<u>Less</u> Allowance for obsolescence	(813,893,704)	(786,891,962)	(3,375,539)	(3,879,326)
Fuel and spare parts and supplies, net	2,521,726,885	2,300,421,003	461,951	2,173,390

## 11 Non-current assets held-for-sale

On 17 December 2017, the Group has reclassified investment in a joint venture, which is Masin-AES Ptd., Ltd. (Masin-AES) to present as non-current asset held-for-sale (as disclosed in Noted 15.4) since the Group entered into the Share Purchase Agreement with SMC Global Power Holding Corp. to sell its 49% indirect holding in Masin-AES by US Dollar 850 million. The Group expects to complete the disposal within the first half of the year 2018 after approval of the Philippines Competition Commission and completing all relevant closing conditions. Non-current assets held-for-sale is stated at the carrying amount.

**12 Other current assets**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Prepaid withholding tax	156,893,666	312,017,711	154,358,520	158,285,171
VAT receivable	734,535,206	632,449,995	1,604,408	-
Prepaid insurance premium	81,004,992	113,762,988	1,428,818	-
Accrued income	76,068,866	119,117,118	-	-
Interest receivable	6,161,312	9,085,179	1,348,220	298,933
Advanced for spare parts	142,525,815	240,606,675	-	-
Cross currency swap contracts receivables	2,723,331	10,467,004	-	-
Interest rate swap contracts receivables	1,915,603	-	1,915,603	-
Others	292,048,048	262,057,196	39,317,708	70,160,257
<b>Total other current assets</b>	<b>1,493,876,839</b>	<b>1,699,563,866</b>	<b>199,973,277</b>	<b>228,744,361</b>

**13 Long-term investments in marketable securities and other long-term investments**

The movement of the long-term investments in marketable securities and other long-term investments can be analysed as follow:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening net book value	5,748,085,390	5,145,913,310	5,740,112,642	5,136,553,504
Additions	699,104,817	541,387,985	695,020,500	541,270,500
Transfer to short-term investments	(4,050,923)	(1,159,236)	-	-
Unrealised exchange losses	(22,352)	(280,163)	-	-
Changes in fair value of Available-for-sale investments	186,865,914	62,288,638	186,865,914	62,288,638
Exchange difference on translation	(451,070)	(65,144)	-	-
<b>Closing net book value</b>	<b>6,629,531,776</b>	<b>5,748,085,390</b>	<b>6,621,999,056</b>	<b>5,740,112,642</b>

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<i>Available-for-sale</i>				
Debt securities	7,092,720	4,532,748	-	-
Equity securities	867,490,823	867,490,823	867,490,823	867,490,823
Changes in fair value of investments	2,994,404,733	2,807,538,819	2,994,404,733	2,807,538,819
<b>Total long-term investments in marketable securities</b>	<b>3,868,988,276</b>	<b>3,679,562,390</b>	<b>3,861,895,556</b>	<b>3,675,029,642</b>
<i>Other long-term investments</i>				
Other equity securities	2,760,543,500	2,068,523,000	2,760,103,500	2,065,083,000
<b>Total other investments</b>	<b>2,760,543,500</b>	<b>2,068,523,000</b>	<b>2,760,103,500</b>	<b>2,065,083,000</b>
<b>Total long-term investments in marketable securities and other long-term investments</b>	<b>6,629,531,776</b>	<b>5,748,085,390</b>	<b>6,621,999,056</b>	<b>5,740,112,642</b>

### 13 Long-term investments in marketable securities and other long-term investments (continued)

#### 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 2017, XPCL issued additional ordinary shares and the Company paid for additional paid-up shares in the same proportion as its original investment, totalling Baht 695 million (As at 31 December 2016: Baht 541 million). As at 31 December 2017, investment in XPCL was Baht 2,758 million (As at 31 December 2016: Baht 2,063 million).

### 14 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 principal and interest repayments beginning in the year of 2021. 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.

### 15 Investments in subsidiaries, associates and joint ventures

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Investments in subsidiaries (Note 15.2)	-	-	64,899,188,343	59,870,560,005
Investments in associates (Note 15.3)	10,554,089,613	6,952,429,890	-	-
Investments in joint ventures	38,042,391,214	56,255,855,403	25,679,677,588	25,571,697,638
<u>Less Allowance for impairment</u>	-	-	(175,416,028)	-
Investments in joint ventures, net (Note 15.4)	38,042,391,214	56,255,855,403	25,504,261,560	25,571,697,638
Total investments in subsidiaries, associates and joint ventures, net	<u>48,596,480,827</u>	<u>63,208,285,293</u>	<u>90,403,449,903</u>	<u>85,442,257,643</u>

## 15 Investments in subsidiaries, associates and joint ventures (continued)

15.1 The movements of the investments in subsidiaries, associates and joint ventures can be analysed as follows:

	<b>Consolidated financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
Opening net book value	63,208,285,293	59,815,398,501
Acquisitions of investment in an associate (Note 15.1.2)	3,505,811,626	-
Acquisitions of investment in joint ventures (Note 15.1.3)	107,979,950	3,049,232,528
Decrease in share capital of an associate	-	(213,410,200)
Reclassification of investment in a joint venture to non-current assets held-for-sale (Note 11)	(16,589,593,686)	-
Share of profit from investments in associates and joint ventures, net	5,772,539,998	6,062,101,969
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method		
- Unrealised gain (loss) on investments in marketable securities -available-for-sale of a joint venture, net of income tax	(1,831,276)	2,712,119
- Remeasurements of post-employment benefit obligations, net of income tax	(27,220,126)	(1,580,014)
Dividends income received from joint ventures	(5,027,940,234)	(5,413,017,799)
Exchange difference on translation	(2,351,550,718)	(93,151,811)
Closing net book value	<u>48,596,480,827</u>	<u>63,208,285,293</u>
	<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>
Opening net book value	85,442,257,643	82,305,483,635
Increase in share capital of subsidiaries (Note 15.1.1)	5,028,628,338	3,136,774,008
Acquisition of investment in a joint venture	107,979,950	-
Impairment of investment in a joint venture	(175,416,028)	-
Closing net book value	<u>90,403,449,903</u>	<u>85,442,257,643</u>

15.1.1 The significant movement of the investments in subsidiaries during the year ended 31 December 2017:

### Direct holding by the Company

#### *Klongluang Utilities Co., Ltd (“Klongluang”)*

During the year ended 31 December 2017, Klongluang 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 742 million.

#### *Banpong Utilities Co., Ltd (“Banpong”)*

During the year ended 31 December 2017, Banpong 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 1,493 million.

#### *North Pole Investment Company Limited (“North Pole”)*

During the year ended 31 December 2017, North Pole registered additional share capital and the company paid for such shares in the same portion as its original investment, totalling US Dollar 80 million, which equivalent to Baht 2,784 million.

#### *EGCO Plus Co., Ltd (“EGCO Plus”)*

On 21 November 2017, EGCO Plus was incorporated to invest in energy related business in overseas. The Company hold 100% of its total registered share capital and fully paid for share capital amounting to Baht 10 million.

## 15 Investments in subsidiaries, associates and joint ventures (continued)

15.1 The movements of the investments in subsidiaries, associates and joint ventures can be analysed as follows: (continued)

15.1.2 The significant movement of the investments in associates during the year ended 31 December 2017

### Indirect holding by the Company

#### *Star Energy Geothermal (Salak-Darajat) B.V. ("SEGSD")*

An indirect subsidiary of the Group together with other two investors, established Star Energy Geothermal (Salak-Darajat) B.V. ("SEGSD") to enter into Share Sales and Purchase Agreements with Chevron Corporation ("Chevron") which invests in geothermal energy business in Indonesia. On 31 March 2017, the Group paid for such investment totalling US Dollar 101.16 million, equivalent to Baht 3,487 million, which gave the Group an 11.89% indirect holding in SEGSD. In addition, the Group has the indirect portion of 20% in Star Energy Geothermal Pte. Ltd. ("SEG") which is an associate of the Group and SEG has jointly invested in SEGSD for a portion of 40.90%. As a result, the Group has a total indirect portion of 20.07% in SEGSD. The share transfer under the share purchase agreement has been completed. However, the Group has commitment from this investment as disclosed in Note 44.1 c).

On 22 September 2017, The Group paid for additional paid-up share capital to SEGSD totalling US Dollar 0.58 million, equivalent to Baht 19 million in order to let SEGSD acquire 95% of participating interest in PT Darajat Geothermal Indonesia who holds the participating interest of 5% in Darajat Geothermal Project Unit 2 and Unit 3 under Share Sales and Purchase Agreement with PT Austindo Nusantara Jaya Tbk which entered on 14 July 2017. The share transfer under the agreement has been completed on 27 September 2017 which give SEGSD has an additional indirect portion in Darajat Geothermal Project Unit 2 and Unit 3 from 95% to 99.75%.

15.1.3 The significant movement of the investments in joint ventures during the year ended 31 December 2017

### Direct holding by the Company

#### *Nam Theun 1 Power Company Limited ("NT1PC")*

On 4 September 2017, the Company has entered into a Shareholders' Agreement for Nam Theun 1 Power Company Limited ("NT1PC") in order to develop the Nam Theun 1 Hydropower Plant Project. As a result, the Company has a direct portion of 25% in NT1PC. On 8 September 2017, NT1PC called for registered shares under the agreement and the Company paid for such investment totalling US Dollar 1.25 million, equivalent to Baht 42 million. However, once Phonesack Group Company Limited ("Phonesack"), one of the NT1PC's shareholders, is able to comply with the terms of the shareholders agreement; the Company has an obligation to pay US Dollar 2 million, equivalent to Baht 66 million to Phonesack.

The detail of investment is described below:

	<b>Consolidated financial statements Million Baht</b>
Portion of carrying value of net assets acquired	3
Purchase price over net assets' carrying value <sup>(1)</sup> (presented in investments in joint ventures)	105
Purchase consideration	
Purchase consideration at acquisition date	42
Contingent consideration paid	66
Total purchase consideration	108

<sup>(1)</sup> As at 31 December 2017, the Company 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 subjected 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.

## 15 Investments in subsidiaries, associates and joint ventures (continued)

15.1 The movements of the investments in subsidiaries, associates and joint ventures can be analysed as follows:  
(continued)

15.1.3 The significant movement of the investments in joint ventures during the year ended 31 December 2017  
(continued)

### 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.

As at 31 December 2017, the Group determined fair value of the acquired net assets and allocated cost of business combination. The detail of investment is described below:

	<b>Consolidated financial statements Million Baht</b>
Fair value of net assets acquired	853
Right in long-term power purchase agreement (presented in investments in joint ventures)	846
Goodwill (presented in investments in joint ventures)	1,350
Purchase consideration	<b>3,049</b>

Right in Long-term power purchase agreement will be amortised using straight-line method through the remaining term of power purchase agreement of Masin-AES. During the year ended 31 December 2017, investments in Masin-AES has been classified to be presented as non-current assets held-for-sale as described in Note 11.

## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.2 Investments in subsidiaries

The details of the investments in subsidiaries are as follows:

Business	Portion of ordinary shares directly held by parent		Portion of ordinary shares held by the Group		Cost/Method		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	%	%	Million Baht	Million Baht	Million Baht	Million Baht
<b>Subsidiaries incorporated in Thailand</b>								
Khanom Electricity Generating Co., Ltd.	99.99	99.99	-	-	8,005	8,005	752	-
EGCO Engineering and Service Co., Ltd.	99.99	99.99	-	-	400	400	97	121
- Agro Energy Co., Ltd.	-	-	99.99	99.99	-	-	-	-
EGCO Green Energy Co., Ltd.	74.00	74.00	-	-	129	129	7	-
- Roi-Et Green Co., Ltd.	-	-	95.00	95.00	-	-	-	-
EGCO Cogeneration Co., Ltd.	80.00	80.00	-	-	892	892	188	212
Theppana Wind Farm Co., Ltd.	90.00	90.00	-	-	151	151	12	10
SPP Two Co., Ltd.	99.99	99.99	-	-	266	266	25	69
SPP Three Co., Ltd.	99.99	99.99	-	-	301	301	16	79
SPP Four Co., Ltd.	99.99	99.99	-	-	224	224	9	57
SPP Five Co., Ltd.	99.99	99.99	-	-	371	371	46	86
Yanhee EGCO Holding Co., Ltd.	100.00	100.00	-	-	5	5	344	571
- Solarco Co., Ltd.	-	-	99.98	99.98	-	-	-	-
Klongluang Utilities Co., Ltd.	99.99	99.99	-	-	1,000	1,000	-	-
Banpong Utilities Co., Ltd.	99.99	99.99	-	-	2,000	2,000	-	-
Chaiyaphum Wind Farm Co., Ltd.	90.00	90.00	-	-	1,532	1,532	-	-



## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.2 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 Group		Cost Method		Dividend income	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	%	%	Million Baht	Million Baht	Million Baht	Million Baht
Investment in energy related business	100.00	100.00	-	-	49,613	46,830	1,456	1,485
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	100.00	-	-	-	10	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Wind electricity generation plant	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Power plant operation and maintenance services	-	-	100.00	100.00	-	-	-	-
Electricity generation	-	-	100.00	100.00	-	-	-	-
Management services	-	-	100.00	100.00	-	-	-	-
Investment in energy related business	-	-	100.00	100.00	-	-	-	-
Development in power plant	-	-	100.00	100.00	-	-	-	-
<b>Total investments in subsidiaries</b>					<b>64,899</b>	<b>59,871</b>	<b>2,952</b>	<b>2,690</b>

## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.2 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 2017 and 2016, 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.

The total non-controlling interest for the year is Baht 618 million, of which Baht 313 million is for EGCO Cogeneration Co., Ltd. and Baht 175 million is for Chaiyaphum Wind Farm Co., Ltd. and Baht 130 million is not material.

As at 31 December 2017, dividends receivable from subsidiaries amounting to Baht 227 million were recognised in the separate financial statements (31 December 2016: Baht 551 million).

## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.3 Investments in associates

The details of investments in associates are as follows:

Business	Portion of ordinary shares held by the Group		Cost Method		Equity Method		Dividend income	
	2017 %	2016 %	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Associate incorporated in the Republic of Indonesia</b> Star Energy Geothermal Pte. Ltd. (SEG) and its subsidiaries	20.00	20.00	6,617	6,617	7,025	6,952	-	-
<b>Associate incorporated in the Netherlands</b> Star Energy Geothermal (Salak - Darajat) B.V (SEGSD) and its subsidiaries	20.07*	-	3,506	-	3,529	-	-	-
Total investments in associates			10,123	6,617	10,554	6,952	-	-

\* The Group has invested 11.89% in Star Phoenix Geothermal JV B.V. (SPGJV), which is an associate of Phoenix Power B.V., and invested more 8.18% through SEG. As a result, the Group has indirect holding 20.07% in SEGSD.



## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.3 Investment in associates (continued)

#### *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.

#### *Investment in Star Energy Geothermal (Salak-Darajat) B.V. ("SEGSD")*

SEGSD is an associate of the Group through Star Phoenix Geothermal JV. B.V. and Star Energy Geothermal Pte. Ltd. which is an associate of the Group together with AC Energy Holding. SEGSD's business is investor in geothermal energy power plant business in the Republic of Indonesia. The Group has a 20.07% interest in SEGSD.

#### Summarised financial information for associates

The Group also has interest in immaterial associate that is accounted for using the equity method as follow;

	<b>2017 Baht</b>	<b>2016 Baht</b>
Aggregate carrying amount of individually immaterial associates	10,554,089,613	6,952,429,890
Aggregate amounts of associates' share of:		
Profit from continuing operations	527,159,855	293,883,168
Other comprehensive loss	(431,311,758)	(5,760,589)
Total comprehensive income	<u>95,848,097</u>	<u>288,122,579</u>



## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.4 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	
	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Business</b>								
<b>Joint ventures incorporated in Thailand</b>								
Gulf Electric Public Co., Ltd. (GEC) and its subsidiaries								
BLCP Power Ltd. (BLCP)	50.00	50.00	6,673	6,673	14,098	14,346	1,503	1,227
Natural Energy Development Co., Ltd. (NED)	50.00	50.00	10,434	10,434	6,627	7,369	1,500	2,456
G- Power Source Co., Ltd. (GPS)	66.67*	66.67*	1,961	1,961	2,335	2,153	376	448
GIDEC Co., Ltd (GIDEC)	60.00*	60.00*	734	734	818	794	105	133
<b>Joint ventures incorporated in the Philippines</b>								
Kaillayan Power Inc. (KPI)	50.00	50.00	200	200	25	73	-	-
San Buenaventura Power Ltd., Co. (SBPL)	49.00*	49.00*	2	2	1	1	-	-
<b>Joint venture incorporated in Singapore</b>								
Masin-AES Pte. Ltd. (Masin-AES) and its subsidiaries **	49.00*	49.00*	629	629	480	494	-	-
<b>Joint venture incorporated in the Lao People's Democratic Republic</b>								
Nam Theun 1 Power Company Limited (NT1PC)	-**	49.00*	-**	17,263	-**	17,273	630	401
<b>Joint venture incorporated in the Republic of Indonesia</b>								
Nam Theun 2 Power Company Limited (NTPC)	25.00*	-	108	-	104	-	-	-
PT Manabang Muara Enim (MME)	35.00*	35.00*	5,570	5,570	7,645	7,792	894	748
PT Tenaga Listrik Cilegon (TLC)	40.00*	40.00*	6,029	6,029	5,872	5,920	20	-
Total investments in joint ventures	49.00*	49.00*	41	41	37	41	-	-
Less Allowance for impairment			32,381	49,536	38,042	56,256	5,028	5,413
Total investments in joint ventures, net			(175)	-	-	-	-	-
			32,206	49,536	38,042	56,256	5,028	5,413

\* Shareholder Agreements assigned the structure of the business operation and the strategic, operating and financing decisions which required unanimous consent from all parties.

\*\* Transferred investment in Masin-AES to non-current assets held-for-sale (Note 11)

As at 31 December 2017 and 2016, 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 2017, dividends receivable from joint ventures amounting to Baht 8,021 million were recognised in the consolidated financial statements (31 December 2016: Baht 8,185 million) and amounting to Baht 8,021 million were recognised in the separate financial statements (31 December 2016 : Baht 8,185 million).





**15 Investments in subsidiaries, associates and joint ventures (continued)****15.4 Investments in joint ventures (continued)***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 (Note 11).

*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.

## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.4 Investments in joint ventures (continued)

#### Summarised financial information for joint ventures

##### 15.4.1 Individually material joint ventures

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy 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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
<b>Current</b>										
Cash and cash equivalents	1,502	1,012	95	66	351	234	-	1,780	1,948	3,092
Other current assets	9,514	10,464	15,206	16,681	3,176	3,758	-	5,675	27,896	36,578
<b>Total current assets</b>	<b>11,016</b>	<b>11,476</b>	<b>15,301</b>	<b>16,747</b>	<b>3,527</b>	<b>3,992</b>	<b>-</b>	<b>7,455</b>	<b>29,844</b>	<b>39,670</b>
<b>Current financial liabilities</b>	<b>(1,794)</b>	<b>(1,563)</b>	<b>(2,883)</b>	<b>(2,985)</b>	<b>(3,675)</b>	<b>(3,003)</b>	<b>-</b>	<b>(1,821)</b>	<b>(8,352)</b>	<b>(9,372)</b>
<b>Other current liabilities</b>	<b>(1,361)</b>	<b>(1,103)</b>	<b>(17,379)</b>	<b>(17,564)</b>	<b>(406)</b>	<b>(442)</b>	<b>-</b>	<b>(4,578)</b>	<b>(19,146)</b>	<b>(23,687)</b>
<b>Total current liabilities</b>	<b>(3,155)</b>	<b>(2,666)</b>	<b>(20,262)</b>	<b>(20,549)</b>	<b>(4,081)</b>	<b>(3,445)</b>	<b>-</b>	<b>(6,399)</b>	<b>(27,498)</b>	<b>(33,059)</b>
<b>Non-current</b>										
<b>Non-current asset</b>	<b>23,122</b>	<b>24,733</b>	<b>21,267</b>	<b>24,619</b>	<b>34,199</b>	<b>38,382</b>	<b>-</b>	<b>38,274</b>	<b>78,588</b>	<b>126,008</b>
<b>Non-current financial liabilities</b>	<b>(1,782)</b>	<b>(3,792)</b>	<b>(2,151)</b>	<b>(5,217)</b>	<b>(11,278)</b>	<b>(16,037)</b>	<b>-</b>	<b>(16,153)</b>	<b>(15,211)</b>	<b>(41,199)</b>
<b>Other non-current liabilities</b>	<b>(1,005)</b>	<b>(1,059)</b>	<b>(901)</b>	<b>(862)</b>	<b>(525)</b>	<b>(628)</b>	<b>-</b>	<b>(927)</b>	<b>(2,431)</b>	<b>(3,476)</b>
<b>Total non-current liabilities</b>	<b>(2,787)</b>	<b>(4,851)</b>	<b>(3,052)</b>	<b>(6,079)</b>	<b>(11,803)</b>	<b>(16,665)</b>	<b>-</b>	<b>(17,080)</b>	<b>(17,642)</b>	<b>(44,675)</b>
<b>Net assets</b>	<b>28,196</b>	<b>28,692</b>	<b>13,254</b>	<b>14,738</b>	<b>21,842</b>	<b>22,264</b>	<b>-</b>	<b>22,250</b>	<b>63,292</b>	<b>87,944</b>



## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.4 Investments in joint ventures (continued)

#### Summarised financial information for joint ventures (continued)

##### 15.4.1 Individually material joint ventures (continued)

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy 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	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Revenue	15,409	17,830	15,067	16,647	9,163	9,376	-	14,153	39,639	58,006
Depreciation and amortisation	(922)	(1,320)	(2,128)	(2,127)	(1,447)	(1,403)	-	(2,842)	(4,497)	(7,692)
Interest income	89	118	73	72	16	12	-	-	178	202
Interest expense	(249)	(348)	(368)	(548)	(1,304)	(1,545)	-	(723)	(1,921)	(3,164)
<b>Profit from continuing operations</b>	<b>3,271</b>	<b>3,716</b>	<b>1,855</b>	<b>3,978</b>	<b>4,102</b>	<b>4,324</b>	<b>-</b>	<b>2,671</b>	<b>9,228</b>	<b>14,689</b>
Income tax expense	(759)	(781)	581	(327)	(232)	(112)	-	(1,535)	(410)	(2,755)
<b>Post-tax profit from continuing operations</b>	<b>2,512</b>	<b>2,935</b>	<b>2,436</b>	<b>3,651</b>	<b>3,870</b>	<b>4,212</b>	<b>-</b>	<b>1,136</b>	<b>8,818</b>	<b>11,934</b>
<b>Other comprehensive expense</b>	<b>(3)</b>	<b>(4)</b>	<b>(920)</b>	<b>(36)</b>	<b>(1,737)</b>	<b>(105)</b>	<b>-</b>	<b>(41)</b>	<b>(2,660)</b>	<b>(186)</b>
<b>Total comprehensive income</b>	<b>2,509</b>	<b>2,931</b>	<b>1,516</b>	<b>3,615</b>	<b>2,133</b>	<b>4,107</b>	<b>-</b>	<b>1,095</b>	<b>6,158</b>	<b>11,748</b>

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.



## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.4 Investments in joint ventures (continued)

#### Summarised financial information for joint ventures (continued)

##### 15.4.1 Individually material joint ventures (continued)

Set out below are the summarised financial information for the joint ventures that are material to the Group. The information disclosed reflects the amounting presented in the financial statements of the relevant joint ventures (not the Group's shares of those amounts). They have been amended to reflect adjustments made using the equity method, including fair value adjustments and modifications for differences in accounting policy are as follows: (continued)

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures

Summarised financial information	GEC and its subsidiaries		BLCP		NTPC		Masin-AES		Total	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Opening net assets 1 January</b>	28,692	28,214	14,738	16,034	22,264	20,293	-	21,974	65,694	86,515
Profit for the year	2,512	2,935	2,436	3,651	3,870	4,212	-	1,136	8,818	11,934
Other comprehensive expense	(3)	(4)	(920)	(36)	(1,737)	(105)	-	(41)	(2,660)	(186)
Dividends	(3,005)	(2,453)	(3,000)	(4,911)	(2,555)	(2,136)	-	(819)	(8,560)	(10,319)
<b>Closing net assets</b>	28,196	28,692	13,254	14,738	21,842	22,264	-	22,250	63,292	87,944
Portion of investment in common share by the Group	50.00	50.00	50.00	50.00	35.00	35.00	-	49.00*	-	-
Interest in joint ventures, net	14,098	14,346	6,627	7,369	7,645	7,792	-	10,539*	28,370	40,046
Goodwill	-	-	-	-	-	-	-	6,734	-	6,734
<b>Carrying value</b>	14,098	14,346	6,627	7,369	7,645	7,792	-	17,273	28,370	46,780

\* The Group has recognised the interest in Masin - AES at 44.54% for the period starting from 1 January 2016 to 6 July 2016. After 6 July 2016, the Group has recognised the interest in Masin - AES in the portion of 49% (Note 15.1.3).

As at 31 December 2017, the Group reclassified investment in Mains - AES to non-current asset held-for-sale. The carrying amount of such investment is Baht 16,590 million (Note 11).

## 15 Investments in subsidiaries, associates and joint ventures (continued)

### 15.4 Investments in joint ventures (continued)

#### 15.4.2 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:

	2017 Baht	2016 Baht
Aggregate carrying amount of individually immaterial joint ventures	9,672,706,634	9,475,761,120
Aggregate amounts of the Group's share of:		
Profit (loss) from continuing operating	134,351,414	(74,793,175)
Other comprehensive income (expense)	(45,385,850)	2,115,273
Total comprehensive income (expense)	88,965,564	(72,677,902)

### 15.5 Dividends receivable from subsidiaries and joint ventures

The movements of the dividends receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	8,184,665,833	7,598,573,581	8,736,067,172	7,803,102,895
Dividends declared by subsidiaries	-	-	2,952,190,070	2,690,206,893
Dividends declared by joint ventures	5,027,940,234	5,413,017,799	4,377,694,469	5,012,140,745
Dividends received from subsidiaries and joint ventures	(5,191,707,804)	(4,826,925,547)	(7,818,145,736)	(6,769,383,361)
Closing balance	8,020,898,263	8,184,665,833	8,247,805,975	8,736,067,172
Current portion	714,331,898	1,587,100,648	714,331,898	2,138,501,987
Non-current portion	7,306,566,365	6,597,565,185	7,533,474,077	6,597,565,185
Total dividends receivable from subsidiaries and joint ventures	8,020,898,263	8,184,665,833	8,247,805,975	8,736,067,172

## 16 Investment property

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Book value as at 1 January	448,602,691	448,602,691	669,885,990	662,254,434
Transfer from property, plant and equipment (Note 17)	-	-	-	7,631,556
Book value as at 31 December	448,602,691	448,602,691	669,885,990	669,885,990
Fair value	914,621,925	612,990,148	1,176,072,392	740,962,998

Investment property of the Group amounting to Baht 448.60 million is land held for a currently undetermined future use. Investment property of the Company amounting to Baht 221.28 million is land for rent of a subsidiary.

## 17 Property, plant and equipment, net

## Consolidated financial statements

	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	Total Baht
<b>As at 1 January 2016</b>						
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
<b>For the year ended 31 December 2016</b>						
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	-	18,623,602	141,269,531	73,320,318	13,282,147,097	13,515,360,548
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	7,631,556	467,456,134	25,911,915,462	51,997,918	(26,439,001,070)	-
Transfer to lease receivable from a related party	-	-	(21,254,999,681)	-	-	(21,254,999,681)
Transfer to intangible assets and spare parts	-	-	-	-	(967,289,703)	(967,289,703)
Transfer to other assets	-	-	(25,110,831)	-	205,164,740	180,053,909
Provision for decommissioning cost increased	-	-	593,193,528	-	-	593,193,528
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
<b>As at 31 December 2016</b>						
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)	(18,853,472,932)	(575,493,428)	-	(21,528,919,584)
Less Allowance for impairment	-	-	(508,993,638)	-	-	(508,993,638)
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



17 Property, plant and equipment, net (continued)

	Consolidated financial statements					
	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	Total Baht
<b>As at 1 January 2017</b>						
Cost	1,695,128,132	5,612,171,233	65,356,179,515	779,070,107	11,015,353,707	84,457,902,694
<u>Less</u> Accumulated depreciation	-	(2,099,953,224)	(18,853,472,932)	(575,493,428)	-	(21,528,919,584)
<u>Less</u> Allowance for impairment	-	-	(508,993,638)	-	-	(508,993,638)
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
<b>For the year ended 31 December 2017</b>						
Opening 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
Additions	-	25,226,975	295,141,395	36,279,798	3,774,008,892	4,130,657,060
Disposals, net	-	-	(178,746,044)	(1,482)	-	(178,747,526)
Write-off, net	(1,170,923)	(330,996)	(1,658,769)	(16,833)	(5,860,000)	(9,037,521)
Transfer, net	-	771,024,584	13,477,787,204	(5,010,214)	(14,243,801,574)	-
Transfer from (to) intangible assets and spare parts, net	-	-	53,644,595	-	249,171,786	302,816,381
Provision for decommissioning cost increased	-	-	30,233,522	-	-	30,233,522
Depreciation charge	-	(169,262,790)	(2,138,754,084)	(54,859,497)	-	(2,362,876,371)
Allowance for impairment of assets	-	(84,359,973)	(245,173,158)	-	-	(329,533,131)
Exchange difference on translation	-	(187,476,208)	(2,039,542,685)	(1,965,664)	(50,966,921)	(2,279,951,478)
Closing net book value	1,693,957,209	3,867,039,601	55,246,644,921	178,002,787	737,905,890	61,723,550,408
<b>As at 31 December 2017</b>						
Cost	1,693,957,209	6,220,431,767	75,953,750,279	689,971,932	737,905,890	85,296,017,077
<u>Less</u> Accumulated depreciation	-	(2,269,032,193)	(19,952,938,562)	(511,969,145)	-	(22,733,939,900)
<u>Less</u> Allowance for impairment	-	(84,359,973)	(754,166,796)	-	-	(838,526,769)
Net book value	1,693,957,209	3,867,039,601	55,246,644,921	178,002,787	737,905,890	61,723,550,408

## 17 Property, plant and equipment, net (continued)

	Separate financial statements					
	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	Total Baht
<b>As at 1 January 2016</b>						
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
<b>For the year ended 31 December 2016</b>						
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)	(7,631,556)
Transfer 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
<b>As at 31 December 2016</b>						
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)	(3,274,127,056)	(314,418,860)	-	(4,306,871,307)
Less Allowance for impairment	-	-	(196,209,472)	-	-	(196,209,472)
Net book value	189,041,766	187,434,297	1,449,601,914	82,193,630	1,276,809	1,909,548,416



## 17 Property, plant and equipment, net (continued)

	Separate financial statements					
	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	Total Baht
<b>As at 1 January 2017</b>						
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)	(3,274,127,056)	(314,418,860)	-	(4,306,871,307)
Less Allowance for impairment	-	-	(196,209,472)	-	-	(196,209,472)
Net book value	189,041,766	187,434,297	1,449,601,914	82,193,630	1,276,809	1,909,548,416
<b>For the year ended 31 December 2017</b>						
Opening net book value	189,041,766	187,434,297	1,449,601,914	82,193,630	1,276,809	1,909,548,416
Additions	-	2,911,237	(5,490)	(63)	43,280,438	57,229,098
Disposals, net	-	-	-	(5,652)	-	(5,553)
Write-offs, net	-	-	-	-	-	(5,652)
Transfer, net	-	1,836,809	-	1,739,000	(3,575,809)	-
Depreciation charge	-	(34,589,904)	(402,198)	(23,096,407)	-	(58,088,509)
Allowance for impairment of assets	-	(84,359,973)	(224,253,480)	-	-	(308,613,453)
Closing net book value	189,041,766	73,232,466	1,224,940,746	71,867,931	40,981,438	1,600,064,347
<b>As at 31 December 2017</b>						
Cost	189,041,766	910,507,734	4,907,325,084	313,496,793	40,981,438	6,361,352,815
Less Accumulated depreciation	-	(752,915,295)	(3,261,921,386)	(241,628,862)	-	(4,256,465,543)
Less Allowance for impairment	-	(84,359,973)	(420,462,952)	-	-	(504,822,925)
Net book value	189,041,766	73,232,466	1,224,940,746	71,867,931	40,981,438	1,600,064,347

The impairment charge of Baht 329 million for building and power plants was made during the year 2017 as a result of some building and power plants have been ceased their operations and electricity sales to Electricity Authority of Thailand. The recoverable amount represents the fair value less costs to sell determined by the independent valuer.

Borrowing costs of Baht 274 million (2016: Baht 729 million) arising from financing specifically entered into for the construction of new power plants, were capitalised during the year and were included in addition. Such costs are presented in the investing activities on the statement of cash flows.

As at 31 December 2017, property, plant and equipment with net book value of Baht 72,255 million (including property, plant and equipment which reclassified into finance lease receivable amounting to Baht 17,640 million) were mortgaged and pledged as collateral for long-term loans, as described in Notes 23.1 (2016: Baht 66,833 million). However, three subsidiaries have been under process of registration on mortgaged and pledged as collateral under loan agreement in amounting to Baht 19,578 million.



## 18 Intangible assets, net

Consolidated financial statements			
	Right in long-term power purchase agreements and right to use transmission facilities Baht	Licenses for operating power plants Baht	Total Baht
<b>As at 31 December 2016</b>			
Cost	5,925,178,003	301,844,006	6,227,022,009
<u>Less</u> 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
<b>For the year ended 31 December 2016</b>			
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
<b>As at 31 December 2016</b>			
Cost	7,454,578,869	299,034,329	7,753,613,198
<u>Less</u> 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
<b>For the year ended 31 December 2017</b>			
Opening net book value	5,325,255,832	260,991,073	5,586,246,905
Additions	122,419,900	-	122,419,900
Transfer	(386,766,569)	-	(386,766,569)
Amortisation	(489,745,601)	(14,318,052)	(504,063,653)
Exchange difference on translation	26,933,058	(3,378,612)	23,554,446
Closing net book value	4,598,096,620	243,294,409	4,841,391,029
<b>As at 31 December 2017</b>			
Cost	7,217,165,258	295,655,717	7,512,820,975
<u>Less</u> Accumulated amortisation	(2,619,068,638)	(52,361,308)	(2,671,429,946)
Net book value	4,598,096,620	243,294,409	4,841,391,029

## 19 Goodwill, net

	<b>Consolidated financial statements Baht</b>
<b>As at 1 January 2017</b>	
Cost	10,011,800,065
<u>Less</u> Provision for impairment	(482,816,296)
Net book value	9,528,983,769
<b>For the year ended 31 December 2017</b>	
Opening net book value	9,528,983,769
Impairment loss	(22,000,000)
Closing net book value	9,506,983,769
<b>As at 31 December 2017</b>	
Cost	10,011,800,065
<u>Less</u> Provision for impairment	(504,816,296)
Net book value	9,506,983,769

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, net of allowance for impairment Baht 483 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 4,657 million. These calculations use a cash flow projection covering a remained Power Purchase Agreement period for 8 years. Cash flows beyond the 8 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 5.65% per annum. A rise in discount rate of 1.17% will be resulted the recoverable amount to be equal to the carrying amount.

During the year of 2017, the Group recognised the impairment loss on goodwill, which arose from the acquisition of the wind electricity generation business in Thailand, amounting to Baht 22 million as part of administrative expenses in the consolidated statement income statement.

## 20 Other non-current assets

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017 Baht</b>	<b>2016 Baht</b>	<b>2017 Baht</b>	<b>2016 Baht</b>
Deposits	13,994,707	12,857,966	11,551,549	11,551,549
Deferred finance cost for undrawn down long-term loans from financial institutions	10,105,713	33,426,802	4,061,750	4,250,000
Interest receivables	112,913,689	-	112,913,689	-
Cross currency swap receivables	314,748,589	345,855,972	280,512,017	167,166,017
Others	187,427,710	153,731,780	14,486,673	11,766,672
Other non-current assets	639,190,408	545,872,520	423,525,678	194,734,238

## 21 Short-term loans from financial institutions

### 21.1 Remaining balance of short-term loans from financial institutions

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Thai Baht	1,150,000,000	-	1,150,000,000	-
Total short-term loans from financial institutions	1,150,000,000	-	1,150,000,000	-

The Company entered into short-term loan agreements with financial institutions. These loans are unsecured and the details of loans are described in note 21.2 below:

### 21.2 Credit facilities

Credit facilities for short-term loans from financial institutions of the Company are as follows:

#### Thai Baht loan

Number	Facility (Million Baht)	Undrawn amount (Million Baht)	Interest rate	Principal repayment term	Interest payment period
1	4,000	2,850	BIBOR plus a certain margin per annum	Repayment at maturity date (every one, two, three or six months)	Payment every month
Total	4,000	2,850			

#### US Dollar loan

Number	Facility (Million US Dollar)	Undrawn amount (Million US Dollar)	Interest rate	Principal repayment term	Interest payment period
1	75	75	LIBOR plus a certain margin per annum	Repayment at maturity date (every one, two, three or six months)	Repayment at maturity date (every one, two, three or six months)
Total	75	75			

## 22 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest payables	335,253,288	351,386,878	108,625,033	86,101,248
Value added tax payables	599,320,509	551,245,202	396,782	1,038,711
Corporate income tax payables	266,511,509	288,422,616	-	-
Construction payables	4,624,166	144,951,806	-	-
Retention payables	938,878,487	803,568,630	-	-
Interest rate swap contracts payables	126,153,529	138,598,981	50,456,926	48,754,552
Cross currency swap contracts payables	3,567,718	-	-	-
Advance received	99,458,695	-	-	-
Others	893,416,844	803,773,543	397,583,542	314,556,302
<b>Other current liabilities</b>	<b>3,267,184,745</b>	<b>3,081,947,656</b>	<b>557,062,283</b>	<b>450,450,813</b>

## 23 Long-term loans from financial institutions, net

23.1 The long-term loans from financial institutions are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Current portion of long-term loans from financial institutions, net</b>				
Thai Baht	1,982,874,566	1,565,727,752	-	-
US Dollar	2,432,109,690	6,204,124,678	-	3,665,300,001
Australian Dollar	5,477,302,632	387,540,568	-	-
<u>Less</u> Deferred financing fee	<u>(109,368,839)</u>	<u>(183,528,210)</u>	<u>-</u>	<u>(26,250,941)</u>
	<b>9,782,918,049</b>	<b>7,973,864,788</b>	<b>-</b>	<b>3,639,049,060</b>
<b>Long-term loans from financial institutions, net</b>				
Thai Baht	35,681,445,845	35,152,549,904	13,000,000,000	11,300,000,000
US Dollar	47,694,727,125	47,281,392,176	30,219,424,000	25,921,800,000
Australian Dollar	-	5,569,381,057	-	-
<u>Less</u> Deferred financing fee	<u>(544,722,919)</u>	<u>(642,610,525)</u>	<u>(76,734,430)</u>	<u>(65,535,987)</u>
	<b>82,831,450,051</b>	<b>87,360,712,612</b>	<b>43,142,689,570</b>	<b>37,156,264,013</b>
<b>Total long-term loans from financial institutions, net</b>	<b>92,614,368,100</b>	<b>95,334,577,400</b>	<b>43,142,689,570</b>	<b>40,795,313,073</b>

## 23 Long-term loans from financial institutions, net (continued)

### 23.1 The long-term loans from financial institutions are as follows: (continued)

#### *Long-term loans from financial institutions of the Company*

The Company entered into long-term loan facility agreements with local financial institutions amounting to Baht 13,000 million and US Dollar 920 million which equivalents to Baht 30,219 million (2016: Baht 11,300 million and US Dollar 822 million which equivalents to Baht 29,587 million) as follows:

#### Thai Baht loans

Number	Outstanding balance As at 31 December 2017 (Million Baht)	Outstanding balance As at 31 December 2016 (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	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	2,000	THBFIX six-month plus a certain margin per annum	Repayment in June 2023	Payment every six months
4	4,000	2,300	THBFIX six-month plus a certain margin per annum	Repayment in December 2023	Payment every six months
Total	13,000	11,300			

#### US Dollar loans

Number	Outstanding balance As at 31 December 2017 (Million US Dollar)	Outstanding balance As at 31 December 2016 (Million US Dollar)	Interest rate	Principal repayment term	Interest payment period
1	-	18	LIBOR plus a certain margin per annum	Repayment every six months from November 2012	Payment every six months
2	-	84	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	40	US LIBOR plus a certain margin per annum	Repayment within January 2021	Payment every six months
7	200	-	US LIBOR plus a certain margin per annum	Repayment within March 2022	Payment every six months
Total	920	822			

## 23 Long-term loans from financial institutions, net (continued)

### 23.1 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 24,664 million, US Dollar 608 million which equivalent to Baht 19,907 million and Australian Dollar 216 million which equivalent to Baht 5,477 million (2016: 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) as follows:

#### Thai Baht loans

Number	Outstanding balance As at 31 December 2017 (Million Baht)	Outstanding balance As at 31 December 2016 (Million Baht)	Interest rate	Principal repayment term	Interest payment period
1	464	552	THBFIX three-month plus a certain margin per annum	Repayment every three months from September 2012	Payment every three months
2	443	541	THBFIX three-month plus a certain margin per annum	Repayment every three months from June 2012	Payment every three months
3	324	398	THBFIX three-month plus a certain margin per annum	Repayment every three months from June 2012	Payment every three months
4	449	525	MLR less a certain margin per annum	Repayment every three months from June 2012	Payment every three months
5	1,198	1,327	THBFIX six-month plus a certain margin per annum	Repayment every six months from June 2014	Payment every six months
6	1,247	1,417	THBFIX three-month plus a certain margin per annum	Repayment every three months from June 2014	Payment every three months
7	103	113	Fixed rate per annum	Repayment every six months from June 2014	Payment every six months
8	86	99	THBFIX six-month plus a certain margin per annum	Repayment every six months from March 2014	Payment every six months
9	7,957	8,631	THBFIX six-month plus a certain margin per annum	Repayment every six months from February 2017	Payment every three months
10	1,708	1,807	Fixed rate per annum	Repayment every six months from June 2017	Payment every six months
11	2,092	2,003	THBFIX six-month plus a certain margin per annum	Repayment every six months from June 2017	Payment every six months
12	4,151	4,188	THBFIX three-month plus a certain margin per annum	Repayment every six months from December 2017	Payment every three months
13	4,442	3,817	THBFIX three-month plus a certain margin per annum	Repayment every six months from June 2018	Payment every three months
<b>Total</b>	<b>24,664</b>	<b>25,418</b>			

## 23 Long-term loans from financial institutions, net (continued)

### 23.1 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 2017 (Million US Dollar)	Outstanding balance As at 31 December 2016 (Million US Dollar)	Interest rate	Principal repayment term	Interest payment period
1	200	245	Fixed rate per annum	Repayment every six months from July 2012	Payment every six months
2	29	31	Fixed rate per annum	Repayment every six month from June 2014	Payment every six months
3	252	274	LIBOR six month plus a certain margin per annum	Repayment every six months from February 2017	Payment every six months
4	28	30	Fixed rate per annum	Repayment every six months from June 2017	Payment every six months
5	99	86	LIBOR three month plus a certain margin per annum	Repayment every six months from June 2018	Payment every three months
Total	608	666			

##### Australian Dollar loan

Number	Outstanding balance As at 31 December 2017 (Million Australian Dollar)	Outstanding balance As at 31 December 2016 (Million Australian Dollar)	Interest rate	Principal repayment term	Interest payment period
1	216	231	Float rate plus margin per annum	Repayment every quarter	Payment every month during construction period and every three month after construction period
Total	216	231			

Long-term loans of the subsidiaries are secured liabilities. The long-term loans are secured over land, buildings, power plants and equipment. 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. In addition, the subsidiaries are required to comply with certain procedure and conditions; for example, maintaining debt to equity ratio at the level as specified in the contract.

## 23 Long-term loans from financial institutions, net (continued)

### 23.2 Interest rate risk management

The detail of interest rate swap contracts for long-term loans from financial institutions of the Group are shown in Note 40.1.

The interest rate exposure on the long-term loans from financial institutions of the Group before taking account of interest rate swap contracts are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Long-term loans from financial institutions, net				
- at fixed rates	11,268,360,604	12,730,904,667	-	-
- at floating rates	81,346,007,496	82,603,672,733	43,142,689,570	40,795,313,073
Total long-term loans from financial institutions, net	92,614,368,100	95,334,577,400	43,142,689,570	40,795,313,073

After taking account of interest rate swaps, the range of weighted average effective interest rates of the long-term loans from financial institutions of the Group were from 1.00% to 4.75% per annum for US Dollar loans, 6.16% per annum for Australian Dollar loans and from 3.82% to 6.06% per annum for Thai Baht loans. (2016: from 1.00% to 4.87% per annum for US Dollar loans, 6.35% per annum for Australian Dollar loans and from 4.11% to 6.20% per annum for Thai Baht loans.).

After taking account of interest rate swaps, the weighted average effective interest rate of the long-term loans from financial institutions of the Company were 3.19% per annum for US Dollar loans and 3.82% per annum for Thai Baht loans. (2016: 2.84% per annum for US Dollar loans and 4.11% per annum for Thai Baht loans).

### 23.3 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening net book value	95,334,577,400	83,287,069,377	40,795,313,073	39,915,342,324
Cash received from long-term loans	9,852,410,972	22,537,439,091	8,597,200,000	8,716,296,000
Repayments of long-term loans	(8,095,698,499)	(10,096,253,596)	(3,665,300,000)	(7,677,288,843)
Unrealised exchange gains	(3,853,581,109)	(181,856,936)	(2,599,576,001)	(172,664,054)
Additions of deferred financing fee	(30,942,427)	(236,775,889)	(12,843,250)	(13,741,962)
Amortisation of deferred financing fee	191,730,665	199,823,415	27,895,748	27,369,608
Exchange difference on translation	(784,128,902)	(174,868,062)	-	-
Closing net book value	92,614,368,100	95,334,577,400	43,142,689,570	40,795,313,073

## 23 Long-term loans from financial institutions, net (continued)

23.4 Maturity of long-term loans is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	9,782,918,049	7,973,864,788	-	3,639,049,060
Later than 1 year and not later than 5 years	52,764,283,956	52,029,693,601	35,551,470,300	27,260,003,115
Later than 5 years	30,067,166,095	35,331,019,011	7,591,219,270	9,896,260,898
Total long-term loans, net	<u>92,614,368,100</u>	<u>95,334,577,400</u>	<u>43,142,689,570</u>	<u>40,795,313,073</u>

## 23.5 Credit facilities

As at 31 December 2017, the Group had the available credit facilities from financial institutions amounting to Baht 3,026 million and US Dollar 255 million in which an available credit facilities for the Company amounting to US Dollar 230 million (2016: the Group has available credit facilities 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).

## 24 Debenture

Details of debenture are as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Debenture	5,026,945,600	5,330,055,200	5,026,945,600	5,330,055,200
<u>Less</u> Current portion of debenture	-	-	-	-
Debenture, net	<u>5,026,945,600</u>	<u>5,330,055,200</u>	<u>5,026,945,600</u>	<u>5,330,055,200</u>

The movements of the debenture can be analysed as follows:

	Consolidated financial statements	Separate financial statements
	Baht	Baht
Opening book value	5,330,055,200	5,330,055,200
Exchange gains	(303,109,600)	(303,109,600)
Closing book value	<u>5,026,945,600</u>	<u>5,026,945,600</u>

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.

## 25 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	17,214,170	16,674,031	-	-
Deferred tax assets to be recovered after more than 12 months	757,281,138	412,516,788	-	-
	<u>774,495,308</u>	<u>429,190,819</u>	<u>-</u>	<u>-</u>
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(194,863,920)	(231,573,832)	-	-
Deferred tax liability to be settled after more than 12 months	(4,235,993,976)	(4,751,684,955)	(598,880,947)	(580,114,728)
	<u>(4,430,857,896)</u>	<u>(4,983,258,787)</u>	<u>(598,880,947)</u>	<u>(580,114,728)</u>
<b>Deferred income taxes, net</b>	<u>(3,656,362,588)</u>	<u>(4,554,067,968)</u>	<u>(598,880,947)</u>	<u>(580,114,728)</u>

The movement of the deferred income tax account is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	(4,554,067,968)	(4,789,296,656)	(580,114,728)	(604,765,708)
Charged/(credited) to profit or loss	593,521,495	214,192,494	18,606,965	37,108,708
Charged/(credited) relation to components of other comprehensive income	(37,345,998)	(10,507,670)	(37,373,184)	(12,457,728)
Exchange difference on translation	341,529,883	31,543,864	-	-
At 31 December	<u>(3,656,362,588)</u>	<u>(4,554,067,968)</u>	<u>(598,880,947)</u>	<u>(580,114,728)</u>

## 25 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	Depreciation Baht	Others Baht	Total Baht
<b>Deferred tax assets</b>							
At 1 January 2017	307,432,214	286,802,583	266,272,891	90,394,875	4,279,535,988	571,080,540	5,801,519,091
Charged/(credited) to profit or loss	(21,847,232)	60,237,231	7,070,230	(80,265,021)	(177,467,838)	(355,582,079)	(567,854,709)
Charged/(credited) directly to other comprehensive income	27,185	-	-	-	-	-	27,185
Exchange difference on translation	(7,848,036)	(8,208,640)	-	(10,129,854)	-	(57,363,783)	(83,550,313)
At 31 December 2017	277,764,131	338,831,174	273,343,121	-	4,102,068,150	158,134,678	5,150,141,254
At 1 January 2016	311,610,280	200,425,829	306,410,375	183,115,875	270,965,301	412,385,848	1,684,913,508
Charged/(credited) to profit or loss	(5,791,083)	90,085,324	(40,137,484)	(88,901,369)	4,008,570,687	157,262,379	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)	-	1,432,313	(6,432,929)
At 31 December 2016	307,432,214	286,802,583	266,272,891	90,394,875	4,279,535,988	571,080,540	5,801,519,091

The movement in deferred tax assets and liabilities is as follows: (continued)

	Consolidated financial statements						
	Finance lease receivable	Depreciation and amortisation	Unrealised gains on investments in marketable securities - available-for-sale	The assigned fair values of assets acquired in business acquisitions	Tax effect of currency translation on tax base	Others	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Deferred tax liabilities</b>							
At 1 January 2017	4,158,926,343	870,537,845	561,507,763	3,318,754,634	1,412,573,776	33,286,698	10,355,587,059
(Charged)/credited to profit or loss	(457,656,924)	70,139,733	-	(201,999,185)	(556,044,946)	(15,814,882)	(1,161,376,204)
(Charged)/credited directly to other comprehensive income	-	(8,971,796)	37,373,184	-	-	-	37,373,184
Exchange difference on translation	-	-	-	(273,570,664)	(139,340,232)	(3,197,505)	(425,080,197)
At 31 December 2017	3,701,269,419	931,705,782	598,880,947	2,843,184,785	717,188,598	14,274,311	8,806,503,842
At 1 January 2016	177,371,557	888,479,107	549,060,526	3,557,369,189	1,250,402,453	51,527,332	6,474,210,164
(Charged)/credited to profit or loss	3,981,554,786	(13,972,196)	(9,766)	(209,910,949)	166,513,815	(17,279,730)	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)	(4,342,492)	(960,904)	(37,976,793)
At 31 December 2016	4,158,926,343	870,537,845	561,507,763	3,318,754,634	1,412,573,776	33,286,698	10,355,587,059



## 25 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
<b>Deferred tax assets</b>			
At 1 January 2017	135,653,110	166,176,150	301,829,260
Charged/(credited) to profit or loss	(56,881,584)	(112,738)	(56,994,322)
At 31 December 2017	78,771,526	166,063,412	244,834,938
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
	Separate financial statements		
	Depreciation and amortisation Baht	Unrealised gains on investments in marketable securities - available-for- sale Baht	Total Baht
<b>Deferred tax liabilities</b>			
At 1 January 2017	320,436,225	561,507,763	881,943,988
(Charged)/credited to profit or loss	(75,601,287)	-	(75,601,287)
(Charged)/credited directly to other comprehensive income	-	37,373,184	37,373,184
At 31 December 2017	244,834,938	598,880,947	843,715,885
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

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 1,554 million (2016: Baht 1,704 million) in respect of losses amounting to Baht 7,770 million (2016: Baht 8,521 million) that can be carried forward against future taxable income. Losses amounting to Baht 156 million will expire in 2018 (2016: Baht 56 million will expire in 2017).

## 26 Retirement benefit obligations

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	398,817,695	382,088,765	198,814,441	183,299,196
Retirement benefit expenses	44,145,453	37,950,982	14,019,946	16,758,686
Interest cost	8,912,255	13,002,989	4,954,816	4,564,144
Retirement benefit paid	(41,778,862)	(36,992,380)	(6,138,034)	(5,807,585)
Reversal of provision	-	-	(45,632,960)	-
Exchange difference on translation	(5,286,239)	(2,976,180)	-	-
Remeasurements:				
- Loss (gain) from change in assumption	(447,066)	5,743,519	-	-
Closing balance	404,363,236	398,817,695	166,018,209	198,814,441

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	
	2017 %	2016 %	2017 %	2016 %
Discount rate	2.27 - 5.74	2.27 - 5.74	2.49	2.49
Salary increase rate	6.00 - 8.00	6.00 - 8.00	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

	Consolidated financial statements		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 6.25 % - 17.46 %	Increase by 7.03 % - 21.38 %
Salary increase rate	1%	Increase by 8.72 % - 22.95 %	Decrease by 7.86 % - 18.82 %
Turnover rate	1%	Decrease by 6.53 % - 18.44 %	Increase by 1.32 % - 10.63 %
Pre-retirement mortality rate	1 Year	Increase by 0.73 % - 1.76 %	Decrease by 0.73 % - 1.73 %

	Separate financial statements		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	Decrease by 7.60 %	Increase by 8.71 %
Salary increase rate	1%	Increase by 10.37 %	Decrease by 9.17 %
Turnover rate	1%	Decrease by 7.96 %	Increase by 5.03 %
Pre-retirement mortality rate	1 Year	Increase by 0.75 %	Decrease by 0.75 %

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.

**27 Provision for decommissioning costs**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	1,807,496,682	1,444,951,409	437,176,000	437,176,000
Provision increased	30,233,522	593,193,528	-	-
Additional provision- Finance costs	33,100,320	47,077,168	-	-
Reversal of provision	-	(285,611,196)	-	-
Exchange difference on translation	(62,764,503)	7,885,773	-	-
Closing balance	1,808,066,021	1,807,496,682	437,176,000	437,176,000

**28 Other non-current liabilities**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Advances received	1,444,518,357	1,324,462,179	-	-
Deposits	3,110,808	2,971,054	1,310,808	1,171,054
Cross currency swap contracts payables	7,093,581	4,200,408	-	-
Other non-current liabilities*	25,064,792	26,816,816	43,881,922	44,436,283
Total other non-current liabilities	1,479,787,538	1,358,450,457	45,192,730	45,607,337

\* Other non-current 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.

**29 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 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.

**30 Non-controlling interests**

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	624,890,033	507,598,551	-	-
Additional paid-up shares of a subsidiary	-	111,115,000	-	-
Share of profit from subsidiaries	44,812,834	60,286,945	-	-
Dividend payment of subsidiaries	(51,550,320)	(54,110,463)	-	-
Closing balance	618,152,547	624,890,033	-	-

**31 Sales and service income**

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Sales of electricity	6,007,314,509	3,759,231,209	-	-
Finance lease income under power purchase agreements	3,300,810,570	2,045,775,691	-	-
Operating lease income under power purchase agreements	3,606,512,529	3,750,915,143	-	-
Service income under power purchase agreements	16,195,214,951	12,403,487,418	-	-
Other service income	908,110,000	835,006,789	-	-
Total sales and service income	30,017,962,559	22,794,416,250	-	-

**32 Cost of sales and services**

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cost of sales of electricity	4,965,168,980	2,879,184,950	-	-
Cost of operating lease under power purchase agreements	572,702,839	579,657,293	-	-
Cost of services under power purchase agreements	14,976,723,159	10,623,767,168	-	-
Cost of other services	817,247,686	757,526,302	-	-
Total cost of sales and services	21,331,842,664	14,840,135,713	-	-

**33 Other income**

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Dividend income from subsidiaries and joint ventures (Note 15.5)	-	-	7,329,884,539	7,702,347,638
Dividend income from other companies	155,721,595	140,149,436	155,721,595	140,149,436
Interest income	158,150,533	105,701,361	227,214,726	173,786,178
Rental and service income	45,335,285	156,691,585	225,171,781	351,892,353
Adder*	1,873,486,034	1,482,035,692	-	-
Others	35,514,020	3,098,257	14,131,262	4,937,833
<b>Total other income</b>	<b>2,268,207,467</b>	<b>1,887,676,331</b>	<b>7,952,123,903</b>	<b>8,373,113,438</b>

\* The adder represented income received from Provincial Electricity Authority ("PEA").

**34 Expense by nature**

The following expenditure items have been charged in arriving at net profit:

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Depreciation on plant and equipment	2,362,876,371	1,893,607,583	58,088,509	56,654,807
Amortisation of right in power purchase agreements	504,063,653	486,314,756	-	-
Impairment of investment in a joint venture	-	-	175,416,028	-
Impairment of goodwill	22,000,000	-	-	-
Impairment of property, plant and equipment	329,533,131	508,993,638	308,613,453	196,209,472
Major repair and maintenance expenses of power plants	941,798,742	948,126,065	-	-
Staff costs	2,049,443,513	2,014,486,286	606,844,922	678,459,891

**35 Finance costs**

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Interest expenses	3,805,853,260	3,188,272,093	1,608,271,797	1,471,738,622
Net gains on exchange rate from financing activities	(4,366,194,299)	(74,811,941)	(3,286,574,538)	(232,614,672)
Other finance costs	350,348,635	496,060,867	110,654,168	127,444,731
<b>Total finance costs</b>	<b>(209,992,404)</b>	<b>3,609,521,019</b>	<b>(1,567,648,573)</b>	<b>1,366,568,681</b>

### 36 Income tax expense

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current tax	1,168,344,056	1,254,400,471	-	-
Deferred tax	(593,521,495)	(214,192,494)	-	-
<b>Total income taxes expense</b>	<b>574,822,561</b>	<b>1,040,207,977</b>	<b>-</b>	<b>-</b>

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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before tax from continuing operations	12,437,916,102	9,421,295,807	8,190,371,481	6,102,223,754
Tax calculated at a tax rate of 20%	2,487,583,220	1,884,259,161	1,638,074,296	1,220,444,750
The result of the accounting profit multiplied by the income tax rate	2,487,583,220	1,884,259,161	1,638,074,296	1,220,444,750
Tax effect of :				
Income not subject to tax	(993,527,215)	(372,296,867)	(1,500,746,348)	(1,571,168,562)
Expenses not deductible for tax purpose	139,831,456	141,038,836	66,455,194	21,782,192
Revenues that are granted income tax exemption or expenses that are deductible at a greater amount	(279,265,696)	(236,088,505)	3,323	6,778
Net losses deductible	(204,204,561)	(310,069)	(203,786,465)	-
Tax losses for the year for which no deferred income tax assets was recognised	126,287,094	355,856,352	-	328,934,842
Share of profit of investments accounted for using the equity method	(1,154,508,000)	(1,212,420,394)	-	-
Difference on tax rate in which countries the Group operated	452,626,263	480,169,463	-	-
<b>Income taxes</b>	<b>574,822,561</b>	<b>1,040,207,977</b>	<b>-</b>	<b>-</b>

The weighted average applicable tax rate for the Group and the Company were 4.62% and 0.00%, respectively (2016: 11.04% and 0.00%, respectively).

The tax charged/(credited) relating to component of other comprehensive income is as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Unrealised gains on investments in marketable securities available-for-sale</b>				
As at 1 January	561,507,763	549,050,035	561,507,763	549,050,035
Charged/(credited) to other comprehensive income	37,373,184	12,457,728	37,373,184	12,457,728
<b>As at 31 December</b>	<b>598,880,947</b>	<b>561,507,763</b>	<b>598,880,947</b>	<b>561,507,763</b>

### 37 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Net profit attributable to owners of the parent (Baht)				
Profit for the year from continued operations	11,818,280,707	8,320,800,885	8,190,371,481	6,102,223,754
Loss for the year from discontinued operations	-	-	(331,779,338)	(208,772,505)
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)				
Earnings per share from continued operations	22.45	15.81	15.56	11.59
Loss per share from discontinued operations	-	-	(0.63)	(0.40)

The Group has no dilutive potential ordinary shares in issue during the periods presented, so no diluted earnings per share are presented.

### 38 Dividends

At the Annual General Shareholders' Meeting dated 19 April 2017, the shareholders approved the payment of dividends in respect of the operating results for the six-month period ended 31 December 2016 for 526,465,000 shares at Baht 3.25 per share, totalling Baht 1,711 million. These dividends were paid to shareholders on 28 April 2017.

At the Board of Directors' meeting on 19 August 2017, the directors approved the payment of interim dividends in respect of the operating results for the six-month period ended 30 June 2017 for 526,465,000 shares at Baht 3.50 per share, totalling Baht 1,843 million. These dividends were paid to shareholders on 15 September 2017.

### 39 Promotional privileges

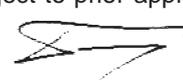
The Group has been granted promotional privileges by the Office of the Board of Investment under promotion certificates in respect of electricity. These ten subsidiaries have been granted exemption from certain taxes and duties as detailed in the certificates including exemption from corporate income 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.

### 40 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 director of each company in the Group.



## 40 Financial risk management (continued)

### 40.1 Financial assets and liabilities

As at 31 December 2017 and 2016, the Group had outstanding foreign currency assets and liabilities as details below.

	Consolidated financial statements			
	2017		2016	
	Foreign currency Million	Million Baht	Foreign currency Million	Million Baht
<b>Assets</b>				
US Dollar	165.23	5,382	109.90	3,927
Australian Dollar	28.27	716	25.87	667
Philippine Peso	121.60	79	103.18	74
Japanese Yen	245.43	70	1,272.00	387
		6,247		5,055
<b>Liabilities</b>				
US Dollar	1,602.32	52,567	1,537.41	55,275
Japanese Yen	17,751.75	5,212	17,588.10	5,476
Australian Dollar	217.26	5,500	233.19	6,065
Philippine Peso	12.98	8	12.41	9
Swedish Krona	27.44	110	0.77	3
Euro	0.14	6	0.03	1
		63,403		66,829
	Separate financial statements			
	2017		2016	
	Foreign currency Million	Million Baht	Foreign currency Million	Million Baht
<b>Assets</b>				
US Dollar	31.97	1,040	4.21	150
<b>Liabilities</b>				
US Dollar	920.00	30,219	821.81	29,587
Japanese Yen	17,120.00	5,027	17,120.00	5,330
		35,246		34,917

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.

#### 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 13,000 million and US Dollar 920 million (which equivalent to Baht 30,219 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 20,148 million and US Dollar 314 million (which equivalent to Baht 10,299 million) and Australian Dollar 168 million (which equivalent to Baht 4,353 million).

## 40 Financial risk management (continued)

### 40.1 Financial assets and liabilities (continued)

#### Foreign currency forward contracts

Foreign currency forward contracts are entered into foreign currency forward contract to manage exposure to fluctuations in currency exchange rates. Three subsidiaries of the company entered into foreign currency forward contract for Construction Agreement and Long-Term Services Agreement for power plant of Japanese Yen 11,359 million (which equivalent to Baht 522 million and US Dollar 109 million) and Swedish Krona 302 million (which equivalent to Baht 1,256 million) and Construction Agreement of US Dollar 5 million (which equivalent to Baht 171 million).

#### Cross currency swap contracts

Cross currency swap contracts 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 swap contracts for total amount of debenture of Japanese Yen 17,120 million (which equivalent to US Dollar 143 million) and three subsidiaries of the Company entered into such contract for total amount of long term loans of US Dollar 57 million (which equivalent to Baht 1,771 million). In addition, a subsidiary of the company entered into such contract for total amount of long term loans Baht 433 million (which equivalent to US Dollar 12 million) regarding to Construction Agreement in US Dollar.

The fixed interest rates under the interest rate swap contracts, foreign currency forward contracts and cross currency swap contracts for long-term loans at 31 December were as follows:

Currency	Contract amount (million)		Fixed rates per annum	
	2017	2016	2017	2016
US Dollar	1,246	1,068	2.53-4.17	2.53-4.17
Thai Baht	34,923	30,969	1.00-6.10	1.00-6.10
Australian Dollar	168	176	4.40	4.40

The remaining notional principal amounts of the outstanding interest rate swap contracts, foreign currency forward contracts and cross currency swap contracts at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Within 1 year	6,837	2,521	-	-
Later than 1 year	78,413	78,014	48,246	41,214
	85,250	80,535	48,246	41,214

### 40.2 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.

## 41 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, the Group 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, associates and joint ventures is provided in Note 15.

The following material transactions were carried out with related parties:

### 41.1 Sales of electricity

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Sales of electricity				
- Major shareholder	3,213	1,255	-	-
Finance lease income under PPAs				
- Major shareholder	3,301	2,046	-	-
Lease service income under PPAs				
- Major shareholder	10,025	5,976	-	-

The Company and four subsidiaries have entered into six Power Purchase Agreements (“PPAs”) with EGAT. The agreements are effective for periods of 20 to 25 years. According to the resolutions of the Cabinet meetings dated 15 February 1994, 23 January 1996, 28 January 2003, 29 May 2003, 25 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 42).

In addition, the two subsidiaries of the Company entered into three PPAs with EGAT under the Small Power Producer project. The PPAs are effective for periods of 25 years commencing from commercial operation date. As at 31 December 2017, the subsidiaries have already commenced their commercial operation.

## 41 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

### 41.2 Trade receivable from and trade payable to a related party

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Trade receivable - Major shareholder	1,339	245	-	-

Outstanding trade receivable from a related party as at 31 December can be analysed as follows:

Not overdue	1,339	245	-	-
Overdue below 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	-	-	-	-
	1,339	245	-	-
Trade payable				
- Major shareholder	5	8	-	-
- Other related party	91	165	-	-
	96	173	-	-

### 41.3 Trade receivable from a related party for services under finance lease

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Trade receivable from a related party for services under finance lease - Major shareholder	1,704	1,580	-	-

Outstanding trade receivable from a related party as at 31 December can be analysed as follows:

Not overdue	1,704	1,580	-	-
Overdue below 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue over 12 months	-	-	-	-
	1,704	1,580	-	-

#### 41 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

##### 41.4 Finance lease receivable from a related party, net

As at 31 December	Consolidated financial statements			
	Minimum Payment		Present Value of Minimum Payment	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Finance lease receivable from a related party				
- Less than 1 year	4,280	4,721	1,169	1,258
- Over 1 – 5 years	17,550	19,637	3,842	4,159
- Over 5 years	41,639	48,370	14,521	16,515
			19,532	21,932
<u>Less</u> deferred financial revenue	(43,937)	(50,796)		
Present value of minimum payment	19,532	21,932		
Finance lease receivable from a related party can be analysed as follows:				
- Current portion of finance lease receivable			1,169	1,258
- Non-current portion of finance lease receivable			18,363	20,674
			19,532	21,932

##### 41.5 Amounts due from and amounts due to related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Amounts due from related parties				
- Subsidiaries	-	-	100	67
- Joint ventures	244	93	3	4
	244	93	103	71
Amounts due to related parties				
- Subsidiaries	-	-	14	-
- Joint ventures	24	10	-	-
- Other related party	3	187	-	-
	27	197	14	-
Advance received for purchase of spare parts (other non-current liabilities)	-	-	24	24

#### 41 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

##### 41.6 Advance payment for additional share capital of subsidiary

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Advance payment for investment				
- Subsidiary	-	-	-	144
- Joint venture	729	-	729	-
	<u>729</u>	<u>-</u>	<u>729</u>	<u>144</u>

During the year ended 31 December 2017, a Joint venture 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 22 million equivalent to Baht 729 million. However, the Joint venture 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 consolidated and separate statement of financial position as at 31 December 2017.

##### 41.7 Long-term loans to related parties and related interests

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Long-term loans to related parties				
- Subsidiaries				
- Due within 1 year	-	-	172	172
- Due over 1 year	-	-	2,599	1,724
- Associate	-	839	-	-
	<u>-</u>	<u>839</u>	<u>2,771</u>	<u>1,896</u>

The movements of long-term loans to related parties can be analysed as follows:

For the year ended 31 December 2017	Consolidated financial statements	Separate financial statements
	Million Baht	Million Baht
Beginning balance	839	1,896
Increased during the year	-	1,050
Repayment during the year	-	(175)
Transfer to investment	(839)	-
Ending balance	<u>-</u>	<u>2,771</u>

#### 41 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

##### 41.7 Long-term loans to related parties and related interests (continued)

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Interest receivable - Subsidiaries	-	-	53	17
	-	-	53	17

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Interest income - Subsidiaries	-	-	136	130
	-	-	136	130

##### 41.8 Long-term loans from related parties

As at 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Long-term loans from related parties - Joint ventures	23	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.

##### 41.9 Dividend income

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Dividend income - Subsidiaries	-	-	2,952	2,690
- Joint ventures	-	-	4,378	5,012
	-	-	7,330	7,702

## 41 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

### 41.10 Directors and managements remuneration

For the years ended 31 December	Consolidated financial statements		Separate financial statements	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
Short-term employee benefits	116	127	96	107
Post-employment benefits	8	21	8	20
Total director and managements remuneration	124	148	104	127

## 42 Discontinued operation

### 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 2017 and 2016.

Details of revenues and expenses of the Rayong power plant for the year ended 31 December 2017 and 2016 are as follows:

	Separate financial statements	
	2017 Baht	2016 Baht
Sales and services income	-	-
Cost of sales and services	-	-
Gross profit	-	-
Other income	10,549,923	96,086,187
Administrative expenses	(360,936,226)	(341,967,399)
Loss before income tax expense	(350,386,303)	(245,881,212)
Income tax expense	18,606,965	37,108,707
Loss for the year from discontinued operation, net of income tax	(331,779,338)	(208,772,505)

## 43 Fair value

### 43.1 Fair value estimation

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).

### 43.2 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 2017 and 2016.

	Consolidated financial statements			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
<b>Asset as at 31 December 2017</b>				
Long-term investments in marketable securities	3,862	-	-	3,862
<b>Asset as at 31 December 2016</b>				
Long-term investments in marketable securities	3,675	-	-	3,675
	Separate financial statements			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
<b>Asset as at 31 December 2017</b>				
Long-term investments in marketable securities	3,862	-	-	3,862
<b>Asset as at 31 December 2016</b>				
Long-term investments in marketable securities	3,675	-	-	3,675

There were no transfers between Levels 1, 2 and 3 of fair value level during the period.

### 43.3 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.

#### (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:

	Consolidated		Separate	
	financial statements		financial statements	
	Contract amount Million Baht	Fair value Million Baht	Contract amount Million Baht	Fair value Million Baht
<b>Asset</b>				
Long-term loans to related parties	-	-	2,404	2,451
<b>Liability</b>				
Long-term loans from financial institutions	11,355	11,939	-	-
Debenture	5,027	5,091	5,027	5,091
	Consolidated		Separate	
	financial statements		financial statements	
	Contract amount Million Baht	Fair value Million Baht	Contract amount Million Baht	Fair value Million Baht
<b>Asset</b>				
Long-term loans to related parties	-	-	1,526	1,581
<b>Liability</b>				
Long-term loans from financial institutions	14,102	14,301	-	-
Debenture	5,330	4,611	5,330	4,611

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.

## 43 Fair value (continued)

### 43.3 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	
	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Asset</b>				
Interest rate swap contracts	374	311	354	311
Foreign currency forward contracts	20	17	-	-
Cross currency swap contracts	327	313	299	203
<b>Liability</b>				
Interest rate swap contracts	(2,652)	(2,294)	(211)	(92)
Foreign currency forward contracts	(397)	(532)	-	-
Cross currency swap contracts	(68)	-	-	-

The fair values of interest rate swap contracts, foreign currency forward contracts and cross currency swap contracts have been calculated using rates quoted by the Group's counterparties to terminate the contracts at the date of financial statements.

## 44 Commitments and significant agreements

### 44.1 Commitments

- As at 31 December 2017, 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 8,386 million (2016: Baht 6,825 million).
- According to the Power Purchase Agreements ("PPAs") between the Company's subsidiaries and the Electricity Generating Authority of Thailand ("EGAT") whose period between 21 years and 25 years, the subsidiaries have to provide bank guarantees, totalling Baht 819 million. The collateral is to be returned to such subsidiaries upon the expiry of the agreements.
- The Company has provided a guarantee from 31 March 2017 to 31 December 2037 of up to US Dollar 23.96 million for an associate's obligations as the buyer under share sales and purchase agreements for geothermal operations in Indonesia. The guarantee will be for up to US Dollar 23.78 million from 1 January 2038 to 31 December 2049. A subsidiary will pay US dollar 5 million to Star Energy Group Holding Pte Ltd. during 2040 to 2047 in accordance with the relevant consortium agreement to be released from obligations.

## 44 Commitments and significant agreements (continued)

### 44.2 Significant agreements

In addition to the PPAs with EGAT which is one of the Company's major shareholders as discussed in Note 41, the Group had the following significant agreements:

#### 44.2.1 Power Purchase Agreements ("PPAs")

- a) The six subsidiaries of the Company entered into eleven PPAs with the Provincial Electricity Authority ("PEA") under the Very Small Power Producer ("VSPP") scheme. The 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.
- 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 2017, the remaining period of the PPA is 8 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 and can be extended for another 5 years from February 2015.

#### 44.2.2 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.

#### 44.2.3 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.

## 44 Commitments and significant agreements (continued)

### 44.2 Significant agreements (continued)

#### 44.2.4 Fuel Purchase Agreements

- a) Four subsidiaries have entered into Gas Purchase Agreements with PTT Public Company Limited (“PTT”). The agreement is effective for a period between 21 years and 25 years, commencing from commercial operation date since 28 January 2003, 19 June 2016, 20 July 2017 and 1 October 2017. The sales quantity and its price must be complied with the agreement.
- 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) On 22 December 2016, a subsidiary entered into Diesel Fuel Supply Agreement with the contractor for purchasing secondary fuel for a new power plant. The agreement is effective for a period of 3 years, commencing 4 April 2017. The sales quantity and its price must be complied with the agreement.

#### 44.2.5 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 6 subsidiaries. This agreement is effective for 5 - 6 years. The total contract price is Baht 774 million.
- b) On 26 June 2013, a subsidiary of the Company has entered into maintenance service agreement with a contractor for power plant maintenance, which is effective for a period of 11 years commencing from 26 June 2013 to 31 March 2025. As at 31 December 2017, the total commitment under the contract is Australian Dollar 59.28 million.
- c) 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.
- d) 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 commencing from the scheduled commercial operation date. The total contract price is Swedish Krona 338 million which can be extended from the maturity date upon the conditions specified in the agreement.
- e) On 28 February 2017, a subsidiary entered into a long-term technical services agreement for power plant and equipment maintenance, which is effective for a period of 6 years commencing from the scheduled commercial operation date. The total contract price is Baht 55 million and US Dollar 15 million. The agreement can be extended from the maturity date upon the conditions specified in the agreement.
- f) On 15 May 2017, a subsidiary entered into a long-term maintenance service agreement with a related party for power plant, which is effective for a period of 5 years from 15 May 2017 to 31 December 2022. The total contract price is Baht 667 million.

## 44 Commitments and significant agreements (continued)

### 44.2 Significant agreements (continued)

#### 44.2.6 Rental contracts

- a) A subsidiary entered into a rental contract in Philippines, this agreement is effective for a period of 25 years commencing from 30 May 2000 and is 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 from 26 June 2013.

## 45 Post statement of financial position events

- a) On 18 January 2018 and 15 February 2018, the Company paid for additional paid-up share capital of 132,637,500 shares in other long-term investment in the same portion as its original investment, totalling Baht 72 million.
- b) On 24 January 2018, the Company has the liability under the Standby Letter of Credit issued by a commercial bank to guarantee the capital payment for a joint venture totalling US Dollar 11 million (equivalent to Baht 351 Million) and Baht 354 million.
- c) On 2 February 2018, a subsidiary called for additional paid-up share capital of 50,000,000 shares and the Company paid for additional paid-up share capital in the same portion as its original investment, totalling Baht 500 million.
- d) On 2 February 2018 and 6 February 2018, the Company entered into interest rate swap contracts to manage their exposure to fluctuations in interest rates by converting floating rates to fixed rates for a long-term loan amounting to US Dollar 230 million (equivalent to Baht 7,555 million).
- e) On 14 February 2018, a subsidiary registered to decrease its share capital of US Dollar 32.97 million (equivalent to Baht 1,137 million) for reversal of the deficits amounting to US Dollar 18.02 million (equivalent to Baht 650 million), The Company already received the remaining capital reduction amounting to US Dollar 14.95 million (equivalent to Baht 487 million).
- f) On 19 February 2018, the Company entered into the Share Purchase Agreement with Manila Water Company Inc. to sell its 18.72% shareholding in Eastern Water Resources Development and Management Public Company Limited. The Company expects to complete the disposal within the first quarter of the year 2018.

## Audit Fee for the year 2017

### Audit Fee

In 2017, EGCO and its subsidiaries paid the audit fee of 6,935,600 Baht to the Office of the Auditors, comprising EGCO's and subsidiaries' audit fees of 3,468,500 Baht and 3,467,100 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 26,047,012 Baht which was already paid of 23,266,809 Baht. In addition, EGCO would also be responsible for the expenses of undelivered work of 2,780,203 Baht. The details of the non-audit fee were as follows:

1. Payment to the Office of the Auditors:

In 2017, the non-audit fee for BOI auditing and accounting advisory service at EGCO's subsidiaries was 1,286,500 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 2017, the non-audit fee for the advisory services on offshore investment structure and legal advisory service at EGCO was 24,760,512 Baht which was already paid of 21,980,309 Baht to other related parties of the Auditors' office. In addition, EGCO would also be responsible for the expenses of undelivered work of 2,780,203 Baht.

Management agreed that the engagements of the office of the Auditors and its related parties to provide the non-audit work did not involve any conflict of interest or any review of their own work which would contaminate the independence judgment of the auditors, and. This has been approved by the Audit Committee.



EGCO is committed to operating sustainable business by strictly adhering to good corporate governance principles and business ethics to achieve fairness, efficiency, transparency, and accountability

## Corporate Governance



EGCO is committed to operating sustainable business by strictly 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 as well as build trust and confidence among shareholders, investors, and all stakeholders to enhance its competitiveness which will lead to financial stability and investments.

### Good Corporate Governance Policy

The Board of Directors (“the Board”) established its good corporate governance principles in writing as guidelines on corporate management for the Board, executives, and employees in a fair, transparent, accountable, and efficient manner. The Board annually reviews and improves good corporate governance principles based on the criteria such as the Capital Market Supervisory Board, 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 ASEAN Corporate Governance Scorecard and in accordance with the changing environment.

In 2017, the Board acknowledged the Corporate Governance Code for Listed Companies 2017 (“CG Code 2017”) of the Securities and Exchange Commission (“SEC”) and reviewed good corporate governance principles and practice guidelines in comparison with the CG Code 2017, CGR’s criteria, and ASEAN Corporate Governance Scorecard. The Board then endorsed the revision of good corporate governance principles and practice guidelines as follows:

1. Improvement of director nomination criteria and procedures by adding qualifications in terms of directors’ knowledge and expertise as in line with corporate strategies.
2. Determination of criteria and procedures for nomination, assessment, remuneration and succession plan of the President in writing, improvement of information disclosure policy and practice guidelines with focus on disclosure of financial and non-financial information as well as disclosure of information on online social networks and confidentiality, and development of a written Code of Conduct for Investor Relations Practitioners as a framework and practice guidelines for the Company’s investor relations practitioners.

Moreover, the Board considered the CG Code 2017, regulations and criteria of regulatory agencies, CGR’s criteria, 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
The Board shall consider the appropriate number of directors who can efficiently perform duties. The Board shall comprise at least 5 directors and not more than 12 directors, depending on the size, type, and complexity of the business.	The Board consisted of 2 directors as representatives of major shareholders and independent directors who were suitable for the Company's business characteristics, especially overseas energy business, requiring knowledge and expertise in energy of representative directors, so that EGCO's successful operations were achieved according to the Company's objectives and strategic plan. The number and proportion of directors also reflected appropriate checks and balances.
A Chairman of the Board shall be an independent director	Although EGCO's Chairman of the Board was not an independent director, he 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 also encouraged representative directors and independent directors to discuss and express opinions freely and there had never been a case of decisive votes exercised by the Chairman of the Board to pass any resolutions.  Moreover, the Board approved that independent directors could nominate one independent director to be appointed as a Lead Independent Director to jointly determine agenda items for the meetings with the Chairman of the Board.
A Chairman of the Nomination and Remuneration Committee shall be an independent director.	Although the Chairman of the Nomination and Remuneration Committee was not an independent director, he had experience and expertise in management of international organizations beneficial to the formulation of human resource recruitment and development and compensation and benefit packages of directors and employees policies to be able to enhance competitiveness and accommodate expansion of overseas investments in energy as in line with the Company's strategic plan.
Consideration of suitability of remuneration proportion in terms of salary, short-term operating results such as bonus, and long-term operating results such as Employee Stock Ownership Plan ("ESOP")	The Nomination and Remuneration Committee endorsed the remuneration structure of directors, executives and employees by linking bonus to the Company's performance according to the KPIs, one of which was long-term growth, despite no ESOP given to employees.

In addition, in the Board meeting No. 13/2017 on December 18, 2017, the Board provided suggestions for improvement of corporate governance mechanisms of EGCO and its subsidiaries to be aligned with the criteria of the above-mentioned regulatory agencies and comparable to international standards as stipulated in the Company's strategic plan. The management accepted recommendations for improvements in 2018. The Board also considered the following matters:

## Code of Conduct

The Board has compiled best practices as in accordance with the Company's good corporate governance principles and reviewed a Code of Conduct on a yearly basis. The Code of Conduct has been continuously improved since 2003. The latest Code of Conduct was improved in 2017. The Code of Conduct for Directors comprises the guiding principles, directors' Code of

Conduct, directors' commitment, duties and responsibilities, conflicts of interest, and use of information. The Code of Conduct for Employees embraces 1. Responsibilities to stakeholders; 2. Responsibilities to the Company; 3. Procurement and Transactions; 4. Prevention of conflicts of interest; 5. Employees; 6. Safety, health, and environment; 7. Anti-corruption and 8. Whistleblowing.

## Communication of Good Corporate Governance Policy and Code of Conduct

Good corporate governance policy and principles and Code of Conduct are regularly communicated both internally and externally. For internal communication, they are communicated via channels such as meetings between employees and President (Communication Day), Intranet, and wire broadcasting on Fridays at EGCO headquarters. For external communication, they are made available on the Company's website ([www.egco.com](http://www.egco.com)) and at the exhibition on good governance and anti-corruption in the Company's annual general meeting of shareholders, etc.

In 2017, EGCO arranged communication activities for directors and employees to enhance knowledge and understanding, and apply good corporate governance principles and practice guidelines, Code of Conduct, and anti-corruption measures in a correct manner as follows:

1. Adding corporate governance and Code of Conduct as one of the topics for director and new employee orientation.
2. Arranging CG Roadshows to enhance knowledge on good corporate governance principles, anti-corruption measures, and Code of Conduct for EGCO Group's employees at power plants and the companies in the Group, alternatively. In 2017, the Anti-corruption Working Committee provided knowledge to ESCO's employees in Rayong Province.
3. Arranging 2 batches of CG Camp to promote the implementation of good corporate governance policy and principles into practice as in line with the good corporate governance strategy and support the cultivation of core values, including ethics and integrity.
4. Disseminating articles relating to good corporate governance practices, anti-corruption measures, and Code of Conduct via monthly wire broadcasting at Headquarters and the Company's Intranet to enable employees at both Headquarters and power plants to access to past articles.

## Monitoring, Overseeing and Performance Appraisal

The directors will receive a director manual and Code of Conduct upon holding a position. All new employees will receive the Code of Conduct from the Human Resources Division to be signed for acknowledgement and strict compliance. Moreover, the President has required employees at all levels to act in compliance with good corporate governance principles, review their compliance activities and then sign the Code of Conduct acknowledgement and compliance form to submit to the superiors in a hierarchy on a yearly basis. In 2017, the Board intended to promote innovations and application of technologies in working process and therefore approved that the employees completed an online appraisal form to measure knowledge and understanding of good corporate governance principles and practice guidelines and Code of Conduct for the first year. The appraisal form was also used to measure satisfaction in communication and public relations. Recommendations and opinions from the employees would be used for improvement of activities and future communication. The appraisal results could increasingly measure understanding and awareness of employees in good corporate governance principles and Code of Conduct. Similarly, the Board also approved that employees at all levels signed the form for acknowledgement of Code of Conduct online.

## Results of Compliance with Good Corporate Governance Policy

The Board, executives, and employees of EGCO Group has strictly and regularly adhered to the good corporate governance policy. In 2017, no non-compliance situation was found. From that commitment, EGCO then earned assessment results and awards according to good corporate governance principles as follows:

- EGCO achieved an excellent score of 96 for the Corporate Governance Report of Thai Listed Companies (CGR) Assessment Project conducted by the Thai Institute of Directors Association (IOD).
- EGCO was selected as one of the “sustainable stocks” under Thailand Sustainability Investment (THSI) arranged by the Stock Exchange of Thailand (SET), representing outstanding environmental, social, and governance aspects for 3 consecutive years.

The Board monitored and prepared this report to update EGCO’s 2017 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 visits. 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 and requires the shareholders’ approval. In 2017, EGCO’s AGM was held on April 19, 2017 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 Shareholders’ Meeting Date

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 21, 2017 before delivering the meeting documents by post, 58 days prior to the AGM date. The record date for the rights to attend the meeting and receive dividends 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 of EGCO's Articles of Association: Shareholders' Meeting. 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, 2017, 34 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 27 days prior to the AGM date. Contact numbers were also provided for further inquiries and for proposing additional information relating to the appointment of directors, 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 Date

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 2017, 14 directors including the Chairman and directors attended the meeting which accounted for 93% of the total number of the Board members. The Chairman of the Board, the Chairman of all subcommittees, directors except for Mr. Thanapich Mulapreuk, an independent director and member of the Audit Committee who was absent from the meeting due to an urgent mission, and the President together with senior executives also attended the meeting and explained details of information regarding agenda items and answered shareholders' questions.
- EGCO identified the names of directors having conflicts of interest in respect to any agenda item in the meeting notice. Those directors were not present in the meeting while any given agenda item was being considered.
- 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 to provide full details of the Company's business operations to shareholders. Shareholders' inquiries were warmly welcomed and clarified 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.
- The 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 2017 survey indicated that the shareholders were satisfied with meeting notice, meeting facilitation, and meeting conduct.

For the AGM 2017, there were 492 shareholders attending in person and 1,146 shareholders by proxies, representing 384,803,301 shares which accounted for 73.0919 % 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 2017, meeting resolutions were notified before 9.00 a.m. on April 20, 2017, 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](http://www.egco.com) on May 2, 2017 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 absent 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 2017, 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, 2016 (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, 2016). This was applicable for either a sole or combined shareholders, which was lower than SET's recommendation of 5% shareholding. However, in the 2017 AGM, there was neither proposal of AGM agenda item nor proposal of 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 conflicts of interest 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 2017 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 senior 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 Unit are the central units responsible for disclosing EGCO's information to the public and investors while the unit owning such information will be responsible for providing necessary fact sheets.

However, in 2017, the Board realized the importance of EGCO's information on all aspects that affected decisions of investors, stakeholders, and general public, an information disclosure policy and practice guidelines were therefore established to build confidence and trust among investors as detailed in Section 4 - Disclosure of Information and Transparency.

### 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 every 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 2017, 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 above-mentioned 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. Details of the policy and Code of Conduct is concluded in "Corporate Governance". The treatment of employees and stakeholders is disclosed in "Employee Caring" section and "Responsibility for and Participation with Stakeholders" subsection of "Sustainable Business Operations" section, respectively.

#### Employees

EGCO has formulated an employee policy 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 has also supported employment of local people to promote job creation and revenue generation in the communities in which EGCO operates its business. Since 2017, EGCO has supported the implementation of projects for the disabled in the provinces where power plants are located to replace payments of fund contributions. 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. The survey results were also extended to develop a communication plan called "HR Communication" to correctly and clearly communicate welfare, benefits, performance assessment, growth, etc. to the employees. With the Company's employee caring, in 2017, there was no dispute or lawsuit between EGCO and employees. Also, there was no accident that caused work absence in all subsidiaries. Details of treatment of employees can be found in "Employee Caring" section.

## 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 2017, 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 that prescribed in the Power Purchase Agreement (PPA) and customers were satisfied with EGCO Group's operations of power plants. For the maintenance business, EGCO Group's service was rated "excellent" with the average score of 94.99 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 2017, 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. EGCO has developed a "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 is 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 taking into account sustainable impacts on the environment. Suppliers and contractors are required to sign the Code of Conduct during the procurement process. In 2017, there was no dispute or lawsuit between EGCO or 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 2017, there was neither dispute nor lawsuit between EGCO or 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, traditions, and culture as well as participating 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. Since its establishment, EGCO has continuously executed various community and 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. There were 84 community and 1 social contribution projects. EGCO has also launched a quarterly newsletter "Sukjai" as one of the communication channels to strengthen good relationship with the communities surrounding its power plants as well as supporting the operation of Thai Rak Pa Foundation which was established to promote the sustainable watershed conservation conducted in collaboration with alliance networks from all sectors. In 2017, Thai Rak Pa Foundation expanded its operation from conservation to participation in watershed restoration by supporting watershed conservation of communities in approximately 72,000 rai of watershed forests in Doi Inthanon National Park, Chiang Mai Province and expanding its operation to watershed forests in the southern part of the country in Khao Luang National Park, Nakhon Sri Thammarat Province and the northeastern part of the country in Lam Pa Thao watershed area, Chaiyaphum Province. EGCO carried out 2 projects of 1,300-rai watershed forest restoration within 5 years, namely the forestation and income generation project in the area of 1,000 rai in Mae Cham District and the Pa Pu Long forest restoration and spring conservation project in the area of 300 rai.

In 2017, there was neither dispute nor lawsuit between EGCO or its subsidiaries and people in the communities surrounding power plants and NGOs. However, nearby communities made complaints on smells from the Municipal Solid Waste-to-Energy power plant in Hat Yai Province. The problem was due to the fact that actual conditions of waste were considerably different from those previously explored before the project commencement. GIDEC therefore had to continuously improve various systems to solve the problem, whether to improve the engines to match the conditions of waste, waste sorting system, and combustion process to control pollutants in accordance with the standards and ensure constant monitoring.

### 3.2 Observation of Human Rights

The Company requires that its directors, executives and employees fully respect for human rights, laws, and traditional and cultural differences as follows:

- 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 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 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.

In addition, EGCO Group 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 process and environment are 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 accept opinions and recommendations that are beneficial and necessary for the current situation. Such opinions and recommendations are implemented for further improvements of employees' benefits 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. The 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 2017, the Board focused on fostering mutual cooperation within EGCO Group to conduct business without corruption. The Board therefore established an Anti-corruption Committee of EGCO Group, 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. The Board also encouraged and supported its subsidiaries to apply for membership of the Collective Action Coalition Against Corruption ("CAC"). This year, KEGCO, a subsidiary of EGCO Group, applied for membership of CAC and it was now under the consideration for certification of membership.

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.

#### Communication and Implementation of Anti-corruption Policy and Measures

- Communication from the President to articulate EGCO Group's business conduct principles by adhering to fairness and transparency and refraining from all types of corruption to foster corporate culture on ethics and integrity among employees on Communication Day (President Meets Employees)

- Key ideas and details of communication in 2017 focused on the implementation of policy into practice through internal communication channels on the Intranet “EGCO Groupnet” and wire broadcasting channel “EGCO Talk” such as video production derived from the viewpoints and ideas of senior executives in different groups to implement the anti-corruption policy and practice guidelines in their responsible jobs and pass on best practices to their subordinates under supervision, and PR posters on the office’s bulletin board in the elevators where outsiders can also notice and become aware of EGCO’s clear commitment.
- CG talk show under the topic of “Dharma Defeats Corruption” by Phra Maha Sompong Talaputto and Phra Ajarn Worawat Worawatano, preachers, dharma speakers, and hosts of Dharma Delivery program, was held to instill dharma and ethics to employees to prevent and stop fraudulent and corrupt actions. There were 80 employees from the Group companies such as ESCO, EGCO, Headquarters, and Khanom Power Plant participating in the event on Friday, July 21, 2017 at Jitpisoot Meeting Room, ESCO Office, Rayong Province.
- On September 6, 2017, EGCO Group’s executives and employees joined “Anti-corruption Day 2017” under the concept of “New Government, Old Corruption”, organized by the Anti-corruption Organization of Thailand, and attended the seminar on “New Government, Old Corruption” given by professional speakers from different agencies at Centara Grand at CentralWorld.



- Employees from the Law Division, Procurement and Administration Division, and Corporate Secretary Division participated in the event of “EGAT’s 48<sup>th</sup> Year of Establishment towards Becoming a Clean and Transparent Organization to Carry on the Initiatives and Aspirations of His Royal Father”, held at EGAT central office.
- 8 employees from KEGCO attended the Anti-Corruption: The Practical Guide (ACPG) program organized by IOD.
- EGCO also joined membership of the Thailand Future Network to instill positive values, raise consciousness, and adjust attitudes and social behaviors in terms of economic, social, cultural, and environmental aspects by promoting a “Don’t Let Anyone Say that Bad Things about Thais” campaign, collectively organized by the Office of the Permanent Secretary, the Public Relations Department, the Advertising Association of Thailand, the Internal Security Operations Command (ISOC), the Thai Chamber of Commerce, and the Thailand Sustainable Development Foundation.

### Whistleblowing

EGCO 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 and accused persons is also put in place. To ensure whistleblower’s trust, information obtained from whistleblowers will be kept confidential and known only among responsible parties. The complaint matters are as follows:

- Wrongful act 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](mailto:auditcommittee@egco.com)
  - The Good Governance Working Committee at [GoodGovernance@egco.com](mailto:GoodGovernance@egco.com)
  - The Board of Directors at [directors@egco.com](mailto:directors@egco.com)
- Channel 2: by post addressing one of the committees at the following address:  
Electricity Generating Public Company Limited, EGCO Tower, 222, 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 2017, EGCO received no significant complaint raised by both insiders and outsiders.

#### Monitoring, Reviewing and Assessment

The Anti-Corruption Working Committee is responsible for monitoring, reviewing and assessing risks on a yearly basis. When new risks are identified, the Working Committee shall prepare a prevention plan and guidelines 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. Moreover, the Internal Audit Division is responsible for reporting wrongdoings or violations of the Company's 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 2017, The Audit Committee found no significant complaint related to fraud and corruption.

#### Anti-corruption Plan in 2018

EGCO still has a policy to promote EGCO Group companies to be certified as members 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. In addition, the Board has approved that EGCO takes part in encouraging business partners in the supply chain to adhere to the anti-corruption policy and practice guidelines via business partner relations activities and is recertified for CAC membership on a continuous basis.

### 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 with 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, transparent, and accountable operations. Such measures will not only enhance confidence among shareholders, stakeholders, and all concerned parties, but also promote sustainable growth and increase long-term competitiveness. EGCO has reported the details of 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 mails	Telephone numbers
Board of Directors	directors@egco.com	-
Audit Committee	auditcommittee@egco.com	-
Corporate Secretary	cs@egco.com	0 2998 5020-5
Corporate Communications Division	corp_com@egco.com	0 2998 5130-7
Investor Relations Unit	ir@egco.com	0 2998 5147, 5150, 5165

The mailing address is Electricity Generating Public Company Limited, EGCO Tower, 222, 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

In 2017, the Board reviewed and improved the information disclosure policy and practice guidelines to be aligned with rules and regulations of regulatory agencies, SEC’s good corporate governance principles, and revised criteria for assessment of good corporate governance as well as accommodating changing circumstances and corresponding to the roles of communication technologies and online media. The information disclosure policy and practice guidelines cover written information prepared in both Thai and English and non-written information and communication methods used by EGCO such as meetings, conference calls, interviews, and all communication channels including online media like websites and Facebook. The revised policy and practice guidelines were as follows:

### 4.1 Information disclosed

The Company must disclose both financial and non-financial information which refer to the information prescribed by laws and regulatory agencies and the information affecting shareholders’ decisions, changing of business, operations, stock price, reputation, and corporate image.

Significant information includes:

1. Acquisition and disposition of assets, entering into agreements, joint ventures and mergers;
2. Report on the Company's operating results such as quarterly and annual financial statements, Management Discussion and Analysis; and
3. Non-financial significant information such as business objectives, goals, and strategies, shareholders and rights of shareholders, remuneration of Board and executives, employees and remuneration of employees, connected transaction policy and measures, measures for internal information management, etc.

#### 4.2 Practice Guidelines for Information Disclosure and Confidentiality of Different Types of Information, including:

1. Disclosure of Material Non-Public Information
2. Disclosure of Forward Looking Information
3. Disclosure of Material Public Information
4. Disclosure of Non-Material Information
5. Disclosure of Information Affecting Business or Competition
6. Disclosure of Irregular Information such as rumour and data leakage
7. Disclosure of Information via Online Social Networks

#### 4.3 Information Disclosure Channels

EGCO constantly updates significant information via the following channels:

- Regulatory agencies: SET's website ([www.set.or.th](http://www.set.or.th)) and SEC's website ([www.sec.or.th](http://www.sec.or.th))
- Shareholders, individual investors, securities analysts, and institutional investors
  - Press Conference to investors and analysts
  - Road Show
  - Company visit
  - Delivery of meeting notice by post
- Mass media: PR news, newspaper, advertising media, journals, and television
- Online media
- Annual report and Form 56-1
- Management Discussion and Analysis
- EGCO's website at [www.egco.com](http://www.egco.com)

#### 4.4 Responsible Units and Persons for Information Disclosure

- Responsible units for information disclosure
  - Corporate Secretary Division: To SEC, SET, and major shareholders
  - Investor Relations Unit: To minor shareholders, securities analysts, institutional investors, and individual Investors
  - Corporate Communication Division: To media, NGOs, and general public

- Responsible Persons for Information Disclosure
  - President
  - Senior Executive Vice President, Accounting and Finance Group
  - Senior executives assigned by the President

#### 4.5 Information Disclosure of Concerned Units

In 2017, EGCO continuously and regularly communicated information and activities under the communication plan as in line with EGCO's strategies and business directions and took into account the quality of disclosed information via different units as follows:

##### Investor Relations Unit

The Investors Relations Unit 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.

To ensure adherence to Principle 7: Ensure Disclosure and Financial Integrity of SEC's CG Code, the Board assigned the Investor Relations Unit to develop a Code of Conduct for EGCO's Investor Relations Practitioners as a framework and practice guidelines for investor relations practitioners. Significant issues were as follows:

1. Disclosure of significant and necessary information in a correct, adequate, and timely manner
2. Protection of internal information
3. Disclosure of information in a fair and equitable manner
4. Performance of duties with integrity

EGCO also emphasizes 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 encouraging continuous exchange of opinions. The main activities in 2017 were as follows:

Activities	Number of Activities
Quarterly analyst meeting	4
Shareholders and investors' visit to Lopburi Solar Power Plant	2
Analysts and institutional investors' visit to Xayaburi Hydro Power Plant	1
Seminar and meeting with domestic and foreign investors and securities analysts	14
Communication via emails / phones	8-10 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 2017 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 2017 included 2 sessions of press conference on its operating results, business direction and progress on projects, 3 sessions of press interview and meeting with senior executives, 1 activity on environmental conservation for the media, and 20 pieces of published public relations news and articles.

### Corporate Secretary Division

The Corporate Secretary Division is responsible for disclosing information as required by SET and SEC in a correct, complete, and transparent manner and proceeded through procedures. In 2017, 26 notifications were submitted to SET.

EGCO ensures that the information appeared on the website is always correct, complete, and up-to-date. Efficiency of information disclosure is assessed by questionnaires every time the 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.

## 4.6 Financial Statement Preparation

EGCO is responsible for preparing financial reports that are accurate, complete, and transparent 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 enhancing 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 in the auditor's report in the annual report. In 2017, EGCO appointed auditors from the PricewaterhouseCoopers ABAS Ltd., who 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.

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 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 of director nomination process is conducted officially and transparently
- Monitor and resolve conflicts of interest which may incur among the management, directors and shareholders as well as ensuring 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

#### 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 Board has defined qualifications of EGCO's directors as follows:

1. General qualifications
  - 1.1 Not over 72 years of age
  - 1.2 Hold a maximum of 3 directorships in SET listed companies
  - 1.3 Have qualifications required by laws, relevant regulations, and the Company's articles of association
  - 1.4 Exhibit integrity, responsibility, and maturity
  - 1.5 Raise comments and suggestions freely without influence and interference from others
  - 1.6 Dedicate full time in overseeing the Company
2. Specific qualifications, comprising necessary skills beneficial for corporate governance which will enable the Company to fulfill the strategic plan and goals, namely:
  - 2.1 Power, energy, and engineering business
  - 2.2 Accounting, finance, economics, and business administration
  - 2.3 Law and political science
  - 2.4 Strategic and business planning
  - 2.5 Corporate governance, internal control, and risk management
  - 2.6 Human resource management
  - 2.7 Information technology

The nomination procedures are as follows:

1. 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, names of current directors, names of director candidates selected by external consultants, and IOD's Director Pool.
2. The Nomination and Remuneration Committee is responsible for screening all director nominees by considering qualifications and skill matrix the Company needs and still lacks of, to support strategies and objectives, and create challenges for the Company's success. The Committee also takes into account diversity of directors in terms of sex, age, knowledge, competence, experience, and expertise in necessary areas.
3. The Board will consider the re-selection of directors retiring in rotation based on directors' past performance and appraisal results.
4. The Nomination and Remuneration Committee will propose a name list of all qualified director candidates, whether being directors as representatives of shareholders or independent directors, to the Board for appointment in case of a vacancy from any other reasons than the retirement by rotation and to the shareholders' meeting for appointment in case of completion of term of office.

The Board will review the Board 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 reasons than

the end of term, the Board shall select a qualified candidate in the next meeting with three-fourths 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 a 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-fifths 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 has already been 72 years old while in office, he or she can remain in office until the expiry of the term.

In 2017, 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 the formulation of a good governance policy, which is the Board's duty, from routine management, which is the duty of the management. A Table of Authority (TOA), as approved by the Board, was therefore set as practice guidelines that the Board would not intervene in any routine work or business carried out by the management under the President's responsibility.

#### Policy and Practice in Holding Directorships in Other Companies for 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 a yearly basis. The Board and the management participated in the corporate strategy seminar on August 19, 2017. 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 accommodate business expansion
2. Social and Environmental Strategies, promotion of community development, and efficient use of resources in power generation
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 or 2026. The Board has also planned to expand its investments in related energy such as LNG business and utilization of Rayong power plant areas such as development of Rayong power plant areas into industrial estates. The Board strives to strengthen corporate management especially in developing employees' potential and capabilities so that they become skillful and have expertise supporting 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", enabling all employees to acknowledge 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. Consulting Activities, Skills, Attitudes, organized by IIA
2. Annual seminar in 2017 under the topic of Unmasking Risk Management Strategy for SMEs Sustainability in Thailand 4.0 Revolution, organized by IIA
3. Audit Report Writing, organized by IIA
4. COSO 2017, organized by Thammasat Business School
5. Major tax benefits in 2017, organized by CU Alumni Association
6. CG camp 1 and 2, organized by the Human Resources Division in collaboration with the Corporate Secretary Division
7. Team Excellence for VP, organized by the Human Resources Division

### Appointment 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 2017, the Board and the Audit Committee considered that the auditors from PricewaterhouseCoopers ABAS Co., Ltd. ("PwC") performed their duties with professionalism, independence, impartiality, auditing experience especially in power generation business and auditing consistency, and knew all the Group companies very well. PwC also provided good audit services, gave beneficial advice, achieved a satisfactory standard of auditing, and delivered auditing work quickly and punctually. Moreover, PwC, as a well-known audit services provider using international standards on auditing, was widely recognized and had its accounting and auditing offices located in the countries in which EGCO invested in businesses. It was therefore deemed appropriate to appoint PwC as EGCO Group's auditor for the year 2017 and determine the audit fee for the year 2017 of 3,344,500 Baht and other actual expenses incurred from the audit performed in Thailand of not exceeding 175,000 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, as deemed appropriate. In the 2017 AGM, the meeting mutually approved the appointment and remuneration of auditor as

proposed by the Board. Moreover, the Board in the meeting no. 13/2017 on December 18, 2017, approved to expand the terms of reference for hiring auditor for the audit of financial statements for the year 2017 of 2 new projects implemented during the year, by determining an increase of the audit fee to 524,000 Baht and the Company assumed responsibility of actual travel expense payment, incurred from the audit performed in the countries in which the Company invested in businesses. This was proceeded according to the resolution of shareholders' meeting that had authorized the Board to approve the audit fee of EGCO's subsidiaries, associate companies, and newly formed joint ventures during the year.

### 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. EGCO presents a risk management report, issues, and recommendations to the Audit Committee on a quarterly basis and to the Board regularly for consideration the adequacy of risk management system and effectiveness of risk management so that strategies, plans, and measures can be adjusted promptly. Recognizing the importance of risk management on EGCO Group's corporate governance, the Board thus approved the development of new organizational structure in 2017 by separating risk management and assessment tasks from the Planning Division and establishing a new division, namely Risk Management Division, to monitor risk management operating results throughout the organization in alignment with EGCO Group's policy and guidelines as well as conducting a risk assessments and report the results to related committees pursuant to each committee's responsibility. The Risk Management Division then reports to the Executive Vice President-Asset Management under the supervision of the Senior Vice President-Strategy and Asset Management Group.

EGCO has established a 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 Risk Assessment Division to ensure that it efficiently addresses EGCO Group's current business circumstances as well as collaborating with risk owners and Internal Control Division in risk management and presenting a risk management report to the Risk Management Committee and the Audit Committee on a quarterly basis.
- Risk management is embedded into the work process. The Company assesses risks from internal and external factors that may affect goals and risk probability and impact, establishes risk mitigation measures, develops operational plans to manage such risks, and raises awareness of risk management within the organization as part of the corporate culture, enabling all employees to be aware of risk management in their operations.

EGCO Group has adopted the risk management policy and manual as the Company's guidelines since 2001 and reviewed the risk management policy on a regular basis. In 2017, the Audit Committee viewed that such policy was still appropriate. The Board, in the meeting no. 12/2017 on November 29, 2017, determined EGCO Group's risk management philosophy to be applied throughout the organization and in accordance with the COSO Enterprise Risk Management Integrated Framework. Risk management assessment is also included as one of the elements for internal control assessment. The results of the 2017 assessment indicated that EGCO Group appropriately implemented risk management system. More details can be found in the "Risk Factors" 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 directors or advisors of other companies or organizations shall not have any conflict of interest with the persons' direct responsibility and shall inform the Board before engaging in any organizations.
- 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 holdings 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 who have business with the Company, except from the financial institutions, as it may have an impact on the employees' performance as the Company's representatives.
- The steps for entering into a connected transaction as well as clearly disclosing such transaction shall be strictly executed as required by SEC's and SET's notifications. The Corporate Secretary shall verify 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 the appropriateness of transactions 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.

### Overseeing the Operations of Subsidiaries and Associate Companies

In order to ensure that EGCO Group's holding business operations meet the policy, goals, and appropriate returns for shareholders, the Board has set rules for overseeing subsidiaries and associate companies 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 other than core 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-thirds 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.

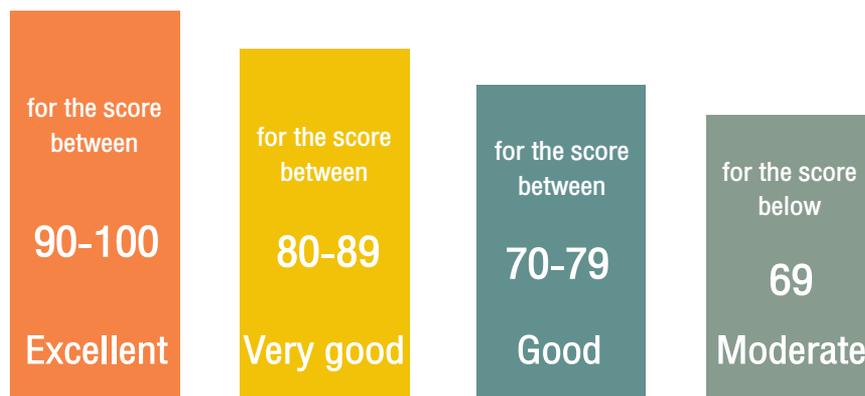
The Chairman shall allocate adequate time for the management to present matters and for directors to carefully discuss significant issues. The meeting minutes are prepared in writing. After the meeting, the secretary of the meeting shall prepare the Board's resolution and submit to the Board within 3 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 2017, the Board held a total of 13 meetings. Each meeting lasted approximately 2.5 hours and the attendance rate was around 95.39%.

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 2017, 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; this year, such Board meeting held on August 18, 2017. The Board discussed and approved guidelines for appointment and change of senior executives as in line with EGCO's strategic plan and succession plan to replace the retiring senior executives in the future. The Chairman of the Board communicated the guidelines to the President for acknowledgement and further formulation of strategic plan and operational 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 2017, 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 such as the number of directors, the sufficiency of knowledge and experience, the appropriateness of independent director, the appropriateness of executive directors, and the qualifications of each subcommittee; (2) The Board's roles, duties and responsibilities, including consideration of strategic plan, connected transactions, conflicts of interest, corporate governance policy revision and implementation, Code of Conduct, 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. The Board meetings were held with high efficiency, with average score of 97.58% or "Excellent".

### Subcommittee Appraisal

The Subcommittee appraisal comprises 4 committees, namely the Audit Committee, the Investment Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Social Responsibility Committee. Their performance appraisal is a self-appraisal survey conducted in line with the good corporate governance principles and their specific duties and responsibilities of each committee. The appraisal covers 3 areas, namely (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 Investment Committee, the Nomination and Remuneration 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 99.07%
- Nomination and Remuneration Committee 99.28%
- Corporate Governance and Social Responsibility Committee 95.88%

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 2017 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 2017 to the Board for acknowledgement in the Board meeting no. 1/2018 on January 19, 2018.

### Individual Self-Appraisal

The individual self-appraisal form comprises 3 topics, namely (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 96.51% 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

From the appraisal results, the Board considered that corporate governance was vital for efficient operations, stakeholders' confidence, and sustainable corporate values. In 2017, the Board dedicated more time to review good corporate governance principles and improve EGCO's corporate governance principles and practice guidelines to be in line with rules and regulations of regulatory agencies and criteria for assessment of domestic and overseas corporate governance to uplift EGCO Group's corporate governance standards which could be comparable to international standards and competitive in the ASEAN region as stipulated in the Company's strategic plan.

### 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. Factors for consideration include the following:

- Qualitative indicators such as leadership, relationship with the Board, risk management and internal control, human resource management, good corporate governance, and Code of Conduct
- Key Performance Indicators (KPIs) against each year's performance and achievements as stipulated in long-term plans
- 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 duties and 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 and approving the Company's remuneration structure. 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.

The remuneration scheme for the President, consisting of monthly remuneration and bonus, will be considered based on the monthly remuneration of executives in the same industry and annual performance appraisal. The President's bonus will be based on the results of KPIs comprising each year's KPIs and KPIs according to long-term goals set in the strategic plan to generate future growth. The President's remuneration scheme is therefore aligned with EGCO's major objectives and goals and both short-term and long-term benefits of the Company.

Details of remuneration of directors and executives are 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. A director 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 2017, the Company's directors attended trainings and seminars held by IOD as follows:

- 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. One director attended this course.
- Risk Management: Issues for Boards, aiming at enabling directors to understand the importance of risk management structure that shall be put in place such as risk strategy, risk structure, and risk principles which can be applied to the business and organization. Seven directors attended the 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, competency, experience, 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 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 of Internal Audit Division must be approved by the Audit Committee.

In 2017, 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 and Senior Vice President level to ascend to Executive Vice President level. 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. Ms. Jaruwan Ruangswadipong, | Chairman |
| 2. Prof. Dr. Anya Khanthavit   | Member   |
| 3. Mr. Paisan Mahapunnaporn    | Member   |

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 2017, the Audit Committee held 15 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 2017 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.
- 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. 1/2018 on January 19, 2018, the Board considered and assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee and acknowledged the risk assessment result in the company's strategic plan meeting. 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, the Management or employees.
2. In the previous 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.
- 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, management and the President for the year 2017 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

In the year 2017, the Board approved EGCO Group's risk management philosophy to apply throughout the organization and to support enterprise-wide risk management complying with COSO Enterprise Risk Management Integrated Framework. The Audit Committee 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](mailto: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 EGCO employees. 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 2017 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. 15/2017 on December 18, 2017 reviewed and endorsed the Audit Committee Charter and the company's regulation regarding Internal Audit with certain 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 2018 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. Prasit Yuengsrikul Certified Public Accountant (Thailand) No. 4174, and Mr. Pongthavee Ratanakoses Certified Public Accountant (Thailand) No. 7795 were proposed as 2018 EGCO's auditors to the Board of Directors, to further submit for the shareholders' approval.



Ms. Jaruwan Ruangswadipong  
Chairman of the Audit Committee

## Investment Committee's Report

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. Due to the resignation of Mr. Yasuo Ohashi and Mr. Chanin Chaonirattisai, the former was replaced by Mr. Shunichi Tanaka while Mr. Jakgrich Pibulpairoj, was appointed as President in place of Mr. Chanin Chaonirattisai. All of them were expert and had experience in power business and management both domestically and internationally. The Corporate Secretary was assigned to serve as a secretary to the committee.

In 2017, the Investment Committee held 12 meetings to consider significant issues assigned by the Board of Directors as shown in the Charter of the 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. In 2017, the Committee considered and approved the proposals for binding bids to invest in renewable energy projects in Thailand and the investment of 25% of ownership interest in Nam Theun 1 Hydropower Plant Project, located on Nam Kading River in Bolikhamxay, Laos PDR, aiming to expand the Company's megawatt capacity and build long-term growth.
2. Taking into account the optimal benefits of EGCO, the Committee endorsed to the Board to consider the divestment of EGCO's 49% indirect ownership interest in Masinloc Power Partners Co. Ltd. ("MPPCL") in the Philippines to SMC Global Power Holdings Corp. On December 17, 2017, Gen Plus B.V. a wholly-owned subsidiary of EGCO Group, entered into the Share Purchase Agreement with SMC Global Power Holdings Corp. and AES Phil Investment Pte. Ltd. as approved by the Board.
3. The Committee was entrusted to endorse the corporate's short-term and long-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. 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.
5. The Investment Committee followed up the progress of annual action plan on a quarterly report to give advice when the activities could not achieve as planned.

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 the obligatory rules and the Company's regulations. Material matters and meeting results were constantly reported to the Board.

*S. Sarntijaree*

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.

As of December 31, 2017, the NRC members were composed of Mr. Shunichi Tanaka, NRC Chairman, Associate Professor Dr. Chotchai Charoenngam, independent director; Associate Professor Dr. Nualnoi Treerat, independent director; Associate Professor Dr. Bordin Rassameethes, independent director; and Mr. Saharath Boonpotipukdee, director. The Corporate Secretary was assigned as a secretary of the committee. The NRC held 10 meetings in 2017 to perform the tasks assigned by the Board of Directors as stipulated in the NRC Charter and had subsequently been reported to the Board of Directors. The followings were its main activities in 2017:

### 1. Review and Revision of Criteria of Director and President Nomination and Selection

The NRC had reviewed the criteria of director and president nomination and selection, and recommended some revision in order to ensure the clarity, transparency and effectiveness of the process. The revision which was made on (1) qualifications of directors to support the governance of EGCO to achieve its vision and corporate strategies and changes in economic situation, (2) procedure and timing of director nomination, (3) president succession planning and (4) remuneration policy for president was approved by the Board of Directors in its meeting no. 6/2017 on May 26, 2017.

### 2. 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 of 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 members of sub-committees to fill in the vacancies prior to proposing to the Board of Directors for appointment, taking into account the 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, and 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.

### 3. Self-Appraisal of the Board of Directors and the NRC

The NRC reviewed and proposed to the Board of Directors for consideration the Board's self-appraisal forms for both individual and a whole group including the NRC's self-appraisal form which was revised in 2015 to ensure that the forms still completely covered all required assessment aspects and complied with the SET's best practice. The Board

in its meeting no. 12/2017 on November 29, 2017 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 in 2017 as recommended by the NRC.

The NRC also conducted its self-appraisal of which the report was disclosed in the Corporate Governance Report.

#### 4. Nomination of President

The NRC considered qualified candidates and proposed to the Board of Directors to consider a nominee for President. Mr. Jakgrich Pibulpairoj, Deputy Governor-Business Development of Electricity Generating Authority of Thailand, was selected as a nominee who was later appointed by the Board of Directors in the meeting no. 10/2017 on September 22, 2017 as the President to replace Mr. Chanin Chaonirattisai, who tendered his resignation from directorship on October 1, 2017.

#### 5. Succession Planning

The NRC had followed up the executives' 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. Especially, the successors would be appointed to replace the key executives namely CFO and Senior Executive Vice President-Strategy and Asset Management who were retired at the end of 2017.

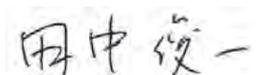
#### 6. Management Appointment and Employee Remuneration

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 remuneration of employees was determined mainly based on the company performance. The corporate bonus to be rewarded to the president, executives and employees was linked to the 2017 key performance indicators which were determined by the NRC at the beginning of the year, to motivate employees to drive the Company towards both short-term and long-term growth.

Due to the mandatory retirement of key executives namely CFO and Senior Executive Vice President- Strategy and Asset Management, the NRC had reviewed and adjusted the criteria and process for executive selection to ensure that the qualified successors were selected with the transparency, fairness and appropriateness. After due selection and consideration based on the rational criteria, the NRC eventually appointed the following executives to succeed the retiring ones with effect from January 1, 2018:

- Mr. Danuja Simasathien was appointed as CFO to replace Mr. Piya Jetasanon, and
- Mr. Gumpanart Bumroonggit was appointed as Senior Vice President-Strategy and Asset Management to succeed Mr. Sakul Pochanart

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.

As of December 31, 2017, the CC Committee was chaired by Associate Professor Dr. Chotchai Charoenngam, with 4 members, namely Associate Professor Dr. Nualnoi Treerat, independent director; Associate Professor Dr. Bordin Rassameethes; independent director; Mr. Jakgrich Pibulpairoj, EGCO's President and Mr. Wisak Watanasap, director who had been appointed by the Board of Directors in its meeting no. 13/2017 held on December 18, 2017 to replace the resigned director, Mrs. Puangthip Silpasart. The appointment was effective on January 1, 2017.

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 principles and promoting the corporate social responsibility policy with the ultimate objectives of the equitable treatment to all stakeholders, leading to the sustainable development.

In 2017, the CC Committee held 4 meetings, of which the significant issues were summarized as follows:

### 1. Good Corporate Governance

- 1.1 The CC Committee reviewed the good corporate governance policy and practices of EGCO Group with the reference of the Corporate Governance Code for Listed Companies 2017 issued by the Securities and Exchange Commission (SEC) and rendered sound recommendations for the development of EGCO's corporate governance mechanisms.
- 1.2 The CC Committee considered and endorsed EGCO Group's information disclosure policy and practices, prior to proposal to the Board of Directors for approval, to ensure the alignment of disclosure of both financial and non-financial and positive and negative information of EGCO Group. The information disclosed to the public must be correct, complete, sufficient and timely and must be kept confidential in accordance with good corporate governance principles and relevant laws and regulations. The Board of Directors, in its meeting no. 11/2017 held on October 27, 2017, approved EGCO Group's information disclosure policy and practices.
- 1.3 The CC Committee considered and endorsed the Investor Relations Code of Conduct, prior to proposal to the Board of Directors for approval, as a framework and practice guidelines for the Company's investor relations officers. This Code of Conduct, which was drafted with the reference of the Investor Relations Code of Conduct developed by the Stock Exchange of Thailand (SET), was approved by the Board of Directors in its meeting no. 11/2017 held on October 27, 2017.
- 1.4 The CC Committee considered and endorsed the 2018 action plans on CG activities and activities to promote anti-corruption. Also, in 2017, 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.

1.5 The CC Committee continuously promoted and encouraged the dissemination, communication and training of the anti-corruption policy and measures, good corporate governance principles and business ethics for directors, executives and employees to establish good understanding and correct practices, leading to the cultivation of corporate culture.

1.6 The CC Committee encouraged EGCO Group's subsidiaries to appropriately adopt anti-corruption procedures.

In 2017, Khanom Electricity Generating Company Limited, EGCO's subsidiary, submitted its self-evaluation tool as part of membership application to Thailand's Private Sector Collective Action Coalition against Corruption (CAC). The submission was now under consideration of CAC.

## **2. Corporate Social Responsibility for Sustainable Business Operations**

2.1 The CC Committee considered and endorsed a written "EGCO Group's Energy Conservation Policy", prior to proposal to the Board of Directors for approval, to extend the scope of energy conservation encompassing all companies in the Group. The policy was approved by the Board of Directors in its meeting no. 13/2017.

2.2 The CC Committee endorsed the projects on the improvement of quality of life of communities nearby power plants for the year 2018, covering support of local employment, development of children and youth, development of skills beneficial to occupation, promotion of sanitation and conservation of natural resources and environment.

2.3 The CC Committee followed up the progress of 2 long-term CSR projects which were "EGCO's Power Plants, Children's Schools", a community contribution project for child and youth development and "Khanom Power Plant Learning Center", a social contribution project to turn Khanom Power Plant Unit 1 into the Energy and Environment Learning Center, and the operation of Thai Rak Pa Foundation to conserve major watershed forests in Thailand.

The CC Committee reported to the Board of Directors after every meeting in accordance with good corporate governance principles.



Associate Professor Dr. Chotchai Charoenggam  
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 as one of the duties. For 2017, 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 by EGCO 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). Moreover, the Audit Committee considers the review to cover 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, and compliance risks. 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 managed to acceptable level.

In the Board's meeting no. 1/2018 on January 19, 2018, the Board considered and assessed the internal control by considering the internal control assessment result reviewed by the Audit Committee and acknowledged the risk assessment result in the company's strategic plan meeting. 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, the Management, or employees.
2. In the previous 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 2017 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 and constantly reviewed to ensure target achievements in consideration of fair treatment to all stakeholders to create sustainable shareholders' value both in financial and non-financial terms.
- 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 abided 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 in writing and publicly announced to be abided by all employees.
- The Board set Anti-Corruption Policy and endorsed the Anti-Corruption Manual in 2015 to be complied by directors and employees.

### 2. Risk Assessment

- As assigned by the Board, the Audit Committee proposed the draft risk management policy for the Board's approval. The Audit Committee also monitored and gave advice to the Management regarding the implementation of risk management policy and practices including future risks and prevention measures.

- According to the current organization structure, risk management is regarded as all divisions' and all employees' duties. Meanwhile, Risk Assessment Division was assigned to support the company's integrated risk management to ensure the efficiency and effectiveness of the integrated risk management and in line with EGCO's current business situation. In addition, the Management shall submit risk management report to the Audit Committee before to the Board for acknowledgement on a quarterly basis.
- Risk assessment is based on external and internal factors that might affect the target. Risk likelihood and impact are assessed and prioritized. Key risks are identified, then risk mitigation measures are implemented to manage such risks. EGCO considers the risk culture as the corporate culture that the importance of risk management is well aware of in everyone's work.
- In the year 2017, the Board approved EGCO Group's risk management philosophy to apply throughout the organization and to support enterprise-wide risk management complying with COSO Enterprise Risk Management Integrated Framework.
- The Audit Committee assigned the Risk Management Committee as the Management to conduct the study in applying the COSO ERM Integrated Framework. Risk Assessment Division collaborated with risk owners in preparing a study report to continuously present to the Audit Committee for consideration with target to be fully implemented in 2018. The Board has approved this activity as part of the Corporate Governance Strategic Plan.

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 Management who reported such performance to the Board for acknowledgement on a monthly basis.
- 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 2017 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 every 2 months 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 2017, 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 and that EGCO's document storage is reliable. The auditors who use the stored information had no recommendation on improvement.
- 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](http://www.egco.com) was provided as the communication channel for all groups of external stakeholders 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 are encouraged to perform 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.
- The Management and employees are required to study regulations and Code of Conduct and confirmed their compliance with the company's Code of Conduct via the company's intranet system.
- The adequacy and appropriateness of internal control systems was reviewed, and compliance with Anti-Corruption Policy was monitored by the Internal Audit Division regularly and proposed to the Audit Committee to endorse before proposing to the Board for acknowledgement.
- 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 2017, there was no significant finding for improvement on internal control systems.

## Employee Caring

In addition to business growth with satisfactory operating results, EGCO places importance on caring for its employees, human resources who has extreme value to drive business success. EGCO develops and implements the integrated policies for human resources management (HRM). The HRM policies comprise organizational structure and manpower planning aligned with Company's business strategies; fair recruitment and selection process; competitive remuneration and welfare package; fair and objective performance assessment; employee development plan to groom employees for their ultimate career potential and business goals; care of employees' safety, health and labor relations; together with increasing employee engagement and retention.

We believe that incorporating core values in business is a key driver for sustainable business growth. It is important to instill Company's core values in our employees' behaviors and to make those core values be core components of organizational cultures to enhance our business sustainability. EGCO's core values are as follows:

1. Teamwork
2. Result-oriented
3. Innovation
4. Ethics and Integrity
5. Stakeholder Concerns

## Recruitment and Employment Policy

EGCO emphasizes taking care for 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 2017, 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 overseas compensation package to attract employees to work at its overseas sites and to provide the appropriate costs of international living for the secondees on international assignment. The local national compensation and benefits were significant factors to consider when EGCO determined the overseas package.

## 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 do put emphasis on developing employees' knowledge and ability so that they can accomplish their works and get prepared to work overseas according to EGCO's strategic plan to expand its business internationally. The employee development is also to prepare the potential ones to assume key positions in the future. The employee development plan is linked to employees' competencies: comprising core competency, managerial competency, and functional competency. Moreover, core values implementation is an important fundamental in employee development in order to help achieve business growth in the same direction.

EGCO carries out various kind of development plan as follows:

- In-house Training and Public Training
- Knowledge Sharing within the Organization
- Knowledge on SHE Awareness
- Job Rotation
- Succession Planning and Individual Development Plan

### In-house Training and Public Training

EGCO has organized in-house training courses to develop employees' knowledge, skill, ability including personal attributes so that they gain a necessary level of knowledge and skill to productively and effectively perform their jobs.

The training process is as follows:

- (1) Identify performance gaps and assess training needs.
- (2) Create employee development plan according to position levels.
- (3) Implement the employee development plan.
- (4) Monitor and evaluate training results.



The in-house training courses are provided for employees at all levels, starting from officer level to top executive level, and are customized based on competency, training needs, and business direction. The courses are divided into three categories as follows:

Program	Position Level
Business Knowledge Program	All levels
People Development Program	Officer - Senior Officer
Management Development Program	First-line Manager to Senior Executive

In 2017, the in-house training programs were conducted for employees at all levels. Some were integrated with Company's core values such as "Inspiring Innovation". The training program for officers and first-line managers was "Analytical Thinking for Problem Solving and Decision Making". Some courses were arranged to support Company's competitive environmental strategy; that is, "Progressing on Sustainable Development Goals through Global Reporting Initiative (GRI) Disclosures" giving knowledge and practices of reporting Company's sustainability performance; and "Standards of Health and Safety Management System: TIS/OHSAS 18001". EGCO has also executed some training courses to create energy conservation awareness such as "Persistent Workplace Energy Awareness".

According to Company's succession plan, the executive development programs were implemented to prepare executives for succeeding higher-level positions with the learning and tools for managerial and leadership skills; for example, "Executive Program for Senior Executive Vice President (SEVP)" and "Coaching Program for Executive Vice President (EVP)".



EGCO supports sufficient budget resources for employees to attend public training courses, seminars and workshops so they gain knowledge and skills that help them more efficiently perform their functional duties and responsibilities.

### Knowledge Sharing within the Organization

EGCO encourages knowledge sharing within the Company to exchange useful knowledge among employees so the session is open to employees at all levels to gain information, knowledge and perspectives from experienced coworkers, executives or expertise in such matter. The knowledge sharing is a development approach to create learning organization, broaden employees' viewpoints, as well as apply the knowledge in jobs.

In 2017, EGCO conducted knowledge sharing sessions on "Working in Philippines" and "Working in Indonesia" exchanged the knowledge and experience by experts in international business from Siam Cement Group Public Company Limited or SCG and Banpu Public Company Limited or BANPU, respectively. The sessions aimed to prepare employees for international assignment.

Besides, some Workgroups have conducted the knowledge sharing for their own colleagues but open for others who are interested. The sessions were to share information and knowledge so employees have been more understanding of Company's business. For instance, Asset Management Division exchanged knowledge regarding basic electric power system, electricity generation process of power plant in different types and power plant maintenance.



### Knowledge on SHE Awareness

EGCO Group is committed to the effective prevention and management of safety, health and environment (SHE) affecting all employees and the community; therefore, the Group has encouraged its employees to attend the training on awareness of Safety, Occupational Health and Environment (SHE). In 2017, the average hour for SHE awareness training is equivalent of 12 hours per person per year; or 25% of all training hours.

Care of environmental impact and the community surrounding EGCO Group's power plants are also 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 17-hour training course on "Raising Environmental Awareness" has been organized annually.

### **Job Rotation**

EGCO has developed its employees' potentials by job rotation to expose employees to a wider range of operations. 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, including employees' potentials, education, work experience, and work performance.

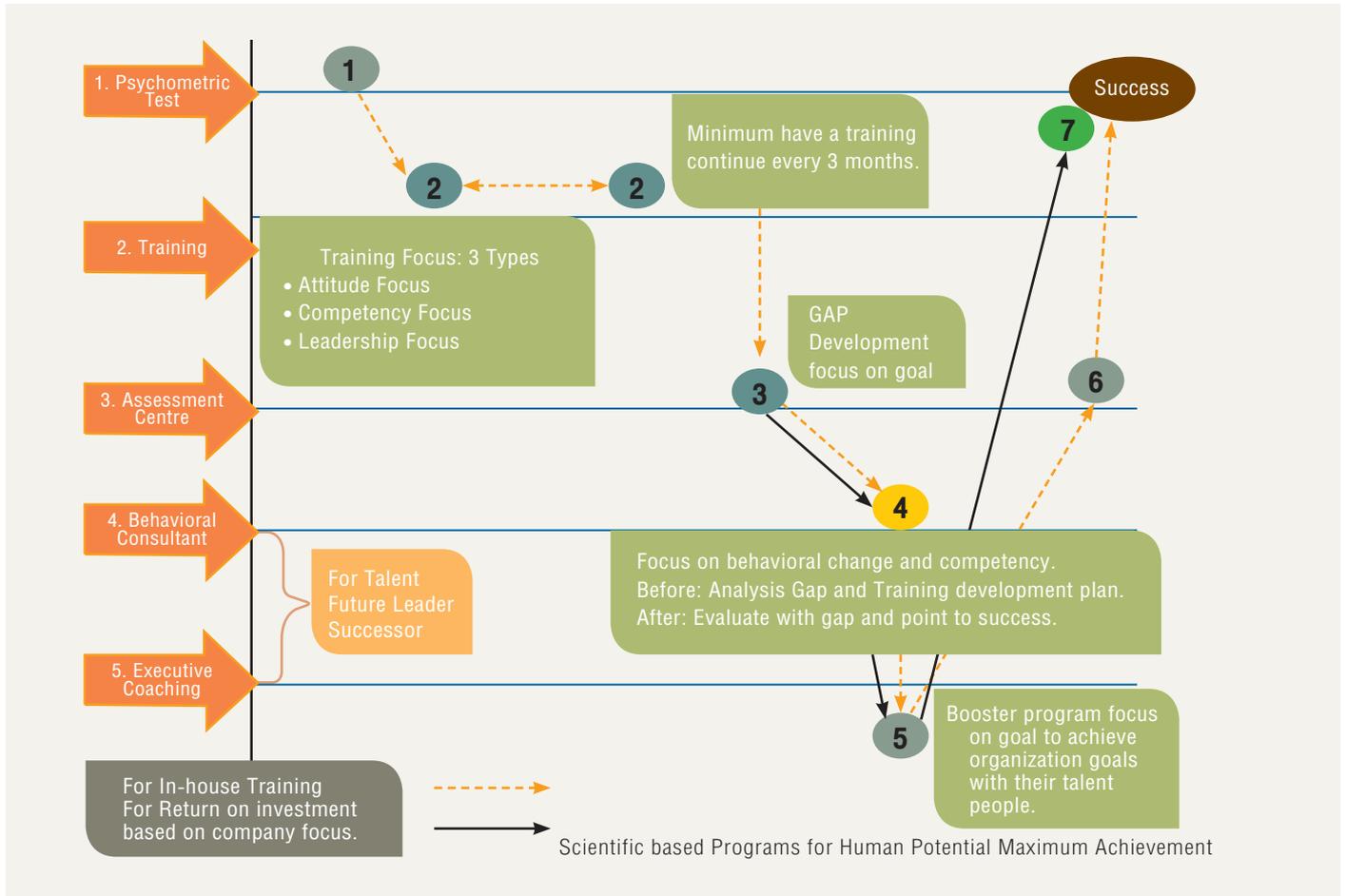
### **Succession Planning and Individual Development Plan**

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:

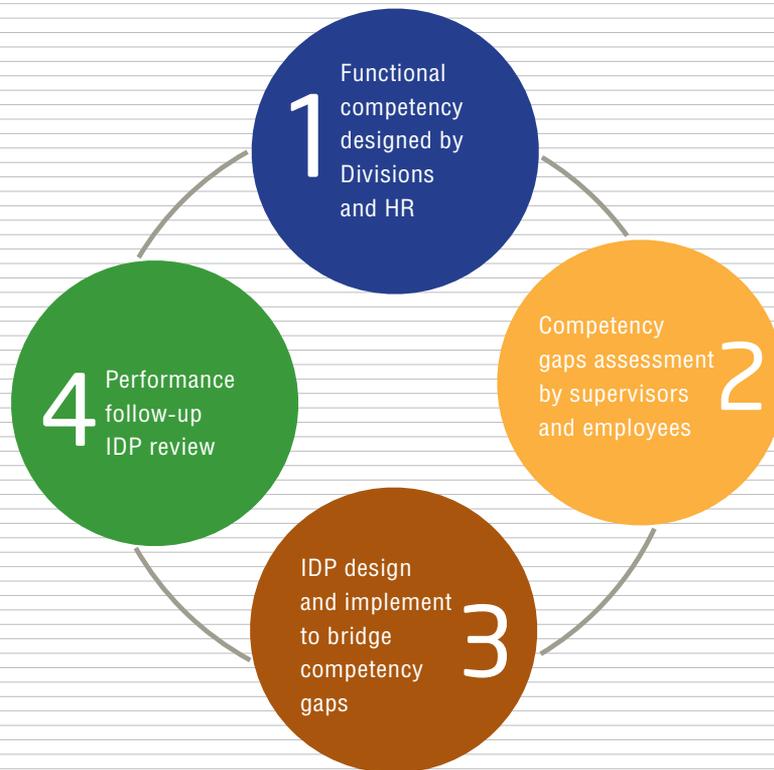
1. Criteria are defined for screening qualified persons to be in the eligible list.
2. The Management of each Workgroup nominates successors for both SEVP and EVP level positions based on education and direct or work-related experience.
3. "Management Assessment Test" is conducted on competencies and 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 (NRC).

In 2017, the Company executed the succession plan for executives at EVP level moving up to SEVP to replace those in the Workgroup who will retire at year-end. The successors were in the process of development as picture shown below:



As a result, the Management selected the potential persons for the positions to propose the NRC for consideration. The new executives were promoted to replace the Key Positions.

EGCO has adopted Individual Development Plan (IDP) as an employee development tool that emphasizes discussion and joint decisions by the employee and the supervisor on skills, abilities and knowledge needed to do the job. Then both the employee and the supervisor consider training and development process to fulfill the mutual goals of individual career development. Various training and development methods are applied; that is, On the Job Training, Project Assignment, Oversea Project Assignment, Coaching, Mentoring, Job Shadowing, Knowledge Sharing and Self-study.



### Internal Corporate Activities or Labor Relations

Internal corporate activities or labor relations provide opportunities for employees at all levels to meet and take part in the activities of the Company. This helps foster good relationship among employees, promote teamwork, and enhance the employees' good attitudes towards the Company. When the Company has cohesive culture, the employees feel that they are part of the Company. This leads to employee engagement to the Company.

In 2017, EGCO Group organized the following activities to build good cohesion among the employees together with to announce business operations and core value awareness.

**“Communication Day”:** The semi-formal town hall meeting between EGCO’s President and employees is held on a quarterly basis to inform information, news, and business updates both within and outside the Company together with to allow employees to raise opinions and enquiries to the executives.

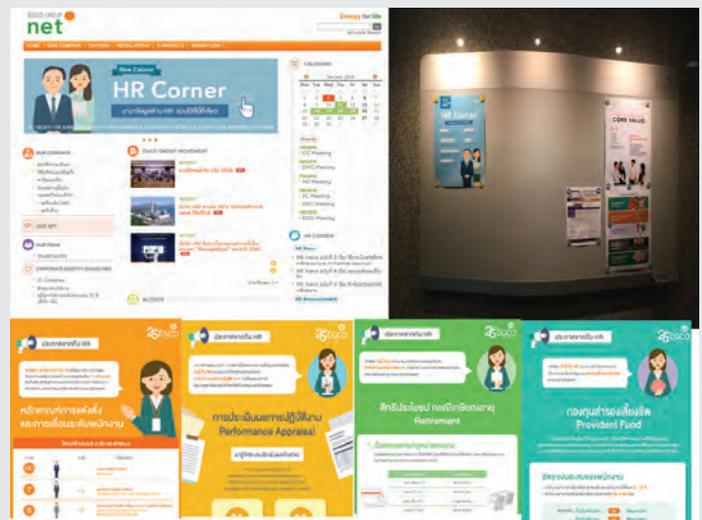
**“Dek Doi Project”:** The group activity focuses on building team cohesion among EGCO Group employees working in the holding company and other sites both domestic and international. The activity also aims to promote awareness and participation

in conservation of environment and sustainable use and management of natural resources. Such activity is combined theory into practice to learn that natural environment provides us with a wide range of ecosystem services. The group activity is held in forest environment of Doi Inthanon National Park such as forest trekking, camping in the forest.

Other internal relations activities aim at promoting good cultures in workplace and social traditions. In 2017 EGCO arranged Songkran Festival and Water Blessing Ceremony, EGCO Group's 25<sup>th</sup> Anniversary Celebration, Annual Ceremony for Paying Respect at Shrine of Lord Brahma (Phra Phrom), Annual Merit Making for Robe Offering (Pha Pa) Ceremony, and New Year Celebration and Annual Party. The Company has also supported activities of employees' clubs, such as Photo Club, Dharma Practice Club, and Sports and Recreation Club.

In addition, EGCO held some activities to promote employees' awareness on the company's core values; that is, Teamwork, Result-oriented, Innovation, Ethics and Integrity, and Stakeholder Concerns. For example, "Our Core Values - Easy Word" Contest was the competition in which employees proposed the only one word representing the five core values. The core values awareness was also linked into several company activities such as official opening of EGCO's Core Values at EGCO Group's 25<sup>th</sup> Anniversary Celebration.

Apart from those internal relations activities, employee retention is also important for the Company's culture. After EGCO conducted employee engagement survey in 2016 to identify factors that influence overall employee satisfaction and engagement in the workplace, the Human Resources Division has made some improvements responding to the survey results. Firstly, "HR Communication" Project is a new channel to share the information and guideline regarding human resources concerns such as benefits, performance appraisal, etc. via bulletin boards, posters and Company's intranet portal. Secondly, the other channel to communicate HR information is "HR Corner" in intranet portal which helps employees find information more easily and at any time they want.



## 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.

### Occupational health and Safety Operation Management

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. There is **Safety, Health and Environment Management System Manual** in order to guideline EGCO subsidiaries to operate strictly comply with relevant laws. Moreover, Emergency Response Plan is set for implement in case of emergency situation to recover damage as soon as possible.

### The Standard of Occupational health and Safety Operation

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	✓	✓	✓	TIS18001:2011
2	GPG	Natural Gas	✓	✓	N/A	
3	BLCP	Coal	N/A	ISO14001: 2004	✓	ISO/IEC27001:2005
4	EGCO Cogen	Natural Gas	N/A	N/A	N/A	
5	RG	Biomass	N/A	N/A	N/A	
6	GCC	Natural Gas	✓	✓	N/A	
7	NKCC	Natural Gas	✓	✓	N/A	
8	SCC	Natural Gas	ISO 9001:2008	ISO14001: 2004	N/A	
9	GYG	Biomass	✓	ISO14001: 2014	N/A	
10	NED	Solar	ISO 9001:2008	N/A	*	
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	✓	N/A	N/A	
16	TWF	Wind	N/A	✓	N/A	
17	Solarco	Solar	✓	N/A	N/A	
18	CWF	Wind	N/A	N/A	N/A	
19	NTPC	Hydropower	N/A	✓	✓	
20	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	
21	SEG	Geothermal	✓	✓	✓	ISO/IEC17025:2008
22	BRWF	Wind	N/A	N/A	N/A	
23	MPPCL	Coal	N/A	✓	✓	

\*Remark: expect to get certification in Feb 2018

### Occupational health and Safety Operation awarded in 2017

- KEGCO** ★ National Safety Health and Environment Award (Gold) by Ministry of Labor.
- RG** ★ National Safety Health and Environment Award for the 8<sup>th</sup> consecutive year (Diamond) by Ministry of Labor.
- ★ National Labor Relations and Welfare Award for the 5<sup>th</sup> consecutive year by Ministry of Labor.
- ★ Silver Award (National) in the workplace safe, disease-free, body pleasantly by the Department of Disease Control, Ministry of Public Health.
- ★ Good Occupational Health Management Award by Ministry of Public Health.



### Occupational health and Safety Operation Performance

In 2017, 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 3.06 and 482.45, respectively. This is resulting from one accident case causing a contractor's death at BLCP. After this accident, BLCP 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.

In addition, EGCO group's power plants continue to improve the working guidelines for the highest safety standard by setting clear annual goal, objective and action plan as well as closely monitoring and assessment to prevent any accident occurrence. As a result, there are improvement in quality of life of the employees and contractors along with the reliability of property in EGCO group. The safety and occupational health guideline includes;

- Conduct specific safety training courses for employees and contractors to ensure their full understanding and following of the guidelines
- Conduct job risk assessment beforehand and identify the ways to mitigate or eliminate such risks
- Require special working permit in hazardous area or activities such confined-space entry permit, hot-work permit, etc.
- Ensure that everyone wears proper personal protective equipment (PPE) at all times
- Conduct and exercise emergency response and rescue plan in case an emergency
- Conduct and exercise evacuation plan in case of fire or an emergency

In 2017, EGCO Group has an Accumulated Safety Hours of both employees and contractors of 42,795,379 hours.

### Activities for promote Occupational health and Safety Operation

EGCO realizes the significance of good occupational health and safety operation, the 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.



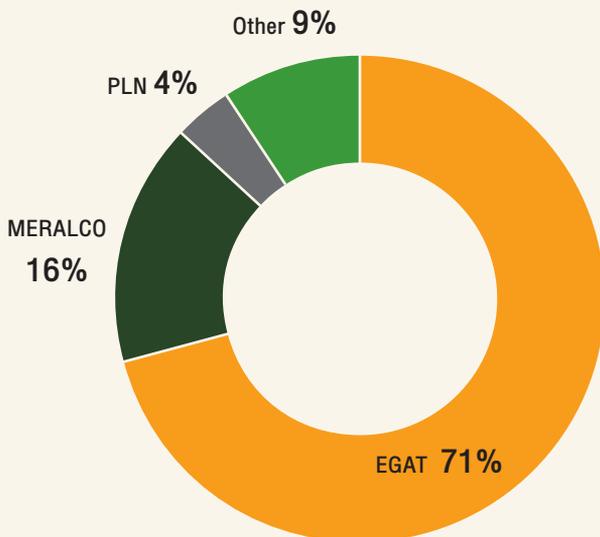
## Responsibility towards the Community and Society

### Value Chain Management

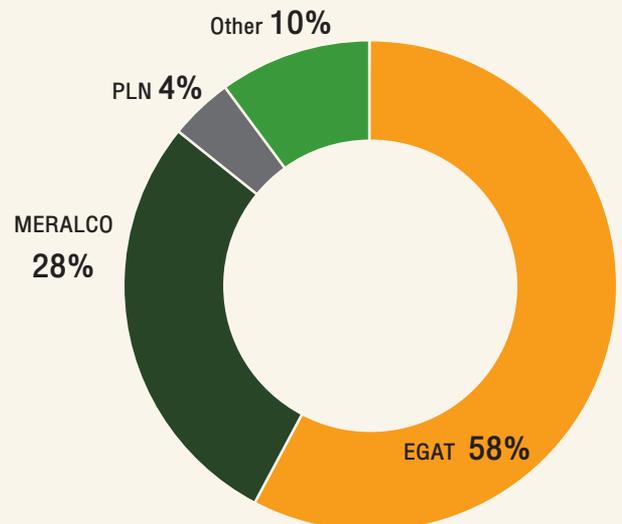
EGCO commits to operating its business on a sustainable basis with good corporate governance for community, social, and environmental benefits. The Company thus places importance on efficient supply chain management to prevent and reduce possible impacts in the areas of environmental and social risks, business partners relationship and strategic partners, which might have affected customers' and stakeholders' trust on the business operation.

### Customer Relationship Management

In 2017, EGCO commercially operates a total of 28 power plants which located domestically and internationally, with a total equity contracted capacity of 4,574 MW. The equity contracted capacity mostly has an agreement to sell electricity to Electricity Generating Authority of Thailand (EGAT), amounted to 3,247 MW, followed by Manila Electric Company (MERALCO), amounted to 749 MW, and PLN, amounted to 175 MW. The remaining capacity sell to Energy Australia Pty Ltd., Industrial Users (IUs) and Provincial Electricity Authority (PEA), respectively.



Customer classify by equity contracted capacity



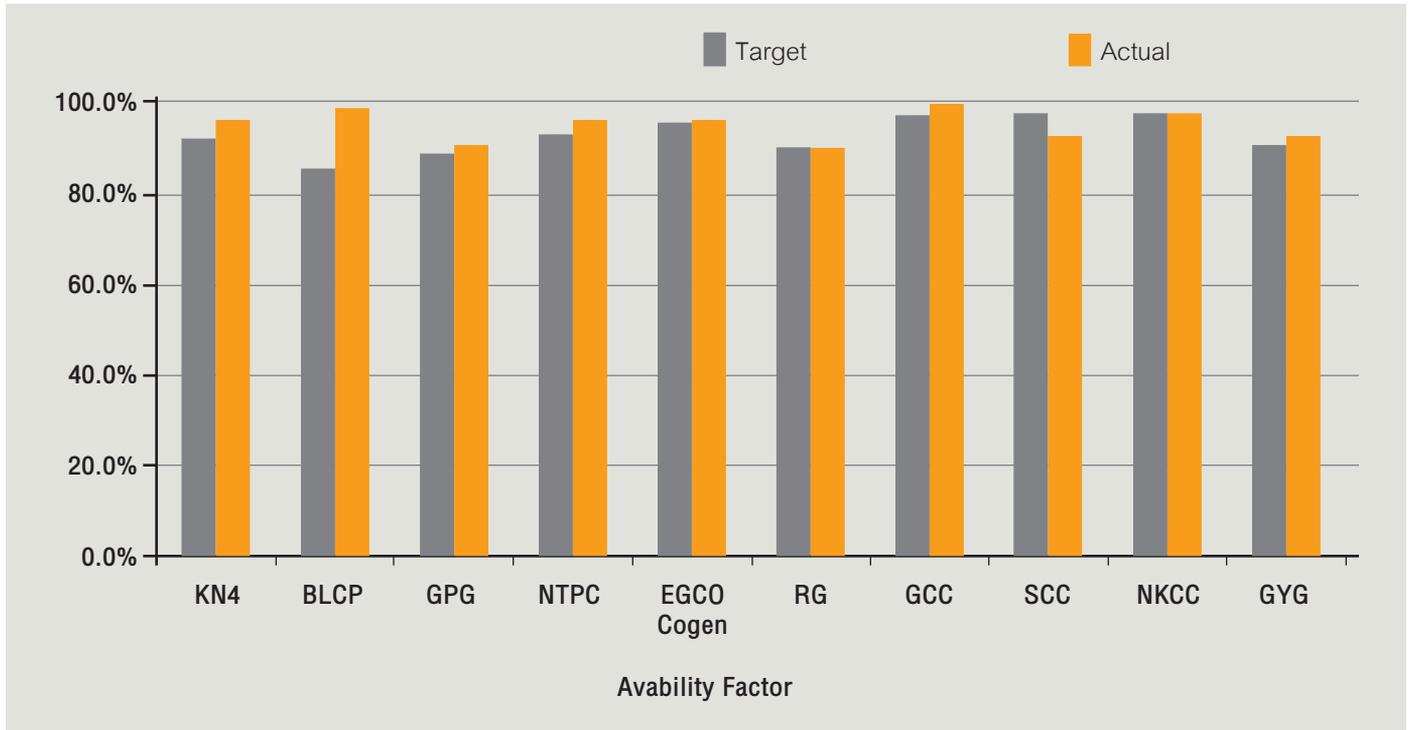
Customer classify by equity revenue

Furthermore, when considering customers based on equity revenues, electricity revenues from EGAT is up to 58%, followed by MERALCO and PLN in the proportion of 28% and 4% respectively. Obviously, in terms of equity contracted capacity and equity revenues, EGAT is a key customer.

EGCO is therefore committed to operating and distributing power supply in accordance with electrical system standards and Power Purchase Agreement (PPA) with EGAT, to ensure adequate power supply to the system consistently and being a part to support the reliability of the Nation's power system.

Under the PPA with EGAT, the Contracted Available Hour (CAH) has been set yearly throughout the term of the agreement. The capacity to operate as prescribed in the agreement is thus a critical factor that will enhance EGAT's satisfaction since the customer needs has been fulfilled. Each year, EGCO power plants will use CAH for the calculation of Availability Factor which

will be set as a key performance indicator (KPI) of all power plants. EGCO's target is to operate the power plant with a higher availability factor that specified in the agreement. During this year, the availability factor of EGCO power plants compared with the target can be illustrated in the chart below:



The Chart shows that most of EGCO power plants can maintain the availability factor at the rate higher than the target, except for SCC Power Plants of which the availability factor was below the target. It was caused by partial discharge, arising from the deterioration of insulation. Corrective actions were taken by replacing new insulation and conducting regular checks to prevent recurring incidents.

To ensure that all customers' expectations are fulfilled, customer satisfaction has been set as one of the KPIs for KEGCO, EGCO Cogen, RG, and ESCO. The target of satisfaction level was set at 85% and the results of the survey are shown in the table below,

	Target	KEGCO	EGCO Cogen	RG	ESCO
Satisfaction Level	85%	91%	93%	91%	94%

In 2017, ESCO, a provider of operation, maintenance, engineering and construction services, received "Partnership Supplier Award" from BLCP Power Plant. It was the greatest award granted to the business partner demonstrating excellent performance and standards for 3 consecutive years.

## Business Partner Relationship Management

EGCO believes that “business partners” are crucial part in supporting its business to deliver a quality and punctual services with fulfillment of a defined condition. Thus, the Company is committed to the treatment of our business partners based on equality and fairness, taking into account common benefit, developing an opportunity for knowledge sharing, experience and expertise between EGCO Group and business partners.

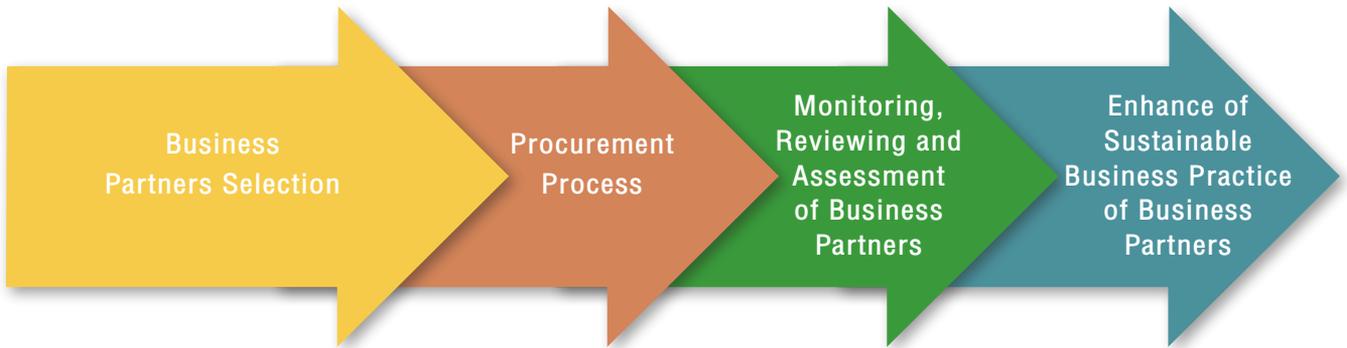
EGCO Group’s power generation business can be divided into 3 major stages starting from business development, project management and asset management. In each stage, EGCO Group has to enter into transactions with a wide range of business partners, ranging from small domestic companies to large multinational corporations. Partner relationship management thus varies based on risk level and severity of possible economic, social, and environmental impacts.



1. Business development: EGCO continuous seek new investment opportunities both greenfield projects and operating assets. Business partners at this stage are advisor. In 2017, the total value accounted for approximately 22 Million Baht.
2. Project Management: EPC Contractors are major business partners responsible engineering work, procurement and construction including commissioning work to ensure that power plants can commence its commercial operations on schedule. The total value of equity EPC contractors for 5 projects under construction accounted for approximately 9,000 Million Baht.
3. Asset Management: Fuel suppliers are key business partners. EGCO Group’s natural gas and coal-fired power plants have a long-term fuel supply agreements with fuel suppliers. Although biomass power plants have not a long-term fuel supply agreement, they have a fuel management team to monitor and mitigate risk from fuel shortages. In 2017, equity fuel costs of power plants can be summarized in the table below:

Country	Fuel	Fuel Cost (Million Baht)	Supplier
Thailand	Natural gas	14,934	PTT Plc.
	Coal	4,706	ACH
	Biomass	195	Local fuel supplier
Philippines	Coal	2,105	ADARO

**Four phase to Partner Relationship Management**



**Business Partners Selection**

EGCO recognizes the importance of supplier and contractor 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 suppliers registered or having established offices or branches in Thailand or countries where EGCO has business expansion. Local recruitment is also emphasized to contribute to the country’s industrial development and reduce operating expenses with enhanced efficiency.

**Procurement Process**

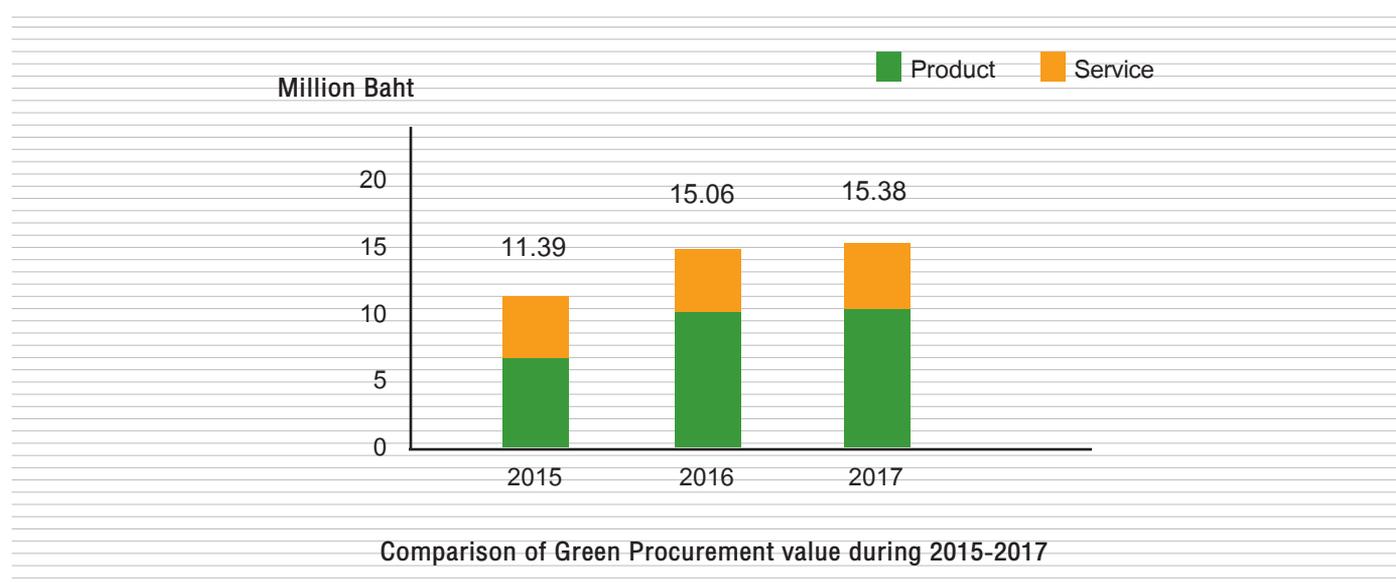
EGCO has put in place a product and service procurement process along the entire business operation, taking into account the relevant internal and external stakeholders and being aligned with the procurement policy. This ensures that the Company will be able to procure quality and reliable products and 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. EGCO adheres to procurement regulations with clear procedures and practice in order to maintain sustainable relationship with business partners and confidence in one another.

All EGCO’s business partners are required to sign “EGCO Code of Conduct for Business Partners” during the procurement process. This is to inform them of EGCO’s commitment to operating sustainable business by adhering to good corporate governance principles, ensure fair business management and efficient and transparent management system, and promote its

suppliers and contractors to conduct business with ethics 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. In 2017, there was no dispute or lawsuit between EGCO and business partners.

Furthermore, in an attempt to reduce adverse impacts on the society and environment, EGCO recognizes the importance of **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 and 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 2017, EGCO procured environmentally friendly products and services worth totally 15.38 million Baht, or increased by 2% from 2016.



### Monitoring, Reviewing and Assessment of Business Partners

For the projects under construction, project management unit are assigned to be responsible for monitoring and supervising the contractors' work, including the assessments of work in progress at site. The progress report and measures to control social and environmental impacts as well as labor and safety measures are closely monitored. Furthermore, a report on social and environmental impacts is regularly submitted to related government agencies and financial supporters, i.e. banks and other financial institutions until the project completion and commencement of commercial operation.

In addition, to ensure that business partners are regularly aware of and care for sustainable business operations, EGCO submits a self-assessment form to existing business partners with questions relating to good corporate governance principles, ethical business operation in terms of anti-corruption, corporate social responsibility, human rights, and occupational health and safety as well as impacts on the environment. In 2017, EGCO conducted an assessment of 83 existing business partners, the result showing that our business partners operated business based on the principles of sustainable business practices.

### Enhance sustainable development of Business Partners

As mentioned earlier, it is obvious that EGCO's major business partners are EPC contractors, natural gas suppliers, and coal suppliers. All of them are large domestic and overseas companies that apply best sustainable business practices, especially PTT Plc which was selected for a membership of Dow Jones Sustainability Indices (DJSI) for 6 consecutive years.

Furthermore, EGCO encouraged employees to join the "PTT Groups SDGs Green Week 2018" seminar during January 15-17, 2018, organized by PTT. The objective is to share experience to be an excellence in safety, health and environment management among PTT, stakeholders and related government agencies.

Moreover, BLCP Power Plant regularly hold a Suppliers Day to communicate its business conduct policy and future business opportunities with suppliers as well as give an opportunity for executives, employees, and suppliers to mutually share information or opinions for long-term sustainable growth and good partnership. It was also an opportunity to extend an admiration and present a Partnership Supplier Award to the companies with excellence performance to further maintain quality of work to the next higher level.

### Strategic Partner Relationship Management

EGCO Group's strategic partners consist of both domestic and international companies, such as

- Banpu Plc. holds 50% stake in BLCP Power Plant
- J.Power Holding Co., Ltd. (Thailand) holds 49% stake in GPG, GCC, NKCC, SCC, and GYG Power Plants
- EDF International Co., Ltd. holds 40% stake in NTPC Power Plant
- AES Philippines Co., Ltd. holds 51% stake in MPPCL Power Plant

EGCO acts as a good strategic partner by conducting its business with fairness, transparency, and accountability. Throughout 2017, EGCO Group held meetings with strategic partners to share opinions, accept complaints and recommendations on a monthly basis. EGCO Group also undertaken activities, such as field trips, sports, etc., with strategic partners to foster good relationships.

### 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 promote participation in improving community quality of life in 2017 through the following significant activities:

- **Arrangement of Knowledge-Sharing Activities to Promote Participation in Development of Community Quality of Life among EGCO Group Power Plants (2015-Present)**

Knowledge-sharing activities to promote participation in development of community quality of life among EGCO Group power plants are part of continuous development of operations in alignment with international practices and outside expectations on the role of business sector in the participation in community development. This is to ensure that all EGCO Group power plants and communities can coexist in a sustainable way.

The objective of this activity is to promote knowledge sharing among community relations practitioners of EGCO Group power plants, **especially on the issues of outside expectations, new knowledge beneficial to the operations**, and study visits on community development in actual areas as well as compile and define lessons, learned from community development practices of different types of power plants varying in terms of impacts and community contexts, to serve as guidelines for EGCO Group power plants' future operational improvements. Details of past operations are as follows:

- ◆ In 2015: knowledge sharing on an analysis of contexts and impacts of power plants on communities and a study visit of BLC Power Plant
- ◆ In 2016: knowledge sharing on stakeholders of power plants and a study visit of Khanom Power Plant
- ◆ In 2017: knowledge sharing on assessment of success of community projects, especially in determination of key performance indicators, and a study visit of Lopburi Solar Power Plant, Lopburi Province along with a visit of GreenEducation learning center which was established to disseminate knowledge to the general public

In 2017, there were 40 participants coming from EGCO Group's Committee on Promotion of Participation in Community Development, community relations practitioners from EGCO and EGCO Group power plants both in Thailand and overseas as well as practitioners from the Asset Management Division and the Corporate Communications Division.

## Opinions of Participants EGCO Group's Knowledge-Sharing Activities to Promote Participation in Development of Community Quality of Life in 2017



Mr. Chuckie Rivara, CSR Manager, Quezon Power Plant

"The knowledge sharing activity and study visit of NED's Lopburi Solar Power Plant enable me to perceive successful operations reflected by good community cooperation. This demonstrates the capacity of power plant to coexist and gain trust from the community which is a critical factor for sustainable coexistence."



Mr. Olay Phommavong, Senior Gov. Coordinator, Nam Theun 2 Power Plant

"From this activity, I have gained plenty of beneficial knowledge and information together with lessons learned from other power plants that could be applied to CSR initiatives of Nam Theun 2 Power Plant to become more multidimensional."

Mr. Panawaj Udomthong, EGCO Asset Management Officer

"Good community cooperation is a key success factor of NED's CSR initiatives. The community leader, in particular, has a vision and inspiration to continuously engage in community development. Win-win Cooperation between the power plant and the community thus leads to a great success."



### 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 GreeNEDucation 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 2017, there were 29,500 visitors in total at EGCO Group power plants and learning centers (only those of which EGCO holds more than 50% stake).

### Establish a tri-party collaboration in community development

EGCO realizes that good relationship will allow sustainable coexistence with the community, which is a crucial factor affecting its business sustainability. EGCO Group power plants 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. The operations of EGCO Group power plants are as follows:

**IPP Power Plants** comprises Khanom Power Plant, BLCP Power Plant, and Quezon Power Plant. The tri-party collaboration is 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 holds one meeting per quarter to jointly plan and give opinions on community development operations of power plants.

To participate in the community and environmental development, Khanom Power Plant has also established subcommittees to ensure efficiency in all steps for promoting participation, ranging from the project proposal to be approved by the stakeholders in the village-level committee to the project consideration of the Committee on Screening of Community Development Plans presided by the sheriff and comprising committee members, namely community representatives from 3 sub-districts in Khanom District as well as representatives from the Environmental Volunteer Committee and Khanom Power Plant. To take part in following up the environmental operation, an environmental volunteer team has been set up and comprised representatives from public health agencies, representatives from private hospitals, volunteers from subdistrict health promoting hospitals, professional association representatives, and power plant representatives as a team secretary.

**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, Chaiyaphum 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:** In 2017, there was no project under development and construction. However, in case where there are projects under development and construction, the Company will hold a public hearing for the community since the project development stage according to the legal framework and requirements of EIA, and participate in development of community quality of life through community relations activities that meet the community needs on a continuous basis.

In addition, EGCO Group power plants undertook activities for the community and youth to visit power plants in 2017 as follows:

- “Morning Coffee Talk” Activity by Khanom Power Plant



The activity was held to foster relationships among executives and employees of Khanom Power Plant, representatives from both public and private sectors, entrepreneurs, clubs, general public, and different agencies in Khanom District, exchange opinions, and report on progress of each agency and other PR news. There were approximately 140 participants in each morning coffee talk.

- “Open House” activity was held to welcome a group of students to visit Roi-Et Green Power Plant, which was a model biomass-fired power plant in Roi Et Province, and study the process of generating electricity from biomass derived from agricultural leftovers, and power plant’s environmental management. The activity was attended by 200 students.



### Support of Local Employment

In 2017, EGCO Group power plants continued to support employment of community people for income distribution and improvement of their well-being. More than 90% of labor employment (excluding full-time employees) came from local labor living in the areas where power plants were located.

Quezon Power Plant in Philippines promoted local employment through employment in the cooperative group. It originated from the forest restoration project conducted in 2541 that Quezon encouraged people living in the Barangay community to assemble and carry out the project through a community cooperative. This triggered an extension of results by entering into an employment contract with local labor. The Cagsiy 1 Multi-Purpose Cooperative, Inc (C1MPC) initially consisted of 40 community members from the forest restoration group with the major objective to employ local labor to perform duties in various divisions of the power plant. At present, there were up to 732 members and revenues from the initial capital of 20,000 Php increased as follows:

Share Capital Php	7,153,448.96
Total Assets worth Php	39,784,622.10
Total Liabilities Php	26,204,613.24
Net Surplus Php	4,661,319.46 as of October 2017

Apart from the results generated to the cooperative, there were also a total of 252 unemployed people who currently enjoyed stable income due to the employment contract entered into between them and the power plant to perform various duties.

### Implementation of Projects for Communities Surrounding Power Plants

In 2017, EGCO power plants implemented a total of 84 projects for development of quality of life of communities nearby power plants in accordance with the operational framework, comprising of Development of Children and Youth 17 projects, Development of Skills Beneficial to Occupation 14 projects, Promotion of Sanitation 19 projects, Improvement of Public Utilities 16 projects, Conservation of Natural Resources and Environment 18 projects.

	No.	Operational Framework
Major	1	Support of Local Employment
	2	Development of Children and Youth
	3	Development of Skills Beneficial to Occupation
	4	Promotion of Sanitation
Complementary	5	Improvement of Public Utilities
	6	Conservation of Natural Resources and Environment

#### Community Development Operational Framework

## Important Activities in 2017:

- Youth Development Project (2017-2021)

EGCO Group initiated the Youth Development project to celebrate the Company's 25<sup>th</sup> anniversary, which is a 5-year project (2017-2021) aiming at improving capabilities among youth surrounding EGCO Group power plants. This project reflects EGCO Group's commitment to continuous community support and development everywhere it operates business, especially in child and youth development, by focusing on the use of its key competency in electricity generation, in terms of both locations of power plants and knowledge. EGCO Group's employees will volunteer and collaborate with local communities to jointly develop youth through a variety of activities covering 3 major areas: promotion of sanitation of youth for good learning, promotion of learning and development of energy and environmental skills, and awareness raising on energy and environmental conservation. In 2017, some important activities under the project were as follows:

- Support of Vocational Scholarships to the 1<sup>st</sup> Batch of Students

25 free scholarships were awarded to each of the 5 batches of continuing students in vocational and high vocational certificate levels, of which the recipients had no obligations to work for the Company. The objective was to give youth having high GPAs but lacking financial resources in 49 schools nearby power plants the opportunity to pursue vocational and high vocational certificates in 6 electrical industry-related fields beneficial to their basic living, and increase the proportion of skilled and effective labor force in the labor market as a key driver for Thailand's economic development. Those fields included Automotive Technician, Industrial Technician, Electrical Power Technician, Electronics Technician, Maintenance Technician, and Mechatronics. The value of scholarships amounted to 60,000 Baht per academic year for students at vocational certificate level and 70,000 Baht per academic year for students at high vocational certificate level. In 2017, there were 24 students awarded with vocational scholarships.



Scholarship Student Orientation Activity, by leading scholarship students to enhance their knowledge on electricity at EGAT's Wang Noi Power Plant, located in Phra Nakhon Si Ayutthaya Province and EGCO Group's Lopburi Solar Power Plant, located in Lopburi Province, as well as visit the exhibition of Green Education inside Lopburi Solar Power Plant to develop an understanding of electricity and gain inspiration to pursue careers in the future.

## Feelings of Youth and Teacher Participating in the Vocational Scholarship Activity



Mr. Ratthathammanun Suthiprasert or Dew, a student from Wat Map Kha School (Map Kha Witthayakan), Niknom Phatthana District, Rayong Province “All staff of EGCO Cogeneration Power Plant have provided us with educational guidance and information about good scholarships. I am very happy to receive a scholarship and much happier and excited to receive it by myself today and has a chance to visit the real power plant. I would like to sincerely thank all staff for bringing us these good scholarships that could really relieve my family burden as well as teachers for coordinating with the scholarship donor throughout the process.”



Teacher Duendara Polsaen, a teacher from Thung Thoeng Ying Wattana School, Det Udom District, Ubon Ratchathani Province, said that “Long-term vocational scholarships under the “EGCO’s Power Plants, Children’s Schools” project are very beneficial for students because they give students the opportunity to continue higher studies. I would like to extend my sincere gratitude to EGCO Group’s executives and staff for promoting and offering educational opportunities to children in return for the society.”



### - Development of Public Utilities for Youth Sanitation Activity

EGCO Group conducted a development of public utilities activity for schools nearby power plants to promote good sanitation to students which would be a foundation for learning in other areas. In 2017, the activity was carried out in a total of 24 schools in the areas of 9 EGCO Group power plants. The Company also planned to develop public utilities in a total of 46 schools by 2018.

### - 1<sup>st</sup> Batch of Energy and Environmental Conservation Youth Camp Activity

The activity aimed to enhance knowledge and understanding, raise awareness of energy and environmental conservation through hands-on experience, and improve thinking skills, answer finding, conclusion identification which would lead to inventions of preventive and corrective actions for surrounding energy and environmental problems. In 2017, there were up to 80 participants, comprising up to 40 junior high school students and around 20 assistant teachers from 19 schools nearby EGCO Group power plants, who were selected to learn from off-campus experience in this youth camp at Ruam Tawan Center, Saiyok District, Kanchanaburi Province.



## Projects on Development of Skills Beneficial to Occupation

### • Khanom Power Plant Learning Center for Organic Agriculture Project

The project was developed from the Organic Living for Sustainable Development project to support and promote the School Lunch Project in schools in Khanom District, Nakhon Si Thammarat Province, by supporting vegetable, livestock and freshwater farming for preparation of lunch recipes in schools. In 2017, the volume of vegetables gathered amounted to 3,000 kilograms and 2,000 kilograms was offered to Pun Thao Kong Shrine during the vegetarian festival.

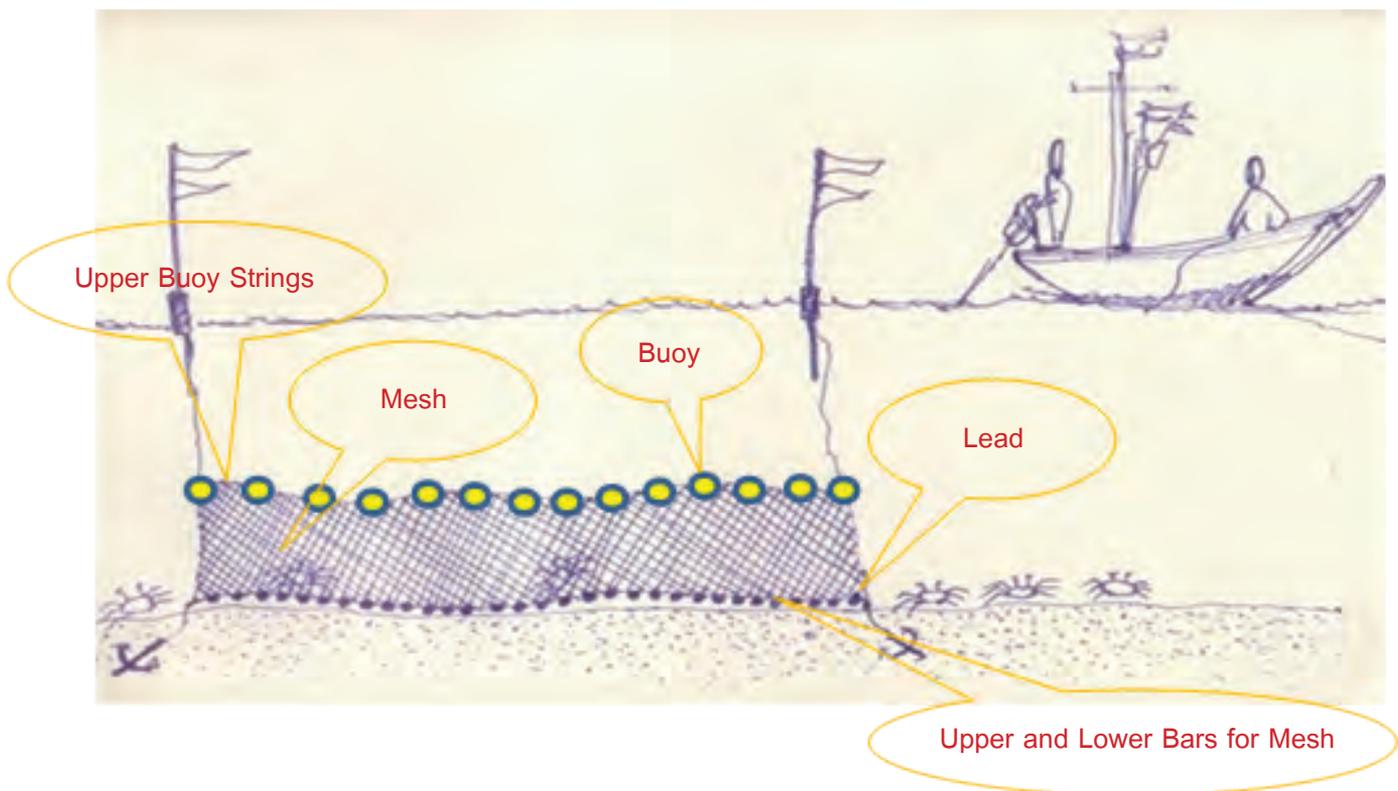
Being succeed in Khanom power plant in 2012 by a group of voluntary employees in collaboration with local agencies specializing in agriculture biotechnology. Bring up knowledge and expertise, setting up a demonstration plantation area in the power plant, and shared trials in eco-agricultural and agricultural product development. It covers the production of organic fertilizers. The production of insecticides and pesticides derived from locally natural ingredients. Workshop and training for interested persons in Khanom were arranged and carried out in 2013 onwards.

Later on, during 2015-2017, initiatives and experiments in the demonstration area have been tested, then the area have been developed into a learning center, “**Khanom Power Plant Sustainable Agricultural Demonstration and Learning Center**” project, aiming to help fighting rural poverty and ensuring the sustainable management of natural resources and reducing inequalities in the ownership of and access to productive assets by promoting sustainable agriculture to improve quality of life for the elderly, handicapped, and needed people to earn sufficient income for their livings. The project included;

- *Demonstration area for workshop and plantation of organic vegetables that match with local market's demand* such as the Chinese Kale, Choy, Tomato, Melon, Beans, and etc.
- *Mushroom house*, demonstrates the control system in mushroom planting.
- Collaboration with Surat Thani Department of Agricultural Extension in developing the production of bio fertilizer, *using fungus based ingredient, promoting soil protection* in agricultural activity.
- *Promotion and occupational development of organic farming in Khanom*. Ranging from foster integration. Allocation plantation species selection, training of product marketing and distribution, certification of GAP (Good Agriculture Practice) by the Department of Agriculture. Moreover, the contract with the Tesco Lotus, as major buyers were arranged, along with trusted quality control in packaging and logistic management by Pran Fresh Co.,Ltd., and Ek-Chai Distribution System Co.,Ltd.

### • BLCP Crab Nets Social Enterprise (BLCP Power Plant, Rayong Province)

BLCP Power Plant was located on the coast. Its major stakeholders were 13 small fishing-boat local fishery groups in Mueang and Ban Chang Districts. They set up a small fishing-boat local fishery community enterprise comprising around 500 small fishing-boats. Approximately 80% of members earned a living by laying crab nets and thus have to buy expensive materials and equipment, without installment payments provided, to make crab nets which took 20 days to be completed. Sometimes they could not manage to make crab nets right in time for the crab season, they then missed opportunities and lost income. In 2017, BLCP Power Plant initiated a project under the master plan for sustainable development of quality of life of small fishing-boats local fisheries with the objective to develop readymade crab nets to be used in time for the crab season to enable them to generate stable income and make a sustainable living. In this regard, the participating members could buy crab nets at cost prices and on installments and get loans from the saving and credit cooperative established by BLCP. The dividends received would be circulated in the group. Initially, BLCP Power Plant collaborated with members of 10 fishery groups under the small fishing-boat local fishery community enterprise in Mueang and Ban Chang Districts. There were 79 interested members from 6 fishery groups participating in the project, all of them were those making crab nets and use them for their living.



- **NED-CSR Center for Community Participation Project** was a model project for demonstration and experiment to become a learning center for community people's self-reliance on renewable energy in agriculture that could actually be used in households and further continue to become a learning center of renewable energy for sufficiency economy to disseminate knowledge to schools and communities in the areas. The objective was to develop this learning center to be equipped with knowledge and a variety of activities and area utilization.

In 2017, the results of knowledge dissemination within the experimental area in NED CSR Center were extended to the communities and employees by developing the "NED Solar Cells for Ban Chor Muang Agricultural Land Plots" project to disseminate and pass on knowledge on the use of solar energy with agriculture in households to reduce expenses and promote self-dependence in terms of resource capital cost. The project was firstly conducted in Ban Chor Muang community as a model community for a learning center and further extended to other communities. The dissemination of knowledge and technologies covered the application of solar-powered water pump systems to water agricultural land plots in households, the plan to plant home-grown vegetables to reduce expenses/increase income for households to be developed in to model families of sufficiency economy, and the employee participation in learning and experiment with growing vegetables in the mock-up plots in front of Lopburi Solar Power Plant Office.

- **Skill and Occupation Development Project (Quezon Power Plant, Philippines)** has been carried out, in collaboration with Philippine Business for Social Progress (PBSP), to provide skill development trainings for Mauban community since 2004 and promoted the development of community enterprises and activities until present. In 2017, local products of housewife groups were continuously produced and distribution of agricultural and meat products in the community cooperative and Quezon Power Plant canteen was promoted to ensure adequate distribution channels of products that were in continuous demand as well as initiate a pilot project of bee farming of Buklurang Magsasakang Mauban Group.

## Community and Social Contributions

In 2017, EGCO power plants made contributions of over 285 million baht 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 124 million baht.

### Social Contribution Projects

#### *Promotion of Learning about Energy and Environmental Conservation among “the Youth”*

In 2017, 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:

- **Khanom Power Plant Learning Center Project**

To promote knowledge and understanding of electricity generation processes and give youth, community, and external organizations an opportunity to benefit from EGCO Group power plant as a learning center for electricity generation processes in the actual place, the **Development and Improvement of Khanom Power Plant Building Unit 1** project was therefore initiated. Khanom Power Plant Unit 1 was Thailand's only one power plant that was specially built on a large vessel assembled in Japan, of which the commercial operation contract was already expired, into **Khanom Power Plant Learning Center, Nakhon Sri Thammarat Province**, which was expected to be completed by 2018.



*Khanom Power Plant Unit 1*

Thailand's only one power plant specially built on a large vessel assembled in Japan to accommodate the country's immediate needs for electricity during mid-year electricity shortage. This power plant is therefore of great importance and value in the history of Thailand's electricity business.

#### *Conservation of “Watershed Forest” Natural Resources*

**Thai Rak Pa (Thai Forest Conservation) Foundation** was established according to EGCO Group's commitment to supporting the preservation of environment and watershed forests for sustainability in alignment with the royal intention of His Majesty the late King Bhumibol Adulyadej and Her Majesty Queen Sirikit in the reign of King Rama IX, that encouraged their subjects to take care and preserve watershed forests that were rich in natural resources beneficial to all people in a sustainable manner. This principle served as the permanent pillar for agriculture which was heart of all Thai people and another way to prevent disasters caused by environmental destruction. The initial capital came from the money that was presented, in celebration of His Majesty the late King Bhumibol Adulyadej's 6<sup>th</sup> Cycle Birthday Anniversary, to Her Majesty Queen Sirikit in the reign of King Rama IX who graciously returned the amount for the establishment of the foundation which officially began its operation on February 11, 2002. Since then, EGCO Group has continuously supported the foundation's operation.

Thai Rak Pa Foundation was acknowledged by Ministry of Finance as a charity organization no. 752 and certified as a member no. 8 of International Union for Conservation of Nature (IUCN) Thailand to focus on the prevention, awareness raising, and alliance formation for the conservation of watershed forests through a wide range of projects. It collaborated with Department of National Parks, Wildlife and Plant Conservation, Ministry of natural Resources and Environment, a major unit responsible for protecting and restoring natural resources as well as local networks, public and private sectors, communities, schools, and private development organizations to ensure sustainable outcome.

At the initial stage, the foundation continued the conservation of watershed forest project in Doi Inthanon National Park, Chiang Mai Province, as pioneered by EGCO Group, by developing a Thai Rak Pa Village project aiming at raising local communities' awareness of the importance of forests and balanced forest exploitation according to the approach "People can Live, Forest can Live" and developing Kew Mae Pan nature trail to be a natural classroom for learning of the value of watershed forests and Montha Than Waterfall nature trail in Doi Suthep-Pui National Park to be a learning center for watershed forests near the towns in Chiang Mai Province as well as promoting awareness raising of environmental conservation for the youth under the Thai Rak Pa School project.

Later, Thai Rak Pa Foundation expanded its operation to watershed forests in the southern part of the country in Nakhon Si Thammarat Province and the northeastern part of the country in Chaiyaphum Province. It still focused on the formation of networks and awareness raising of forest conservation and the promotion of participation with strategic parties to establish mutual force to protect forests. To be aligned with this commitment, the foundation therefore developed Karom Waterfall, Ai Khiao Waterfall, and Phrom Lok Waterfall nature trails in Khao Luang, Nakhon Si Thammarat Province to disseminate knowledge on the importance of watershed forests in Khao Luang Mountain, the green roof of the south, as well as raise awareness of environmental conservation for the youth surrounding the national park and still supported the operation of forest rangers in 3 areas on a continuous basis.

At present, Thai Rak Pa Foundation still steps forward to preserve watershed forests in 3 areas under the 5-year master plan (2017-2021) covering 3 missions, namely preservation and restoration of watershed forests for sustainable coexistence, promotion of participatory management of watershed forests, and awareness raising of environmental conservation and biological diversity.

In 2017, Thai Rak Pa Foundation expanded its operation from conservation to participation in restoration of watershed forests in 3 areas, namely the area in Doi Inthanon National Park, Chiang Mai Province; the area in Pa Phu Long, Chaiyaphum Province, and the area in Khao Luang National Park, Nakhon Sri Thammarat Province. Major activities were as follows:

- **2 Restoration of 1,300 Rais of Watershed Forests Projects within 5 Years (2017-2021):**
  - Creation of forest revenue-generating project of 1,000 Rais of watershed forests in 7 villages and 3 sub-districts in Mae Chaem District, Chiang Mai Province. Thai Rak Pa collaboration with the Royal Forest Department and Mae Chaem Model Plus Committee in establishing the "Reforestation and Income Generation for Local Community" Community Learning Center at Thepparatana Hospital. In order to support the forestation activities in long-term, the local species plants nursery has been set up. The local economic plants with a totaled of 100,000 young plants were distributed to local community, with an aim to help increase green area, reduce household expenses and generate income. Moreover, the pilot areas of reforestation and sustainable use of forest has been launched in 7 villages in 3 Districts; Thapa District, BaanTub District, and Chang Kherng District, comprising of 70 households with a totaled area of 505 Rais.

- Restoration of 300 Rais of Pa Phu Long Watershed Forests and Protection of Springs project by adopting an imitation method of original forest structure, was carried out in collaboration with the Pa Bantadrinthong Wat Pa Mahawan Committee, supporting local community in seedling total 60 species of local plants. In 2017, the local community succeed in seedling total 28 types of local plants, and planted in total 8 Rais of reforestation areas. Moreover, a total of up to 70 plant species were collected for plant propagation. The number of local community partnering in the project are Total 35 households from 2 villages.
- **River Basin Network Project, Chiang Mai Province**, in collaboration with local non-governmental organizations; Sustainable Development Foundation (SDF), Rak Thai Foundation, Doi Inthanon Conservation Trust Fund Foundation, Hug Mueng Chaem Foundation, Community Economics Foundation, and Inter Mountain Peoples' Education and Culture in Thailand Association (IMPECT), was undertaken to support and encourage all sectors to participate in conservation of natural resources, turn conflict between agencies and communities into an understanding and a sense of mutual ownership in soil, water, forest resources in river basins, and an establishment of 9 river basin network committees covering 2 river basins of Ping River to jointly propel rules and regulations, carry out conservation activities based on local wisdom, and address mutual issues in the community covering 64 villages in Chom Thong and Mae Chaem Districts, Chiang Mai Province.
- **Occupation Development Project** focused on, "Paka-kayaw", Karen hill tribe villagers living an easy way of life in the forests and taking part in the protection of forests to generate an extra income and become less dependent on forests by developing quality natural dyed weaving fabrics for their sustainable living. The extra income from the distribution of products amounted to 112,305 Baht. This was also the preservation of local wisdom of Paka-kayaw villagers.
- **Development of Nature Trail Project** started with the development of Kew Mae Pan nature trail in Doi Inthanon National Park, Chiang Mai Province, in 2008 to serve as a natural classroom for learning of the value of watershed forests. The project has been continuously implemented to improve, maintain, and take care of safety and promote use of nature trails on a regular basis. In 2017, there were 28,000 tourists and persons interested in the study on Kew Mae Pan nature trail. Moreover, communicating signs in Ang Ka nature trail were improved to be aligned with the changing ecosystem and the exhibition in the Tourist Service Center of Doi Inthanon, the Highest point of Thailand, was developed to enhance knowledge and raise awareness of the importance of conservation to tourists.
- **EGCO Forest Youth Camp Project (1997-Present):**  
 Since 1998, EGCO has collaborated with the Doi Inthanon National Park, and Thai Rak Pa, in hosting the EGCO Forest Youth Camp at Doi Inthanon National Park, Chiang Mai Province, aiming to raise awareness of watershed forest conservation among the youth. The project was then expended to the Khao Luang National Park, Nakhon Sri Thammarat Province, watershed forest in the South, in 2004. Until present, up to 50 Batches of camps were carried out, with a totaled number of over 3,110 youths attended.
- **Dek Thai Rak Pa Camp Project**, attended by 80 youth at Grade 4-6 and Grade 7-9 in Chiang Mai Province, and 40 youth in Nakhon Si Thammarat Province, was implemented to enhance understanding and raise awareness of the importance of natural resources and environment and the roles and duties of youth in natural resource and environmental conservation.

We are very proud to be part in all missions to preserve the environment and watershed forests in Thailand in order that they become the country's legacy to pass on to future generations.



EGCO Group strived to improve efficiency in its environmental operation surpassing industrial standards to move towards becoming a social and environmental responsibility organization.

## Responsibility towards the Environment

EGCO Group is committed to operating its power generation business along with highest responsibility towards the society, community, and environment to ensure sustainable business operation. Throughout the past twenty-five years, EGCO has proved its smooth business operation and confidence gained from the community to continuously maintain the power system stability domestically and internationally.

For the overall environmental operation in 2017, EGCO Group strived to improve efficiency in its environmental operation surpassing industrial standards to move towards becoming a social and environmental responsibility organization. EGCO prepared an environmental operation report covering operational performance of a total of 28 domestic and international power plants which have already started commercial operations. Major environmental issues included as follows:

1. Climate Change
2. Environmental Quality Management
3. Innovations

### 1. Climate Change

Today's global warming has considerably affected weather conditions and caused unpredictable natural disasters. EGCO realizes that its power generation process is partly a contributor to emissions of greenhouse gas (GHG) from the use of fossil-fired power generation and produce carbon dioxide (CO<sub>2</sub>) during the combustion of fossil fuels. For this reason, it is EGCO's crucial mission to take responsibility for the society and environment in reducing the risk of global warming by its systematic GHG management and resource efficiency.

#### 1.1 Greenhouse Gas (GHG) Management

The 23<sup>rd</sup> session of the Conference of the Parties (COP 23) to the United Nations Framework Convention on Climate Change (UNFCCC) was held in Bonn, Germany, serving as the Meeting of the Parties to the Paris Agreement to promptly set out initiatives and practices to reduce GHG 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 GHG emissions from all sectors of Thailand by 20-25% by 2030. To contribute the country to achieve the goals, EGCO Group has implemented GHG management in the following areas:

- **Power Generation from Renewable Energy**

EGCO Group continues to explore further investments opportunities in renewable energy power plant projects as part of its efforts to generate clean energy as well as take part in reducing environmental impacts and global warming problem. EGCO Group aims to increase renewable energy portfolio to achieve 30% by 2026 from both domestic and overseas.

At present, EGCO Group has a total of 17 renewable energy power plants which started their commercial operations domestically and overseas, accounting for electricity generating capacity of 880.98 MW based on the contractual proportion under PPAs or 19.26% of EGGO Group's total electricity generating capacity. Electricity generation from such renewable energy power plants can reduce 1.95 million tons of carbon dioxide equivalent emissions per year or equivalent to plantation of 205 million trees. EGCO Group has also undertaken 2 more renewable energy power plant projects which are now under construction, namely Xayaburi project (Hydropower Plant), with a contracted capacity by shareholder proportion of 160 MW and NT1PC (Hydropower Plant), with a contracted capacity by shareholder proportion of 161 MW.

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 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 the reduction of GHG emissions, thus further leading to expansion of other renewable energy projects of EGCO Group.

- **Enhancement of Efficiency of Power Generation Technologies**

All EGCO Group's power plants always prioritize in increasing efficiency of power generation by scheduling routine checks and maintenance of equipment. For future power plant investments, EGCO will adopt state-of-the-art technologies to increase efficiency of power generation, reduce fuel consumption, and alleviate impacts on the surrounding society and environment.

Commercially operated in 2017, the KLU and BPU Combined Cycle Thermal Power Plants using natural gas as the primary fuel. Technologies used in both power plants can reduce fuel consumption as well as increase efficiency of generation as shown in the table below.

	EGCO Cogen	BPU	KLU
Contracted capacity (MW)	113.18	220.00	102.00
Heat rate (BTU/kWh)	8,680	7,707	7,751

- **Reduction of GHG Emissions from Business Partners**

Selection of business partners and contractors is one of the key success factors in business operation. EGCO not only selects business 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 environment-related laws or regulations EGCO realizes that procurement from business partners with appropriate environmental management can help reduce both direct and indirect environmental impacts arising from the production processes of business partners and the use of EGCO Group's products and services. In addition, business partners submit its self-appraisal form covering the reduction of GHG emissions in operations for its existing to EGCO to ensure their regular awareness and attention.

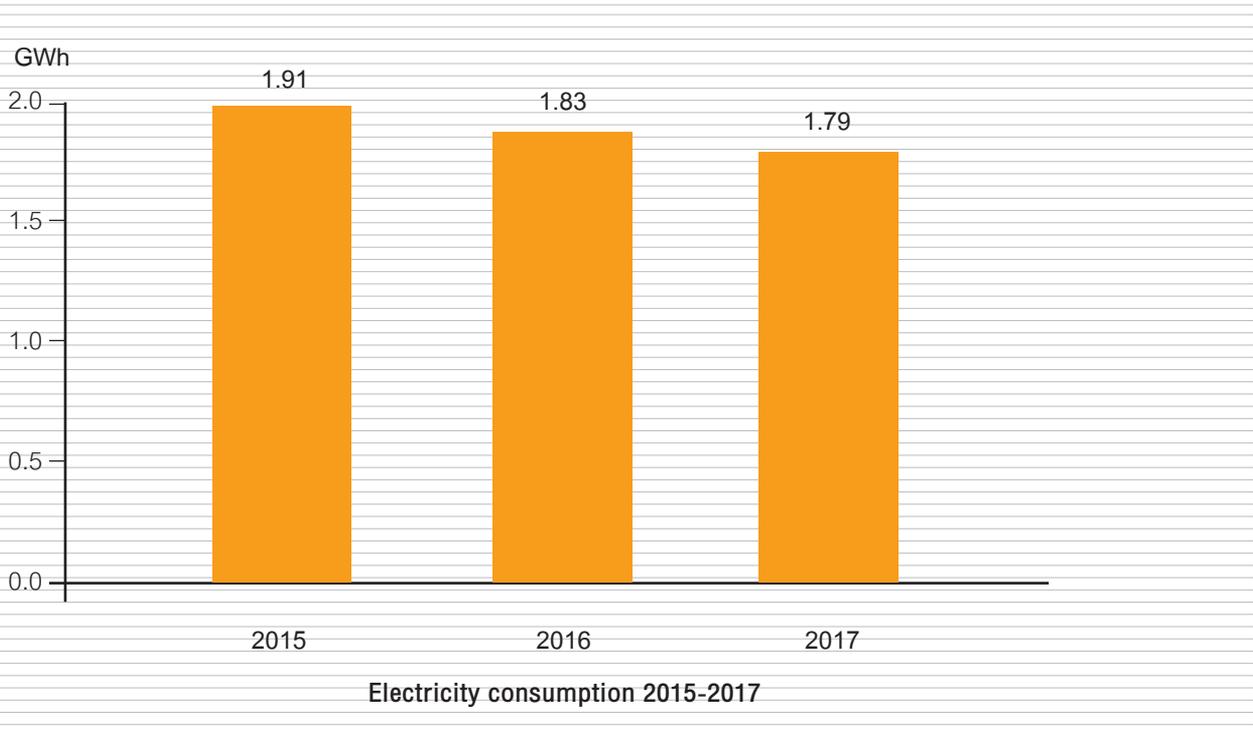
- **Increase of GHG Storage**

EGCO Group has supported and promoted an increase of GHG storage through ongoing projects conducted both in the areas nearby power plants, such as a green area project and outside power plants, such as an environmental restoration project in honor of HRH Princess Maha Chakri Sirindhorn. EGCO Group has also established and supported the operation of Thai Rak Pa Foundation to help preserve major watershed forests in Thailand in a sustainable way. Since 2002, Thai Rak Pa Foundation has started its operation in the northern region, in Chiang Mai Province and has currently expanded to the southern region, in Nakhon Sri Thammarat Province and the northeastern region in Chaiyaphum Province. This year, the Foundation signed a Memorandum of Understanding (MOU) with the Department of National Parks, Wildlife and Plant Conservation to jointly execute a natural resources preservation in the protected forests project during 2017-2021 and hand over 3 nature trails, namely Phrom Lok Waterfall, Karom Waterfall, and Ai Khiao Waterfall which were watershed forests located in Khao Luang, Nakhon Sri Thammarat Province. These nature trails would serve as learning centers of watershed ecosystem in the southern region for the youth, tourists, and general public and enable them to realize the importance and value of and jointly sustain watershed forests as well as offset carbon dioxide emissions to the atmosphere arising from EGCO Group’s business operation.

**1.2 Resource Efficiency**

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.

- **Electricity:** In 2017, EGCO headquarters continued implementing activities that allowed employee participation in the maximum energy efficiency to achieve the energy conservation policy. The Committee on Energy Management and the Committee on Energy Management assessment have reviewed, improved, and monitored energy operations on a monthly basis as well as continuously disseminated knowledge on energy conservation through EGCO Group Net, internal broadcasting, and public relations media. It was found that EGCO employees’ energy utilization was reductions in electricity consumption in EGCO headquarter building. At the same time, the Committee conducted an electrical energy saving project such as a project to change light bulbs in the meeting rooms which continually reduced electricity consumption in the headquarters building as shown in the chart below:



In addition, EGCO Group extended the results of the energy consumption reduction activity to the power plants in the Group such as a project to change fan blades of 3 cooling towers of Cogen Power Plants which reduced energy consumption by up to 20-25%. This project also received monetary support from the Department of Alternative Energy Development and Efficiency, Ministry of Energy under Development of energy conservation project for 40,000 baht.

- **Water:** 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.

In 2017, EGCO Group's Power Plants utilized 232 m<sup>3</sup> per MWh, a bit higher when compared to 2016. However, due to the 3Rs water efficiency measure strictly abided by power plants and care for maximum resource efficiency, the volume of water released to the environment can be reduced.

## 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 systems 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. The Company has also set environmental performance as a key performance indicator for all power plants and sustainability development performance as one of EGCO key performance indicators. Details are as follows:

### 2.1 Air Quality Management

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. Air pollutants come from the combustion of fuels. The combustion releases exhaust gas through the stacks. The emission is including NO<sub>x</sub>, SO<sub>2</sub>, and dust.

All power plants have been monitored and reported the air quality released through the stacks. The air pollution control equipment has also been inspected every 3 months by an external auditor registered under the Department of Industrial Works. In addition, the power plants are required to prepare reports of type and quantity of pollutants discharged (pollution control report forms 1, 2, 3 and 3/1) which can be conducted via the Department of Industrial Works' website ([www.diw.go.th](http://www.diw.go.th)) every 6 months. Additional equipment has also been installed to help control or mitigate emissions of air pollutants. In 2017, it was found that all EGCO Group's commercially operated power plants recorded an environmental monitoring rate in line with the required standard, hence no penalty was applied.

### 2.2 Water Management

EGCO Group pays attention to wastewater management. Its objective is to ensure that the quality of wastewater and water discharged from power plants to be at the level better than the standards and regulations of each area to prevent possible impacts on retention pond of wastewater discharge and community utilization. For example, the BPU Combined Cycle Thermal Power Plant which using natural gas as primary fuel, divided wastewater into 2 categories:

2.2.1 Water discharged from the cooling system will be stored in the holding pond for 3 days before being discharged into the Mae Klong River.

2.2.2 Water from operation is categorized into:

- Wastewater from quality treatment system and laboratory will be released to the neutralization pond and the holding pond, respectively.
- Wastewater from offices will be treated by the septic tank before release to the holding pond.
- Wastewater from cleaning of floor and equipment will be released to the oil separator to separate oil from water before released to the holding pond.

After the treatment process, both 2 categories of wastewater will be stored in the holding pond. The water quality monitoring system will be installed to measure temperature, pH, and electrical conductivity of water discharged in accordance with the standards. Wastewater in the holding pond will be circulated for utilization in various activities as much as possible by watering green space in the project and the rest of water will be reused in the production process by mixing with tap water of the project to further produce demineralized water and be used in other activities.

## 2.3 Waste Management

Waste Management is based on the 3Rs - Reduce the amount of waste (Reduce), Reuse waste items (Reuse), and Convert waste materials to be used again (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 2 main categories:

- *Non-hazardous waste is general municipal waste or low-hazard waste* such as leftover food, wood, paper, electrical wire, plastic bags, construction materials, etc. 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, chemical containers, etc. 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](http://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.

For the BLCP Coal-Fired Power Plant, it has set its target not to release ashes from the coal-fired power generation process (the zero discharge). Fly ashes will be sold to customers in the cement industry, while bottom ashes will be used for the production of concrete blocks.

## 3. Innovation

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 focuses on creating positive impacts on both the society and environment. EGCO innovation as follow;

### Half block operation

GCC is a cogeneration power plant which is the process that generates electricity and heat simultaneously. By utilizing the exhaust energy from gas turbine, useful steam can be generated in heat exchanger, with no additional fuel consumption. This is significantly more efficient and cost effective. However, in case of low demand during off-peak period, full load operation may cause higher fuel consumption and higher heat rate. Thus, the power plant switches the operation mode to one gas turbine and one steam turbine which decrease heat rate of around 40 BTU/kWh/Year or 7.8 million baht.

### Wastewater treatment from wood yards by Activated Carbon

GYG is biomass-fired power plant using para-wood residue as the primary fuel. Para-wood is stored on ground before using in power generation. Wastewater from wood yards will be stored in sedimentation pond1, treated with Effective Microorganisms (EM), released to sedimentation pond2 and disposal to canal. The wastewater treated by EM still is not clear and smelly. Thus, the power plant considers using Activated Carbon filtration instead of EM. A carbon particle has numerous pores that provide a large surface area for water treatment. Waste water after treated by Activated Carbon is colorless and no odor before releasing to sedimentation pond2.

## Protection and Restoration of Ecosystem and Biodiversity

EGCO and Group power plants have implemented ongoing projects in the operations of large power plants as below:

### *EGCO*

- Conservation of “watershed forest”

EGCO gives priority to conservation of such natural resources as forest and water, especially watershed forest, which is land area containing natural water as the source and reserve that originate streams and rivers, hence essential to all living things. It has thus promoted cooperation in sustainable forest preservation for the next generation through the operations of “Thai Rak Pa” (Thai Forest Conservation) Foundation. The Thai Rak Pa was established in 2002 by EGCO Group and Department of Forestry with the objective of continuing natural resource conservation. An initial capital of Bt. 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 9 November 2011. The detailed 2017 performance of the foundation are reported in 333-335.

### *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 2017, 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 2017, grass residue from lawn mowing and fallen leaves were used and mixed with chicken manure and rice bran together with EM liquid for making bio fertilizers to replace the use of chemical fertilizers. Approximately over 19,683 kilograms of bio fertilizers 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, Maphthaput 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 2017, project progress was as follows:

- The detailed design of Saket Island Restoration has been developed and was endorsed by Rayong Provincial Committee
- Lay down 400 sets of 12x12 meters artificial coral reefs in January 2018
- Nursery Raft
  - Coordinated with local fishermen group to construct coral nursery rafts, and set up voluntary groups of 4 persons to take care each nursery raft. Planted the first set of 3,000 corals during February-March, 2017
  - Planted corals were monitored. In June 2017, approximately 25% of coral reef nursery rafts were damaged by the sea urchin and the monsoon. The damaged raft were repaired and moved to Ko Mannai for additional nursery of 2-3 months.

- **Release of Aquatic Animal Breeds 15<sup>th</sup> Year**

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 to an increased number to around 10 million aquatic animals a year.

### *Nam Theun 2 (The Lao People's Democratic Republic)*

- **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. In 2017, project progress was as follows:

- *Wild Elephant Protection and Monitoring Program* by using the GPS tracking system and GPS collars installation, tracking the traveling route of wild elephants, avoiding the Human-Elephant Conflicts in local areas.

- *Artificial Mineral Lick Replenishment for Wild Elephant*

To help preventing wild elephant from roaming around outside the forest which might cause damage to the nearby plantations of local community. To help reducing and preventing the tension and conflict between human and elephants, the artificial mineral licks replenishment for 2017 dry season was conducted in February, in 3 areas with a total of 1,548 Kilograms of 4 mineral types, comprising of Sodium Chloride, Monosodium Phosphate, Calcium Carbonate, and Potassium Chloride.



- *Promotion of Forest and Wildlife Protection Program*, dissemination of information and knowledge, and raising awareness on forest and wildlife conservation among the local communities, and incident monitoring.

- *Invasive Species Program*

To restore the balance of natural ecosystem, and protect plantation areas of local community. In 2017, site survey and destruction of *Mimosa pigra* were conducted for 2 rounds with a total of 30,808,263 trees, comprising of 33,125 adult trees and 30,775,138 seedlings, were found and destroyed.

*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 104 wild animals have been found, recorded, and rescued. During December 2016 - November 2017, 5 animals were found and recorded, comprising of birds and turtle. List of recorded animals are as below:



**Red-tailed tropicbird**  
IUCN Status: Least Concern  
Rescued on February 3, 2017



**Common emerald dove**  
IUCN Status: Least Concern  
Rescued on March 2, 2017



**Asian glossy starling**  
IUCN Status: not yet assessed  
Rescued on March 8, 2017



**Brown booby bird**  
IUCN Status: Least Concern  
Rescued on March 25, 2017



**Southeast Asian box turtle**  
IUCN Status: Vulnerable  
Rescued on April 11, 2017

- 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 44 sea turtles have been found and recorded. From December 2016 to November 2017, four (4) sea turtles were rescued and two (2) dead sea turtles were sighted and documented. Once there is marine turtle sighting at the plant's seawater intake pit area, chlorine injection at seawater intake is temporarily halted and rescue operation is thoroughly planned taking into consideration the safety of rescue personnel. Rescue operations vary depending on the situation, location and size of the turtle and typically involve several personnel and resources. Upon rescue, turtles were assessed, tagged (if qualified for tagging) and immediately released back to Lamon Bay and corresponding report is submitted to the Biodiversity Management Bureau, Department of Environment and Natural Resources (DENR-BMB)

The four sea turtles rescued at QPL seawater intake pit structure are shown below:



**Hawksbill Sea Turtle**  
 Tag No.: Not Tagged CCL < 40cm  
 Rescued on December 24, 2016



**Green Sea Turtle**  
 Tag No.: PH0648E  
 Rescued on March 30, 2017

**Hawksbill Sea Turtle**  
 Tag No.: PH0649E  
 Rescued on April 14, 2017



**Green Sea Turtle**  
 Tag No.: PH0551J & PH0552J  
 Rescued on May 8, 2017



- 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.

- **Giant Clam Relocation**

Due to the potential impacts from nearby construction site of QPL extension project, twenty three (23) giant clams were successfully relocated on Aug 18-19 to an area near the QPL jetty pier which was identified to be more suitable for the clam's survival because of presence of artificial reefs. The artificial reef served as refuge to the 23 relocated giant clams, together with 2 new giant clams found thriving near the artificial reef.



- **Plantation and Beach Cleaning Activity**

In 2017, Quezon Power Plant volunteer employees and communities surrounding the power plant joined hands in an activity to clean up the beach near the power plant and plant trees and mangroves altogether in September. Throughout the year, a totaled of 294 volunteers and local people collected 270 pieces of garbage and planted 2,600 trees and mangrove plants.



## General Information

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Electricity Generating Public Company Limited (EGCO)</b> Registration 0107537000866 (No.BorMorJor.333) Head Office 14 <sup>th</sup> , 15 <sup>th</sup> Floor EGCO Tower, 222, Vibhavadi Rangsit Road, Tungsonghong, Laksi, Bangkok 10210, Thailand Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999  Rayong Power Plant Bangkok Office 12 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2955 0931 Rayong Office 35 Rayong Highway No. 3191 Huay Pong , Amphur Muang, Rayong 21150, Thailand Tel. +66 (0) 3868 1012, +66 (0) 3868 1016, +66 (0) 3868 1020 Fax. +66 (0) 3868 1784  Sector Energy & Utilities Industry Resources Foreign Limit 44.81% Share of Minor Shareholder (% Free Float) 51.90% Website www.egco.com	Holding Company focusing on Power business and others related to power business           IPP Electricity Generating and supply business using Natural gas	5,300	10	5,264.65	-

## Subsidiaries

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Khanom Electricity Generating Company Limited (KEGCO)</b> Office 12 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2955 0931 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	IPP Electricity Generating and supply business using Natural gas	8,395	10	8,005.02	99.99

## Subsidiaries (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>EGCO Engineering &amp; Service Company Limited (ESCO)</b> Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2955 0933 Site Office 35 Rayong Highway No. 3191 Huay Pong, 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
<b>North Pole Investment Company Limited (North Pole)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 6 <sup>th</sup> Floor, Tower A, 1 CyberCity, Ebene, Republic of Mauritius	Holding company focusing on investment in electricity generating companies in foreign countries	50,722.78 <sup>/1</sup> <i>(1,555,975,501 USD)</i>	32.5987 <sup>/1</sup> <i>(1 USD)</i>	50,722.78 <sup>/1</sup> <i>(1,555,975,501 USD)</i>	100
<b>EGCO International (B.V.I.) Limited (EGCO B.V.I.)</b> (North Pole is the company's 100% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 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	11.41 <sup>/1</sup> <i>(350,000 USD)</i>	32.5987 <sup>/1</sup> <i>(1 USD)</i>	11.41 <sup>/1</sup> <i>(350,000 USD)</i>	100
<b>Dawei Electricity Generating Company Management Pte., Ltd. (DEGCOM)</b> 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	1.96 <sup>/1</sup> <i>(60,000 USD)</i>		1.96 <sup>/1</sup> <i>(60,000 USD)</i>	100
<b>New Growth Plus B.V. (NGP)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Gustav Mahlerlaan 1236, 1081 LA, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	50,301.73 <sup>/1</sup> <i>(1,543,059,337 USD)</i>		50,301.73 <sup>/1</sup> <i>(1,543,059,337 USD)</i>	100
<b>New Growth B.V. (New Growth)</b> (EGCO Plus 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 <sup>th</sup> Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	1.08 <sup>/1</sup> <i>(32,981 USD)</i>		1.08 <sup>/1</sup> <i>(32,981 USD)</i>	100

## Subsidiaries (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Quezon Power, Inc. (QPI)</b> (EGCO Plus is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 14 <sup>th</sup> Floor Zuellig Building Makati Avenue corner Paseo de Roxas 1225 Makati City, Philippines	Holding company focusing on investment in electricity generating companies in Philippines	6.52 <sup>1</sup> <i>(200,000 USD)</i>		6.52 <sup>1</sup> <i>(200,000 USD)</i>	100
<b>Quezon Power (Philippines), Limited Co. (Quezon)</b> (EGCO Plus is the company's 100% indirect shareholder) Makati office 14 <sup>th</sup> Floor Zuellig Building Makati Avenue corner Paseo de Roxas 1225 Makati City, Philippines Oversea office Barangay, Cagsiay I, Mauban Quezon Province, 4330, Philippines	IPP Electricity Generating and supply business using Coal	6,768.84 <sup>1</sup> <i>(207,641,268 USD)</i>		6,768.84 <sup>1</sup> <i>(207,641,268 USD)</i>	100
<b>Pearl Energy Philippines Operating, Inc. (PEPOI)</b> (EGCO Plus is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office Barangay, Cagsiay I, Mauban, Quezon, 4330, Philippines	Operation and Maintenance of QPL	6.52 <sup>1</sup> <i>(200,000 USD)</i>		6.52 <sup>1</sup> <i>(200,000 USD)</i>	100
<b>Quezon Management Service Inc. (QMS)</b> (EGCO Plus is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 14 <sup>th</sup> Floor Zuellig Building Makati Avenue corner Paseo de Roxas 1225 Makati City, Philippines	Management service for Quezon Power Plant	3.42 <sup>3</sup> <i>(5,260,000 PESO)</i>		3.42 <sup>3</sup> <i>(5,260,000 PESO)</i>	100
<b>Mauban Holdings Company Inc. (Mauban)</b> (EGCO Plus is the company's 100% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 14 <sup>th</sup> Floor Zuellig Building Makati Avenue corner Paseo de Roxas 1225 Makati City, Philippines	Holding company focusing on investment in electricity generating companies	204.75 <sup>3</sup> <i>(315,000,100 PESO)</i>	65 <sup>3</sup> <i>(100 PESO)</i>	204.75 <sup>3</sup> <i>(315,000,100 PESO)</i>	100

## Subsidiaries (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Evergreen Power Venture B.V. (Evergreen)</b> (EGCO Plus 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 <sup>th</sup> Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in Philippines	0.00 <sup>1</sup> <i>(1 USD)</i>	32.5987 <sup>1</sup> <i>(1 USD)</i>	0.00 <sup>1</sup> <i>(1 USD)</i>	100
<b>Millennium Energy B.V. (Millennium)</b> (EGCO Plus 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 <sup>th</sup> Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 <sup>1</sup> <i>(1 USD)</i>	32.5987 <sup>1</sup> <i>(1 USD)</i>	0.00 <sup>1</sup> <i>(1 USD)</i>	100
<b>South Pacific Power Pty Limited (SPPP)</b> (EGCO Plus 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, Australia	Holding company focusing on investment in electricity generating companies in Australia	2,797.87 <sup>4</sup> <i>(110,506,987 AUD)</i>	25.3185 <sup>4</sup> <i>(1 AUD)</i>	2,797.87 <sup>4</sup> <i>(110,506,987 AUD)</i>	100
<b>Boco Rock Wind Farm Pty Limited (BRWF)</b> (EGCO Plus 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, Australia Tel. +61 8 8384 7755 Fax. +61 8 8384 7722	Electricity Generating and Supply Business using Wind Power	2,576.11 <sup>4</sup> <i>(101,747,980 AUD)</i>	25.3185 <sup>4</sup> <i>(1 AUD)</i>	2,576.11 <sup>4</sup> <i>(101,747,980 AUD)</i>	100
<b>Gen Plus B.V. (Gen Plus)</b> (EGCO Plus 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 <sup>th</sup> Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 <sup>1</sup> <i>(1 USD)</i>	32.5987 <sup>1</sup> <i>(1 USD)</i>	0.00 <sup>1</sup> <i>(1 USD)</i>	100

## Subsidiaries (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Phoenix Power B.V. (PP)</b> (EGCO Plus 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 <sup>th</sup> Floor, Strawinskyiaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in foreign countries	0.00 <sup>1</sup> <i>(100 USD)</i>	32.5987 <sup>1</sup> <i>(1 USD)</i>	0.00 <sup>1</sup> <i>(100 USD)</i>	100
<b>EGCO Cogeneration Company Limited (EGCO Cogen)</b> Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office 222 Moo 8, Mabkha, Nikhom Phattana, Rayong 21180, Thailand Tel. +66 (0) 3863 7051-57 Fax. +66 (0) 3863 7063	SPP Electricity and steam generating and supply business using Natural gas	1,060	10	1,060	80
<b>EGCO Green Energy Company Limited (EGCO Green)</b> Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Holding company focusing on power business	175	10	175	74
<b>Roi-Et Green Company Limited (RG)</b> (EGCO Green is the company's 95% shareholder) Office 13 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office 222 Moo 10, Nua-Muang, Amphur Muang, Roi-et 45000, Thailand Tel. +66 (0) 4351 9825-6 Fax. +66 (0) 4351 9827	SPP Electricity Generating and Supply Business using Biomass as primary fuel	180	10	180	70.30
<b>Agro Energy Company Limited (AE)</b> (ESCO is the company's 99.99% shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Trading/delivery service of fuel from natural scrap	2	10	2	99.99
<b>SPP Two Company Limited (SPP 2)</b> Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Salaengphan, Wang Muang, Saraburi 18220, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	196.7	10	196.7	99.99
<b>SPP Three Company Limited (SPP 3)</b> Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Tha-Khlo, Benchalak, Srisaket 33110, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	197.5	10	197.5	99.99

## Subsidiaries (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>SPP Four Company Limited (SPP 4)</b> Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Tha-Khlo, Benchalak, Srisaket 33110, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	148.7	10	148.7	99.99
<b>SPP Five Company Limited (SPP 5)</b> Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office Khu Mueang, Muang Suang, Roi-Et 45220, Thailand	VSPP Electricity Generating and Supply Business using Solar Power	198.4	10	198.4	99.99
<b>Theppana Wind Farm Company Limited (TWF)</b> Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office 555 Moo1, Watabaek, Thepsathit, Chaiyaphum 36230, Thailand	VSPP Electricity Generating and Supply Business using Wind Power	157.32	100	145.23	90
<b>Yanhee EGCO Holding Company Limited (Yanhee EGCO)</b> Office 10 <sup>th</sup> Floor, 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
<b>Solarco Company Limited (Solarco)</b> (Yanhee EGCO is the company's 100% shareholder) Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office - Branch 1 317, 318 Moo 1, Bang Ta Then, Song Pee Nong, Suphanburi 72110 - Branch 2 155, 156 Moo 17, Bang Luang, Bang Lane, Nakhonpathom 73190 - Branch 3 157, 158 Moo 17, Bang Luang, Bang Lane, Nakhonpathom 73190 - Branch 4 94, 95 Moo 1, Hin Mool, Bang Lane, Nakhonpathom 73190 - Branch 5 96, 97 Moo 1, Hin Mool, Bang Lane, Nakhonpathom 73190 - Branch 6 98, 99 Moo 1, Hin Mool, Bang Lane, Nakhonpathom 73190	VSPP Electricity Generating and Supply Business using Solar Power	1,650	100	1,650	49
<b>Chaiyaphum Wind Farm Company Limited (CWF)</b> Office 10 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office 190 Moo 9, Subyai, Subyai Chaiyaphum 36130, Thailand	SPP Electricity Generating and Supply Business using Wind Power	1,514	100	1,514	90

## Subsidiaries (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Klongluang Utilities Company Limited (KLU)</b> Office 11 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office 1/9 Moo 3, Klongnung, Klongluang, Pathumthani 12120, Thailand	SPP Electricity and steam generating and supply business using Natural gas	1,000	10	1,000	99.99
<b>Banpong Utilities Company Limited (BPU)</b> Office 11 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Site Office 19/300 Moo 19 Tha Pha, Banpong, Ratchaburi 70110, Thailand	SPP Electricity and steam generating and supply business using Natural gas	2,000	10	2,000	99.99
<b>EGCO Plus Company Limited (EGCO Plus)</b> Office 11 <sup>th</sup> Floor, EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999	Holding company focusing on investment in electricity generating companies in foreign countries	10	10	10	100

## Joint Ventures

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Gulf Electric Public Company Limited (GEC)</b> Office 11 <sup>th</sup> Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax. +66 (0) 2654 0156-7 Website <a href="http://www.gulfelectric.co.th">http://www.gulfelectric.co.th</a>	Holding company focusing on IPP and SPP	14,000	10	13,784.35	50
<b>Gulf Energy Company Limited (GEN)</b> (GEC is the company's 100% shareholder) Office 8 <sup>th</sup> Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax. +66 (0) 2654 0156-7	Holding company focusing on IPP	9,782	10	9,782	50
<b>Gulf IPP Company Limited (GIPP)</b> (GEC is the company's 100% shareholder) Office 8 <sup>th</sup> Floor, M. Thai Tower 1, All Seasons Place, 87 Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand Tel. +66 (0) 2654 0155 Fax. +66 (0) 2654 0156-7	Holding company focusing on IPP	9,779	10	9,779	50

## Joint Ventures (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Gulf Power Generation Company Limited (GPG)</b> (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	IPP Electricity Generating and supply business using Natural gas	9,607	10	9,607	50
<b>Gulf Cogeneration Company Limited (GCC)</b> (GEC is the company's 100% shareholder) Site office 79 Moo 3, Tandeow, Kaeng Khoi, Saraburi 18110, Thailand Tel. +66 (0) 3624 6203-4 Fax. +66 (0) 3624 6531	SPP Electricity and steam generating and supply business using Natural gas	850	10	850	50
<b>Nong Khae Cogeneration Company Limited (NKCC)</b> (GEC is the company's 100% shareholder) Site office 111/11 Moo 7, Nongplamor, Nong Khae, Saraburi 18140, Thailand Tel. +66 (0) 3637 3676 Fax. +66 (0) 3637 3691	SPP Electricity and steam generating and supply business using Natural gas	1,241.72	74	1,241.72	50
<b>Samutprakarn Cogeneration Company Limited (SCC)</b> (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	SPP) Electricity and steam generating and supply business using Natural gas	981.54	76	981.54	50
<b>Gulf Yala Green Company Limited (GYG)</b> (GEC is the company's 100% shareholder) Site office 80 Moo 1, Pron, Amphur Muang, Yala 95160, Thailand Tel. +66 (0) 7325 2721 Fax. +66 (0) 7325 2722	SPP Electricity Generating and Supply Business using Biomass Power	460	10	460	50
<b>BLCP Power Limited (BLCP)</b> Office No. 9, I-8 Road, Map Ta Phut Industrial Estate, Map Ta Phut, Rayong 21150, Thailand Tel. +66 (0) 3892 5100, Fax. +66 (0) 3892 5199	IPP Electricity Generating and supply business using Coal	12,010	100	12,010	50
<b>Nam Theun 2 Power Company Limited (NTPC)</b> Office Unit 9, Tat Luang Road Nongbone Village, P.O. Box 5862 Vientiane, Lao PDR Tel. (856-21) 263 900 Fax. (856-21) 263 901	IPP Electricity Generating and supply business using Hydro power	14,669.42 <sup>1</sup>  450,000,000 (USD)	3,259.87 <sup>1</sup>  100 (USD)	12,175.6 <sup>1</sup>  373,500,000 (USD)	35

## Joint Ventures (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>G-Power Source Company Limited (GPS)</b> Office EGCO Tower Tel. +66 (0) 2998 5701-11 Fax. +66 (0) 2998 5999  Site Office - Branch 1 11/1,111,111/1 Moo 11, Dong Khon, Sankhaburi, Chai Nat 17140 - Branch 2 11/1,11/11 Moo 5 ,Ta Khit, Banphot Phisai, Nakhon Sawan 60180 - Branch 3 11,11/1 Moo 2 , Ta Sang, Banphot Phisai, Nakhon Sawan 60180 - Branch 4 311,311/1 Moo 2, Sap Samo Thot, Bueng Sam Phan, Phetchabun 67160	VSPP Electricity Generating and Supply Business using Solar Power	930	100	930	60
<b>GIDEC Company Limited (GIDEC)</b> Office 408/70 Paholyothin Place Tower 9 <sup>th</sup> Floor Paholyothin Road, Samsennai, Phayathai, 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
<b>Natural Energy Development Company Limited (NED)</b> 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
<b>PT Manambang Maura Enim (MME)</b> (EGCO Plus is the company's 40% indirect shareholder) Head Office Puri Matari 2, 1 <sup>st</sup> 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 trading and shipping.	1,778.33 <sup>2</sup>  750,000,000 <i>(Thousand Rupiah)</i>	2,371.10 <sup>2</sup>  1,000 <i>(Thousand Rupiah)</i>	444.58 <sup>2</sup>  187,500,000 <i>(Thousand Rupiah)</i>	40

## Joint Ventures (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Kalilayan Power Inc. (Kalilayan)</b> (EGCO Plus 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	5.85 <sup>3</sup> <i>(9,000,000 PESO)</i>		5.85 <sup>3</sup> <i>(9,000,000 PESO)</i>	49
<b>San Buenaventura Power Ltd (SBPL)</b> (EGCO Plus 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	IPP Electricity Generating and supply business using Coal	388.05 <sup>3</sup> <i>(597,000,000 PESO)</i>		388.05 <sup>3</sup> <i>(597,000,000 PESO)</i>	49
<b>Masin-AES Pte Ltd (Masin-AES)</b> (EGCO Plus 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 <sup>th</sup> Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in electricity generating companies in Philippines	11,086.25 <sup>1</sup> <i>(340,082,559 USD)</i>	32.5987 <sup>1</sup> <i>(1 USD)</i>	11,086.25 <sup>1</sup> <i>(340,082,559 USD)</i>	49
<b>Masinloc Power Partners Co., Ltd. (Philippines) (MPPCL)</b> (EGCO Plus is the company's 49% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 18 <sup>th</sup> Floor, Bench Tower, 30 <sup>th</sup> Street, Cor. Rizal Drive, Crescent Park, West 5, Bonifacio Global City, Taguig 1634, Metro Manila, Philippines	IPP Electricity Generating and supply business using Coal	8,964.64 <sup>1</sup> <i>(275,000,000 USD)</i>	32.5987 <sup>1</sup> <i>(1 USD)</i>	8,964.64 <sup>1</sup> <i>(275,000,000 USD)</i>	49
<b>Alpha Water &amp; Realty Services Corp (Alpha Water)</b> (EGCO Plus is the company's 19.60% indirect shareholder) Office EGCO Tower Tel. +66 (0) 2998 5000 Fax. +66 (0) 2998 5999 Oversea office 3 <sup>rd</sup> 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	113.10 <sup>3</sup> <i>(174,000,000 PESO)</i>	0.65 <sup>3</sup> <i>(1 PESO)</i>	113.10 <sup>3</sup> <i>(174,000,000 PESO)</i>	19.60

### Joint Ventures (Cont)

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>PT Tenaga Listrik Cilegon (TLC)</b> (EGCO Plus is the company's 49% indirect shareholder) Oversea office Wisma Barito Pacific Tower B, 5 <sup>th</sup> Floor, Jl. Let. Jend. S. Parman Kav. 62-63, Jakarta 11410, Indonesia	Development of Coal Power Plant in Indonesia	81.50 <sup>1</sup>  (2,500,000 USD)	325.99 <sup>1</sup>  (10 USD)	81.50 <sup>1</sup>  (2,500,000 USD)	49
<b>Nam Theun 1 Power Limited (NT1PC)</b> Oversea office Unit 15, Sithong Road, Pak Thang Village, Sikhottabong District, P.O. BOX 1808, Vientiane, Lao PDR Tel. +856 (0)21 550497 Fax. +856 21 550 498	IPP Electricity Generating and supply business using Hydro power	162.99 <sup>1</sup>  (5,000,000 USD)	40.75 <sup>1</sup>  (1.25 USD)	162.99 <sup>1</sup>  (5,000,000 USD)	25

### Associate

Company	Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Star Energy Geothermal Pte Ltd (SEG)</b> (EGCO Plus is the company's 20% indirect shareholder) Office 9 Battery Road, #15-01, Straits Trading Building, 049910, Singapore	Holding company focusing on investment in geothermal power plants in Indonesia	3,404.50 <sup>1</sup>  (104,436,650 USD)		3,404.50 <sup>1</sup>  (104,436,650 USD)	20
<b>Star Energy Geothermal (Salak - Darajat) B.V. (SEGSD)</b> (EGCO Plus is the company's 20.07% indirect shareholder) Office Atrium Building, 8 <sup>th</sup> Floor, Strawinskylaan 3127, 1077 ZX, Amsterdam The Netherlands	Holding company focusing on investment in geothermal power plants in Indonesia	0.33 <sup>1</sup>  (10,000 USD)		0.33 <sup>1</sup>  (10,000 USD)	20.07

## Other

Company		Business	Registered Share Capital (Million Baht)	Par Value (Baht)	Paid-up Share Capital (Million Baht)	Ownership Interest (Direct+Indirect) (%)
<b>Eastern Water Resources Development and Management Public Company Limited (East Water)</b> Office 23-26/F Eastwater Building, 1Vibhavadi Rangsit Road, Jomphol, Chatuchak, Bangkok 10900, Thailand Tel. +66 (0) 2272 1600 Fax. +66 (0) 2272 1601-3 Website www.eastwater.com		Water resources development and management for supplying raw water to the customers	1,663.73	1	1,663.73	18.72
<b>Xayaburi Power Company Limited (XPCL)</b> Office 215 Lanexang Avenue, Ban Siang Yuen Chantaburi District, Vientiane, Lao PDR Tel. (856-21) 223 215, (856-21) 252 060 Fax. (856-21) 215 500		IPP Electricity Generating and supply business using Hydro power	26,861	10	22,064.82	12.5

Note : The Exchange rate as at December 29, 2017

<sup>/1</sup>	1 USD	=	Baht	32.5987
<sup>/2</sup>	1,000 Rupiah	=	Baht	2.3711
<sup>/3</sup>	1 PESO	=	Baht	0.65
<sup>/4</sup>	1 AUD	=	Baht	25.3185

## Referenced Persons

Regulator	<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>
Regulator	<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>
Share and Debenture registrar	<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>
Auditor	<ol style="list-style-type: none"> <li>1. Mr. Vichien Khingmontri  Certified Public Accountant (Thailand) No. 3977</li> <li>2. Mr. Prasit Yuengsrikul  Certified Public Accountant (Thailand) No. 4174</li> <li>3. Mr. Pongthavee Ratanakoses  Certified Public Accountant (Thailand) No. 7795</li> </ol> <p>PricewaterhouseCoopers ABAS Limited  15<sup>th</sup> Floor, Bangkok City Tower,  179/74-80 South Sathorn Road, Bangkok 10120, Thailand  Tel: +66 (0) 2844 1000  Fax: +66 (0) 2286 5050</p>

## Index of articles required for the 56-2 form

(This is prepared in accordance with the Notification of the Capital Market Supervisory Board no. Tor Jor 44/2556 re: Criteria and Conditions of Information Disclosure on financial status and operation performance of Listed Company)

Topics	Page No.
<b>1. Business Overview</b>	
1.1 Business Characteristics	109
1.2 EGCO's Group Structure and Shareholders	106
1.3 Revenue Structure	133
1.4 Power Industry and Competition	127
<b>2. Risk Factors</b>	119
<b>3. General Information</b>	348
<b>4. Shareholder Structure and Management Structure</b>	
4.1 Shareholder	27
4.2 Dividend Payment Policy	28
4.3 Structure of the Board of Directors and Management Structure	52
4.4 Remuneration	71, 73
<b>5. Corporate Governance</b>	263
<b>6. Corporate Social Responsibility</b>	
6.1 Sustainable Business Operations	31
6.2 Responsibility towards the Community and Society	317
6.3 Responsibility towards the Environment	337
<b>7. Internal Control and Risk Management</b>	301
<b>8. Related Transaction</b>	160
<b>9. Financial Overview</b>	170
<b>10. Management Discussion and Analysis</b>	135
<b>11. Report and Consolidated Financial Statements</b>	179
11.1 Audit Fee	261

The investors can find further information of the Listed Company from the Company's Annual Registration Statement (form 56-1) which is posted on [www.sec.or.th](http://www.sec.or.th) or [www.egco.com](http://www.egco.com)

## Performance Data

### Generation and Distribution of Economic Value to Stakeholders

In 2017, 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	1,943
Dividend paid to shareholders	13,556
Interest and financial expense for moneylenders	8,363
Tax paid to the government and local authorities	4,550
Payment for the Fund for Empowerment of Persons with Disabilities	8.54
Payment for the Power Development Fund	348
Expense on community and social contribution	124

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 3,247 megawatts, representing 7.65% of the country's installed capacity

## Payment for the Power Development Fund in 2017

Power Plants	Amount of Payment (Million Baht)
<b>Domestic</b>	
KEGCO	62
GPG	14
BLCP	203
EGCO COGEN	1.5
Roi-Et Green or RG	0.6
GCC	11
SCC	13
NKCC	16
GYG	1.8
NED	1.2
SPP 2	0.2
SPP 3	0.2
SPP 4	0.1
SPP 5	0.2
GPS	0.4
Theppana or TWF	0.1
Chaiyaphum or CWF	1.2
Solarco	1.2
<b>Overseas</b>	
NTPC	Not Applicable
Quezon	20
MPPCL	Not Applicable
Boco Rock or BRWF	Not Applicable
SEG	Not Applicable
Total payment for the power development fund from EGCO's power plants in Thailand	328
Total payment for the power development fund from EGCO's power plants in overseas	20
<b>Total payment for power development fund from EGCO's power plants both domestic and overseas in 2017</b>	<b>348</b>

## Human Resource

	Unit	2017		
		Male	Female	Total
<b>Total number of Employee</b>	<b>person</b>	<b>2,340</b>	<b>601</b>	<b>2,941</b>
- Permanent Employee	person	1,685	405	2,090
- Outsource	person	336	144	480
- Staffs under O&M Agreement and/or Service Agreement	person	319	52	371
<b>Gender Diversity (Permanent employee only)</b>	<b>person</b>	<b>1,685</b>	<b>405</b>	<b>2,090</b>
- Executive <sup>(1)</sup>	person	45	7	52
- Middle Management <sup>(2)</sup>	person	101	33	134
- First-Level Management <sup>(3)</sup>	person	200	74	274
- Employee (Non-management level)	person	1,339	291	1,630
<b>Turnover of Permanent Employee by Age Group</b>	<b>person</b>	<b>108</b>	<b>28</b>	<b>136</b>
- Below 30 years old	person	34	12	46
- 30-50 years old	person	63	16	79
- Over 50 years old	person	11	0	11
<b>Turnover rate</b>	<b>% of total employee</b>	<b>6.41%</b>	<b>6.91%</b>	<b>6.51%</b>
<b>New employees hired by Age Group</b>	<b>person</b>	<b>144</b>	<b>46</b>	<b>190</b>
- Below 30 years old	person	99	37	136
- 30-50 years old	person	40	9	49
- Over 50 years old	person	5	0	5
<b>Total new hire rate</b>	<b>% of total employee</b>	<b>8.55%</b>	<b>11.36%</b>	<b>9.09%</b>
<b>Parental Leave</b>	<b>person</b>	<b>54</b>	<b>15</b>	<b>69</b>
- Employee taken parental leave	person	27	7	34
- Employee returned to work after parental leave	person	27	8	35
<b>Total training hours by level group</b>	<b>hour/year</b>	<b>88,139</b>	<b>13,505</b>	<b>101,644</b>
- Executive	hour/year	836	339	1,175
- Middle Management	hour/year	5,882	2,066	7,947
- First-Level Management	hour/year	11,485	1,986	13,471
- Employee (Non-management level)	hour/year	69,937	9,115	79,051
<b>Total training hours by type</b>	<b>hour/year</b>	<b>88,139</b>	<b>13,505</b>	<b>101,644</b>
- Environment, Health and Safety	hour/year	22,622	2,309	24,931
- Others	hour/year	65,518	11,196	76,713
<b>Average training hours by level group</b>	<b>hour/person/year</b>	<b>52.31</b>	<b>33.34</b>	<b>48.63</b>
- Executive	hour/person/year	18.58	48.43	22.60
- Middle Management	hour/person/year	58.23	62.59	59.31
- First-Level Management	hour/person/year	57.43	26.83	49.16
- Employee (Non-management level)	hour/person/year	52.23	31.32	48.50
<b>Average training hours by type</b>	<b>hour/person/year</b>	<b>52.31</b>	<b>33.34</b>	<b>48.63</b>
- Environment, Health and Safety	hour/person/year	13.43	5.70	11.93
- Others	hour/person/year	38.88	27.64	36.70
<b>Grievances about human resources</b>	<b>case</b>	<b>0</b>	<b>0</b>	<b>0</b>
- 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

## Safety Performance

Occupational Health and Safety	Unit	2017
Total Manhours worked of Year	hour	12,436,519
- Employee	hour	3,557,180
- Contractor	hour	8,879,340
Safety Manhours of Year	hour	11,919,269
- Employee	hour	3,332,464
- Contractor	hour	8,586,806
Accumulated Safety Hours of Year	hour	42,795,379
- Employee	hour	11,113,988
- Contractor	hour	31,681,391
Fatality	case	1
- Employee	case	0
- Contractor	case	1
Total Number of Injuries	case	38
- Employee	case	22
- Contractor	case	16
Number of days away from work	day	6,000
- Employee	day	-
- Contractor	day	6,000
Injury Frequency Rate ; I.F.R.	case per million manhour	3.06
- Employee	case per million manhour	6.18
- Contractor	case per million manhour	1.80
Injury Severity Rate ; I.S.R.	day per million manhour	482.45
- Employee	day per million manhour	-
- Contractor	day per million manhour	675.73

Remark : Report data is not include GIDEC.

## Environmental Performance

Environmental Performance	Unit	IPP			SPPs					
		KEGCO	GPG	BLCP	EGCO Cogen	RG	GCC	SCC	NKCC	GYG
<b>Operation</b>										
- Availability Factor	%	95.89	91.24	85.96	96.40	90.37	99.75	93.67	97.69	93.49
- Unplanned Outage	%	0.99	1.60	0.15	1.32	2.49	0.22	0.67	1.60	0.70
- Plant Heat Rate	BTU/kWh	6,681	7,150	9,393	8,680	21,865	8,694	8,716	8,618	13,394
Fuel Type		Natural Gas	Natural Gas	Coal	Natural Gas	Biomass				
Product - Electricity	MWh	6,403,948	1,404,933	10,091,687	732,007	67,383	714,183	814,294	846,627	185,883
	GJ	23,054,211	5,057,757	36,330,073	2,635,226	242,580	2,571,060	2,931,458	3,047,858	669,179
Product - Steam	GJ	-	-	-	151,889	-	328,402	375,255	439,269	-
<b>Direct Energy Consumption by Fuel Type</b>										
<b>Fossil</b>										
- Coal	GJ	-	-	92,731,321	-	-	-	-	-	-
- Natural Gas	GJ	43,794,443	10,602,730	-	6,568,555	-	5,633,917	7,061,860	7,361,176	-
- Bunker Oil	GJ	-	-	-	-	-	-	-	-	-
- Diesel	GJ	52,073	14,200	49,530	-	44	-	-	-	-
- Gasoline	GJ	-	-	-	-	-	-	-	-	-
<b>Renewable</b>										
- Biomass	GJ	-	-	-	-	1,236,642	-	-	-	2,133,760
- Hydro	GJ	-	-	-	-	-	-	-	-	-
- Solar	GJ	-	-	-	-	-	-	-	-	-
- Wind	GJ	-	-	-	-	-	-	-	-	-
- Geothermal	GJ	-	-	-	-	-	-	-	-	-
<b>Total Energy Consumption</b>										
- Direct	GJ	43,846,516	10,616,930	92,780,851	6,568,555	1,236,686	5,633,917	7,061,860	7,361,176	2,133,760
- Indirect	GJ	4,501	44,855	-	259	729	1,872	2,991	3,780	896
<b>Indirect Energy Consumption by Source</b>										
- Electricity purchased (Only use in Power Plant)	GJ	4,501	44,855	-	259	729	1,872	2,991	3,780	896
<b>Energy Intensity</b>	MJ/MWh	6,847	7,557	9,194	8,973	18,353	7,889	8,672	8,695	11,479
<b>Greenhouse Gas Management</b>										
<b>Total Greenhouse Gas (GHG)</b>	ton CO <sub>2</sub>	2,461,455	603,118	8,849,960	368,538	126,759	316,365	396,654	413,573	213,521
- Direct Greenhouse Gas (Scope 1)	ton CO <sub>2</sub>	2,460,727	595,865	8,846,181	368,496	126,641	316,063	396,170	412,962	213,376
- Indirect Greenhouse Gas (Scope 2)	ton CO <sub>2</sub>	728	7,253	3,779	42	118	303	484	611	145
<b>GHG Emission Intensity (per unit)</b>	kgCO <sub>2</sub> /kWh	0.38	0.43	0.88	0.50	1.88	0.44	0.49	0.49	1.47
GHG Emission Reduction	ton CO <sub>2</sub>	-	-	-	-	38,166	-	-	-	105,284
GHG Emission Reduction (by Equity)	ton CO <sub>2</sub>	-	-	-	-	26,831	-	-	-	52,642
<b>Air</b>										
- Nitrogen Oxide as Nitrogen Dioxide (NO <sub>2</sub> ) emission	ppm	29.10	29.40	132.00	52.37	59.75	79.50	64.48	91.15	101.83
- Sulfur Dioxide (SO <sub>2</sub> ) emission	ppm	0.98	0.50	110.50	-	3.54	0.40	1.25	1.95	0.16
- Total Suspended Particles (TSP)	mg/m <sup>3</sup>	4.33	0.90	18.70	3.02	50.75	1.20	1.68	1.45	2.88

Renewable									Oversea				
NED	SPP 2	SPP 3	SPP 4	SPP 5	GPS	TWF	CWF	Solarco	NTPC	Quezon	MPPCL	BRWF	SEG
99.68	99.63	99.53	99.19	99.83	99.95	99.28	99.40	99.79	96.21	82.54	87.14	98.35	99.98
0.16	0.37	0.47	0.81	0.17	0.05	0.92	0.60	0.21	0.18	10.90	3.39	1.65	0.02
N/A		-	-	-	-	-	-	-	-	9.887	9.995	-	18,389
Solar	Solar	Solar	Solar	Solar	Solar	Wind	Wind	Solar	Hydropower	Coal	Coal	Wind	Geothermal
124,921	15,601	16,041	11,757	16,663	43,037	12,367	124,108	116,495	6,673,382	3,100,352	4,142,324	345,785	1,909,753
449,716	56,165	57,748	42,327	59,985.63	154,932	44,521	446,789	419,382	24,024,175	11,161,268	14,912,366	1,244,825	6,875,110
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	29,769,911	40,597,713	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	162,641	26,427	-	-
-	-	-	-	-	-	-	-	-	-	1,177	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	25,288,605	-	-	-	-
6,337,089	507,043	498,848	387,901	525,764	1,474,308	-	-	3,468,431	-	-	-	-	-
-	-	-	-	-	-	73,234	733,841	-	-	-	-	1,011,230	-
-	-	-	-	-	-	-	-	-	-	-	-	-	35,118,414
6,337,089	507,043	498,848	387,901	525,764	1,474,308	73,234	733,841	3,468,431	25,288,605	29,933,729	40,624,140	1,011,230	35,118,414
2,698	450	483	374	293	1,295	338	7,480	2,593	-	20,532	-	-	246,333
2,255	450	483	374	293	1,295	338	7,480	2,593	-	20,532	-	-	246,333
50,729	32,500	31,098	32,992	31,553	34,257	5,922	5,913	29,773	3,789	9,655	9,807	2,924	18,389
436	73	78	60	47	209	55	1,210	419	-	2,876,960	3,903,398	-	122,352
-	-	-	-	-	-	-	-	-	-	2,873,027	3,903,398	-	122,037
436	73	78	60	47	209	55	1,210	419	-	3,933	-	-	315
0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.01	0.00	-	0.93	0.94	-	0.06
71,105	8,880	9,131	6,692	9,484	24,496	7,039	70,642	66,309	3,779,804	-	-	196,821	766,296
47,406	8,880	9,131	6,692	9,484	14,698	6,335	63,578	32,491	1,322,931	-	-	196,821	153,259
-	-	-	-	-	-	-	-	-	-	208.65	<797.28	-	-
-	-	-	-	-	-	-	-	-	-	123.63	<573.06	-	-
-	-	-	-	-	-	-	-	-	-	48.75	<200	-	-

## Environmental Performance (cont)

Environmental Performance	Unit	IPP			SPPs					
		KEGCO	GPG	BLCP	EGCO Cogen	RG	GCC	SCC	NKCC	GYG
Compliance Status - Emissions										
- Nitrogen Oxide as Nitrogen Dioxide (NO <sub>2</sub> ) emission	%	100	100	100	100	100	100	100	100	100
- Sulfur Dioxide (SO <sub>2</sub> ) emission	%	100	100	100	100	100	100	100	100	100
- Total Suspended Particles (TSP)	%	100	100	100	100	100	100	100	100	100
Water										
Total water consumption by Source	m <sup>3</sup>	667,141,269	1,993,598	764,819	1,114,474	294,307	1,329,544	1,896,184	1,201,688	529,500
- Surface water (including water from rivers, lakes and oceans)	m <sup>3</sup>	667,141,269	1,993,598	764,819	1,114,474	294,307	1,329,544	1,896,184	1,201,688	529,500
- Ground water	m <sup>3</sup>	-	-	-	-	-	-	-	-	-
- Municipal water supplies or other water utilities	m <sup>3</sup>	-	-	-	-	-	-	-	-	-
Recycled Water	m <sup>3</sup>	18,488	4,141	146,726	32,218	17,995	-	-	-	26,000
Wastewaters released to environment	m <sup>3</sup>	212,080	414,093	447,372	107,394	17,533	279,655	479,826	58,953	78,300
Biochemical Oxygen Demand (BOD)	mg/l	1.50	6.14	-	3.28	3.92	3.18	-	1.92	4.00
Chemical Oxygen Demand (COD)	mg/l	19.00	54.00	-	42.33	57.49	33.48	-	71.75	31.00
pH (0-14)	-	8.00	7.25	7.90	8.28	7.67	7.56	7.65	7.99	7.90
Temperature	Degree Celcius	35.80	31.80	34.26	37.00	30.00	32.30	32.15	31.98	28.00
Waste Disposal										
Total Hazardous Waste Disposal										
- Landfill	ton	109.98	9.13	150.51	0.86	0.46	0.03	1.24	-	1.00
- Recycle	ton	42.24	1.17	115.71	-	-	6.96	17.78	-	15.00
- Recovery	ton	-	-	78.09	-	-	-	-	-	-
- Other	ton	-	25.95	0.42	2.48	0.85	-	-	-	-
Total Non-hazardous Waste Disposal										
- Landfill	ton	432.60	12.22	1,597.32	4.74	2.58	220.10	2.54	6.65	-
- Recycle	ton	-	-	454.88	-	-	-	-	-	10.00
- Recovery	ton	-	-	13.65	-	-	-	-	-	-
- Other	ton	-	-	-	53.93	12,031	-	-	-	7,500
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.

Environmental data based on relevant requirement of each country where power plant located.

Renewable									Oversea				
NED	SPP 2	SPP 3	SPP 4	SPP 5	GPS	TWF	CWF	Solarco	NTPC	Quezon	MPPCL	BRWF	SEG
-	-	-	-	-	-	-	-	-	-	100	100	-	-
-	-	-	-	-	-	-	-	-	-	100	100	-	-
-	-	-	-	-	-	-	-	-	-	100	100	-	-
1,929	537	1,418	740	465	12,269	59	455	17,084	7,590,715,200	534,010,799	1,022,603	-	11,303
-	-	-	-	-	-	-	-	-	7,590,715,200	534,005,335	851,650	-	3,457
1,929	68	1,418	740	-	12,269	-	455	17,084	-	5,464	170,953	-	7,846
-	469	-	-	465	-	59	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	7,590,715,200	79,951	-	-	-
-	-	-	-	-	-	-	-	-	-	534,758,777	170,953	-	15,491
-	-	-	-	-	-	-	-	-	40.50	<17.7	1.00	-	6.17
-	-	-	-	-	-	-	-	-	83.00	<53.5	1.00	-	22.00
-	-	-	-	-	-	-	-	-	7.70	7.20	6.63	-	7.05
-	-	-	-	-	-	-	-	-	27.20	30.60	N/A	-	-
-	-	-	-	-	-	-	-	-	28.33	50.02	-	-	-
-	-	-	-	-	-	-	-	-	-	-	12.33	-	-
-	-	-	-	-	-	-	-	-	-	13.93	-	-	-
-	-	-	-	-	-	-	-	-	-	-	4.12	-	12.43
-	-	-	-	-	28.80	-	-	-	152.44	6,740	76,059	-	3,686
-	-	-	-	-	-	-	-	-	17.71	29,226	72,210	-	10,023
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	0.18	0.11	0.18	0.20	-	0.19	0.15	2.05	0.08	19.15	12.00	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	17	-	-	13

## 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



## 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, 2017, 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. 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 2017, 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 2017, EGCO donated 2,132,187 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)	Reasons for Omissions	SDG Mapping Linkage to disclosure
<b>Strategy and Analysis</b>				
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		
<b>Organizational Profile</b>				
G4-3	Report the name of the organization	Cover page		
G4-4	Report the primary brands, products, and services	109-118		
G4-5	Report the location of the organization's headquarters	348-359, 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	111-118		
G4-7	Report the nature of ownership and legal form	27-28		
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	109-118, 317		
G4-9	Report the scale of the organization	52-53, 364		
G4-10	Report the total number of employees/workforce	364		Goal 8: Decent work and economic growth - Employment
G4-11	Report the percentage of total employees covered by collective bargaining agreements	304-305, 364		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	109-118		
EU2	Net energy output broken down by primary energy source and by regulatory regime	109-118		
EU3	Number of residential, industrial, institutional and commercial customer accounts	109-118		
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 CO <sub>2</sub> emissions allowances or equivalent, broken down by carbon trading framework	337-339, 366-367		
G4-12	Describe the organization's supply chain	317-322		
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	110-111, 141-143		

General Standard Disclosures	Description	Page Number (or Link)	Reasons for Omissions	SDG Mapping Linkage to disclosure
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	263-292		
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	18-19, 23		
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"> <li>• Holds a position on the governance body</li> <li>• Participates in projects or committees</li> <li>• Provides substantive funding beyond routine membership dues</li> <li>• Views membership as strategic</li> </ul>	18-19, 23		
<b>Identified Material Aspects and Boundaries</b>				
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	127-260		
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	33-35, 370-371		
G4-19	List all the material Aspects identified in the process for defining report content	370-371		
G4-20	For each material Aspect, report the Aspect Boundary within the organization	370-371		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	370-371		
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	370-371		
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	370-371		
<b>Stakeholder Engagement</b>				
G4-24	Provide a list of stakeholder groups engaged by the organization	37		
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	37		
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	39-51		

General Standard Disclosures	Description	Page Number (or Link)	Reasons for Omissions	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	40-51		
<b>Report Profile</b>				
G4-28	Reporting period (such as fiscal or calendar year) for information provided	Cover page, 371		
G4-29	Date of most recent previous report (if any)	-	2016 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	277		
G4-32	<ul style="list-style-type: none"> <li>a. Report the 'in accordance' option the organization has chosen</li> <li>b. Report the GRI Content Index for the chosen option</li> <li>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</li> </ul>	372-387		
G4-33	<ul style="list-style-type: none"> <li>a. Report the organization's policy and current practice with regard to seeking external assurance for the report</li> <li>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided</li> <li>c. Report the relationship between the organization and the assurance providers</li> <li>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report</li> </ul>	N/A	This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines	
<b>Governance</b>				
G4-34	Report the governance structure of the organization, including committees of the highest governance body	52-53		
<b>Ethics and Integrity</b>				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	263-292		<b>Goal 16: Peace, Justice and Strong Institutions</b> - 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	133-134, 170-260		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	133-134, 337-342		Goal 13: Climate Action - Risks and opportunities due to climate action
	G4-EC3	Coverage of the organization's defined benefit plan obligations	70-74, 271, 305		
	G4-EC4	Financial assistance received from government	111-118		
Market Presence	G4-DMA	Generic Disclosures on Management Approach	127-132		
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	304-305	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	364		Goal 8: Decent Work and Economic Growth - Employment
Indirect Economic Impacts	G4-DMA	Generic Disclosures on Management Approach	12-17		
	G4-EC7	Development and impact of infrastructure investments and services supported	322-335, 362-363		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	322-335, 262-363		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

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Indirect Economic Impacts					<p>Goal 8: Decent Work and Economic Growth</p> <ul style="list-style-type: none"> <li>- Changing the productivity of organizations, sectors, or the whole economy</li> <li>- Indirect impact on job creation</li> <li>- Jobs supported in the supply chain</li> </ul> <p>Goal 17: Partnerships for the Goals</p> <ul style="list-style-type: none"> <li>- Foreign direct investment</li> </ul>
Procurement Practices	G4-DMA	Generic Disclosures on Management Approach	319-322		<p>Goal 1: No Poverty / Goal 8: Decent Work and Economic Growth</p> <ul style="list-style-type: none"> <li>- Economic inclusion</li> </ul>
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	319-322, 362		<p>Goal 12: Responsible Consumption and Production</p> <ul style="list-style-type: none"> <li>- Procurement practices</li> </ul>
System Efficiency	EU11	Average generation efficiency of thermal plants by energy source and regulatory regime	366-367		<p>Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action</p> <ul style="list-style-type: none"> <li>- Energy Efficiency</li> </ul>
<b>Category : Environment</b>					
Materials	G4-DMA	Generic Disclosures on Management Approach	16-17		
	G4-EN1	Materials used by weight or volume	366-367		<p>Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production</p> <ul style="list-style-type: none"> <li>- Materials efficiency / recycling</li> </ul>
	G4-EN2	Percentage of materials used that are recycled input materials	368-369		<p>Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production</p> <ul style="list-style-type: none"> <li>- Materials efficiency / recycling</li> </ul>
Energy	G4-DMA	Generic Disclosures on Management Approach	337-342		
	G4-EN3	Energy consumption within the organization	339-340		<p>Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action</p> <ul style="list-style-type: none"> <li>- Energy Efficiency</li> </ul>
	G4-EN4	Energy consumption outside of the organization	366-367		<p>Goal 7: Affordable and Clean Energy / Goal 8: Decent Work and Economic Growth / Goal 12: Responsible Consumption and Production / Goal 13: Climate Action</p> <ul style="list-style-type: none"> <li>- Energy Efficiency</li> </ul>

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Energy	G4-EN5	Energy intensity	366-367		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	339-340		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	339-340, 366-367		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
Water	G4-DMA	Generic Disclosures on Management Approach	375		
	G4-EN8	Total water withdrawal by source	368-369		Goal 6: Clean Water and Sanitation - Sustainable water withdrawals
	G4-EN9	Water sources significantly affected by withdrawal of water	368-369		Goal 6: Clean Water and Sanitation - Sustainable water withdrawals
	G4-EN10	Percentage and total volume of water recycled and reused	368-369		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	342-347		
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	342-347		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	342-347		Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land - Water -related ecosystems and biodiversity

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Biodiversity	G4-EN12				<ul style="list-style-type: none"> <li>- Marine biodiversity</li> <li>- Mountain ecosystems</li> <li>- Natural habitat degradation</li> <li>- Terrestrial and inland freshwater ecosystems</li> </ul>
	G4-EN13	Habitats protected or restored	342-347		<b>Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land</b> <ul style="list-style-type: none"> <li>- Water-related ecosystems and biodiversity</li> <li>- Marine biodiversity</li> <li>- Mountain ecosystems</li> <li>- Natural habitat degradation</li> <li>- Terrestrial and inland freshwater ecosystems</li> </ul>
	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	342-347		<b>Goal 6: Clean Water and Sanitation / Goal 14: Life Below Water / Goal 15: Life on Land</b> <ul style="list-style-type: none"> <li>- Water-related ecosystems and biodiversity</li> <li>- Marine biodiversity</li> <li>- Mountain ecosystems</li> <li>- Natural habitat degradation</li> <li>- Terrestrial and inland freshwater ecosystems</li> </ul>
	EU13	Biodiversity of offset habitats compared to the biodiversity of the affected areas	342-347		<b>Goal 15: Life on Land</b> <ul style="list-style-type: none"> <li>- Mountain ecosystems</li> </ul>
Emissions	G4-DMA	Generic Disclosures on Management Approach	337-342		
	G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	366-367		<b>Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production</b> <ul style="list-style-type: none"> <li>- Air quality</li> </ul> <b>Goal 13: Climate Action</b> <ul style="list-style-type: none"> <li>- GHG emissions</li> </ul> <b>Goal 14: Life Below Water</b> <ul style="list-style-type: none"> <li>- Ocean acidification</li> </ul> <b>Goal 15: Life on Land</b> <ul style="list-style-type: none"> <li>- Forest degradation</li> </ul>
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	366-367		<b>Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production</b> <ul style="list-style-type: none"> <li>- Air quality</li> </ul> <b>Goal 13: Climate Action</b> <ul style="list-style-type: none"> <li>- GHG emissions</li> </ul> <b>Goal 14: Life Below Water</b> <ul style="list-style-type: none"> <li>- Ocean acidification</li> </ul> <b>Goal 15: Life on Land</b> <ul style="list-style-type: none"> <li>- Forest degradation</li> </ul>
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	N/A	Insignificant compared to GHG emissions from power generation process	<b>Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production</b> <ul style="list-style-type: none"> <li>- Air quality</li> </ul>

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Emissions	G4-EN17				<b>Goal 13: Climate Action</b> - GHG emissions <b>Goal 14: Life Below Water</b> - Ocean acidification <b>Goal 15: Life on Land</b> - Forest degradation
	G4-EN18	Greenhouse gas (GHG) emissions intensity	366-367		<b>Goal 13: Climate Action</b> - GHG emissions <b>Goal 14: Life Below Water</b> - Ocean acidification <b>Goal 15: Life on Land</b> - Forest degradation
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	337-339		<b>Goal 13: Climate Action</b> - GHG emissions <b>Goal 14: Life Below Water</b> - Ocean acidification <b>Goal 15: Life on Land</b> - Forest degradation
	G4-EN20	Emissions of ozone-depleting substances (ODS)	-	No emission of ozone-depleting substances	<b>Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production</b> - Air quality
	G4-EN21	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions	340, 366-367		<b>Goal 3: Good Health and Well-Being / Goal 12: Responsible Consumption and Production</b> - Air quality <b>Goal 13: Climate Action</b> - GHG emissions <b>Goal 14: Life Below Water</b> - Ocean acidification <b>Goal 15: Life on Land</b> - Forest degradation
Effluents and Waste	G4-DMA	Generic Disclosures on Management Approach	341		
	G4-EN22	Total water discharge by quality and destination	368-369		<b>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</b> - Water-related ecosystems and biodiversity - Water quality - Spills - Water discharge to oceans
	G4-EN23	Total weight of waste by type and disposal method	341, 368-369		<b>Goal 3: Good Health and Well-being / Goal 6: Clean Water and Sanitation / Goal 12: Responsible Consumption and Production</b> - Waste

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-EN24	Total number and volume of significant spills	368-369		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	368-369		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	340-341, 368-369		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	337-342		
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	337-342		Goal 6: Clean Water and Sanitation - Sustainable water withdrawals Goal 8: Decent Work and Economic Growth/ Goal 12: Responsible Consumption and Production - Resource efficiency of products and services - Waste Goal 14: Life Below Water - Ocean acidification Goal 15: Life on Land - Forest degradation
Compliance	G4-DMA	Generic Disclosures on Management Approach	273		
	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	368-369	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	
Overall	G4-DMA	Generic Disclosures on Management Approach	362		
	G4-EN31	Total environmental protection expenditures and investments by type	362-363		

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Supplier Environmental Assessment	G4-DMA	Generic Disclosures on Management Approach	319-322		
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	321		
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	319-322		
Environmental Grievance Mechanisms	G4-DMA	Generic Disclosures on Management Approach	366-369		
	G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	366-369	No grievances about environmental impacts	Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
<b>Category : Social : Labor Practices and Decent Work</b>					
Employment	G4-DMA	Generic Disclosures on Management Approach	304		
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	364		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	364		
	EU17	Days worked by contractor and subcontractor employees involved in construction, operation & maintenance activities	364-365		
	EU18	Percentage of contractor and subcontractor employees that have undergone relevant health and safety training	308-309, 364		
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	72-74, 305		Goal 8: Decent Work and Economic Growth - Earnings, wages and benefits
	G4-LA3	Return to work and retention rates after parental leave, by gender	364		Goal 5: Gender Equality / Goal 8: Decent Work and Economic Growth - Parental leave
Labor/ Management Relations	G4-DMA	Generic Disclosures on Management Approach	45-48, 304		
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	304-305		Goal 8: Decent Work and Economic Growth - Labor/management relations

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Occupational Health and Safety	G4-DMA	Generic Disclosures on Management Approach	313-316		
	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	313, 364-365	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.	<b>Goal 8: Decent Work and Economic Growth</b> - 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	365		<b>Goal 3: Good health and Well-being / Goal 8: Decent Work and Economic Growth</b> - Occupational health and safety
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	313-316		<b>Goal 3: Good health and Well-being / Goal 8: Decent Work and Economic Growth</b> - Occupational health and safety
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	313-316		<b>Goal 8: Decent Work and Economic Growth</b> - Occupational health and safety
Training and Education	G4-DMA	Generic Disclosures on Management Approach	305-309		
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	364		<b>Goal 4: Quality Education / Goal 8: Decent Work and / Economic Growth</b> - Employee training and education <b>Goal 5: Gender Equality</b> - 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	305-309		<b>Goal 8: Decent Work and Economic Growth</b> - Employee training and education
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	364		<b>Goal 5: Gender Equality</b> - Gender equality <b>Goal 8: Decent Work and Economic Growth</b> - Employee training and education
Diversity and Equal Opportunity	G4-DMA	Generic Disclosures on Management Approach	304-305		
	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	364		<b>Goal 5: Gender Equality</b> - Gender equality <b>Goal 8: Decent Work and Economic Growth</b> - Diversity and equal opportunity

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Equal Remuneration for Women and Men	G4-DMA	Generic Disclosures on Management Approach	45-46, 304-305		
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	304-305, 364		Goal 5: Gender Equality / Goal 8: Decent Work and Economic Growth - Equal remuneration for women and men
Supplier Assessment for Labor Practices	G4-DMA	Generic Disclosures on Management Approach	319-322		
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	319-322		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	319-322		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	304		
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	364	No grievances	Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
<b>Category : Social : Human Rights</b>					
Investment	G4-DMA	Generic Disclosures on Management Approach	31-33		
	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	31-33, 304-305		
	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

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Freedom of Association and Collective Bargaining	G4-DMA	Generic Disclosures on Management Approach	31-33, 304-305		
	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	<b>Goal 8: Decent Work and Economic Growth</b> - Freedom of association and collective bargaining
Child Labor	G4-DMA	Generic Disclosures on Management Approach	31-33, 304-305		
	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	<b>Goal 8: Decent Work and Economic Growth / Goal 16: Peace, Justice and Strong Institutions</b> - Abolition of child labor
Forced or Compulsory Labor	G4-DMA	Generic Disclosures on Management Approach	31-33, 304-305		
	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	<b>Goal 8: Decent Work and Economic Growth / Goal 16: Peace, Justice and Strong Institutions</b> - Elimination of forced or compulsory labor
Security Practices	G4-DMA	Generic Disclosures on Management Approach	31-33		
	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	31-33, 45-48		
	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	45-48	No incidents of violations rights of indigenous people	<b>Goal 2: Zero Hunger</b> - Indigenous rights
Assessment	G4-DMA	Generic Disclosures on Management Approach	31-33		
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	45-48		
Supplier Human Rights Assessment	G4-DMA	Generic Disclosures on Management Approach	31-33, 319-322		
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	319-322		
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	N/A		

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Human Rights Grievance Mechanisms	G4-DMA	Generic Disclosures on Management Approach	304-305		
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	364	No grievances related to human rights filed	<b>Goal 16: Peace, Justice and Strong Institutions</b> - Grievance mechanisms
<b>Category : Social : Society</b>					
Local Communities	G4-DMA	Generic Disclosures on Management Approach	37, 39, 42, 48-51, 322-326		
	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	37, 39, 42, 49, 322-326, 362-369		
	G4-SO2	Operations with significant actual and potential negative impacts on local communities	322-326, 362-369		<b>Goal 1: No Poverty / Goal 2: Zero Hunger</b> - Access to land
Anti-corruption	G4-DMA	Generic Disclosures on Management Approach	274-276		
	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	274-276		<b>Goal 16: Peace, Justice and Strong Institutions</b> - Anti-corruption
	G4-SO4	Communication and training on anti-corruption policies and procedures	274-276		<b>Goal 16: Peace, Justice and Strong Institutions</b> - Anti-corruption
	G4-SO5	Confirmed incidents of corruption and actions taken	274-276		<b>Goal 16: Peace, Justice and Strong Institutions</b> - Anti-corruption
Public policy	G4-DMA	Generic Disclosures on Management Approach	263-292		
	G4-SO6	Total value of political contributions by country and recipient/beneficiary	263-292		<b>Goal 16: Peace, Justice and Strong Institutions</b> - 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	<b>Goal 16: Peace, Justice and Strong Institutions</b> - Compliance with laws and regulations
Compliance	G4-DMA	Generic Disclosures on Management Approach	263-292		
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	274-276	No incidents of non-compliance with laws	<b>Goal 16: Peace, Justice and Strong Institutions</b> - Compliance with laws and regulations

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 Impacts on Society	G4-DMA	Generic Disclosures on Management Approach	319-322		
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	319-322		
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	319-322		
Grievance Mechanisms for Impacts on Society	G4-DMA	Generic Disclosures on Management Approach	304		
	G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	364		Goal 16: Peace, Justice and Strong Institutions - Grievance mechanisms
Disaster/ Emergency Planning and Response	G4-DMA	Generic Disclosures on Management Approach	313-316		
	EU21	Contingency planning measures, disaster/emergency management plan and training programs, and recovery/ restoration plans	313-316		Goal 1: No Poverty / Goal 11: Sustainable Cities and Communities - Disaster/emergency planning and response
<b>Category : Social : Product Responsibility</b>					
Customer Health and Safety	G4-DMA	Generic Disclosures on Management Approach	49, 313-316		
	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	

Material Aspects	DMA and Indicators	Standard Disclosures Title	Page Number (or Link)	Reason (s) for Omission (s)	SDG Mapping Linkage to disclosure
Customer Health and Safety	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	366-367		Goal 1 No Poverty / Goal 7: Affordable and Clean Energy - Electricity access
Product and Service Labeling	G4-DMA	Generic Disclosures on Management Approach	48		
	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	317-318		
	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	48, 318		
Marketing Communications	G4-DMA	Generic Disclosures on Management Approach	40, 42, 51		
	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	38, 272		
	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	38, 272		
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	38, 272		Goal 16: Peace, Justice and Strong Institutions - Compliance with laws and regulations

## Glossary

1. Companies	
AE	Agro Energy Company Limited
Alpha Water	Alpha Water and Realty Service Limited
BLCP	BLCP Power Limited
BPU	Banpong Utilities Company Limited
BRWF	Boco Rock Wind Farm Pty Limited
CWF	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
EGCO Plus	EGCO Plus 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
GIPP	Gulf IPP Company Limited
GPG	Gulf Power Generation Company Limited
GPS	G-Power Source Company Limited

Group companies, EGCO Group	Electricity Generating Public Company Limited and its subsidiaries and joint venture companies.
Gunkul	Gunkul Engineering Public Company Limited
GYG	Gulf Yala Green Company Limited
Kalilayan	Kalilayan Power Holdings Inc.
KEGCO	Khanom Electricity Generating Company Limited
KLU	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
New Growth	New Growth B.V.
NGP	New Growth Plus B.V.
NKCC	Nong Khae Cogeneration Company Limited
North Pole	North Pole Investment Company Limited
NT1PC	Nam Theun 1 Power Company Limited
NTPC	Nam Theun 2 Power Company Limited
OPDCI	Ogden Power Development Cayman, Inc.
PEPOI	Pearl Energy Philippines Operating, Inc.
PP	Phoenix Power B.V.
QGC	Quezon Generating Company Limited
QMS	Quezon Management Service Inc.
QPI	Quezon Power, Inc.
Quezon, QPL	Quezon Power (Philippines) Limited Company
RG	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.
SEGSD	Star Energy Geothermal (Salak - Darajat) B.V.
TEPCO	Tokyo Electric Power Company
TEPCO International	Tokyo Electric Power Company International B.V.
TEPDIA	TEPDIA Generating B.V.
TWF	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 Association
JBIC	Japan Bank for International Corporation

4. Technical Terms	
Associated Company	<p>A company that:</p> <p>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.</p>
Controlling Person	<p>A shareholder or person who, through its behavior, can significantly influence the policy, management and operations of a listed company. This is irrespective of the source of its. authority: through its rights, contracts, or any others.</p> <p>Specially a “controlling person” includes, but it is not limited to, one who:</p> <ul style="list-style-type: none"> <li>A) Has direct or indirect voting rights exceeding 25.00% (twenty-five percent) of the total company votes.</li> <li>B) Through its behavior, has control over the appointment or removal of company directors.</li> <li>C) Through its behavior, has de facto control or undue influence over policy, controlling those company members authorized to determine management and operational policies.</li> <li>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.</li> </ul>
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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YEARS  
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